



# Research on the Mechanism and Path of Digital Financial Literacy in Driving Family Wealth Accumulation

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## Abstract

Household wealth accumulation forms a key micro-level foundation for national prosperity and social well-being. With the rapid expansion of digital financial services, tools such as mobile payments, online investment platforms, and digital credit have increasingly shaped household financial behavior. Digital financial literacy (DFL) has emerged as a critical capability influencing financial decision-making and long-term wealth outcomes. This study develops a capability-behavior-outcome framework to examine how DFL drives household wealth accumulation. Drawing on the Theory of Planned Behavior and the Resource-Based View, the analysis shows that DFL enhances household wealth by alleviating financing constraints, improving asset allocation, strengthening risk prevention, and promoting entrepreneurial activities. The effects are particularly pronounced among rural and low-education households, while the digital divide remains a key constraint.

**Keywords:** Digital financial literacy; household wealth accumulation; financial inclusion; asset allocation; financing constraints

## Introduction

Household wealth accumulation is an essential foundation for national prosperity and social well-being [1]. The rapid growth of digital financial services, including mobile payments, robo-advisory platforms, online investments, and digital credit, has fundamentally reshaped household financial behavior. In this context, digital financial literacy (DFL) has emerged as a key determinant of decision-making quality, risk management, and wealth growth [2]. Existing research largely focuses on the macroeconomic benefits of digital finance or treats digital finance usage as a direct explanatory variable, while neglecting the underlying capability differences that determine effective participation. Consequently, the internal decision-making process remains insufficiently understood [3]. To address this gap, this study proposes a capability-behavior-outcome framework to examine how DFL influences household

wealth accumulation and to clarify the mechanisms through which digital financial capabilities translate into improved financial outcomes.

## Brief Literature Review

DFL has been conceptualized from multiple theoretical perspectives. The Theory of Planned Behavior (TPB) posits that DFL enhances cognitive control and confidence, thereby promoting rational financial decisions and improved wealth outcomes [4]. The Resource-Based View (RBV) treats DFL as specialized human capital that enables households to access digital financial resources, reduce information asymmetry, and sustain wealth advantages [5]. Additionally, financial intermediation theory suggests that DFL lowers transaction costs and information

frictions, facilitating resource flows to underserved households [6]. Despite these insights, many studies treat digital finance usage as given, overlooking underlying capability differences. Usage without sufficient literacy may increase the risks of over-indebtedness or fraud [7]. DFL thus serves as a prerequisite for converting digital engagement into financial benefits.

DFL affects household wealth through four key mechanisms: alleviating financing constraints [8]; optimizing asset allocation and enabling more sophisticated financial activities [9]; enhancing risk prevention and fraud protection [10]; and promoting entrepreneurial income by strengthening perceived behavioral control. The effects of DFL are heterogeneous, providing greater inclusive benefits for rural and low-education households, although the digital divide limits broader impact. For micro-enterprises, DFL plays a critical role, whereas managerial capabilities tend to dominate in larger firms [11]. Building on these findings, this study proposes a capability-behavior-outcome framework, in which DFL (capability) shapes entrepreneurial intention, risk-taking, and financial behaviors (process), ultimately leading to income growth, asset appreciation, and enhanced household resilience (outcome).

## Conclusion

Digital financial literacy (DFL) serves as a core form of human capital, unlocking the “black box” of digital finance usage and enabling households to convert digital tools into wealth. It operates through four key channels: alleviating financing constraints, optimizing asset allocation, enhancing risk management, and promoting entrepreneurship, thereby forming a coherent capability-behavior-outcome chain. DFL also delivers inclusive benefits, particularly for rural and low-education households, although the digital divide underscores the need for targeted policy support. Future research should further examine the long-term dynamics of DFL and identify tailored interventions for diverse household groups.

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## Conflict of Interest

None.

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