

BRIDGING THE DIGITAL DIVIDE: EMPOWERING JAPAN'S AGING POPULATION THROUGH FINANCIAL LITERACY

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ABSTRACT

This research proposal explores the enhancement of digital financial literacy among Japan's diverse demographics, with a particular focus on the aging population. As digital banking becomes integral to financial transactions, the need for digital literacy is paramount to ensure financial inclusion. The challenge lies in overcoming the digital divide that affects older adults, who often face barriers in accessing digital services. Our study employs surveys and interviews to gather data on user experiences and literacy levels, assesses the effectiveness of existing educational programs, and proposes new strategies in collaboration with banks and educational institutions. By identifying educational gaps and developing targeted strategies, we aim to reduce financial exclusion and promote inclusive banking in Japan, ultimately fostering greater economic participation and independence for all citizens.

1 RESEARCH QUESTION & MOTIVATION

The central research question of this proposal is: How can digital financial literacy be improved among Japan's diverse demographics, particularly the aging population, to foster inclusive banking? This inquiry is crucial as digital banking becomes a staple in financial transactions, yet many, especially older adults, lack the skills to effectively engage with these services. Bridging this gap is essential to ensure all citizens can access the benefits of digital banking, thereby reducing financial exclusion.

The difficulty lies in the digital divide that significantly impacts older adults, who often face challenges such as unfamiliarity with technology and limited access to digital devices. This issue is frequently overlooked in financial inclusion discussions, which tend to emphasize economic barriers over technological ones. By concentrating on digital literacy, this research addresses a vital gap in current knowledge and practice, underscoring the need for targeted educational programs to bridge this divide.

Addressing this research question could lead to substantial societal benefits, including enhanced financial independence for older adults and increased economic participation. By equipping individuals with the necessary skills to navigate digital banking platforms, we can create a more inclusive financial environment that benefits everyone. This research not only seeks to fill a missing puzzle piece in financial inclusion but also aims to contribute to broader efforts to promote digital literacy as a fundamental skill in today's world.

2 RELATED WORK

This section reviews key studies addressing digital literacy and financial inclusion, highlighting their methodologies and limitations. The Australian study on community-based digital literacy programs demonstrates success in diverse settings but lacks focus on older adults (Whiteside et al., 2022). Similarly, the Indonesian initiative enhances digital literacy among rural MSMEs through banking initiatives but overlooks older demographics (Rujitoningtyas et al., 2025). These studies illustrate the global efforts in digital literacy but reveal a gap in addressing the aging population's needs.

The Nigerian model for financial inclusion provides a broader context by illustrating how different countries approach digital literacy and financial inclusion (Komolafe et al., 2024). However, it primarily targets economic barriers, neglecting the technological challenges faced by older adults. This gap is further highlighted by studies on the impact of digital literacy on the engagement of older adults with financial technology, which emphasize the need for targeted educational programs (Mei, 2024).

Our proposal uniquely focuses on Japan's aging population, integrating interdisciplinary methods to address this underexplored area. By concentrating on digital literacy, we aim to fill a critical gap in current knowledge and practice, underscoring the need for targeted educational programs to bridge the digital divide. This research not only seeks to fill a missing puzzle piece in financial inclusion but also aims to contribute to broader efforts to promote digital literacy as a fundamental skill in today's world.

3 PROPOSED INVESTIGATION

The primary hypothesis of this investigation is that enhancing digital financial literacy among Japan's diverse demographics, particularly the aging population, will significantly improve their access to and use of digital banking services. The research objectives include assessing current literacy levels, evaluating the effectiveness of existing educational programs, and developing new strategies to enhance digital literacy.

The methodology employs a mixed-methods approach, combining quantitative surveys and qualitative interviews to gather comprehensive data on digital financial literacy levels and user experiences. Surveys will target a diverse sample across different age groups, while interviews will provide deeper insights into user challenges. Data sources include government statistics, educational institution reports, and direct user feedback. Tools such as statistical software for data analysis and qualitative coding software for interview data will be utilized to ensure robust analysis.

The novelty of this approach lies in its interdisciplinary nature, integrating insights from education, technology, and finance to address digital literacy challenges. By leveraging new datasets from primary data collection and case studies of successful programs in other countries, this research aims to develop innovative strategies tailored to the Japanese context. This includes adapting successful elements from international programs to fit local needs and cultural contexts.

To ensure flexibility, the research design includes alternative pathways such as adapting educational content based on initial findings or exploring partnerships with different stakeholders if initial collaborations are not feasible. This adaptability will help mitigate risks and ensure the research objectives can be achieved even if initial plans encounter obstacles. For instance, if data collection proves challenging, the study will pivot to focus more on qualitative insights or secondary data analysis.

Overall, this proposed investigation aims to provide a robust framework for enhancing digital financial literacy in Japan, with the potential to significantly reduce financial exclusion and promote inclusive banking. By addressing a critical gap in current knowledge and practice, this research could have far-reaching implications for digital literacy initiatives worldwide, setting a precedent for similar efforts in other countries facing digital literacy challenges.

4 FEASIBILITY & RISKS

The proposed investigation requires collaboration with educational institutions, financial organizations, and government bodies to access necessary data and resources. An 18-month timeline is planned, with the first six months dedicated to data collection through surveys and interviews, followed by analysis and strategy development. The final phase will involve testing and refining the proposed educational strategies.

A primary challenge is the potential scarcity of existing data on digital financial literacy levels, particularly among older adults. Additionally, ethical concerns related to data privacy and consent must be addressed, especially when dealing with sensitive financial information. Ensuring the

participation of a diverse demographic in surveys and interviews is crucial to obtaining representative data.

To mitigate data scarcity, the research will prioritize primary data collection and seek partnerships with organizations that can provide access to relevant datasets. Ethical concerns will be managed by adhering to strict data protection protocols and obtaining informed consent from all participants. To encourage diverse participation, outreach efforts will include collaboration with community organizations and the use of multiple communication channels.

By acknowledging these challenges and implementing robust mitigation strategies, the research aims to provide a transparent and realistic approach to enhancing digital financial literacy in Japan. The focus will remain on achievable goals, with flexibility to adapt the research design as needed to overcome unforeseen obstacles.

5 EXPECTED CONTRIBUTIONS

The research is expected to contribute theoretically by developing a new framework for understanding digital financial literacy within Japan's diverse demographics. This framework will integrate insights from education, technology, and finance, offering a comprehensive model adaptable to other contexts. Additionally, the research will propose new concepts for digital literacy education tailored to older adults, addressing a significant gap in current theoretical models.

Practically, the research will produce actionable insights and tools for enhancing digital financial literacy. This includes creating educational materials and programs for implementation by financial institutions and educational bodies. The research will also generate valuable datasets on digital literacy levels and user experiences, which can inform future initiatives by policymakers and researchers.

In the long term, the findings could lead to significant improvements in financial inclusion, particularly for older adults currently underserved by digital banking services. By equipping individuals with the necessary skills to navigate digital platforms, the research has the potential to foster greater economic participation and independence. Furthermore, the insights gained could influence digital literacy policies and programs globally, contributing to broader efforts to bridge the digital divide.

While the research guarantees the development of educational tools and the collection of new datasets, broader societal impacts, such as increased financial inclusion and policy changes, remain speculative. However, by providing a robust foundation of evidence and practical strategies, the research aims to catalyze these long-term outcomes.

6 ANTICIPATED PAPER STRUCTURE

The anticipated paper will be structured to effectively communicate the research findings and their implications. It will begin with an introduction that sets the context and outlines the research question, followed by a literature review that situates the study within existing research.

The methodology section will detail the mixed-methods approach used in the study, including the design of surveys and interviews, data collection processes, and analytical techniques. This section will also discuss the ethical considerations and data protection measures implemented during the research.

The results section will present the findings from the data analysis, including key figures and tables that illustrate digital financial literacy levels and user experiences. The discussion section will interpret these findings, exploring their implications for digital literacy education and financial inclusion.

The conclusion will summarize the main contributions of the research and suggest directions for future work. This section will emphasize the potential for the research to inform policy and practice in digital literacy education, both in Japan and internationally.

The paper structure is designed to be modular, allowing for flexibility in the presentation of results and discussion. This modularity ensures that the paper can accommodate unexpected findings or shifts in research focus, maintaining coherence and clarity throughout.

7 OPEN QUESTIONS FOR FEEDBACK

One unresolved issue is the methodological tradeoff between the depth and breadth of data collection. While in-depth interviews provide rich qualitative insights, they are time-consuming and may limit the number of participants. Conversely, surveys can reach a larger audience but may not capture the nuanced experiences of users. Feedback on balancing these approaches would be valuable.

Another concern is ensuring data privacy and obtaining informed consent, especially when dealing with sensitive financial information. We seek advice on best practices for maintaining participant confidentiality and managing data securely, particularly in the context of digital literacy research.

We invite collaboration and constructive critique on our proposed strategies for enhancing digital financial literacy. Input on potential partnerships with educational institutions and financial organizations, as well as suggestions for alternative educational approaches, would be greatly appreciated.

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