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Digital Financial Literacy and Its Impact on Financial Decision-Making of Women: Evidence from Nepal

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Abstract

Background: Digital financial literacy (DFL) has also become a significant predictor of financial inclusion and better financial decision making especially by women in developing economies. In Nepal, though there is an upward trend in the accessibility of digital financial services, including mobile banking and online payments, women still experience structural, social, and technological challenges that restrict their successful engagement in financial services. Digital financial literacy and its impact on the financial decisions of women is thus a critical concept that should be understood to enable gender-focused financial development.

Purpose: This paper will discuss how digital financial literacy affects women in terms of financial decisions in Nepal and the purposes of financial attitude, financial accessibility, perceived behavioral control, and subjective norms in influencing financial decisions.

Design/Methodology/Approach: The survey data of 386 women in urban, semi-urban and rural regions of Nepal was used to adopt a quantitative cross-sectional research design. Partial Least Squares Structural Equation Modeling (PLS-SEM) was used to analyze the data to determine the reliability of measurements, validity, and hypothesized structural relationships between the variables.

Findings: The findings indicate that there is no significant direct impact of digital financial literacy on financial decision-making. Nevertheless, financial accessibility, perceived behavioral control, financial attitude, and subjective norms play an important role in the financial decisions of women, but financial accessibility proves to be the most powerful predictor.

Conclusion: The conclusion of the study is that to enhance the financial decision-making of women in Nepal, it is necessary to increase not only digital financial literacy but also the financial accessibility, trust in using financial services, and conducive social conditions to advance women financial empowerment.

Keywords: Digital financial literacy, women's financial decision-making, financial accessibility, perceived behavioral control, Nepal

1. Introduction

Digital financial literacy has become essential competency worldwide as it influences the way people are handling their financial resources, especially in this digital age dominated by high technological developments (Goyal & Kumar, 2021; Koskelainen et al., 2023; Bhat et al., 2025). It is defined as the capacity to understand and use effectively digital financial services, including mobile banking, digital payments, online investments and other financial technologies, to make informed financial decisions and better their economic wellbeing (Lusardi and Mitchell, 2014; Ullah et al., 2022; Sharma & Diaz Andrade, 2023). This literacy is part of operating in increasingly complex financial worlds that are no longer limited to physical cash or conventional banking services, but that now reach out into digital platforms that can be accessed through smartphones and the internet (Van der Aalst et al., 2019; Cusumano et al., 2020). Globally, the need to improve digital financial literacy is seen as a crucial enabler for driving progress in improving financial inclusion, empowering marginalized groups and driving economic development (Klapper et al., 2015; Pokharel, 2025).

In the last few decades, the global financial ecosystem has experienced a radical change as a result of rapid digitalization (Alsmadi & Al-Omoush, 2025). The incorporation of technology in financial services has resulted in the emergence of digital finance, which is a general term that refers to mobile banking, digital payments, online investment platforms and financial technology (fintech) services (Kou & Lu, 2025). As these innovations alter the way people interact with money, digital financial literacy (DFL) has become a key enabler of financial inclusion and informed decision-making, especially among marginalized populations including women. Digital finance has been a revolution in the realm of financial services worldwide (Hehua et al., 2025). According to the World Bank (2022) more than 76% of adults have access to a bank account worldwide, and much of this growth is due to mobile and Internet banking. The emergence of digital wallets as well as mobile money platforms has played a major role in bridging the gap in financial access, particularly in low- and middle-income countries (LMICs) (Hunter et al., 2025). In Sub-Saharan Africa, for example, mobile money adoption has taken off ahead of traditional banking, enabling millions to transact, save and borrow with their phones (Demirguc-Kunt et al., 2018). Despite these advances, these benefits of digital finance are not equally distributed. The gender gap in financial inclusion still remains a major issue. Globally women are 7% less likely than men to have a bank account and far less likely to have access to digital financial services (World Bank, 2022). This disparity is in part due to the gaps in digital financial literacy, which is defined as the ability to understand, evaluate and use digital financial tools effectively and safely (OECD, 2018; Pokharel et al, 2025).

Digital financial literacy is a pathway to women's empowerment. When women are digitally financially literate they are more likely to make informed financial decisions, access credit, manage risks, and engage in entrepreneurial activities (Klapper et al., 2019). It also increases autonomy in the family management of finances and encourages long-term financial security. Research shows that digital literacy interventions that are specific to women can have significant positive effects on saving behaviour, investment behaviour and overall financial well-being (Bongomin et al, 2020; Gammage et al, 2017). Moreover, the need for digital financial literacy was also accelerated due to the needs of the pandemic of the new coronavirus (Ha & Nguyen, 2025). Lockdowns and movement restrictions had financial institutions and consumers alike switched to contactless, digital first solutions (Ebaidalla, 2025). For women, in particular, especially those engaged in the informal economy in business, the knowledge of digital platforms became fundamental in order to survive and adapt (UN Women, 2021). However, this sudden change also increased the divide for those who do not have sufficient digital skills.

Research shows that women around the world, in general, face more barriers in accessing financial services, including digital ones, than men (Ashubwe et al., 2025; Guruprasad et al., 2025). Gender disparities in financial literacy and digital skills are a contributing factor to this, which limits women's economic participation and decision-making autonomy (Vegas et al., 2021). These disparities continue to exist in both the developed and developing economies, although their manifestations are different depending on socio-economic, cultural and technological contexts. For instance, in many of the South Asian countries, social norms and infrastructural deficits make a difference in digital access and literacy among women worse (Goyal and Sahn, 2017). Consequently, initiatives to increase digital financial literacy among women are central to realizing gender equity in financial inclusion as well as to furthering wider social and economic empowerment (Tripathi & Agarwal, 2025; Lestari et al., 2025).

South Asia is a mixed picture as far as digital financial inclusion is concerned. While the region has experienced a high level of growth in mobile money and fintech, disparities in access to digital and digital literacy remain gender-based. According to GSMA (2023), women in South Asia are 41% less likely than men to be on mobile internet, and this disparity amounts to unequal access of digital financial services. Cultural norms, low access to smartphones, low education levels, and a lack of specified training programs are some of the key barriers that women in the region face (Suri & Jack, 2016). Governments and non-governmental organizations have launched a number of programs to fill in these gaps. For instance, the Indian government's Pradhan Mantri Jan Dhan Yojna (PMJDY) radically increased access to bank accounts in rural areas for women and Pakistan and Bangladesh have used mobile financial services through partnerships with telecom companies. However, there are still challenges associated with the transition from account ownership to account usage, and this requires not only access, but also understanding and confidence - key components of digital financial literacy (Chen and Faz, 2015).

In Nepal, the discussion on digital financial literacy and inclusion of gender is picking up. As a developing country with an agrarian economy, Nepal has seen a gradual change towards digital finance in recent years supported by the growing penetration of smartphones, mobile banking apps and internet access both in urban and semi-urban areas (Nepal Rastra Bank [NRB], 2023). However, this shift has not been as inclusive. According to the Nepal Living Standards Survey (NLSS, 2022), although 60% of the Nepalese population aged 15 years and above have access to a banking service, only 38% of women are active digital financial tool users. The gender digital divide is still significant, particularly for rural, less-educated and economically disadvantaged women. Despite the government initiatives like National Financial Inclusion Strategy (2021-2025) that focus on promoting the access of digital finance, women still encounter systemic barriers to financial empowerment through digital means (NRB, 2023). One of the reasons for this lag is that the level of digital financial literacy among women is low. Many women do not only lack access to smartphones and the internet, but also the knowledge that is needed to navigate digital banking platforms, evaluate financial risks, or protect themselves from fraud and scams (UNDP Nepal, 2022). Without specific interventions and local approaches in order to strengthen digital financial competences, the risk of exclusion and vulnerability grows.

Focusing on Nepal provides a good case to examine the dynamics of digital financial literacy and its effect for women's financial decision. Nepal being a developing country with varied geographical and cultural features has witnessed the increasing penetration of digital financial services, particularly mobile money and internet banking (International Finance Corporation [IFC], 2025). However, large gender gaps remain in financial and digital literacy, and are attributed to factors such as unequal access to education, technological infrastructure and entrenched socio-cultural barriers limiting women's access to financial technology. Notably, recent studies show that despite the relative fact that women in Nepal have slightly higher financial literacy rates than men (17.9 percentage points higher as per the Nepal Rastra Bank, 2022), their actual financial empowerment remains limited by their low access to the use of digital technology, its usage confidence, and their decision-making autonomy (Chaulgain and Devkota, 2018; NRB, 2022).

Empirical evidence from Nepal: the case of digital financial literacy. Access to digital financial services coupled with literacy in their usage has facilitated women's participation in economic activities by allowing them to make safer, convenient savings, payments, access to credit and investment decisions (Thapa, 2025). Women using digital platforms describe the outcomes of having better financial autonomy and trusting in their ability to manage their personal and household finances (Nepal Development Research Institute [NDRI], 2025). Nevertheless, research has also identified common barriers such as infrastructural deficiencies, socio-cultural constraints, security issues, and low digital literacy which reduce the extent of empowerment that digital finance can bring to women (Chaulgain & Devkota, 2018). This is in line with more general findings across South Asia where digital divides are intersected by gender and affect the financial literacy and behaviour of women (African Financial Inclusion [AFI], 2024).

Given this context, the study on the nexus of digital financial literacy and women's financial decision making in Nepal is critical in understanding the contribution of digital inclusion to women's empowerment. Such research can help identify how knowledge, skills, and attitudes are affecting women's capacity to make informed financial decisions and be more engaged in the economy through the use of digital financial services. Previous research highlights the fact that financial literacy has a number of dimensions, including financial knowledge, skills, behavior, attitude, and awareness which are inter-related and influence the empowerment outcomes (Lusardi & Tufano, 2009; Chaulgain & Devkota, 2018). Moreover, digital financial literacy in particular encompasses extra competencies related to the security and effective use of digital tools. In Nepal, these dimensions have an aggregated effect on the role of women in the economy, and thus there is a need to design literacy programs tailored to the need to address the financial and digital skills gap (Thapa, 2025).

There is limited research on the relationship between digital financial education and women's financial choices in Nepal. While previous studies have found digital financial literacy to have a positive effect on financial behavior and decision-making globally (Atkinson & Messy, 2012; Lusardi & Mitchell, 2014), there is little empirical evidence on the relationship between digital financial literacy and financial behavior and decision-making among the Nepalese women population with different socio-economic backgrounds. The link between these is critical for both research and policy and programme development in the area of inclusive digital economies. In the context of developing countries, digital financial literacy has emerged as a critical tool for enhancing women's financial decision-making capabilities and promoting financial empowerment. Despite Nepal's strides in enhancing women's access to financial services and digital technologies, several challenges remain in the way of their meaningful engagement in the digital financial ecosystem. The problems observed demonstrate the need to look into the intricate relationship between digital skills, socio-cultural norms, and institutional contexts in relation to women's financial agency. Hence, this study aims at identifying the extent of digital financial literacy, its impact on financial decision making, and its mediators and moderators, among Nepalese women. The study will provide evidence-based findings to inform policy, education, financial services and NGO designs of targeted interventions to ensure gender-equal digital financial inclusion and financial empowerment of women in Nepal.

2. Literature Review

Digital financial literacy (which broadly refers to the capacity to comprehend and benefit from the use of digital financial services) has emerged as a key variable in women's financial empowerment and decision-making across the world (Showkat et al., 2025; Dote Pardo, 2026). The literature on this topic shows a consensus that digital financial literacy plays an important role in promoting women's economic participation, financial inclusion and autonomy. This review synthesizes the key research findings highlighting the Nepali context in the context of global trends and issues facing gender disparities of digital financial capabilities.

At the international level, researchers emphasize the importance of digital financial literacy as a way of dealing with a changing financial landscape that is dominated by digital platforms such as mobile banking, online payments and digital credit services. Lusardi and Mitchell (2014) stress that financial literacy, including its digital aspect, empowers people, particularly women, with knowledge and skills for prudent financial management to ultimately achieve economic well-being. However, women are continually faced with more challenges regarding achieving financial literacy and digital skills compared to men, limiting their access to and use of digital financial services (Vegas et al., 2021). This gender gap is influenced by socio-cultural norms, educational disparities and infrastructural constraints with large differences across regions and countries (Klapper et al. 2015).

In South Asia, and Nepal in particular, there is a pronounced gender digital divide, due to the ingrained patriarchal norms, weak female education levels and unequal access to technology (Goyal and Sahn, 2017). While Nepal has seen rapid growth in the digital financial services - including increasing usage of mobile money and internet banking - women's participation is being limited by unequal digital literacy. According to Nepal Rastra Bank (2022), although the financial literacy rates of women and men overall in Nepal are almost similar in some estimates by 17.9 percentage points, the digital financial literacy and thereby the use of digital financial platforms remain low, due to the nuanced barriers such as lack of confidence, fear of technology, and limited autonomy (Chaulgain & Devkota, 2018).

Multiple studies exploring digital financial inclusion among women in Nepal have identified some key factors influencing digital financial inclusion. Nepal (2025) in a study of women in Rupandehi District found that digital awareness, trust in technology, curiosity and motivation, and access to digital banking services have a significant impact on the level of financial inclusion of women. In particular, trust and motivation emerged as being important, which suggests that emotional and cognitive factors are as important as tangible access to technology. The research also highlights that the behavioral factors are more important than the socio-economic status when it comes to explaining the digital engagement of rural women, which further argues insights from other South Asian contexts (Samudra, 2022).

Parallel research supports that digital financial literacy allows women to be economically empowered by enabling them to save in safety, borrow knowledgeably and participate in entrepreneurial activities. For example, Melubo and Musau (2023) found that women-owned businesses in Narok county, Kenya significantly benefited from the adoption of digital financial services, although there were still barriers such as internet connectivity and literacy. Such findings are relatable to the experience of Nepal where microfinance and digital banking have enhanced access to credit and financial management for women entrepreneurs, but infrastructural and digital skill deficit are still important challenges (International Finance Corporation [IFC], 2025).

Importantly, several studies highlight the multidimensionality of financial literacy that includes knowledge, skills, behavior, attitude and awareness (Lusardi & Tufano, 2009; Chaulgain & Devkota, 2018). Digital financial literacy is the additional layer on top of competences used to use digital platforms in a safe and effective manner, reducing associated risks, such as fraud or misuse. Studies in Nepal show that digital literacy initiatives that are designed to meet the demands of women in terms of practical and psychological barriers, can improve their financial decision-making autonomy and confidence (Thapa, 2025; Nepal Development Research Institute [NDRI], 2025).

Socio-demographic factors play a critical moderating role in the digital financial literacy and usage of women. Younger women and higher educated and urban women report better digital financial literacy and higher frequency of using digital financial services than older women, less educated or rural women (Chaulgain & Devkota, 2018; Nepal, 2025). Cultural norms that limit women's mobility and control over resources also add to disparities and imply that literacy interventions must consider community and institutional frameworks more widely if they are to be fully effective (Vegas et al., 2021; Goyal & Sahn, 2017).

The transformative potential of digital financial literacy on women's empowerment, beyond economics, is also identified in literature. It is reported that women who gain digital financial skills report on an increase in their self-confidence, participation in financial decision-making in the household, and their ability to manage risks and opportunities (Rohatgi & Gera, 2024). Conversely, a lack of digital literacy is an additional factor of exclusion and vulnerability, making it necessary to develop concrete policies and educational programmes with a digital component to complement financial literacy programmes (African Financial Inclusion [AFI], 2024).

In Nepal, although the number of empirical researches is limited, it is increasing, and therefore there is a need for more nuanced analyses that take into account intersectional factors and local realities. Financial literacy continues to be a promising channel of socio-economic upliftment but attaining gender parity demands an intervention in structural constraints like gendered digital access, inequalities in education and socio-cultural norms (Chaulgain & Devkota, 2018; NDRI, 2025). Policies that push for the expansion of digital infrastructure, community-based education as well as gender-sensitive design of technology are important complements to literacy efforts (IFC, 2025).

In conclusion, the literature is consistent on the importance of digital financial literacy as a crucial tool to strengthen the ability of women to make sound financial decisions and to empower them in a global world and in Nepal. While there have been improvements, there are still persistent gender gaps and systemic barriers which will require multidimensional strategies, which combine education, technology access, trust-building and socio-cultural change. Future research should build empirical understanding of these dynamics with a focus on the local context so as to inform better policy and programmatic response to leverage digital financial literacy for women's inclusive economic development.

The hypothesis in the research is as follows:

H1: Financial attitude positively influences financial decision-making behavior.

H2: Subjective norms (family and social influence) significantly affect financial decision-making.

H3: Perceived behavioral control has a significant impact on financial decision-making.

H4: Digital financial literacy significantly enhances financial decision-making.

H5: Financial accessibility significantly contributes to financial decision-making.

3. Methods

The study was a quantitative, cross-sectional approach that explored the effect of Digital Financial Literacy (DFL) on the financial decision making of women in Nepal. The target population included women aged 18 and above, who accessed digital financial services (DFS) like mobile banking, digital wallets, online payments or internet-based financial platforms in Nepal. The respondents were selected from the urban, semi-urban and rural areas, to enable coverage of women from different socio-economic backgrounds.

The number of respondents was set to 386 participants, which is a reasonably large number as advised by Hair et al. (2022) for Partial Least Squares Structural Equation Modeling (PLS-SEM) and therefore, the sample size must be significantly larger than the maximum number of the structural paths directed towards any latent construct. In addition, the sample size was large enough for the minimum requirement recommended by Cochran's (1977) formula at 95% confidence level and 5% margin of error, which would provide the adequate statistical power and generalizability of the results.

A purposive sampling technique was used to identify women that had basic access to digital technology and were potential users of digital financial services. This was deemed suitable for the study since it was specifically examining financial literacy in the digital environment and financial decision making, thus, there was a need for respondents who have previously interacted with the digital financial environment. The survey data was gathered from women living in urban, semi-urban and rural areas of Nepal to reflect the digital financial landscape in diverse settings.

The research instrument was a structured questionnaire which was divided into two parts: demographic information and measurement items for the constructs of the study. The constructs consisted of Digital Financial Literacy (DFL), Financial Attitude (FA), Financial Accessibility (FAC), Perceived Behavioral Control (PBC), Subjective Norms (SN) and Financial Decision-Making (FDM). The measurement items were drawn from existing scales from previous research on financial literacy (Lusardi & Mitchell, 2014), digital financial services (OECD, 2018), financial behaviour (Ullah et al., 2022), and the Theory of Planned Behavior (Vegas et al., 2021). Some minor changes were made to suit the context of Nepal and the study objectives. Each item was rated on a 5-point Likert scale from 1 (Strongly Disagree) to 5 (Strongly Agree).

The questionnaire was pre-tested with academic experts in finance and research methodology to make sure that it is content valid and clear before the main survey. A small sample of respondents was asked to take part in a pilot test, whose results were used to make the required amendments. The data were gathered using a self-administered questionnaire that was sent out online and offline from January to February 2026. The study was voluntary; information was provided to the respondents about the purpose of the study. Responses were guaranteed to be confidential and anonymous and informed consent was given prior to data collection.

Partial Least Squares Structural Equation Modeling (PLS-SEM) was used to analyze the collected data. The analysis was performed in two phases; measurement model and structural model. Cronbach's alpha and Composite reliability were used to evaluate reliability and Average Variance Extracted (AVE) were used to evaluate convergent validity. The discriminant validity is assessed using Fornell-Larcker (1993) criterion and Heterotrait-Monotrait Ratio (HTMT). Hypothesized relationships of the constructs were tested using bootstrapping procedures.

4. Results

The results of the study are discussed in this section and are based on data of 386 women respondents in Nepal. The analysis is split into two significant parts descriptive and inferential analysis. Descriptive analysis is used to present demographic characteristics and distribution of variables of the study and inferential analysis is used to test the proposed hypotheses by evaluating the measurement and structural models with the software method of Partial Least Squares Structural Equation Modeling (PLS-SEM).

Table 1

Demographic Statistics

Variables	Categories	Frequency	Percentage
Age	Below 20	137	35.5
	20 - 29	182	47.2
	30 - 39	24	6.2
	40 - 49	25	6.5
	50 and above	18	4.7
Marital Status	Divorce/ Separated	2	0.5
	Single	290	75.1
	Widowed	4	1
	Married	90	23.3
Monthly Income	Less than Rs. 10000	267	69.1
	Rs. 10000 - Rs. 20000	37	9.6
	Rs. 20001 - Rs. 40000	41	10.6
	Rs. 40001 - Rs. 60000	19	4.9
	Above Rs. 60000	22	5.7
Education	Below Secondary level	27	7
	Secondary level	37	9.6
	Higher secondary level	125	32.4
	Bachelor's degree	183	47.4
	Master's degree or above	14	3.6
Internet Access	Yes	376	97.4
	No	10	2.6
Type of residence	Urban	190	49.2
	Semi Urban	134	34.7
	Rural	62	16.1

Source: Survey (2026)

Demographic profile of the respondents is shown in the table 1. The results show that most of the respondents were young (20-29 year), single and earning less than NPR 10,000 per month. The majority of the respondents have received higher secondary and/or bachelor's level education. In addition, the majority of them stated that they had access to internet and were spread across the urban, semi-urban and rural areas, which would allow them to have an appropriate environment to look into digital financial literacy and financial decision making of the women of Nepal.

The study variables were measured using descriptive statistics.

Table 2

Descriptive analysis of variables

Variables	N	Min	Max	Mean	SD
Digital Financial Literacy (DF)	386	1	5	3.7682	1.1228
Financial Attitude (FA)	386	1	5	3.9800	1.0838
Financial Accessibility (FAC)	386	1	5	3.8114	1.1738
Perceived Behavioral Control (PB)	386	1	5	3.6414	1.1240
Subjective Norms (SN)	386	1	5	3.5135	1.2575
Financial Decision Making (FDM)	386	1	5	3.6502	1.1086

The study constructs descriptive statistics are presented in Table 2. All scale values for the means have values above the scale midpoint, suggesting that the general perception of respondents about digital financial literacy, financial attitude, financial accessibility, perceived behavioral control, subjective norms and financial decision making is generally positive. The highest mean score was obtained in financial attitude, while the lowest mean score was obtained for the construct subjective norms among the other constructs.

Inferential Analysis

Partial Least Squares Structural Equation Modeling (PLS-SEM) was used to study the proposed relationships between the study variables. The inferential analysis is carried out in two steps: firstly, Measurement Model assessment and secondly, Structural Model assessment.

Measurement Model Assessment

The measurement model was checked for the reliability and validity of the constructs. Cronbach's alpha and composite reliability were used to evaluate the reliability, while Average Variance Extracted (AVE) was used to examine the convergent validity. The Fornell-Larcker criterion and Heterotrait-Monotrait Ratio (HTMT) were used to evaluate the discriminant validity.

Table 3

Construct Reliability and Validity

Variables	Cronbach's alpha	Composite reliability (rho_a)	Composite reliability (rho_c)	Average variance extracted (AVE)
DF	0.928	0.930	0.946	0.777
FAC	0.928	0.929	0.946	0.777
FA	0.909	0.911	0.932	0.732
FDM	0.889	0.890	0.918	0.692
PB	0.904	0.906	0.929	0.723
SN	0.815	0.824	0.878	0.645

Source: Authors

Table 3 shows that the Cronbach's alphas and composite reliabilities of all constructs were above the recommended values (>0.70), reflecting good internal consistency. Likewise, the validity of the convergent aspect had been proven as all AVE values were greater than 0.50. These findings indicate that the measurement items are valid indicators in measuring the latent constructs.

Discriminant Validity

Table 4

Fornell-Larcker Criterion

Items	DF	FAC	FA	FDM	PB	SN
DF	0.882					
FAC	0.777	0.881				
FA	0.696	0.687	0.856			
FDM	0.681	0.746	0.675	0.832		
PB	0.806	0.762	0.720	0.732	0.851	
SN	0.572	0.649	0.625	0.627	0.606	0.803

Source: Authors

Table 5

Heterotrait-Monotrait Ratio (HTMT)

Variables	DF	FAC	FA	FDM	PB	SN
DF						
FAC	0.836					
FA	0.754	0.748				
FDM	0.745	0.818	0.746			
PB	0.879	0.831	0.791	0.812		
SN	0.652	0.740	0.718	0.734	0.700	

The results of the Fornell-Larcker criteria are presented in table 4 which shows adequate discriminant validity among the constructs. The square root of AVE for each construct (e.g., DF = 0.882, FAC = 0.881, FA = 0.856, FDM = 0.832, PB = 0.851, SN = 0.803) is higher than the corresponding inter-construct correlations confirming that each construct is empirically distinct. Similarly, Table 5 presents HTMT ratios, all of which are less than the recommended level of 0.90 (highest = 0.879 between DF and PB), further providing evidence in support of discriminant validity. Together, these results prove that the measurement model meets the requirements of discriminant validity so that the constructs are conceptually and statistically distinct for subsequent structural analysis.

Structural Model Assessment

Once the measurement model was determined to be adequate, the structural model was tested to determine if the hypothesized relationships between the latent constructs existed (see Figure 1). A model fit indicator and path coefficients were analysed.

Table 6

Structural Model Fit

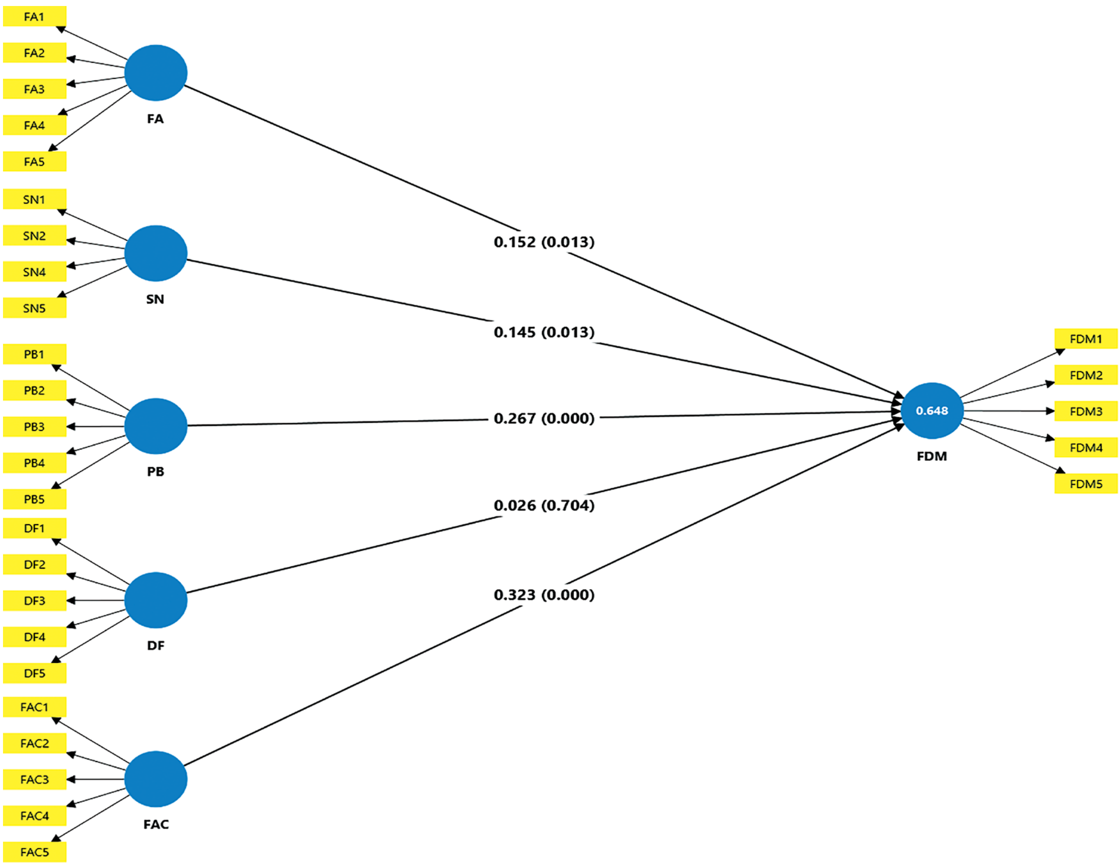
	Saturated model	Estimated model
SRMR	0.056	0.056
NFI	0.857	0.857

Source: Authors

The model fit indices show an acceptable fit of the model (see Table 6). The value for SRMR (0.056) is below the recommended threshold of 0.08 and the value of NFI (0.857) indicates a satisfactory model fit. The results suggest that the structural model is appropriate to be analyzed for hypothesis testing.

Figure 1

Structural Equation Model



According to the results of the structural model, the relationship of Digital Financial Literacy (DFL) with Financial Decision Making (FDM) is not statistically significant. Thus, the related hypothesis is rejected. The concepts of Subjective Norms, Financial Attitude, Perceived Behavioral Control and Financial Accessibility, however, do have an influence on Financial Decision-Making and they support the respective hypotheses. Financial Accessibility has the highest positive influence among these predictors and is thus a key determinant in influencing women's financial decision making in Nepal.

Table 7 indicate that although financial literacy is significant, other factors, namely behavioural, social and accessibility factors have a higher influence on women's financial decision-making behaviour.

Table 7

Hypothesis Testing

Hypothesis	Relationship	Effect	Mean	SD	t-stat	P value	Result
H1	DF -> FDM	0.026	0.024	0.069	0.383	0.701	Rejected
H2	SN -> FDM	0.145	0.143	0.059	2.438	0.015	Accepted

Hypothesis	Relationship	Effect	Mean	SD	t-stat	P value	Result
H3	FA -> FDM	0.152	0.154	0.061	2.502	0.012	Accepted
H4	PB -> FDM	0.267	0.271	0.067	3.966	0.000	Accepted
H5	FAC -> FDM	0.323	0.322	0.070	4.646	0.000	Accepted

5. Discussion

This study focused on the role of digital financial literacy and correlated behavioural factors on women's financial decision making in Nepal. The findings reveal that digital financial literacy (DF) does not have a significant direct effect on financial decision-making (FDM) while subjective norms, financial attitude, perceived behavioral control and financial accessibility have a significant influence on women's financial decisions.

The weak and insignificant direct relationship between digital financial literacy and financial decision making is interestingly contrasted with much of the literature on digital financial literacy around the world, which reports a positive relationship between financial literacy and financial behavior (Lusardi and Mitchell, 2014; Atkinson and Messy, 2012). However, this result might reflect the contextual realities of Nepal where structural and socio-cultural constraints limit women's ability of translating knowledge into practice. Similar observations have been made by Chaulgain and Devkota (2018), who have suggested that financial knowledge is not in itself sufficient to bring about empowerment, in the absence of supportive institutional and social environments. This finding implies that digital financial literacy may not work through a direct immediate impact but instead work indirectly through behavioural and accessibility-related factors.

The substantial impact of subjective norms on financial decision-making is consistent with the Theory of Planned Behaviour and does not contradict findings from South Asian settings where family, peers and community expectations have an important influence on women's economic behaviour (Goyal & Sahn, 2017; Vegas et al., 2021). In patriarchal societies, like Nepal, financial choices tend to be intrinsic to the overall functioning of households as opposed to individual rights. Thus, social approval and normative pressures play an important role in shaping the financial choices of women.

Financial attitude also proved to be a significant predictor of financial decision-making in support of earlier research on the multidimensional nature of financial literacy (Lusardi & Tufano, 2009). Positive financial attitudes including financial planning, saving orientation and risk sensitivity promote wise decision-making. This is consistent with empirical evidence that suggests attitudinal and psychological factors are crucial factors in determining the financial empowerment of women (Rohatgi & Gera, 2024).

Perceived behavioral control was found to have a strong positive effect on financial decision-making. This finding builds on the importance of self-efficacy and confidence in digital financial tools. Studies in Nepal and in other developing economies point to the fact that women's confidence to navigate on the digital platforms have a significant impact on their engagement in financial services (Thapa, 2025; Nepal Development Research Institute [NDRI], 2025). Even if there is existing knowledge, low perceived control may prevent active involvement in making financial decisions.

Financial accessibility was found to have the greatest impact on financial decision-making. This result provides strong support to earlier studies that highlight the importance of access to digital infrastructure, banking services and user-friendly financial platforms as a basic pre-requisite for financial inclusion (Demirguc-Kunt et al., 2018; IFC, 2025). In accordance with Chen and Faz (2015), account ownership is not enough; active use is dependent on accessibility, usability, and supporting ecosystems. In the Nepalese context where infrastructural and digital divide still exist (UNDP Nepal, 2022), the accessibility seems to be more decisive than only literacy.

Overall the findings suggest that although digital financial literacy is important, it is not enough by itself to improve the financial decision-making of women in Nepal. Behavioral factors (attitude, perceived control), social influences (subjective norms), and structural conditions (accessibility) are important factors that influence financial outcomes. This supports wider South Asian evidence which suggests that gendered digital divides need multidimensional interventions which include a mix of education, infrastructure expansion, confidence building and socio-cultural transformation (African Financial Inclusion [AFI], 2024; Goyal & Sahn, 2017).

The study adds to the literature by showing that in developing economies such as Nepal, the route from the digital financial literacy to financial empowerment is mediated by psychological, social and infrastructural factors. Policymakers should therefore combine digital skills training with those that seek to better access, women's confidence, and family and community engagement to create an enabling environment for women's financial autonomy.

6. Conclusion

Based on the empirical findings, the current study concludes that although the levels of digital financial literacy of Nepalese women are moderate, in turn, this does not directly and significantly influence their financial decision-making. Instead, behavioral and contextual factors (specifically financial accessibility, perceived behavioral control, financial attitude, subjective norms) are more substantive and statistically significant factors in shaping financial decisions, with the greatest predictor being financial accessibility. Acceptable model fit is shown which confirms the robustness of these relationships. Therefore, improving women's financial decision-making in Nepal will need not only an improvement in digital financial literacy, but also strengthening access to financial services, building confidence in financial management and encouraging supportive social environments and financial behaviour.

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