

Study on the Influence and Mechanism of Digital Financial Inclusion on the Happiness of Working-age Population

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Abstract

Based on the data of the China Family Panel Studies (CFPS) from 2014 to 2020 and The Peking University Digital Financial Inclusion Index of China, this paper uses the Ordered Probit model to investigate the impact of digital financial inclusion on the well-being of the working age population in China and its mechanism. The results show that digital inclusive finance has significantly improved the well-being of China's working-age population, but there is structural heterogeneity, and the depth of use and the degree of digitalization have more significant effects on well-being. Digital financial inclusion mainly improves the well-being of the working-age population through four intermediary variables: promoting employment, increasing consumption, increasing income, alleviating financing constraints. The impact of digital financial inclusion on the well-being of the working-age population is heterogeneous in terms of age, urban and rural areas, and region, which is more significant for the young group and the population living in rural and central and western provinces. Therefore, some suggestions are put forward: strengthen the publicity of digital financial inclusion, and vigorously develop digital financial inclusion; Emphasize enhancing the depth of use and digitization level of digital financial inclusion; Implement targeted policies for different groups.

Keywords

Digital Financial Inclusion, Working-age Population, Happiness, Ordered Probit Model