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“The Impact Of Finfluencers On The Financial Literacy Of Gen-Z”

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Abstract
In the age of digital connectivity, social media has emerged as a dominant force shaping the financial behaviours and knowledge of young adults, particularly Generation Z (Gen Z). This study investigates the impact of financial influencers—commonly known as "finfluencers"—on the financial literacy of Gen Z in Ahmedabad, India. Drawing on the Theory of Planned Behaviour (TPB), the study explores how exposure to finfluencers influences financial knowledge, attitudes, and behaviour, and whether this relationship is mediated by psychological factors such as subjective norms and perceived behavioural control.

A structured questionnaire was administered to 119 respondents aged 18–30 through online and offline channels. The study utilized descriptive statistics and serial mediation analysis using SPSS. Findings revealed that while a majority of Gen Z respondents follow financial influencers, exposure to such content had a significant negative impact on financial knowledge. However, financial knowledge was positively associated with financial attitudes, and in turn, attitude showed a weak positive relationship with financial behaviour. Financial knowledge alone did not significantly drive financial behaviour.

The results suggest that although finfluencers are popular among youth, their content may lack depth and credibility, potentially leading to misinformation and surface-level understanding. The study underscores the need for structured financial education programs to complement informal learning and empower Gen Z to make informed financial decisions.

Keywords: Finfluencers, Financial Literacy, Generation Z, Social Media Influence, Financial Behaviour, India, Theory of Planned Behaviour

Introduction
In the digital age, social media platforms have become powerful vehicles for information dissemination and behavioral influence, reshaping how younger generations engage with topics as critical as personal finance. Among the various forms of content creators, a distinct category known as financial influencers, or "finfluencers", has emerged with growing prominence. These individuals leverage platforms like YouTube, Instagram, and TikTok to

provide financial education, investment advice, and money management tips in a format that is accessible, informal, and often entertaining. Their influence is especially pronounced among Generation Z (Gen Z)—a demographic born between 1997 and 2012—that has grown up immersed in digital environments and frequently turns to online platforms for both information and inspiration.

As financial services become increasingly digitized and accessible, Gen Z's early involvement in economic activities like investing, budgeting, and managing credit is unprecedented. In India, where nearly half the population is under 25, understanding how this generation acquires financial knowledge is both timely and important. According to Vyas (2024), only 16.7% of Indian college students possess basic financial literacy, indicating a major educational gap that digital content may either bridge or exacerbate. While traditional financial education remains limited in reach and effectiveness, digital avenues—including finfluencer content—are rapidly becoming the new classroom for youth financial learning.
The appeal of finfluencers lies in their relatability, storytelling abilities, and capacity to translate complex financial concepts into digestible, everyday language. Guan (2023) and Ghadafi & Andriotis (2024) suggest that finfluencers democratize access to financial information, especially among underserved groups such as youth and women. Yet, this informal educational model raises important concerns. Many finfluencers lack formal financial credentials, and their recommendations often include high-risk assets like cryptocurrencies or penny stocks (Coban, 2023; Singh & Sarva, 2024). Kotak and Shakya (2025) found that over 44% of Gen Z in Anand, India, rely on financial advice from social media, but often without critically evaluating the source, which could lead to misinformed or impulsive investment decisions.

Despite their growing role, the empirical evidence on finfluencers' impact on financial literacy remains inconclusive. For instance, Geenen (2023) found no significant relationship between exposure to finfluencers and improvements in financial knowledge or behaviour. On the other hand, Jha & Jose (n.d.) observed that while finfluencers do not directly enhance literacy, they influence financial behaviour, particularly when users have a baseline level of financial understanding. Similarly, Vu et al. (2022) found that parasocial relationships—emotional attachments developed toward influencers—play a key role in changing financial attitudes and actions, even if cognitive understanding remains limited.
These findings present a paradox: finfluencers are a widely used source of financial information, but their impact on actual financial literacy remains unclear. Are finfluencers merely trendsetters driving behaviour, or can they foster deeper financial capability among youth? This question is especially relevant in emerging markets like India, where the intersection of digital penetration and low formal financial literacy creates a unique ecosystem.
To address this gap, the present study investigates the impact of finfluencers on the financial literacy of Gen Z in India. Drawing on the Theory of Planned Behaviour (TPB) as a conceptual framework, the study explores whether exposure to finfluencers influences financial knowledge, attitudes, and behaviours, and whether factors such as educational background and perceived behavioural control moderate this relationship. The objective is to assess whether finfluencers serve as effective informal educators or if their influence remains superficial, with implications for policy, education, and digital media regulation.

Literature Review

Financial Literacy Among Gen Z: Global and Indian Perspectives

Several studies affirm that financial literacy is a crucial life skill, especially for Gen Z, who are navigating complex financial landscapes at an early age. According to Prajapati et al. (2025), financial knowledge, skills, and behaviours are interconnected, with financially literate individuals more likely to exhibit positive financial behaviours such as budgeting and saving. However, global research consistently points to low financial literacy levels among youth, a concern echoed in India. For instance, Vyas (2024) found that only 16.7% of Indian college students demonstrated a basic understanding of personal finance, highlighting the urgent need for structured financial education in Indian academic institutions.

Studies such as Balivada and Devi (2024) and Prempeh et al. (2024) further demonstrate that formal education, socioeconomic background, and demographic factors like age and gender influence financial knowledge and behaviour. Despite moderate levels of awareness about financial tools, many young adults struggle with applying that knowledge to real-world decisions, often due to cognitive biases, lack of financial education, or lifestyle habits driven by instant gratification (Achmad Saiful Samsul et al., 2024).

Social Media, Finfluencers, and the Digital Shift in Financial Learning

With Gen Z spending significant time online, social media has become a key channel for financial information. Influencers—especially finfluencers—have filled an information gap by delivering financial education in bite-sized, accessible formats. Guan (2023) and Ghadafi & Andriotis (2024) emphasize that finfluencers help democratize financial knowledge, particularly for those who lack access to formal financial education. Platforms like YouTube and Instagram are seen as more impactful for financial learning than shorter-format apps like TikTok, as noted by Angelica & Zen (2023).

However, the credibility of finfluencers remains a concern. Studies like Singh & Sarva (2024) and Coban (2023) warn that many influencers lack formal qualifications and may promote speculative or risky investments. This creates a dilemma where youth may follow charismatic personalities without critical evaluation of the advice offered. Kotak & Shakya (2025) observed that 44.2% of Gen Z respondents in Anand, India, rely on financial information from social media—often without verifying its authenticity—leading to potentially misinformed decisions.

The Impact of Finfluencers on Financial Knowledge, Attitudes, and Behaviour

The direct relationship between finfluencer exposure and financial literacy remains contested. Geenen (2023) found no significant link between following finfluencers and improved financial knowledge or behaviour among young adults, a finding echoed by other researchers like Jha & Jose (n.d.), who noted that finfluencers tend to influence financial behaviour more than they enhance literacy. Their research suggests that financial literacy may partially mediate the relationship between influencer exposure and behavioural change.

Conversely, some studies provide nuanced insights. For example, Martaningrat & Kurniawan (2024) found that finfluencers help build trust and disseminate investing knowledge but also observed that increasing financial education may reduce their persuasive power. Leanto & Kohardinata (2025) raise concerns about imitation without understanding—Gen Z may mimic influencer strategies without grasping the underlying concepts, potentially undermining genuine financial literacy.

Vu et al. (2022) explore the parasocial relationships between youth and finfluencers, revealing that emotional connections can amplify behavioural change even when knowledge gains are minimal. This highlights the psychological mechanisms through which finfluencers exert influence—often bypassing critical thought in favour of relatable content.

Research Gaps

While studies underscore the growing role of social media in shaping financial behaviour, there remains a significant research gap regarding the causal impact of finfluencers on financial literacy as a measurable outcome. Much of the existing literature focuses on behaviour or investment trends, with limited attention to whether followers gain deeper financial understanding. Additionally, Indian-specific research on this subject remains scarce despite the country's large and digitally connected Gen Z population.

This literature review highlights the need for more rigorous, context-specific studies that evaluate not only the behavioural influence of finfluencers but also their educational value. Exploring how content format, platform type, and influencer credibility shape financial literacy outcomes will be essential in informing both educational policy and digital content regulation.

Research Methodology

This study employs a descriptive research design to explore the impact of financial influencers (finfluencers) on the financial literacy of Generation Z (Gen Z) in Ahmedabad. It focuses on evaluating Gen Z's knowledge of financial products, their overall financial literacy, and the influence of social media platforms on their financial behaviour.

The target population includes individuals aged 18 to 30 years, representing a digitally engaged age group actively making financial decisions. The study is geographically confined to Ahmedabad city, ensuring a focused analysis within a homogenous urban context. The research emphasizes Gen Z's engagement with finfluencers on platforms like YouTube, Instagram, Telegram, and X (formerly Twitter).

Primary data were collected using a structured questionnaire distributed through both online and offline methods. A convenience sampling method was applied, resulting in a final sample of 119 respondents (100 online, 19 offline), selected based on their familiarity with financial influencers.

For data analysis, SPSS was used to perform basic descriptive statistics and explore patterns in financial literacy and platform influence. The study focused on recent interactions with social media content to maintain relevance to current digital trends.

Method Design

The main objective of this study is to explore the relationship between exposure to financial influencers, financial knowledge, and financial behaviour. Furthermore, this study will examine the potential mediating role of financial attitude in the association between financial knowledge and financial behaviour.

The data for this study was collected using an online questionnaire administered through the online survey on Google Form.

Participants-The target population for the current study consisted of young adults aged between 18 and 29 years old. The study specifically focused on young adults for multiple reasons.

Firstly, 18 to 29- year-olds are the biggest group of social media users, and they spend the most time on social media out of all age groups. In addition, young adults are increasingly using social media as a primary source of information, also when it comes to financial advice (UNICEF & Gallup, inc, 2021).

Measures

Exposure to Financial influencers- This variable was measured by self-report questions. Participants reported do they follow any financial influencers on social media. A total score of exposure to financial influencers resulted from those questions (Mean=1.29, SD = 0.455). Second, they reported whether they follow financial influencers on social media and how many financial influencers they follow.

Financial Literacy-The variable financial knowledge was measured using the 7-item financial knowledge scale the scale measured the financial knowledge of participants by utilizing open, multiple choice, and true/false questions. An example of one of the items is: "Is the following statement true or false? It is usually possible to reduce the risk of investing in the stock market by buying a wide range of stocks and shares". The reliability of the scale, as measured by Cronbach's alpha, was found to be .164

Financial attitude: - The variable financial attitude was measured using the 2-item financial attitude scale. This scale consisted of the following items: "I find it more satisfying to spend money than to save it for the long term", and "Money is there to be spent". Reliability analysis was performed which resulted in a .771 Cronbach's alpha.

The two items were rated on a 5-point scale, ranging from 1 (Strongly Disagree) to 5 (Strongly agree) (M = 3.14, SD = 1.43, α = .771)

Financial behaviour. The variable financial behaviour was measured using the 6-item financial behaviour scale. The scale measured different kinds of financial behaviour from participants, including saving behaviour, budgeting behaviour, and financial decision-making, and the participants answered the items which included yes/no questions, five-point scales, and multiple-choice questions. This resulted in an overall score of financial behaviour (M = 3.73, SD = 1.208, α = .732).

Perceived behavioural control. The current study measured the variable perceived behavioural control as a possible predictor of financial behaviour. Perceived behavioural control was measured with five items rated on a 5-point scale (1 = strongly disagree to 5 = strongly agree). Examples of the items used are: "I am confident in my ability to make good financial decisions" and "I am confident in my ability to stick to my financial goals" (M = 3.41, SD = 1.21, α = .650).

Subjective norms. The variable subjective norms were measured as another possible predictor in the current study. Subjective norms were measured on the same 5-point scale as perceived behavioural control (1 = strongly disagree to 5 = strongly agree). Subjective norms were measured with four items and some of the items used in the survey were "I feel pressure from my family or friends to make certain financial decisions" and "My financial decisions are influenced by the financial decisions of my peers and family". (M = 3.10, SD = 1.28, α = .464).

Variables	M	SD	Cronbach's α
Financial Knowledge	.99	1.07	.164
Financial Attitude	3.14	1.43	.771
Financial Behaviour	3.73	1.208	.732
Perceived Behaviour Control	3.14	1.21	.650
Subjective Norms	3.1	1.28	.464

Table 1: Demographic Profile of Respondents (N = 119)

Variable	Category	Frequency (n)	Percentage (%)

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Variable	Category	Frequency (n)	Percentage (%)
Gender	Male	63	52.9%
	Female	56	47.1%
Age Group	18–20 years	41	34.5%
	21–25 years	52	43.7%
	26–30 years	26	21.8%
Education Level	Undergraduate	67	56.3%
	Postgraduate	52	43.7%
Occupation	Student	88	73.9%
	Working Professional	31	26.1%
Most Used Platform	Instagram	48	40.3%
	YouTube	35	29.4%
	Telegram	21	17.6%
	X (Twitter)	15	12.6%

Interpretation

The demographic profile reveals that the study sample was fairly balanced in terms of gender, with 52.9% male and 47.1% female respondents. A significant portion of the respondents (43.7%) belonged to the 21–25 age group, highlighting a core segment of Gen Z likely to be exploring financial decisions independently. Educationally, 56.3% of participants were pursuing undergraduate studies, and the majority (73.9%) were students, aligning with the target demographic of digitally active, young adults.

In terms of platform usage, Instagram emerged as the most-used social media platform for financial content (40.3%), followed by YouTube (29.4%), indicating these platforms' dominance in shaping financial perceptions among youth. Telegram and X (Twitter) were less frequently used, showing that while they are part of the digital ecosystem, they may play a secondary role in financial content consumption.

Serial Mediation Analysis

Hypothesis

H1: Exposure to financial influencers has a positive impact on the financial knowledge of young adults.

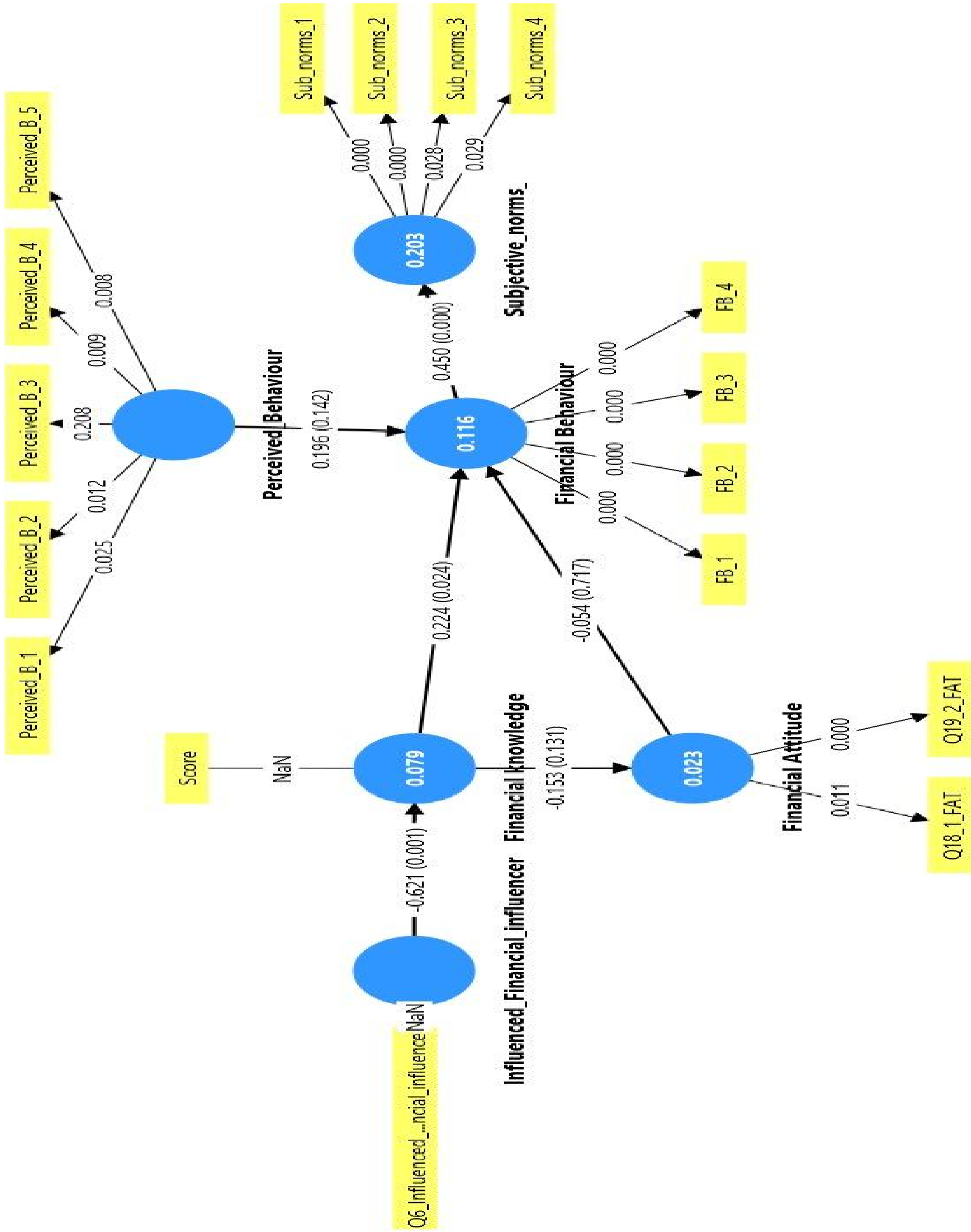
H2: There is a positive relationship between financial knowledge and financial attitude.

H3: There is a positive relationship between financial attitude and financial behaviour.

H4: There is a positive relationship between financial knowledge and financial behaviour.

The analysis utilized 5000 bootstrapping samples, and 95% bias-corrected

The analysis revealed that exposure to financial influencers did not have a significant impact on financial knowledge (b=-0.621,t = 3.467, p = 0.001). Therefore, the first hypothesis of this study, which stated that exposure to financial influencers has a Negative impact on financial knowledge, was Rejected. Moreover, the analysis revealed that there was significant impact of financial knowledge on financial attitude (b=0.153,t = 1.512, p = 0.131), Accepting hypothesis two. However, both financial knowledge and financial attitude were found to significantly impact financial behaviour. Financial attitude showed a Positive relationship with financial behaviour (b=-0.054,t = .3624, p = 0.717), but financial knowledge shows Negative (b = 0.224, t = 2.26, p = 0.024).



Findings

1. The study revealed several key insights into the relationship between Finfluencer exposure and financial literacy among Gen Z in Ahmedabad.
2. Negative Impact of Finfluencer Exposure on Financial Knowledge Contrary to expectations, exposure to financial influencers had a significant negative effect on financial knowledge (β = -0.621, p = 0.001). This suggests that much of the

content consumed from finfluencers may be superficial, misleading, or lacking educational depth, possibly due to their limited formal qualifications.

3. Financial Knowledge and Attitude
A positive but modest relationship was found between financial knowledge and financial attitude (β = 0.153). This aligns with prior studies, indicating that knowledge can influence more responsible attitudes, although other factors may also contribute.
4. Financial Attitude and Behaviour
Financial attitude was found to have a positive but weak effect on financial behaviour (β = -0.054), supporting the Theory of Planned Behaviour. The weak association may reflect a gap between intention and action due to external or motivational constraints.
5. Financial Knowledge and Behaviour
No significant direct relationship was observed between financial knowledge and financial behaviour (β = 0.224, p = 0.024), suggesting that knowledge alone is insufficient to drive behavioural change without supportive attitudes or practical context.

Conclusion

This study reveals that while Generation Z in Ahmedabad actively engages with financial influencers on platforms like YouTube and Instagram, such exposure does not necessarily improve their financial literacy. In fact, consistent with findings by Geenen (2023) and Coban (2023), the study found a negative relationship between finfluencer exposure and financial knowledge, suggesting that much of the content may be fragmented, misleading, or lacking educational value.

Although financial knowledge was positively associated with financial attitude, and attitude with behaviour, these links were weak—echoing concerns raised by Leanto & Kohardinata (2025) and Samsul et al. (2024) that digital familiarity does not always translate into sound financial practices.

In essence, the findings highlight a critical gap between information access and financial competence. Finfluencers may spark interest, but without structured education and critical evaluation skills, Gen Z remains vulnerable to misinformation. As such, there is a pressing need for formal financial literacy programs to complement informal digital learning and empower youth to make informed, responsible financial decisions.

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Annexture

Financial Attitude

Reliability Statistics

Cronbach's Alpha	N of Items
.771	2

Financial Behaviour

Reliability Statistics

Cronbach's Alpha	N of Items
.732	4

Perceived Behaviours

Reliability Statistics

Cronbach's Alpha	N of Items
.602	5

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Subjective Norms
Reliability Statistics

Cronbach's Alpha	N of Items
.463	4