Socio-Economic Determinants of Digital Financial Inclusion in Kenya

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Abstract

Empirical studies and data from the Global Findex show that financial inclusion varies widely across regions, income levels, and individual characteristics. This study examines the influence of socio-economic and demographic factors on the accessibility, usage, and well-being of digital financial inclusion in Kenya by using World Bank's 2017 Global Findex survey on Kenya, a microdata dataset with 1000 observations to meet research expectations. Given the dichotomous nature of dependent variables, this study uses binary probit analysis to draw the implications. The results show that factors like being a man, young, educated, employed, and rich are significant in determining the accessibility and utilization of digital financial services in Kenya. Furthermore, this research also revealed that the elements affecting financial inclusion and well-being include education level, gender, and income status. The result suggests that policymakers should focus on empowering women and the poor, adopting measures to enhance workforce and income growth, and addressing differences in individual characteristics on age and education to promote the inclusion of the poor into the formal financial system in Kenya.

Keywords Financial Inclusion, Digital Financial Services, Socio-Economic Factors, Financial Barriers

Introduction

Digital financial inclusion has grown as a transformative force worldwide, enabling people and businesses to get various financial services on digital platforms (Song et al., 2021). Through mobile money, online banking, and other digital payment systems, more opportunities are opened to millions across the globe, especially in developing countries (Panova, 2020). However, notwithstanding the progress made, the disparities persist in digital financial inclusion due to demographic, institutional, political, economic, and social factors.

The role of mobile money in financial inclusion has been particularly revolutionary in Sub-Saharan Africa, with Kenya, Ghana, and Tanzania being far ahead of other countries (Siano et al., 2020; FSD, 2023; World Bank, 2023). Mobile money services have bridged the gap for the excluded population, especially through mobile phone penetration to provide essential financial services. Kenya is an outright leader globally, with over 80 percent of adults accessing financial services through mobile money platforms like M-Pesa (Tiony, 2023; Mose & Thomi, 2021). However, significant disparities remain, influenced by gender, income, education, employment status and age (Chhillar & Arora, 2022). According to the World Bank (2023) report, financial inclusion is the availability of reasonably priced, suitable financial products and services to individuals and businesses regardless of income level or social status. The digital revolution transforms this concept and generates digital financial inclusion, using digital technologies to access and use formal financial services (World Bank, 2023). This has been particularly important in developing nations, which leapfrogged traditional banking infrastructure with mobile phones and internet access (Ozili, 2022).

Notwithstanding these positive changes, however, variations in access to and usage of digital financial services remain across Kenya's many demographic groups (Ndung'u, 2022; FSD, 2023). Still impacting a person's chances of being financially integrated in the digital ecosystem include gender, age, income, education, and employment position (Anthea & Roberts, 2022). Policymakers, financial institutions, and development organizations striving to boost financial inclusion and ensure that nobody is left behind in the digital financial revolution rely on a knowledge of these demographic characteristics (Njenga & Irungu, 2024). Digital financial inclusion is a leading facilitator of reaching Sustainable Development Goals (SDGs). It provides individuals with tools to manage their money, access credit, invest for the future, and participate more actively in the formal economy. Recent studies have highlighted the many aspects of financial inclusion and the several impacting elements on investment and economic growth (Olaniyan et al., 2021). According to Weill and Zins (2021), being male, more affluent, well-educated, and older boosts financial inclusion. However, their studies also revealed that the elements affecting mobile money acceptance differ; age has a negative impact, suggesting that younger people are more prone to utilize mobile money and debit money. This complex interplay of variables underlines the need for thorough, context-specific research to direct reasonable policy decisions (Aker & Mbiti, 2010).

Underlining the requirement of digital financial inclusion even more, the COVID-19 outbreak has accelerated the shift toward digital financial services and shown present disparity (FSD, 2023). As Suri et al. (2021) found that individuals with access to mobile money in Kenya were better able to absorb financial shocks throughout the pandemic, digital financial inclusion offers remarkable resilience-building ability. The pandemic has also inspired innovation in digital financial services (Auer & Frost, 2020) as new products and platforms rise to meet shifting client expectations. This paper is particularly pertinent given

the fast digitalization of financial services after the COVID-19 pandemic. Its findings will direct policies to build a more inclusive and robust financial ecosystem in Kenya and elsewhere.

Although various research has focused on financial inclusions in Kenya and globally (Kodongo, 2018; Nandru et al., 2021), very few studies have holistically examined the impact of demographic factors on multi-dimensional digital financial inclusion-accessibility, usage, and well-being-within the post-pandemic environment. This study addresses this difference by thoroughly investigating the demographic and socioeconomic elements of digital financial inclusion in Kenya against usage, accessibility, well-being, or resilience.

Literature Review

Theoretical Review

This study examines the factors influencing financial inclusion in Kenya, precisely demographic characteristics and socio-economic variables. It is based on three theories: the Technology Acceptance Model, the Diffusion of Innovations Theory, and the Digital Divide Theory. These ideas provide a complete basis for understanding the complex interactions of demographic factors and applying digital financial services in Kenyan surroundings. Originally put out by Davis and Granic (2024), the Technology Acceptability Model (TAM) is the cornerstone for understanding the acceptability of digital financial services. TAM proposes that two primary factors determine a person's inclination to use a technological system: perceived utility and ease of use. Perceived usefulness is the extent to which someone believes using a particular technology will affect their quality of life or performance at work. In digital financial services, for instance, the perceived value will be connected to the idea that mobile banking can save time, reduce transaction costs, or enable more accessible access to financial services (Davis & Granić, 2024).

On the other hand, perceived simplicity of use is the degree to which one feels using a particular system free of effort. This could affect the seeming usefulness of a digital financial platform. Given the scope of this study, TAM is pretty significant as it clarifies how different demographic and socioeconomic groups see and apply digital financial services. For instance, perceived ease of usage may depend on knowledge level; highly educated individuals will find digital platforms more straightforward. The income level will affect how successful digital financial instruments are perceived since higher-income consumers could enjoy services like mobile investing or digital savings accounts more. Age may also be a consideration, as younger generations will see digital financial services as more user-friendly and practical than traditional banking systems.

Initially presented by Rogers (2003), the Diffusion of Innovations Theory provides a supplementary perspective by elucidating how, why, and at what speed new ideas and technologies travel throughout society (Dibra, 2015). Five groups, early adopters, early majority, late majority, and laggards, define this method as differentiating innovators of ideas. Early adopters chose the technology first, then the majority, until technology or innovation became popular, following an S-shaped curve over time. This concept is particularly relevant for our study as it clarifies the varied rates of digital financial inclusion across numerous demographic categories in Kenya. More educated younger individuals, for example, may match the early adopter category and choose new digital financial products quickly. Better internet infrastructure will also allow city dwellers to be early adopters (Shao et al., 2023). On the other hand, elderly, less educated individuals or those living in rural areas may be in the late majority or laggard group and use

digital financial services either more slowly or not. Understanding these adoption patterns allows one to better tailor financial inclusion strategies for numerous demographic categories.

Originally popular in the late 1990s, the Digital Divide Theory closed the gap between people and places that had access to modern information and communications technology and those without or restricted access (van Dijk, 2006). This perspective holds that significant variations in access to and use digital technology result from distinct demographic and socioeconomic factors. These variations imply that access to information, services, and chances will also change. In our study on Kenyan digital financial inclusion, the Digital Divide Theory is quite relevant. It may help highlight how factors like income, education, age, and work position will provide advantages or challenges for using and getting digital financial services. Higher-income individuals, for example, may find telephones and the internet more readily available, facilitating more usage of digital financial services. One's education degree may affect one's digital literacy, determining one's potential to use digital financial systems. Age will be an issue; elderly persons can find it more challenging to fit into contemporary technology. Employment level will affect access to technology and demand for certain financial services (Ren et al., 2023). Moreover, the theory of the Digital Divide could help us grasp regional variations in digital financial inclusion. The metropolitan areas of Kenya may be more exposed to digital financial services and have better digital infrastructure than their rural counterparts, creating an urban-rural divide in financial inclusion. This hypothesis will also assist in explaining gender inequalities in financial inclusion, given how social traditions and economic situations could affect men's and women's access to and use of digital financial services differently. These three theories provide a framework for understanding the complex interactions between demographic characteristics and digital financial inclusion in Kenya. This study is based on the Technology Acceptance Model, the Diffusion of Innovations Theory, and the Digital Divide Theory to obtain an appropriate framework for analyzing digital financial inclusion in Kenya. From TAM, perceived usefulness and perceived ease of use explain how individual adoptions occur, which is critical in understanding demographic influences such as education and income. Diffusion of Innovations Theory focuses on the diverse adoption rates across different societal groups. At the same time, the Digital Divide Theory deals with structural barriers such as gender, income, and rural-urban gaps. These theories, when combined, bear upon demographic and socioeconomic emphasis, disparities, research design, and result interpretation in this study.

Empirical Review

While mobile money has considerably increased financial inclusion, Anthea and Roberts (2022) noted that in Kenya, gender inequality has remained persistent. Among the challenges women, especially those residing in rural areas, face in attempting to access and utilize digital financial services include lower degrees of digital literacy, limited ownership of mobile devices, and societal customs limiting their financial independence. Wachira and Kihara (2023), who found that women in Kenya are 33% less likely than men to use mobile money services, validate this outcome. Apart from a significant social concern, gender inequality in digital financial inclusion presents an economic prospect since reducing this gap may unleash considerable economic growth (Suri & Jack, 2016). Many recent research studies emphasize the need for education to promote digital financial inclusion. Onyango et al. (2023) found a clear positive correlation between education level and uptake of digital financial services in Kenya. Based on their findings, higher degrees of education increase awareness of these services and help one become more capable of correctly negotiating digital platforms. In Kenya, Ouma et al. (2017) also found that education significantly

influences the usage of mobile financial services; higher-educated persons are more likely to use a larger spectrum of digital financial products. These findings highlight the significance of digital literacy initiatives and financial education campaigns in developing inclusive finance (Lusardi & Mitchell, 2014).

As a new Ren et al. (2023) study highlights, income levels remain a crucial determinant of financial inclusion. People in the highest income quintile are three times more likely than those in the lowest quintile to use sophisticated digital financial services, including mobile banking apps and digital investment platforms. This outcome is consistent with research by Parsaulian (2022), who found a strong positive correlation between income levels and financial inclusion. The income-based difference in digital financial inclusion raises essential questions about the possibility of new technologies worsening or lowering present economic inequality (Ren et al., 2023). Age has evolved to be a complex factor influencing digital financial inclusion. Mutai et al. (2024) found that middle-aged people engage more with digital financial services in Kenya. Hence, the connection between age and digital financial inclusion follows an inverted U-shape. Mwangi and Muse (2011) look at this complicated relationship further. Although younger people are more likely to use mobile money services, older people with more established financial needs tend to use a more extensive assortment of digital financial products. Knowing these age-related changes can help one design targeted treatments and solutions that satisfy the needs of many age groups (Lashitew et al., 2019). Employment status is yet another crucial factor influencing digital financial inclusion. Njoroge et al. (2023) formally employed Kenyans are more likely than those in informal employment or unemployed to use a broad range of digital financial services. Earlier research by Johnson and Arnold (2012) found that official employment usually offers access to financial services, including digital ones, which supports this conclusion. Nandru et al. (2021) illustrate how gender and age affect digital financial inclusion in India. Furthermore, factors like income, education, and employment status are significant in determining the accessibility and utilization of digital financial services. Emphasizing digital financial inclusion for cashless transactions, the government finds that socioeconomic factors influence the access and usage of digital financial inclusion in India.

As a result of expanding availability of banking services and products, families will be better able to meet their financial obligations. Digital financial inclusion is, therefore, extremely crucial (Sinha, 2024). Digital banking services empower women financially and assist in generating assets and overall financial stability by letting them properly handle their money and engage in the formal economy. In the COVID-19 pandemic, technology has been vital in eliminating gaps and providing financial access, stressing the significance of digital transactions and services in avoiding economic collapse (Sinha, 2024). Financial literacy is a critical component of financial well-being, especially in digital financial products, and stresses that improved financial education would help to increase well-being (Mandal et al., 2022). Du et al. (2022) also show that household well-being positively matches digital financial inclusion, supporting low-income and education populations. It underlines its role in improving social fairness and financial inclusion in emerging countries.

Methodology

Data Issues

To meet research expectations, secondary data was collected from the World Bank's Findex data; the database has data for the past four years: 2011, 2014, 2017, and 2021 (Demirguc-Kunt et al., 2022). The

demographic characteristics and all variables related to digital financial inclusion have been collected in the World Bank's Findex Database for 2017. The Findex database has financial inclusion data based on interviews with almost 150,000 adults in over 144 countries worldwide (Demirguc-Kunt et al., 2022). The data show that 50 percent of adults globally have an account at a formal financial institution, though account penetration varies widely across countries, income levels, employment status, and individual characteristics (Demirguc-Kunt et al., 2022). However, microeconomic data about Kenya has a sample of 1000 adults on all these study variables, which have been considered for analysis in the current study.

Description and Measurement of Variables

The study variables are broadly grouped into two categories: demographic and socio-economic variables are considered as explanatory variables and indicators related to digital financial inclusion as dependent variables. Table 1 shows the measures and description of the study variables.

Table 1: Descriptions of the Variables

Variable	Measurement
Dependent variables (Digital financial inclusion)	
Accessibility	
Ownership of debit card	Yes=1, No=0
Ownership of mobile money account	Yes=1, No=0
Usage	
Usage of debit card	Yes=1, No=0
Usage of mobile phone or internet	Yes=1, No=0
Well-being	
Possibility of coming up with emergency funds	Yes=1, No=0
Borrowed in the past year	Yes=1, No=0
Independent variables (Demographic characteristics and socio-economic factors)	
Gender	Male = 0; Female = 1
Age	Age measured in number of years
Education	If the individual has completed primary =1; Otherwise=0
Income	Income within the income quintile three=1; Otherwise=0
Employment status	If the individual is in the workforce=1; Out of the workforce=0

Source: Demirguc-Kunt et al. (2022).

Model Specification

A probit regression model is developed and adopted in the analysis since the dependent variable is dichotomous. The probit model is used to predict the dependent variable as employed in the empirical works of Ghosh and Hom Chaudhury (2020), Dar and Ahmed (2020), Nandru et al. (2021) and Njenga and Irungu (2024).

$$DFI_i = \alpha + \delta_1 Gender_i + \delta_2 Age_i + \delta_3 Education_i + \delta_4 Employment_i + \delta_5 Income_i + \varepsilon_i$$

where DFI denotes digital financial inclusion, and six indicators are considered for measuring digital financial inclusion as described in Table 1 above (Demirguc-Kunt et al., 2022). Therefore, given the dichotomous nature of the dependent variable, six probit regression equations are established and tested, as presented in the next section.

Results and Discussion

Determinants of Accessibility of Digital Financial Inclusion

The study analyzed the influence of demographic characteristics on the accessibility of digital financial inclusion in Kenya using probit estimation technique. Table 2 presents the probit regression result showing the relationship between demographic profiles, economic and social factors, and possession of digital financial inclusion facilities.

Table 2: Factors of Accessibility of Digital Financial Inclusion

Variable	**Ownership Of Debit Card**			**Ownership Of Mobile Money Account**		
	Coefficient	Std. Error	Z	Coefficient	Std. Error	Z
Gender	0.047	0.088	0.535	−0.202	0.071	−2.830***
Age	−0.014	0.003	−3.873***	−0.006	0.003	−2.048**
Education	0.716	0.090	7.898***	0.323	0.078	4.092***
Employment	0.366	0.123	2.972***	0.455	0.108	4.195***
Income	0.261	0.034	7.623***	0.114	0.034	3.339***
Observations	706			775		
Pseudo R^2	0.082			0.083		
Loglikelihood	−573.921			−496.101		
Normality	Chi-square (2) = 10.200***			Chi-square (2) = 2.739		

The study used ownership of debit cards and mobile money accounts to measure the accessibility of digital financial platforms. Based on the result, demographic characteristics such as the respondent's age, education level, employment status, and income significantly affect ownership of debit cards and mobile money accounts. Further, the gender of the respondent has a significant effect on the possession of mobile money accounts. It was observed that the value of the coefficient decreases with the increase in the female gender. This implies that more males are likely to possess mobile money accounts than females. This implies that more males will translate to more mobile accounts, thus accelerating financial inclusion. While mobile money has considerably increased financial inclusion, Anthea and Roberts (2022) noted that in Kenya, gender inequality has remained persistent. Among the challenges women face in attempting to access and utilize digital financial services include lower degrees of digital literacy, limited ownership of mobile devices, and societal customs limiting their financial independence.

The study has indicated that age hurts the possession of mobile accounts and debit cards, implying that as people age, they are less likely to operate digital payment services. Age has a negative impact, suggesting that younger individuals are more likely to possess mobile money accounts and debt accounts. Age has evolved to be a complex factor influencing digital financial inclusion. Mutai et al. (2024) found that young and middle-aged people engage more with digital financial services in Kenya.

Research has shown that as the level of education increases, mobile money accounts and debit card possessions increase, thus increasing the accessibility of digital payment services. The finding supports similar results by Dar and Ahmed (2020) and Nandru et al. (2021), which stated that higher education background has increased usage and accessibility of digital transactions.

Increased income will translate to more possession of debit cards and mobile money accounts in Kenya. Research has shown that people in the highest income quintile are more likely than those in the lowest quintile to access sophisticated digital financial services, including mobile banking apps and digital investment platforms (FSD, 2023). This outcome is consistent with research by Parsaulian (2022), who found a strong positive correlation between income levels and financial inclusion.

The study has indicated that those in the workforce will likely own mobile money accounts and debit cards. Those employed will prefer possessing mobile accounts and debit cards for payments and transactions. Johnson and Arnold (2012) found that official employment usually offers access to financial services, including digital ones, which supports this conclusion. Furthermore, according to Njoroge et al. (2023), FSD (2023) and Njenga and Irungu (2024) formally employed Kenyans are more likely than those in informal employment or unemployed to use a broad range of digital financial services.

Determinants of Usage of Digital Financial Inclusion

The research is conducted to identify the demographic and socioeconomic factors that impact the utilization of digital financial inclusion elements. Table 3 shows the probit regression result showing the relationship between demographic factors and utilization of digital financial inclusion elements in Kenya.

Table 3: Factors of Usage of Digital Financial Inclusion

Variable	Usage Of Debit Card			Usage Of Mobile Phone or Internet		
	Coefficient	Std. Error	Z	Coefficient	Std. Error	Z
Gender	0.326	0.144	2.267**	0.255	0.1175	2.171**
Age	0.017	0.007	2.408**	0.002	0.0052	0.419
Education	−0.363	0.141	−2.558**	−0.392	0.1216	−3.228***
Employment	−0.048	0.230	−0.208	−0.153	0.1853	−0.825
Income	−0.092	0.061	−1.509	0.160	0.0480	3.338***
Observations	372			512		
Pseudo R^2	0.013			0.016		
Loglikelihood	−220.480			−322.589		
Normality	Chi-square (2) = 0.799			Chi-square (2) = 5.786*		

The econometric model has established that gender, education level, and income influence digital payments and receipts in Kenya. The study results show that more females prefer to use debit cards, the internet, and mobile phones as a means of payment than men. This implies an increase in digital payments and financial inclusion with women. In contrast, Zins and Weil (2016) observed that being a man will translate to more financial inclusion in Africa. In addition, Wachira and Kihara (2023) found that women in Kenya are 33% less likely than men to use mobile money services.

The study shows that increased age will increase debit card utilization, thus, digital payments and receipts. The study implies that older people with more established financial needs tend to use a more extensive assortment of digital financial products, such as debit and credit cards (Lashitew et al., 2019). Further, Mutai et al. (2024) found that middle-aged people engage more with digital financial services in Kenya. Furthermore, young people typically lag in utilizing digital financial services, especially for transactions and frequency of use in Zimbabwe (Chamberko, 2022).

The findings reveal that an increase in education level reduces the utilization of digital payment. This may imply that there must be an alternative digital financial product that the educated class prefers. In Kenya, Ouma et al. (2017) also found that education significantly influences the usage of mobile financial services; higher-educated persons are more likely to use a larger spectrum of digital financial products. This implies that the educated class may prefer alternative digital payment systems like credit cards or payment brands. The finding agrees with Nandru et al. (2021) empirical result in India.

The study reveals that as income increases, mobile money account usage increases. Increased income will translate to more mobile bank account usage in Kenya. Research has shown that people in the highest income quintile are more likely than those in the lowest quintile to use sophisticated digital financial services, including mobile banking apps (Parsaulian, 2022). Employment did not influence the utilization of mobile money or debit cards in Kenya.

Determinants of the Well-Being of Digital Financial Inclusion

The study employs a probit regression model to investigate the role of demographic characteristics and socioeconomic factors on the well-being or resilience of digital financial inclusion. The individual characteristics of different financial well-being indicators are presented in Table 4.

Table 4: Factors of Well-Being of Digital Financial Inclusion

Variable	Possibility of coming up with emergency funds			Borrowed in the past year		
	Coefficient	Std. Error	Z	Coefficient	Std. Error	z
Gender	0.272	0.085	3.174***	−0.104	0.065	−1.601
Age	0.003	0.003	0.862	−0.004	0.002	−1.468
Education	0.379	0.084	4.511***	0.1461	0.071	2.041**
Employment	0.199	0.113	1.757*	0.358	0.103	3.459***
Income	0.265	0.033	8.039***	0.050	0.031	1.628
Observations	667			673		
Pseudo R^2	0.027			0.032		
Loglikelihood	−619.382			−625.372		
Normality	Chi-square (2) = 5.269*			Chi-square (2) = 0.406		

The study has established that gender, education, income, and employment are essential for the improvement of the well-being of individuals and for financial resilience. Well-being includes the ability to deal with an unexpected financial event. Digital financial inclusion supports well-being by helping individuals feel secure and confident in their financial future. Based on the findings, females are more likely to raise funds for emergencies quickly than males; this can n be attributed to gender differences in trust and trustworthiness. Digital banking services empower women financially and assist in generating assets and overall financial stability by letting them properly handle their money and engage in the formal economy. The study has shown that as education level increases, well-being increases due to increased ability to borrow and develop emergency funds via ownership of collaterals. The finding agrees with Ghosh and Hom Chaudhury (2020) on the positive role of education on financial inclusion. Both academic and financial education considerably help to enable digital financial inclusion, thereby arming individuals to access and appropriately utilize digital financial services. By thus supporting digital financial inclusion, one may assist in lowering poverty rates and transmitting intergenerational poverty.

An increase in employment opportunities increases the ability to borrow since banks can use salaries as collateral. Ghosh and Hom Chaudhury (2020) reported a positive relationship. Finally, the study has shown that increased income increases the possibility of raising emergency funds. As a result of expanding availability of banking services and products, families will be better able to meet their financial obligations. As Suri et al. (2021) found that individuals with access to mobile money in Kenya were better able to absorb financial shocks throughout the pandemic, digital financial inclusion offers remarkable resilience-building ability. The pandemic has also inspired innovation in digital financial services (Auer & Frost, 2020) as new products and platforms rise to meet shifting client expectations.

Conclusion and Recommendations

Conclusion

Digital financial inclusion provides individuals with tools to manage their money, access credit, invest for the future, and participate more actively in the formal economy. However, empirical studies and data from the Global Findex show that financial inclusion varies widely across regions, income levels, and individual characteristics. The study aims to analyze the impact of individual-level determinants of digital financial inclusion in Kenya. The study uses three indicators of digital financial inclusion: accessibility, usage, and well-being. The study employs the World Bank's 2017 Global Findex data for Kenya to perform probit estimations to draw inferences. The results show that socio-economic and demographic factors such as gender, age, education, income, and employment significantly influence various measures of digital financial inclusion in Kenya. First, the result has shown that men have more access to digital payment platforms than women, while women surpass men in terms of usage. Secondly, the findings indicate that while the young population has access to digital financial products, older people are more likely to use the facility than young individuals. Thirdly, the result has shown that access to digital financial products increases as education levels increase. However, the more educated class may prefer alternative digital payment systems like credit cards or payment brands. Fourthly, an increase in the workforce will translate to increased accessibility and usage of mobile money and debit cards. Fifthly, an increase in income will translate to an increase in mobile money and debit card possession and usage in Kenya. Finally, in terms of well-being or financial resilience, the study has established that gender, education, income, and employment positively improve the well-being of an individual. By expanding the availability of banking services and products such as loans and credit, families will be better able to meet their financial obligations or develop resilient. The study enumerates several policies to foster financial inclusion and resilience in Kenya.

Recommendations and Suggestions for Future Studies

Several recommendations are offered to address these disparities and support the more inclusive digital financial services developed in Kenya. First, tailored financial literacy programs must be created for older, rural, and less educated individuals to cover areas of digital financial knowledge missing. These programs should be tailored to the individual needs and situations of several demographic groups, utilizing local languages, real-world examples, and culturally appropriate approaches to reach their target audiences adequately. Improving internet connectivity in rural towns will help to close the urban-rural difference in access to digital financial services. The high adoption rates in Kenya indicate that policies promoting mobile money effectively enhance financial inclusion. Other countries could consider similar frameworks when planning to replicate such success. Digital literacy investment is necessary for sustaining and furthering this

growth, ensuring that all population segments can digitally use financial services. These covers increasing internet access, spreading mobile network coverage, and adding additional mobile money agents at far-off sites. Public-private cooperation and laws pushing telecom companies to provide services to impoverished areas might effectively achieve this goal. Financial institutions and fintech companies, especially women and low-income individuals, should focus on developing user-friendly digital financial solutions that satisfy the needs and preferences of different demographic groups. Designing savings products, particularly for women entrepreneurs, offering products with lower transaction costs, or streamlining interfaces might all be part of this. The development of a product should naturally include user research and continuous feedback. Financial literacy is a critical component of financial well-being or resilience, especially in digital financial products, and it stresses that improved financial education would help to increase well-being and support low-income and education populations. Encouragement of multi-stakeholder cooperation among government agencies, mobile network operators, and financial institutions would help to create a fairer digital financial environment. These alliances might provide innovative concepts leveraging every sector's capacity, such as digital social welfare payments or complete financial services offered via mobile platforms. Constant monitoring and evaluation of digital financial inclusion initiatives is essential for identifying and resolving developing disparities across demographic groups. Under instruction, the Central Bank of Kenya may lead impact assessments, data analysis, and surveys in collaboration with research institutions. The outcomes should enable better policies and therapies to remain relevant and practical. Not least of all, more research is needed to understand better the evolving needs and practices of different demographic groups navigating the digital financial environment. Apart from usage patterns, this research should look at the effect of digital financial services on economic well-being, including long-term repercussions on poverty reduction, women's economic empowerment, and the feasibility of emerging technologies in enhancing financial inclusion.

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