






“Harnessing financial advice and literacy for financial well-being in the digital age”

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HARNESSING FINANCIAL ADVICE AND LITERACY FOR FINANCIAL WELL-BEING IN THE DIGITAL AGE

Abstract

Under complex financial circumstances, individuals are empowered to improve financial decision-making by trusting financial advice and utilizing digital technology and resources. Though the extant research has explored numerous factors impacting financial well-being, the specific influence of financial advice and digital financial literacy remains underexamined in the Indian context. Thus, grounded on Social Cognitive theory, this study aimed to examine how insights gained from financial advice and digital financial literacy integrate into individual's decision-making and, subsequently, influence their financial well-being. The data were collected using purposive sampling from Southern India, with 508 respondents recruited using social media platforms. The research hypotheses were empirically validated through hierarchical regression and mediation analysis using the Hayes Process Macro. The study's findings reveal that financial advice positively predicted financial decision-making ($\beta = 0.667$; $p < .000$). Similarly, digital financial literacy has a positive impact on financial decision-making ($\beta = 0.369$; $p < .000$). Additionally, financial decision-making ($\beta = 0.105$; $p < .065$) positively predicted financial wellbeing. Thus, both factors emerged as transformative predictors of an individual's financial well-being. Moreover, the findings reveal the mediating role of financial decision-making between financial advice, digital financial literacy, and financial well-being. Therefore, the study underscores that by leveraging the cumulative effect of professional financial advice and digital technologies, policymakers and government regulatory bodies can augment the critical ability of informed decision-making. Thus, these factors could navigate overcoming individual financial challenges and benefit the overall well-being of a diverse population.

Keywords

behavioral finance, digital financial literacy, financial decision-making, social cognitive theory, India, SDG-8, Hayes Process Macro

JEL Classification

G40, G41, G53

INTRODUCTION

In today's digitally influenced period, managing household finances has significantly transformed and opened new avenues that accelerated and strengthened financial decision-making (Kumar et al., 2023; Gomber et al., 2018). The unprecedented access to financial opportunities and services has revolutionized the household's money management. Thereupon, this advanced phase has influenced individuals to adapt to emerging technologies and foster innovation in digital products and services.

It is evident from the World Bank's "Digital Progress and Trend Report 2023" that global Internet users reached 5.3 billion in 2022, representing two-thirds of the world's population. Specifically, India displayed an impressive growth of 170 percent in Internet users from 2018 to 2022 (World Bank Report), with over half of its population actively adopting digital technologies by 2022. This surge is expected to increase its digital economy from \$50 billion in 2021 to \$150 billion by 2025, driven by government initiatives such as the Unified Payments

Interface (UPI) and Digital India Initiative, rising digital literacy, pandemic-induced restrictions, and availability of cheaper mobile data (Ravikumar et al., 2022).

The COVID-19 pandemic further emphasizes the necessity for financial advisory services, as individuals face intense financial stress and anxiety due to economic instability (Fox & Bartholomae, 2020). The risk and uncertainty caused by the pandemic made financial planning more complex, with probable emotional biases, individuals faced hindrances in judgment, subsequently impairing their decision-making process (Rodrigues et al., 2023; Baker & Ricciardi, 2015). It was observed that professional financial advisers safeguard and prepare families for financial shocks by providing appropriate financial strategies (Marsden et al., 2011). Depending on an individual's financial condition and the perceptions towards financial challenges, the financial planner assists them in subsequent planning to alter their financial status and to achieve overall well-being (Chatterjee & Fan, 2023).

Given the theoretical underpinning of Social Cognitive Theory, this study examines how digital financial literacy (DFL) and financial advice impact individuals' financial well-being (FWB) through financial decision-making (FDM). Thus, the study provides insights into how digital and technological advancements influence personal finance behaviors and outcomes.

1. LITERATURE REVIEW AND HYPOTHESES

In behavioral research, Social Cognitive Theory (SCT) extends a comprehensive “framework for interpreting the intricate dynamics between environmental factors, cognitive process, and human behavior” (Thomas & Gupta, 2021; Bandura, 1989). The traditional psychological framework, such as behaviorism and dynamic psychology, suggests that either basic individual traits or environmental conditions primarily influence human behavior (Gifford & Nilsson, 2014). However, it was posited that individuals' behavior varies significantly, considering the dynamic environment and social interaction (Bandura, 1989).

Anchoring on this theory, individuals' financial behavior depends on their social interaction, competencies, expectations of the future, their belief in decision-making capabilities, and their overall goals. An inclination toward observation learning, which is the central theme of the theory, wherein individuals learn by following and mirroring the actions of others. Through observational learning, individuals incorporate information from the social environment and internalize it to replicate the observed actions. This facilitates the transmission of knowledge and expertise across social cohorts and fosters an environment conducive to accelerated learning and adoption of new technology among individuals (Boateng et al., 2016). This

specifies the social influence of family/peers and technology in shaping and promoting financial behavior (Thomas & Gupta, 2021). In other words, “SCT provides valuable insight into how people perceive and interpret their social environment, which shapes their behavior” (Nga & Yeoh, 2015). Observational learning and future apprehension are pivotal in driving behavioral changes in individuals and their respective households. As a critical component of SCT, expectations regarding consequences influence motivation and decision-making. Decisions influencing positive outcomes motivate individuals to engage in specific behaviors, while negative expectations may deter actions or reduce motivation (Stajkovic & Sergent, 2019).

“Triadic reciprocal determinism,” a basic principle of SCT, posits “a dynamic feedback loop between an individual's peer and social environment, cognitive process, and behavioral outcomes” (Thomas & Gupta, 2021). This corresponding relationship underscores the bidirectional impact on extended influence and internal cognitive mechanisms in money management, signifying the complex mechanisms that drive individuals' decision-making with respect to finance (Martin et al., 2014).

This nuanced understanding holds profound implications for behavioral changes in FWB and a secured financial future. This theory provides valuable insight into subtle mechanisms driving and regulating individual decision-making, and in

turn, their behavior. Based on this understanding, SCT predicts social factors in terms of financial advice from peers and professionals and the use of digital technology for effective FDM to foster FWB for households and society at large.

Amidst financial crises, individuals tend to make flawed decisions because of their emotional and cognitive biases. To navigate these situations effectively and make preferential financial decisions, individuals seek advice from peers and professionals. Grounding on SCT, financial advice can influence FDM through observational learning by getting diversified information about financial products and services. Professional guidance enhances one's ability to make financial decisions and anticipate financial outcomes. However, social environment and individual traits such as financial literacy (Calcagno & Monticone, 2015), level of financial stress (Lim et al., 2014), self-efficacy, and demographic factors (Grable & Joo, 2001) impact the need for financial advice. Individuals entrust professional advisers more than family and friends (Loibl & Hira, 2007; Robb et al., 2012).

Scholars have also emphasized that good financial advice plays a pivotal role in increasing financial knowledge and ultimately reduces financial anxiety and hardships (Calcagno & Monticone, 2015). Scholarly narrations in this domain suggest that it could supersede financial literacy as it influences individual financial choices and decisions (Van Rooij et al., 2011). However, some studies have revealed that the level of financial literacy affects the implementation of professional financial advice (Calcagno & Monticone, 2015).

In general, individuals with high financial literacy are expected to follow advisers, particularly for stock investment, retirement, and wealth management (Lusardi & Mitchell, 2014; Behrman et al., 2012). By leveraging the expertise of financial advisers, individuals can enrich their investment strategies and improve their decision-making abilities. Past studies found that financial advice positively influences financial behavior by diversifying portfolios (Shin et al., 2020), through improved retirement planning Fang et al., 2022, and subsequently, to individuals' FWB. By using the advice individuals can modify their budget, alter the financial plan as per the circumstances, and

prioritize their expenses. This proactive decision-making will lead to achieving long-term FWB and resilience in turbulent conditions.

DFL comprises a multidimensional perspective that combines financial literacy and digital technology (Ravikumar et al., 2022). Researchers defined DFL as "experience of digital financial products and services, awareness of digital financial risks and control, and knowledge of rights and redress procedures" (Lyons & Kass-Hanna, 2021). The advancement of fintech and an increment in the acceptance of digital platforms have revolutionized and streamlined the financial process (Gomber et al., 2018). Following the rationale of SCT, digital technology can expedite observational learning by digitally catering to a wide range of information about financial products and services. Furthermore, SCT posits that an individual's attitude toward performing any specific behavior is strongly influenced by their social interactions and cognition. DFL enhances individuals' financial capabilities by assisting in making pertinent financial decisions. For example, digital platforms provide dynamic solutions or online courses for various tasks related to investment, savings, payment, and debt management, which assist in preferred FDM and, subsequently, enhance overall FWB (Kumar et al., 2023). With the ease of monitoring their accounts and transactions and the availability of information about financial services and products on clicks, individuals tend to engage in positive financial management.

Moreover, the theory assumes that social factors, such as family, peers, and social norms, impact individual behavior. In this context, by leveraging social influence through digital media, individuals can enhance their decision-making by incorporating peers' recommendations and social sharing. According to SCT, individuals follow the actions of their credible and trustworthy role models or influencers and try to mirror their actions or follow their advice. The digital media influencers can inspire individuals to engage in positive financial behavior and avoid risky investments. Moreover, DFL can enhance an individual's ability to critically evaluate the financial information and products available online. This enables them to make more informed decisions regarding their financial matters, thereby reducing the likelihood of falling victim to defraud and poor financial choices (Amnas et al., 2024).

However, DFL is a nascent concept that has delved into the determinants and their significance (Lyons & Kass-Hanna, 2021; Kumar et al., 2023). Only a few studies have explicitly investigated the predicted influence of DFL on FWB mediated by FDM. Past researchers have explored the mediating role of DFL on FWB but not as an antecedent (Amnas et al., 2024). Therefore, this study proposes that DFL encourages individuals to make refined financial decisions, ultimately augmenting their FWB. Hence, this study argues that DFL enables individuals with relevant digital awareness and skills to maneuver through digital financial platforms, enabling them to make judicious financial choices and fostering overall household financial growth.

The financial choices and decisions have an enduring impact on overall household FWB. This relationship has received immense scholarly attention because of the inconsistency between long-term financial planning and economic conditions (Guzman et al., 2019). The scholarly work investigated how FDM impacts FWB in three ways: financial behavior that contributes to FWB, psychological factors predicting FWB, and the role of various situational factors in FWB. The financial decision is performed based on the principle that individuals choose from a wide range of preferences and alternatives that result in wealth maximization. It is suggested that individuals engage in a thoughtful process of comparing and weighing the losses and benefits attached to each decision, considering the financial prospects for the short and long term (Greenberg & Hershfield, 2019).

According to SCT, individuals' cognitive processes, environmental factors, and their interactions in behavioral terms are involved in financial outcomes. By leveraging observational learning in the form of advice and digital technologies, individuals can engage in improved decisions related to finance and achieve desired financial outcomes. These positive financial outcomes, such as achieving financial targets or attaining financial stability, further motivate them to make prudent financial choices and acquire FWB.

FWB is a multidimensional construct that has been explored in a wide array of research domains such as planning and financial counseling (Fan &

Lei, 2023), economics, evolutionary psychology (Drever et al., 2015), financial services marketing, consumer research (Netemeyer et al., 2018), and the overall well-being of individuals (Iannello et al., 2013). However, the previous work consolidated prior knowledge and extended it further by proposing a definition of the construct from the perceptual standpoint of individuals. It defined FWB as "the perception of being able to sustain current and anticipated desired living standards and financial freedom" (Brüggen et al., 2017). This definition suggests that FWB is subjective because it is based on how one perceives it, irrespective of the objective or real state of one's financial condition.

At this point, it is important to note that a prospective evaluation of FWB is an integral component of an individual's assessment and behavior (Norvilitis et al., 2003). These present and future frames of reference are deeply rooted in the psychometric instrument developed by Netemeyer et al. (2018) to measure perceived FWB. These researchers proposed that FWB is a perceived assessment of one's current money management stress (CMMS) and expected future financial security (EFFS). While CMMS subjectively measures the stress related to money today faced by an individual, EFFS evaluates the level of security perceived by an individual in his or her future. The present research used this conceptualization of perceived FWB to examine its relationship with other theoretically related constructs.

Much research has been devoted in the last decade to investigating various factors that affect FWB. Such a research endeavor is predominantly driven by a growing consensus among academics and practitioners that financial wealth is the ultimate manifestation of success (Consumer Financial Protection Bureau, 2015; Netemeyer et al., 2018). This is also provoked by the increasing importance of healthy spending habits and financial behavior among individuals and households after a major national or global financial crisis, for example, the recent economic turmoil created by the COVID-19 pandemic. Therefore, a key thrust among researchers, practitioners, and policymakers is to determine what leads to a good state of the FWB of individuals. However, the linkage between DFL and financial advice-seeking is not explored much in the past literature (Kumar et al.,

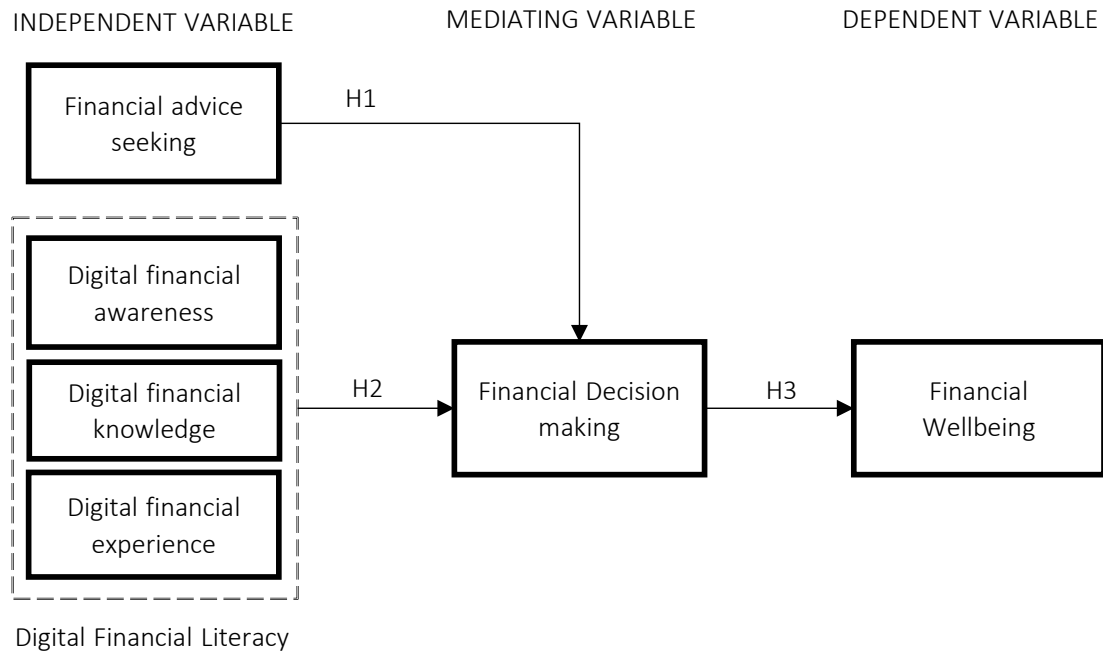


Figure 1. Conceptual framework of the study

2023). Therefore, this study linked DFL and expert financial advice that assist in the conscious utilization of mobile financial services, emphasizing full awareness of risks of fraud and phishing in financial transactions (Ozili, 2023), and ultimately achieving FWB.

Through the lens of SCT, and employing the understanding of the above-mentioned cognitive, social, and environmental factors this study elucidates the underlying mechanisms between FDM and FWB. To the best knowledge, this framework has not been researched so far, hence an attempt has been made to investigate the mediating effect through this study.

Thus, this study aims to examine the mediating effect of an individual's FDM between DFL and FWB. Based on the rationale collected from the above literature review, the following hypotheses are framed:

- H1: Financial advice has a significant positive impact on individuals' FDM.*
- H2: DFL has a significant positive impact on individuals' FDM.*
- H3: FDM has a significant positive impact on FWB.*

2. RESEARCH METHODOLOGY

The study supports a pragmatic approach by employing quantitative methods to collect primary data to examine the effects of DFL and financial advice on FDM, and eventually on the dependent variable i.e. FWB. DFL was assessed using a comprehensive set ($n = 11$) of questions adapted from Ravikumar et al. (2022) that examined respondents' knowledge and experiences of digital products and services usage; awareness of digital financial risk and skill for handling digital activities. The measure of financial advice seeking was adopted from Stolper and Walter (2017) and it captured the respondent's requirement for financial advice related to different financial instruments. The items for FDM were modified and adapted from Gamble, et al. (2015). Lastly, FWB was adapted from Netemeyer et al. (2018). These items captured the cognitive pressure, and negative perceptions owing to one's current financial situation and evaluated the eagerness to make one's future retirement life comfortable and financially stable. All the items of the constructs were measured on a five-point Likert scale (1 = strongly disagree, 3 = neutral, 5 = strongly agree). Age and gender are measured as categorical variables. Table 1 illustrates the five-point scale with mean range and verbal interpretation for each point utilized in this study.

Table 1. Mean statistics of the scale

Variables	Mean	Verbal interpretation
Independent variable		
Digital Financial Literacy (DFL)		
Digital Financial Awareness	3.47	Neutral
Digital Financial Experience	3.54	Agree
Digital Financial Knowledge	3.87	Agree
Financial Advice (FA)	3.08	Neutral
Mediator Variable		
Financial Decision-making (FDM)	3.14	Neutral
Dependent Variable		
Financial Well-being (FWB)	3.44	Neutral

After an extensive literature review on DFL, Financial Advice, FDM, and FWB, an initial pool of items was developed. Subsequently, an expert team of two professors of finance and two investment consultants was engaged to comment on the measurement items. A three-point scale (1 = not suitable, 3 = most suitable) was used to rate the suitability of the items, along with suggestions on the wording of the items. Then the study performed a pilot study using a sample of 50 respondents to examine the face and content validity. Next, based on the expert suggestions and results of the pretest, a questionnaire was prepared for the final survey. A cover letter stating the purpose of the survey, description of items, and assurance of anonymity were also included. In the first section, demographic information like age, gender, annual family income, marital status, and education were included followed by the items of different constructs used in the study. The questionnaire was mailed to over 780 individuals through emails, personal contacts, and social media platforms of the research team using purposive sampling specifically in southern parts of India. However, to ensure that the respondents met certain pre-defined criteria (pre-test and final sample), two screening questions were asked first: Do you seek financial advice from peers and professionals before investing in the stock market, shares, and mutual funds? Yes... No... If yes, how long have you taken financial advice in either or a combination of the above? < 2 years, 3-5 years, 5 years and more. Also, are you involved in earnings and FDM? The above criteria were finalized after a rigorous discussion with two finance faculties and two investment experts.

Repeated follow-ups and reminders resulted in 628 usable responses subjected to further analysis.

Leveraging social media ensures the heterogeneity of the population, which is convincing as it offers direct access to individuals with varied demographic profiles and with ethical consideration for their voluntary participation.

The study collected a total of 628 individual responses, and around 124 of them were not the earning members of their families and were not involved in any decisions related to finance. So, they were removed from the final sample. Table 2 represents the demographic profile of the sample and displays that 62 percent of the respondents were male, and 38 percent were female; in terms of marital status, 58 percent were married, whereas 33 percent and 8 percent were unmarried/single and divorced, respectively. Around 68 percent of respondents' annual family income was in a range of 11-20 lakhs and 12 percent of respondents' annual family income was above 20 lakhs in Indian Rupees, the rest 8 percent were below 10 lakhs annual income, thus indicating the need of financial advice and FDM capabilities of the respondents.

Table 2. Descriptive statistics

Are you earning and making financial decisions?		
Yes	504	80.25
No	124	19.75
Total	628	100
Demographic Variable	Number	Percentage
Age (in years)		
Less than 25 years	130	25.79
Between 26-35 years	164	32.54
Between 36-45 years	114	22.62
46 and above	96	19.05
Gender		
Male	310	61.51
Female	194	38.49
Education		
Undergraduate	86	17.06
Postgraduate	219	43.45
Others	158	31.35
Some College Degree	41	8.13
Marital status		
Single/Unmarried	168	33.33
Married	292	57.94
Separated/ Divorced	44	8.73
Annual Family Income (in Rupees)		
Less than 10 lakhs	94	18.65
11-15 lakhs	159	31.55
16-20 lakhs	187	37.10
21 lakhs and above	64	12.70
Total	504	100

3. RESULTS

The study used SPSS 23.0 to analyze the present research data and obtained a copyright license for this SPSS 23.0 statistical software. The Cronbach's alpha values surpass the 0.75 threshold limit, displayed in Table 3, signifying that the questionnaire exhibits strong construct reliability. The study demonstrated effective discriminant validity. Furthermore, the Average Variance Extracted value (AVE) exceeded the squared inter-construct correlations criteria (Fornell & Larcker, 1981).

Moreover, the values of all constructs exceeded 0.5. The result demonstrated that the study successfully attained convergent validity, as all standardized factor loading fell within the range of .50 and .95 (Hair et al., 2014).

To understand the individual and the combined effect of behavioral factors on decision-making, the 'Two steps' of Hierarchical regression analysis were employed. The study considers the DFL and FA, impact on individuals' FWB when influenced by decision-making ability using Hayes Process

Table 3. Validity and reliability of the item

	Factors	Factor Loading
Financial Advice ($\alpha = .871$)		
Fa1	Financial Advice is required from a financial professional about taking out savings and investing	0.844
Fa2	Financial Advice is required from a financial professional about taking out a mortgage or a loan	0.836
Fa3	Financial Advice is required from a financial professional about taking out insurance of any type	0.864
Fa4	Financial Advice is required from a financial professional about taking out tax planning	0.850
Digital Financial Literacy		
Digital Financial Awareness ($\alpha = .915$)		
DFa1	Awareness of digital financial risk – legality of the fintech provider	0.834
DFa2	Awareness of potential digital financial risk – interest rate	0.762
DFa3	Awareness of potential digital financial risk – transaction fee	0.811
Digital Financial Experience ($\alpha = .833$)		
DFe1	Having experience in using digital payment	.790
DFe2	Having experience in financing loans	.793
DFe3	Having experience in financing Asset management	.836
Digital Financial Knowledge ($\alpha = .947$)		
DFk1	Having a good understanding of Digital payment product	.909
DFk2	Having a good understanding of Digital Asset Management Product	.849
DFk3	Having a good understanding of digital alternative	.762
DFk4	Having a good understanding of digital insurance	.813
DFk5	Having a good understanding of customer rights and protection	.762
Financial Decision-Making ($\alpha = .822$)		
FDM1	I am able to quickly change my financial decisions as per the changes in circumstances.	0.819
FDM2	Appraise of personal risk helps me in better FDM	0.807
FDM3	I am able to search for economic options during FDM	0.799
FDM4	I make sound financial decisions by comparing results over time	0.765
FDM5	I am able to foresee the long-term and short-term consequences of the financial decisions I undertake	0.822
Financial Well-being		
Current Money Management Stress ($\alpha = .940$)		
FWB 1	Because of my money situation, I feel I will never have the things I want in life	0.910
FWB 2	I am behind with my finances	0.912
FWB 3	My finances control my life	0.933
FWB4	Whenever I feel in control of my finances, something happens that sets me back	0.876
FWB5	I am unable to enjoy life because I obsess too much about money	0.858
Expected Future Financial Security ($\alpha = .938$)		
FWB6	I am becoming financially secure	0.903
FWB7	I am securing my financial future	0.904
FWB8	I will achieve the financial goals that I have set for myself	0.949
FWB9	I have saved (or will be able to save) enough money to last me to the end of my life	0.848
FWB10	I will be financially secure until the end of my life	0.874

Table 4. Regression results

Hypothesis	Standardized coefficient	SE	t-value	p-value	Results
H1: FA → FDM	0.667	0.033	19.96	0.00	Supported
H2: DFL → FDM	0.369	0.051	6.861	0.00	Supported
H3: FDM → FWB	0.105	0.049	1.854	0.065*	Supported

Note: * Supported at a 10% level.

Table 5. Hierarchical regression result

Predictor	Beta	p-value
Financial Advice		
Step 1 ($R^2 = 0.44$; $\Delta R^2 = 0.44$; $F(1,502) = 398.39$; Sig. = 0.000)	0.287	0.00
Digital financial literacy		
Step 2 ($R^2 = 0.60$; $\Delta R^2 = 0.157$; $F(1,501) = 47.07$; Sig. = 0.000)	0.667	0.00

4.2 macro (SPSS) by Andrew F Hayes for mediation. In this digitally induced era, the DFL and FA were the two factors that impact FDM for attaining overall well-being. The regression results presented in Table 4 suggest that FA positively predicted FDM ($\beta = 0.667$; $p < .000$), thus supporting H1. Similarly, the positive impact of DFL on FDM ($\beta = 0.369$; $p < .000$) confirms H2. Additionally, FDM ($\beta = 0.105$; $p < .065$) positively predicted FWB.

The results of the two-step hierarchical multiple regression analysis depicted in Table 5 suggest that in the first step of the analysis, financial advice (beta = 0.287) is a significant predictor of FDM, with a prediction level of 44% ($R^2 = .44$). The next step of the analysis revealed that DFL (beta = 0.667) is a significant predictor of FDM along with financial advice. Both the predictors explained FDM by 60% ($R^2 = .60$). The additional 16.2% (R Square Change) change in the variance is due to the presence of DFL in the model and is a significant contribution ($F(1,502) = 47.07$).

The mediation analysis comprised a Direct effect (DE, C'), suggesting a direct relationship between a predictor and dependent variable when a mediator is present. The Indirect effects (IE, $a*b$) signify the relationship that proceeds from the pre-

dictor variable to a mediating and subsequently to a target variable ($a*b$). Finally, the Total effect (TE, $c=c' + a*b$) includes the cumulative impact of the direct effect between the two variables and the indirect effect that flows through the mediator.

If the indirect effect is significant, then the mediation analysis is significant. The results shown in Table 6 suggested that the indirect effect of FDM on the relationship between DFL ($\beta = 0.1928$, $t = 7.4056$ $p < .00$) and FWB is significant. Hence, FDM partially mediates the relationship between DFL and FWB. Similarly, the FDM partially mediates the impact of FA on FWB, with an indirect effect ($\beta = 0.2574$, $t = 8.4683$, $p < .00$). Hence, FDM partially mediates the relationship for both the constructs (DFL and FA) between FWB.

4. DISCUSSION

Scholarly discourse in the past years has increasingly focused on identifying the key drivers of FDM (Kumar et al., 2023; Shin et al., 2022; Greenberg & Hershfield, 2018) and its impact on FWB (Netemeyer et al., 2018). However, the few research findings were inconsistent and inconclusive (Nanda & Banerjee, 2021). The study proposed that individuals perceive and interpret

Table 6. Mediation analysis results

Relationship	Total effect (c)	Direct effect (c')	Indirect effect ($a*b$)	Confidence Interval	t-value	Conclusion
FA → FDM → FWB	0.2954 (.0000)	0.2574 (.0000)	0.038	0.227 0.364	8.4683	Partial Mediation
DFL → FDM → FWB	0.2548 (.0000)	0.1928 (.0000)	0.0621	0.187 0.322	7.4056	Partial Mediation

their social environment by seeking advice from peers/professionals for financial matters and through rational involvement of DFL, they make their decisions and subsequently enhance overall well-being. This study aimed to elucidate the mediating influence of FDM between financial advice, DFL, and FWB.

The study posits (*H1*) that financial advice significantly influences FDM with the potential impact of alleviating FWB. The study findings are consistent with studies that found the vital role of financial advice in financial planning and decision-making (Chatterjee & Fan, 2023; Marsden et al., 2011; Grable & Joo, 2001). In this financial complex scenario, where an individual faces a financial burden and is puzzled about allocating their monthly income between savings, debt repayments, and other expenses (Franko, 2021; Marsden et al., 2011). By seeking financial advice from professionals regarding financial planning and strategies, individuals can make their monthly budgeting effectively, prioritize their debt payments, and plan for future investment and emergency funds (Chatterjee & Fan, 2023; Fang et al., 2022). Thereafter, this financial advice assists them in making better financial decisions and subsequently helps in achieving overall well-being and secured financial future.

Furthermore, the study hypothesis *H2* indicates that DFL positively impacts the FDM of an individual, and with partial impact on FWB. Moreover, the result of hypothesis *H3* suggests that FDM significantly mediates the relationship between financial advice and DFL and FWB. These findings comply with the prior literature

that has considered the use of digital technology in enhancing financial decisions for an individual (Kumar et al., 2023; Long et al., 2023). In this technological-driven scenario, individuals can edge on their existing digital financial experience and knowledge to make informed decisions and employ digital avenues to uplift their FWB. Factors leading to proficient utilization of digital financial platforms and resources are because of proactive learning and adoption of digital technology (Amnas et al., 2024; Ozili, 2023), social influence (Gomber et al., 2018), or some specific needs that drive involvement with digital technology. However, the present study uniquely examines the influence of DFL on FWB through FDM, which was not done extensively in previous studies. Due to exponential campaigns and awareness initiated by government and regulatory bodies, individuals are aware of the benefits and challenges associated with digital platforms (Ravikumar et al., 2022). The respondents were asked about their awareness of digital legality, transaction fees, and interest rates. Even though the respondents have average digital awareness, they possess the required digital financial knowledge about the digital products and services that facilitate them to make informed financial decisions. Through unbiased financial advice, individuals become capable of making rational decisions after being exposed to numerous financial choices and information through digital platforms. They become accountable for their own choices and planning in this digital age, and it is imperative to seek financial advice to make informed decisions. The combined impact of timely financial advice and judicious utilization of digital financial services enhances FDM and consequently FWB.

CONCLUSION

The study aimed to examine the impact of financial advice and DFL to enhance an individual's FDM and hence their FWB through leveraging the theoretical framework of social cognitive theory. The study's findings signify the influence of financial advice and DFL on FWB through sound decision-making, affirming the potential of digital literacy in bridging information disparities and empowering individuals through professional advice. The robust positive relationship underscores the importance of enhancing digital literacy among consumers, which translates into improved financial outcomes, aligning with the border call for equipping individuals with the necessary skills and knowledge to navigate through advancing digitalized economies. Moreover, the study illuminates the role of financial advisors along with DFL on FDM. It emerges as a critical predictor where individuals can leverage their digital competencies to achieve lucrative financial outcomes.

The study acquaints policymakers and regulators regarding the vital role of financial advice along with the advancement of DFL. Possible implications may include customized financial advisory services that focus on providing idiosyncratic advice along with specific digital skills and training needed to apply through digital platforms. Furthermore, it would be advisable for financial institutions to provide basic digital literacy, which will enhance individual decision-making capabilities and contribute to a secure financial future.

In countries like India, undergoing rapid automation and digitization, harnessing the catalytic potential of digital technologies paves the way for a more inclusive and prosperous financial landscape where consumers can be empowered to realize their full potential and contribute meaningfully to economic progress and social welfare. Concerning academic and theoretical contributions, this study stands out as a unique contribution, integrating the SCT and contemporary money management literature to reflect the current understanding of these interconnected concepts in this dynamic digital world. Thus, the study offers a promising avenue for researchers to comprehend the link between contemporary factors and FDM in this dynamic financial perspective.

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