

The Role of Educational Psychology and Public Policy in Promoting Financial Inclusion

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Abstract

Financial inclusion is a fundamental part of the policy approaches that development policies do, but it does not imply that financial services will be widely adopted if they are available. This research we are proposing examines the role psychological and social factors have in public policy, and, in turn, how that public policy impacts people's behavior with financial services. In this study, we apply educational psychology, behavioural economics, and institutional analysis, which we view as a multi-dimensional outcome, incorporating individual psychological components such as knowledge, attitude, self-efficacy, motivational factors and decision-making processes, and public policy output – in terms of structure and support. The study involves an interdisciplinary literature review and original data collected from selected states in India from adults who are new to formal financial services and adult learners. It looks at financial literacy, financial confidence, attitudes to money, digital financial skills, awareness of financial policies and various aspects of financial access, such as service quality and use. The study integrates different perspectives in education and policy analysis to analyze and discuss the various reasons for the psychological and structural barriers even when financial services are more available. It also comes up with evidence-based recommendations for more robust financial education, improved consumer protection and more inclusive policies. This study attempts to fill a lacuna in the literature as financial inclusion studies in India seldom bridge the gap between the educational and psychological factors and with the institutional and policy analysis.

Keywords: Educational Psychology; Financial Inclusion; Financial Literacy; Public Policy; Financial Self-Efficacy; Digital Financial Inclusion; Financial Behaviour; Inclusive Education

1. Introduction

Financial inclusion has been an agenda for development policy, both at the national and international level. It involves ensuring that individuals and enterprises can access useful, affordable financial products and services, such as payments, savings, credit, insurance and pensions, through formal financial service providers, whose services are responsible and sustainable (World Bank, 2022; Demirgüç-Kunt et al., 2022). Financial inclusion has been progressing rapidly across the globe. According to World Bank Global Findex data, over the past decade the share of adults who have an account has significantly increased, with some of the largest increases in the large emerging economies. India is a standout: the Pradhan Mantri Jan Dhan Yojana (PMJDY) initiative – thanks to Aadhaar and universal mobile access – significantly increased account ownership, and has come to be known as the JAM trinity. (Reserve Bank of India [RBI], 2020, 2025).

Access is not enough to guarantee real inclusion. Many bank accounts opened are not used and formal savings and credit services are not widely adopted. Digital finance also demands more of the users: they must possess a certain level of digital skills, trust the system and have a sufficient level of awareness of cybersecurity to reduce avoidable risks. Therefore, it is not possible to simply count the number of physical and digital service points to measure inclusion. It is important to consider whether people are able to access formal financial services safely, confidently and effectively. This can be influenced by their knowledge, attitudes, confidence, motivation and judgment, which are in turn impacted by education and social experiences. The extent to which people can develop and apply those skills is also shaped by policy, consumer safeguards and the design of the financial market.

Educational psychology provides a framework to systematically examine learning processes, beliefs and attitudes about money, self-concept of financial competence, and knowledge-to-action processes. Bandura's theory of self-efficacy, Ajzen's theory of planned behavior, and behavior research on present bias, risk perception and cognitive load are all theories that can explain why giving information is not enough to change financial habits. Public policy also influences the types of financial products that are available, the cost, design, and protections that come with them. The conditions under which individuals are able to make use of their financial capacity or have this capacity constrained include measures like financial education programs, banking correspondence models, digital public infrastructure, social protection transfers, and consumer protection rules.

In reality, access to finance, financial education and consumer protection have been increasingly connected as part of India's national policy. The reference of this link is mentioned in the National Strategy for Financial Inclusion (NSFI) 2019-2024, its successor, NSFI 2025-30 and the National Strategy for Financial Education (NSFE) 2020-2025. Initiatives like Centres for Financial Literacy, the financial education in schools and the campaigns on digital-literacy show an increased focus on psychological and educational aspects that determine financial behaviour. Despite this, there have been few empirical studies that look at those factors in conjunction with institutions and public policy. Many studies on financial inclusion have focused on supply-side indicators or aggregate measures of access to financial services, and some financial-literacy studies simply assume that behavior is simply a function of knowledge. That is an inadequate way of modelling self-efficacy, motivation and institutional context in which people make financial decisions.

This is a simple question (a starting point) that must be asked: access to financial services, via a bank branch or digital access, is only one factor in financial inclusion. It explores the impact of education on confidence and the ability to make decisions, and the importance of public policy and institutional design in determining the ability to access formal financial services safely and in ways that are relevant. The study will create and assess an interdisciplinary framework based on educational psychology, financial behaviour and public policy and will be focused on India and compare evidence from other countries.

2. Review of Literature

2.1 Concept and Dimensions of Financial Inclusion

Financial inclusion is more than just a bank account. It also requires access to services online or in person, products to meet their needs and the cost of the services. As well as information, protection for consumers and appropriate products, actual use is important. There are additional conditions to be met for digital access: reliable connection, appropriate device, and skills to use it (Sarma, 2012; World Bank, 2022; RBI, 2021). Financial inclusion at more than access is what the Reserve Bank of India's Financial Inclusion

Index measures. Along with this it also monitors the usage of financial services and the quality of financial services, which is a recognition of the fact that there are multiple dimensions to financial inclusion. Global Findex comparisons tell a similar story: having an account does not necessarily imply that one uses it regularly or engages in activities like savings, credit or insurance. (Demirgüç-Kunt et al., 2022). This is helping to clarify the distinction between formal access and meaningful and sustainable engagement in the financial system, for the benefit of researchers and policymakers.

2.2 Educational Psychology and Financial Behaviour

Educational psychology suggests which could explain the differences found in financial behaviour where very similar structures can be involved. While financial knowledge is a must it is not always enough. We observe some authors talking about financial self-efficacy – the confidence in one's own capability in financial matters and also a belief in being able to achieve financial goals – as doing a better job of predicting savings investment and debt management as compared to what is known factually (Farrell et al., 2016; Furrebøe Nyhus, 2022). Additionally, what influences our thoughts on money, risk and debt influences our actions and decisions. We also observe that motivational problems such as thinking about our future and our self-regulation skills have an impact on the fact that short term problems prevail over long term financial plans. Also, behavioral economics brings to light which are the large scale which play a role in financial decisions. During the 1960s, the use of formal products was abandoned due to biases such as present bias, loss aversion and complexity aversion. (Thaler & Sunstein, 2008; Kahneman & Tversky, 1979).

From an empirical perspective, we observe that people who are both students and adults, report that a positive relationship exists between financial literacy and self-efficacy and what we may refer to as healthy financial behaviors, such as saving and using low cost debt (Arofah, 2019; Rothwell et al., 2016). The same moment that reports comment on this problem evidence diversity by gender, age, income and past financial socialization, thus highlighting that, although psychological in nature, these attributes are very much a social construct.

2.3 Financial Literacy and Financial Education

Financial literacy that has a definition that involves awareness, knowledge, skill, attitude and behavior that lead to good financial decisions and eventually to better financial health of an individual (OECD, 2018). What we do find in terms of research, from the meta-analysis and narrative reviews of financial education work is moderate positive effect when it comes to knowledge, and small positive effect when it comes to behaviour, but there is variation in effect size with different programs, time of implementation and type of target groups, and type of assessment (Kaiser Lusardi, 2024; Fernandes et al. 2014). A change in test scores does not automatically translate into changes in saving rates, credit choices or insurance coverage. What we also see is that, programs that incorporate components of Experiential Learning, Goal Setting and Self-efficacy are more effective for behaviour change. When it comes to emerging markets, financial literacy that we have targeted towards women and other marginalized groups has been reported in several studies and resulted in rising use of financial accounts and savings, however, one area that presents a problem here is sustainability and scale (Goyal Kumar, 2021).

2.4 Public Policy and Financial Inclusion

Public policy has an impact on financial services and financial capacity of financial services users. On the supply side, we see the structures of regulatory aspects of branchless banking, business correspondents, priority sector lending and digital payments infrastructure as this will provide the geographical and product extension. From a demand perspective, national financial education plans are in place, financial

education is being incorporated into the curriculum taught in schools, and financially literate community centers are being created, all of which we hope will contribute to that capacity. India's NSFI and NSFE put forth a multi stake holder approach which includes access, use, quality and consumer protection (RBI, 2020, 2025). Good communication in grievance redressal, open pricing and data protection can minimise the psychological barriers of trust and complexity.

2.5 Digital Financial Inclusion and Educational-Psychological Factors

Digital financial services can lower the costs, and increase access, to transactions; however, they require new levels of trust and comprehension. However, using these services and continuing to use them depends upon the usefulness, ease of use, trust, digital competence and awareness of common fraud risks. Access is not even: disparities in device ownership, internet connection, digital literacy and language accessibility intersect with gender, location, age and education. Research on mobile money and digital payments indicates that even technical access does not necessarily ensure frequent and secure usage, as the users must be knowledgeable and have trust in these systems. This puts security awareness and consumer protection as a pressing concern for policy makers and educators.

2.6 Social, Gender and Socio-economic Dimensions

Financial services are not equally available to all. The outcome is determined by gender, income, education, location, age, disability and social exclusion. Women's access to formal credit and use of accounts are still less than men's in many contexts, although there is reduced disparity in account ownership in India. Distance is a practical issue, but people in rural areas also have poorer infrastructure. Low-income, less educated individuals tend to be less knowledgeable and confident with money. Formal products and digital tools are also more difficult to use due to language differences and low levels of literacy. These patterns are documented by the Global Findex and national surveys, and careful research design is needed to determine that they are the result of any one factor. Overall, the research indicates that social disadvantage is not in isolation but intertwined with persons' skills and confidence and the design of policies. So, the impact of a single intervention can have vastly different consequences on different groups.

2.7 Theoretical Perspectives

The proposed framework is based in several theories. Social Cognitive Theory and Self-Efficacy Theory explain how these factors, behavior, and environment constantly influence each other: self-efficacy plays a key role in whether or not people will engage in behavior. The Theory of Planned Behavior connects attitudes, subjective norms, perceived control to intention and behavior. Along with Prospect Theory, Behavioral Economics can account for why individuals sometimes make irrational decisions and how these decisions impact their finances. The Human Capital Theory sees education as an investment which enhances people's ability to produce and manage resources, including their financial skills. The Capability Approach is asking a different question – not what resources people have, but rather do they have the freedom to do the things they value, for example, to enjoy financial security and meaningful participation? Financial capability frameworks (Sherraden, 2013) pull these concepts together and account for both individual financial capability and the institutional and public policy opportunities. Overall, the theories indicate that by means of education, confidence, and mental capacity can be enhanced, enabling financial inclusion, but this cannot be achieved without supportive policies and institutions that allow it to be possible.

3. Research Gap

Financial literacy has been related to money management, documented the broader penetration of formal financial services in the wake of financial reforms, and revealed demographic patterns of inclusion/exclusion. However, there are key omissions and limitations. Educational and psychological factors (confidence in ability, motivation, and decision making) are often treated as secondary factors or collapsed into tests scores. That overlooking their potential effects in linking education to actual behaviors. Policy research is no exception – it is generally concerned with increasing supply and not with how the design of the policies support peoples' abilities and circumstances. Thirdly, digital financial inclusion also imposes psychological demands on people which are not fully addressed by the existing frameworks. Few studies link individual psychological measures and institutions and policies affecting access to finance. This is most pronounced in India, where access has grown extensively but services are not of uniform quality and use is not equal. Although there is a general distinction between formal access and meaningful access and inclusion over time, this is not always applied in empirical research.

This research will create and test a model of the relationship between educational and psychological issues and financial behavior and public policy. It sees meaningful financial inclusion as a product of the capabilities of individuals and the opportunities of institutions, not of education nor policy alone.

4. Objectives of the Study

The study pursues the following specific objectives:

- To analyse the relationship between financial knowledge, attitudes, self-efficacy, and motivation on adult learners' financial behaviour and people who have started using formal financial services for the first time.
- To examine how public policies and institutional frameworks (including financial education policies, banking access and digital infrastructure, and consumer protection) support or hinder effective financial inclusion.
- To measure the relationship between financial education and psychological capacities, and formal financial service access, use and quality.
- Investigate psychological, educational, digital and socio-economic barriers to the formal access to regular and beneficial use.
- Evaluate research in the field of educational psychology for impacts on financial inclusion and financial education policies.
- Build an interdisciplinary model that links individual psychological skills to policy and institutional requirements for enhancing inclusive financial education and policy.

5. Research Questions

The following research questions guide the inquiry:

RQ1. What are the role and influence of financial knowledge, attitudes and self-efficacy on the financial behaviour and effective use of formal financial services?

RQ2. What are the obstacles or facilitators for people to access formal financial services, and to use them with confidence and safety, based on public policies and institutional arrangements?

RQ3. How do financial education, psychological capability and the various facets of financial inclusion relate to each other?

RQ4. What are the psychological, digital, educational and socio-economic barriers that block people from

adopting formal financial services and making them a positive and sustainable experience?

RQ5. What are the implications for policy and for the education and psychology fields in order to better support lasting financial inclusion?

RQ6. What are the interactions between educational and psychological factors and public-policy in promoting meaningful and sustainable financial inclusion?

6. Methodology

6.1 Research Design

The study is designed as a sequential mixed methods approach. It starts with a systematic narrative review of interdisciplinary research in the field of educational psychology, financial literacy, financial behavior and public policy with a view to improve the financial inclusion both within international and Indian context. The researchers then gather primary data using structured survey and follow it up with semi structured interviews. The survey explores the connections between exposure to education, psychological factors and financial inclusion indicators and the interviews explore experiences with barriers, trust, and policy. The two strands are brought together by the researchers in the interpretation process through joint display and narrative synthesis. This design enables the study to assess psychological constructs in a consistent and stable manner and to also keep track of the institutional and personal context that cannot fully be represented by standardized instruments.

6.2 Conceptual Framework

The model suggests that education, particularly financial education, is crucial to developing the psychology of good financial choices – that is, knowledge, attitudes and belief in their own capacity, and motivation. Those resources contribute to the way people handle finances, such as saving, using credit, having insurance, making digital payments, and planning financially. These actions can then contribute to meaningful financial inclusion, as understood here, which includes access to financial services but also their usage and the quality of the financial services. Public policy, digital infrastructure, consumer protection and socio-economic conditions impact the process at various points and can either increase the capabilities of people or leave their financial behaviours to actually include them. The model can be briefly described:

Educational exposure and financial education leads to psychological capabilities in the form of knowledge, attitudes, self-efficacy and motivation that influence financial attitudes and financial behavior. All of these can, in turn, contribute to real financial inclusion across access, usage and quality, as well as public policy, digital infrastructure, consumer protection and socio-economic conditions all affect the strength of these relationships.

6.3 Population and Study Context

The primary empirical research is with adults participating in continuing education, skills or community financial-literacy programs. It also covers individuals in certain districts in two states in India who have newly adopted formal financial services such as bank accounts or digital payment. The states were selected as they have varied financial infrastructure and digital access. The participants must be 18 years old and be able to provide informed consent along with having been enrolled in a financial-education activity or opened a formal account during the last 24 months. This design is aimed at those who are first entering the financial system and are still getting educational support, where psychological and policy aspects are particularly evident.

6.4 Sampling

Multi-stage sampling strategy is suggested. Districts and blocks will be carefully selected to reflect variations in banking services and digital resources. Those participants will be through Centres for Financial Literacy, partner education facilities and banking correspondent networks. Stratified convenience sampling will be done to ensure representation in terms of gender and rural-urban sampling. The quantitative portion is planned to have approximately 400-500 respondents based on power requirements for multiple regression and structural equation modeling with the number of constructs planned. In the qualitative arm, between 25-35 individuals will be interviewed, with the goal of obtaining diverse experiences. The final sample will be determined based on field access and returns – it is not yet set.

6.5 Data Sources and Instruments

The structured questionnaire will be utilized to collect quantitative data on financial knowledge, self-efficacy, attitudes, behavior, digital confidence, awareness of policy schemes and consumer protections, and a few dimensions of financial inclusion. The knowledge items will be based on OECD measures and national financial-literacy questions and the self-efficacy section on validated self-efficacy scales reviewed by Furrebøe and Nyhus (2022). Financial Inclusion will be measured on account ownership, frequency of use and uptake of financial products, and by the respondents' perceptions of service quality. If possible, existing scales with appropriate permission will be used, and items created by the researcher will be indicated and will undergo testing in a pilot study. Qualitative information will be obtained from semi-structured interviews regarding participants' experiences with learning and trust, barriers and formal institutions. The review will be based on information from peer-reviewed journals, RBI and government of India policies as well as reports from World Bank Global Findex and the Organisation for Economic Co-operation and Development. The researchers will conduct a search in Scopus and Web of Science, ERIC, and Indian relevant repositories of the last 15 years, with a focus on the last 15 years, and seminal theoretical works will also be included.

6.6 Variables and Key Constructs

Key constructs are defined as follows:

Financial literacy is the combination of the knowledge, skills and attitudes and habits people experience with money and how they use it. Financial self-efficacy is the confidence that a person has in being able to perform the financial tasks and achieve personal financial goals. Financial attitude is one's beliefs and perceptions on saving, borrowing, risk taking and formal financial institutions. Financial behavior encompasses any reported or observable spending, saving, borrowing, insurance and e-payment decisions. Financial wellbeing is determined by subjective Financial well being experiences and objective indicators of financial security or stress. Digital financial literacy is defined as knowledge of financial digital tools, confidence in their use and an awareness of their risk. Access to financial services means an account holder as well as a user of financial services; usage means how frequently financial services are used. Policy exposure and awareness involves information on the policy and schemes relevant and how to make complaints. Consumer Protection Awareness refers to understanding of those rights, the avenues for filing complaints and more secure approaches to accessing financial services.

6.7 Data Collection Procedure

The instruments will be pilot tested with a small group of samples selected from the target population after getting the institutional Ethics Approval. Surveys will be conducted either in person or with supervised electronic survey platforms as appropriate and consent will be obtained prior to survey participation. Interviews at convenient places will be conducted with the participants, with the participants' consent these

will be audio-recorded and later transcribed. Fieldwork takes place over a period of 6-8 months, following a field protocol for each procedure.

6.8 Data Analysis

The quantitative analysis process will be started with descriptive statistics and will be followed by a reliability process with Cronbach's alpha or another coefficient. Correlations and multiple regression will then explore the relationships between variables while structural equation modeling (if the sample size and the quality of the measures permit) will test for mediated relationships between educational and psychological constructs and behavioral and inclusion indicators. Group differences will be evaluated within the gender, geographical and educational level. Qualitative responses will be analysed thematically in an iterative process of coding and theme generation, where expected and unexpected patterns will emerge. The two strands will be converged through comparison with the statistical results, participants' explanations, and through interpretation to be woven into a clear interpretation. More sophisticated approaches will only be added in as they can be justified by the data and the research question(s); simplicity and fit of the methodology will be more important than complexity.

6.9 Reliability, Validity and Trustworthiness

Quantitative results will include pilot testing and item analysis results and internal consistency reliability. Construct Validity will be examined using factor analysis, where appropriate. Credibility of the qualitative will be based on ongoing engagement, comparison of survey and interview results, member checks of selected interpretations, and record keeping of the coding process and peer debriefing. The mixed-methods analysis will test for the validity of the data, in which areas the data converge, complement or diverge.

6.10 Ethical Considerations

Fieldwork will be conducted with due ethics approval from the institution. All participants will be informed of the purpose of the study, their voluntary participation, their right to withdraw and the uses of the data prior to informed consent. Confidentiality and anonymity will be maintained through coded IDs and secure storage of the records. Information will be provided in accessible language and oral consent may be obtained as appropriate for those participants who may require additional support, such as participants with limited literacy. All data protection laws will be adhered to with the study. There will be no trickery involved.

7 Expected Themes / Analytical Dimensions

The research is expected to investigate the following analytical dimensions. These are proposed foci rather than empirical findings:

- Psychological capacity shapes financial decisions, especially when choices are uncertain or complicated. Knowledge matters, but so do attitudes and the mental processes behind each decision.
- Confidence in one's own financial ability also affects whether people begin using formal financial services and continue doing so.
- Financial literacy does not always produce better behavior. Its effect depends on whether people can apply what they know, along with the conditions surrounding the decision.
- Trust matters as well: confidence in institutions and other people can encourage contact with formal providers and digital platforms, while doubts about security may discourage it.
- Digital financial capability combines practical skill with confidence and an awareness of online risks.
- Educational exposure includes what people learn through schools, organized programs, and everyday experience, all of which shape their financial skills.

- Gender and social inequalities appear in the uneven levels of financial ability and inclusion across groups.
- Access to public policy depends on whether people encounter available programs, understand them, and know how to respond.
- Consumer protection also relies on awareness of complaint procedures and other safeguards.
- Trust in institutions, together with the gaps between rural and urban communities and between people with and without digital access, forms the broader conditions that shape these psychological processes.
- Financial wellbeing and sustainable inclusion: long-term outcomes that extend beyond initial financial access.

8 Discussion / Expected Analytical Contribution

This paper aims to explore the rationale behind the fact that financial services expansion does not necessarily lead to meaningful use. It asks itself how this relationship can be mediated and shaped by the development of one's psychological capabilities, and how education can foster such capabilities and how policy can do so, or hinder. The study also targets the connection between capacities and institutions opportunities. Education can do little if services are unavailable, unreliable and/or inappropriate for people's needs, and access can be wasted if people have limited ability to use it.

The results, when compared with previous studies, will reveal if there is still a relationship between self-efficacy and other similar factors and the outcome even when structural factors are considered. It will also examine the impact on the operation of such psychological factors of awareness of policy and consumer protections. Evidence might come in the future to confirm, refute or clarify the assumption that knowledge is sufficient to increase inclusion, or that supply is enough. The key to the study is not any particular relationship between two variables, but the combination of all of these.

9 Policy and Educational Implications

The results, if they are confirmed by empirical research, might affect policy in a number of ways. National financial-education and inclusion strategies could include clear objectives with regard to psychological outcomes such as self-efficacy, confidence and support for financial decisions as well as knowledge-based objectives. The model could be adapted to adult and continuing education programs; schools and teacher educators would develop financial literacy through experiential learning that boosts people's confidence, as well as providing information. People may be better served by financial literacy programme that take account of issues of anxiety, distrust and that financial systems are too complicated. Underpinning this with actual information on confidence and online safety is important as digital financial access is expanded through new infrastructure. Consumer protection agencies must make sure to communicate what consumers can do and what consumers can expect. Community groups can link the formal institutions to the social and psychological phenomena that exists in the community. The framework should be tested and developed across various settings, and recommendations should be aligned with the evidence and not be viewed as 'best practices' without having undergone testing.

10 Expected Contribution of the Study

10.6 Theoretical Contribution

The research combines educational psychology, behavioral research and institutional analysis to analyse financial inclusion. It follows the journey from the psychological to the financial to the financial services

and back, covering education, individual financial behaviours, service uptake and enabling policies and systems. The results might enhance research in financial capability and be useful for social-cognitive approaches in finance.

10.2 Educational Contribution

Through this study, this paper opens up the psychological factors that influence financial behavior changes and discusses the role of education in resolving these factors. The results might help to inform curriculum development, teacher training, and adult education initiatives that emphasized skills over the accumulation of knowledge.

10.3 Policy, Practical Contribution

In this research, the policymakers and practitioners are provided with a research-based approach to link financial education to broader inclusion strategies. It also highlights the presence of psychological barriers beyond access, and identifies measures of consumer protection and digital inclusion that consider differences in people's capabilities. The primary practical output is to connect the individual psychological capacities with the conditions which are established by institutions.

11 Limitations of the Proposed Study

There are a number of potential constraints to anticipate. The study will be conducted in selected districts of only two states and the results may not apply to the diversity across the country. The participation will be derived from networks associated with education and literacy activities and as such those who are already involved in formal or semi-formal institutions could be overrepresented. Self-reported financial behavior also has dangers: People can respond in a socially-desirable way, or in a way that they may not recall. The study is a cross sectional survey and thus can only find associations and not cause and effect. To make more causal claims, longitudinal or experimental studies would be required. Full administrative records or data on implementation of the policy may also not be available. Where possible, financial inclusion will be measured using existing instruments, but adaptations may create error, as will the use of existing instruments for psychological measures. The secondary literature review will be based on the number and quality of publications that are available. These limits will be clearly stated and considered when interpreting the results and/or planning future research.

12 Future Research Directions

In the future, it would be possible to repeat this study with the same individuals following an educational or policy intervention to make it more likely to conclude that there was a real change in their capabilities and behaviour. Research contrastive to state or country could exhibit the effect of institutional conditions on these outcomes. The researchers could also conduct experiments or quasi-experiments testing programs designed to increase financial education that would focus on confidence and decision-making and observe the effectiveness of the teaching methods. Digital financial inclusion research might include the study of the factors related to people's cyber security awareness, trust in financial platforms, and their experience with interface design, which influence financial inclusion. Targeted approaches, like the women entrepreneurs or people with disabilities or linguistic minorities would identify obstacles that may not be found in a large study. Mixed-method assessments of large policy programs, then, might involve administrative data and psychological assessments to demonstrate meaningful as well as formal inclusion from national programs.

13 Conclusion

Despite the fact that financial inclusion is a key concern in the development policy agenda, the increased access to formal financial services has not consistently resulted in greater usage, confidence, safety or regularity. This proposal suggests that inclusion has to be based on the capacities of people in education and psychology, as well as the conditions of institutions created by policy. Theories of educational psychology, such as knowledge, attitudes, self-efficacy, motivation, and decision-making, can explain the differences among people with regard to financial behavior. Public policy influences the environment in which consumers are able to use financial services – access, product design, digital infrastructure, and consumer protection all play a role, but none of these will be sufficient to shoulder the burden. The study will be a mixed method study, looking into interaction between these factors in the context of India and paying particular attention to barriers that do not get removed as access increases. It will come up with an integrated research, education and policy framework. The study views financial inclusion as an outcome of people's financial capabilities and institution design and wants to enhance education and inform more responsive policies.

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