

# The impact of digital financial inclusion on the disposable income of resident in China

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## Background

The implementation of digital financial inclusion aligns with China's Financial Inclusion Development Plan, a major economic development strategy to promote inclusive growth and poverty reduction.

By utilizing digital technologies, financial transactions become more cost-effective, expanding the coverage and penetration of financial services.

Online services and transactions empower residents to engage in investment and loans, thereby enhancing their economic standards and daily lives.

## Objective

To investigate how residents' disposable income in China is affected by digital financial inclusion

To utilize a fixed effects model and panel data from 2013 to 2020 to assess the relationship between digital financial inclusion and residents' disposable income

To understand the role of digital financial inclusion in enhancing the standard of living and economic well-being of Chinese individuals in urban and rural areas

## Findings

The development of digital financial inclusion can increase the disposable income of residents

There is a significant positive impact of digital financial inclusion on the disposable income of urban residents and rural residents

Online level promotes the role of digital financial inclusion, thus increasing residents' disposable income

Three dimensions of the Digital Financial Inclusion Index affect residents' disposable income

## Recommendation

Improve digital infrastructure

Develop user-friendly digital platforms

