



THE ROLE OF FINTECH IN ENHANCING PERSONAL FINANCIAL PLANNING FOR MILLENNIALS

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ABSTRACT

Fintech has emerged as a critical player in personal financial planning, especially for millennials, who are technologically savvy and constantly seeking innovative financial management tools. The millennials in India are embracing fintech services for their convenience, affordability, and ease of access, and are rapidly redefining the fintech space in the country. This article explores how fintech influences the personal financial strategies of millennials, focusing on accessibility, customization, and automation of financial services. It draws on recent literature and analyses data collected from 150 millennials, examining the impact of fintech solutions on their financial behaviours using SPSS tools like ANOVA and regression analysis.

Keywords: Fintech, Millennials, Financial planning, Financial services, Financial innovation, Financial tools.

INTRODUCTION

Personal financial planning refers to the process of managing one's finances to achieve life goals through effective budgeting, saving, investing, insurance and retirement planning. Personal financial

planning encompasses both short-term activities like expense management and long-term planning such as wealth accumulation and retirement preparedness. For millennials, Personal financial planning

often involves balancing educational loans, managing income from early-stage careers, saving for major purchases and making early investment decisions. The increasing complexity of financial products and the fast-paced lifestyle of millennials have led to a growing reliance on fintech platforms to streamline and automate personal financial planning activities.

In recent years, Fintech is revolutionizing financial management by integrating technology with traditional financial services. This convergence is revolutionizing the way individuals interact with money, particularly among millennials, a generation born between 1981 and 1996, who have grown up alongside rapid technological advancements. Tech-savvy and convenience-driven millennials exhibit a strong preference for user-friendly and customizable financial solutions that allow for greater autonomy and real-time financial decision-making. This study aims to explore the role of fintech in enhancing personal financial planning for millennials, focusing on the tools and platforms that help this generation improve financial literacy, savings habits, investment strategies, and debt management.

The rapid adoption of fintech among millennials has significantly influenced personal financial planning.

Accenture (2021) reports that 69% of millennials use digital financial services, aligning with the objective of analysing fintech adoption rates. This widespread usage is closely linked to improved financial literacy, as highlighted by Lusardi and Mitchell (2019), who emphasize fintech's role in enhancing decision-making through real-time updates and educational tools—supporting the objective of investigating fintech's impact on financial knowledge. Applications such as Mint and YNAB have transformed budgeting into an intuitive, visual and interactive process, while investment platforms like Groww and Robinhood have democratized access to financial markets by offering low-cost and user-centric trading experiences.

In the Indian context, the fintech revolution has been further catalysed by the proliferation of UPI, digital wallets and AI-enable robot-advisors. This has led to a rapid expansion of the digital financial ecosystem in Tier-II and Tier-III cities, where financial inclusion was previously limited (RBI, 2023).

Sinha, (2020) further demonstrates fintech's effectiveness in budgeting and saving, as automation tools like robot-advisors help users set financial goals, aligning with the assessment of fintech in money management. Johnson et al. (2022) and Smith (2023) expand on this by

showcasing how budgeting apps and investment platforms democratize financial participation, reinforcing fintech's role in financial inclusivity.

However, challenges remain, as noted by Gaur and Sehgal (2021), who highlight concerns over data security and usability, directly addressing the objective of identifying obstacles to fintech adoption. Further, challenges such as inadequate digital literacy, concerns over data privacy, low trust in non-traditional financial institutions and complexities in user experience continue to hinder the full-scale adoption of fintech solutions (Gupta and Narayan, 2022; Sharma and Banerjee, 2022). Against this backdrop, this study aims to evaluate fintech's overall effectiveness in promoting personal financial planning while ensuring trust and accessibility for millennials. By focusing on millennials in India – a population segment both demographically significant and digitally active – this study seeks to provide valuable findings for financial service providers, policymakers and technology developers in fostering a more

efficient and digitally literate financial future.

METHODOLOGY

This study uses a quantitative descriptive research design. The study was conducted over a period of three months (October – December 2024). The target population consisted of Indian millennials aged between 20 to 35 years who actively use fintech tools for personal financial management. The sampling frame included users of mobile banking apps, budgeting apps, investment platforms and digital payment system across Tier I, Tier II and Tier III cities. Stratified random sampling method was used to ensure representation across different income, education and employment segments. The sample size was 150. Primary data was collected through a structured online questionnaire. The responses were analysed using SPSS, employing statistical tools such as ANOVA and Chi-square to compare groups and regression analysis to explore the relationship between fintech adoption and financial outcomes. Secondary data was sourced from RBI reports, journal articles and academic databases.

DATA ANALYSIS AND INTERPRETATION

Table 1: Demographic profile of the millennials

Demographic Variable	Category	Frequency	Percentage (%)
Age Group	20-24 years	45	30
	25-30 years	65	43
	31-35 years	40	27
Gender	Male	87	58
	Female	63	42
Educational level	Undergraduate	54	36
	Postgraduate	77	51
	Others (Diploma, Professional Courses)	19	13
Employment status	Employed (Full-time/Part-time)	102	68
	Unemployed	28	19
	Self-employed/Freelancer	20	13
Monthly Family Income	Below ₹25,000	29	19
	₹25,001 - ₹50,000	51	34
	₹50,001 - ₹1,00,000	43	29
	Above ₹1,00,000	27	18

Source: Primary data, 2025

The above table outlines the demographic profile in terms of age group, gender, education level, employment status, and monthly income. The respondents in the age group of 25 to 30 years (43%) forms the largest segment. Millennials in this age range are typically in more stable job positions and are more likely to invest in long-term financial planning tools like investment platforms and savings apps. A slight majority of the sample is male (58%), which may indicate a greater interest or participation in fintech tools among males. However, the relatively balanced gender distribution suggests fintech adoption is growing steadily across all genders. The majority hold postgraduate degrees (51%), reflecting that higher education often correlates with greater financial literacy and more frequent use of

fintech for advanced financial planning, such as investing and wealth management. Nearly 68% of respondents are employed either full-time or part-time, which correlates with their need for fintech tools to manage earnings, savings, investments, and debt. The respondents in the income range of ₹25,001 to ₹50,000 (34%) often adopts fintech for medium-level financial planning, using tools that automate savings or provide access to beginner-level investments.

Hypothesis 1:

H₀: There is no significant difference in fintech adoption rate among different age groups.

H₁: There is a significant difference in fintech adoption rate among different age groups.

Table 2: ANOVA – Difference in Fintech adoption across age groups

Source of Variation	Sum of Squares	Df	Mean Square	F-value	p-value
Between Groups	180.45	2	90.23	4.36	0.018*
Within Groups	3042.90	147	20.69		
Total	3223.35	149			

*Significant at 5% level

The ANOVA test result shows a statistically significant difference ($F(2,147) = 4.36, p = 0.028$) in the fintech adoption rate across different age groups. Therefore, age influences fintech adoption.

Table 3: Regression analysis – Impact of Fintech usage on Financial literacy

Predictor (Independent variable)	Unstandardized coefficient (B)	Standard error	Standardized Beta (β)	t-value	p-value
Fintech usage score	0.68	0.09	0.62	7.55	0.000**
(Constant)	2.10	0.38	-	5.53	0.000**

** Significant at 1% level

The regression analysis reveals a significant positive relationship between fintech usage and financial literacy ($B=0.68, \beta=0.62, p<0.001$), indicating that higher fintech usage leads to better financial literacy among millennials.

Table 4: Correlation analysis on Effectiveness of Fintech in Financial Management

Financial Activity	Mean Improvement (%)	Correlation (r)	Significant Variables
Budgeting	70%	0.65	Fintech App Usage
Saving	62%	0.55	Consistent Savings Habits
Investing	68%	0.72	Use of Investment Platforms
Debt Management	58%	0.45	Use of Budgeting and Tracking tools

Source: Primary data, 2025

The above table depicts that strong correlations were found between fintech usage and improvements in budgeting ($r = 0.65$) and investing ($r = 0.72$). Fintech tools have significantly enhanced millennials' ability to manage their finances, with the most improvement seen in budgeting, saving and investing. Debt management saw moderate improvement, likely due to less usage of debt-specific tools.

Table 5: Challenges faced by millennials while using Fintech tools

Challenges	Number of respondents	Percentage (%)
Data Security Concerns	60	40
Complexity of User Interface	44	29
Technical Glitches	25	17
Lack of Customer Support	21	14
Total	150	100

Source: Primary data, 2025

The above table highlights the various challenges faced by millennials in using fintech tools. Multiple responses were given by the respondents. Among them, data security concern is the most prevalent challenge faced by 40% of the respondents, complexity of user interface is the second major issue faced by 29% of the respondents, followed by technical glitches (17%) and lack of customer support (14%)

were also reported as the barriers faced in using fintech tools.

Hypothesis 2:

H₀: There is no significant association between gender and the type of challenges faced while using fintech tools.

H₁: There is a significant association between gender and the type of challenges faced while using fintech tools.

Table 6: Cross tabulation of gender vs. challenges in using Fintech tools

Challenges	Male (n=87)	Female (n=63)	Total	Chi-square value	p-value
Data security concerns	36	24	60	$\chi^2 = 1.27$	0.736
Complex User Interface	27	17	44		
Technical glitches	14	11	25		
Lack of customer support	10	11	21		
Total	87	63	150		

Source: Primary data, 2025

The chi-square test result shows a p-value of 0.736, which is greater than 0.05. Hence, the null hypothesis is accepted. This means there is no statistically significant association between gender and the type of challenges faced while using fintech tools.

Hypothesis 3:

H₀: There is no significant association between age group and the type of challenges faced while using fintech tools.

H₁: There is a significant association between age group and the type of challenges faced while using fintech tools.

Table 7: Cross tabulation of age group vs. challenges in using Fintech tools

Challenges	20-24 yrs (n=45)	25-30 yrs (n=65)	31-35 yrs (n=40)	Total	Chi-square value	p-value
Data security concerns	20	25	15	60	$\chi^2 = 1.357$	0.968
Complex User Interface	13	20	11	44		
Technical glitches	6	12	7	25		
Lack of customer support	6	8	7	21		
Total	45	65	40	150		

Source: Primary data, 2025

The chi-square test shows a p-value of 0.968, which is greater than 0.05.

Therefore, the null hypothesis is accepted, which indicates that there is no significant

association between age group and the type of challenges faced in using fintech tools. Millennials across all age groups face similar challenges when using fintech platforms. Millennials in the 25-30 age group reported slightly to have higher rates of security and interface-related issues.

Table 8: Financial Inclusivity through Fintech

Inclusivity Parameter	Millennials Reporting Improved Access (%)	Significant Variables
Access to Investment Tools	65	Use of Low-Cost investment platforms
Financial Education	58	Availability of Fintech Learning tools
Access to Credit	0	Use of Digital lending platforms
Savings Accounts	75	Use of Digital-only banks

Source: Primary data, 2025

The use of fintech has promoted inclusivity in investment and saving opportunities, with 75% of millennials reporting easier access to digital banking. However, access to credit remains relatively low. Fintech is playing a significant role in promoting financial inclusivity, especially by providing access to affordable investment and banking services. However, more effort is needed in providing access to credit facilities.

DISCUSSION

The present study confirms that fintech plays a vital role in enhancing personal financial planning among Indian millennials. The ANOVA test indicates that

younger millennials (25-30 years) are the most active fintech users, showing higher adoption rates, particularly for mobile banking apps and digital payment systems. This age group is financially more independent and technologically engaged. The regression analysis demonstrates a strong positive relationship between fintech usage and financial literacy. Similarly, the correlation analysis shows that fintech tools improve budgeting, saving and investment behaviour. However, challenges persist, including data security concerns and complex user interfaces. The chi-square tests reveal no association between these challenges and demographic variables like gender or age group, indicating that such issues are commonly experienced across different segments of millennials. The findings also highlight fintech's contribution to financial inclusivity. Majority of millennials reported to have improved access to digital banking, investment tools and financial education. Overall, the study underscores fintech's significant role in shaping millennials' financial behaviour and planning, emphasizing the need for user-friendly, secure, and inclusive financial tools. Personalized fintech solutions could further enhance the effectiveness of these platforms by catering to individual financial behaviours and goals.

To conclude, Fintech has redefined personal financial planning for millennials by providing innovative, accessible, and user-friendly financial tools. The findings indicate that fintech significantly improves financial literacy, savings habits, and investment behaviours among millennials. Their digital-first mindset, coupled with a desire for convenience and personalization, has propelled the growth of fintech start-ups in the country. As this generation continues to drive economic growth and shape the future of the Indian economy, fintech companies will need to adapt and innovate further to meet their evolving needs. However, to realize fintech's full potential, issues related to data security and platform usability must be addressed. Future research could explore longitudinal studies to assess the long-term impact of fintech on millennials' financial outcomes.

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