

Millennials Interactions with FinTech & the Impact on Their Finances

Literature Review	Method Description	Results	Discussion, Limitations, Ethical Concerns	Conclusion
<p><u>Millennial Financial Literacy and Fin-tech Use: Who Knows What in the Digital Era</u>: Examined the relationship between financial literacy and usage of FinTech by Millennials;</p> <p><u>Millennials & Financial Literacy – The Struggle with Personal Finance</u>: Examined the financial position of Millennials in the US;</p> <p><u>Financial literacy and the need for financial education: evidence and implications</u>: Assessed financial literacy in the US;</p> <p><u>Cold Hard E-Cash: Friends and Vendors in the Venmo Digital Payments System</u>: Examined Venmo transactions and to assess the connection between social relationships and financial transactions;</p>	<p><u>Peer to Peer Datasets</u>: Compared public dataset of 1 million Venmo transactions to dataset of Venmo transactions from peers and friends. Categorized transactions into essential and nonessential buckets and found that there was a statistically significant relationship between essential transactions and total transactions.</p>	<p><u>Survey Data</u>: Collected survey data from over 30 Millennials on their financial aptitude and usage of FinTech apps. The findings are listed below:</p> <ul style="list-style-type: none"> - >80% of them use Venmo - On a 1-10 scale, they rate themselves at a ~6 on financial literacy - 75% say that FinTech apps make it easier for them to reach their financial goals - 91% correctly answered a question on interest rates, 82% correctly answered a question on the relationship between interest rates and inflation, and 79% correctly answered a question on diversification 	<p><u>Discussion</u>: Most users found FinTech to be helpful in reaching their financial goals, which contradicts some of the academic research that has been done.</p> <p><u>Limitations</u>: Bias within survey sample given that respondents answered questions correctly at 5.5x the national rate.</p> <p><u>Ethical Concerns</u>: Ease of access and public nature of Venmo data, given that financial transactions are extremely sensitive pieces of data that should be protected.</p>	<p><u>Impact of FinTech</u>: It is a tool for leverage for the individual user. If the user has good financial habits, then FinTech will reinforce this, whereas if they don't, the ability to spend money is easier than ever. While the medium through which customers receive their financial tools has changed, the ability for customers to make better decisions seems to be unaffected by the medium, whether that is traditional finance or FinTech.</p>