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Financial Literacy Among Rural Residents and Its Influencing Factors: Evidence from the Guangdong-Hong Kong-Macao Greater Bay Area

Prof. Dr. Zhiju Xie , Yufei Li

Guangzhou University, China

Abstract

Enhancing the income of low-income rural populations remains a critical challenge for poverty reduction and rural development in developing countries. Although financial literacy has been widely recognized as an important factor shaping household welfare and income growth, existing studies have paid insufficient attention to rural residents, especially in relation to their practical livelihood activities and the specific constraints they face in underdeveloped financial markets. To address this gap, this study develops a multidimensional framework for assessing rural financial literacy based on 24 indicators covering financial knowledge, financial behavior, and financial attitudes. The framework is applied to questionnaire and interview data collected in 2022 from the Guangdong-Hong Kong-Macao Greater Bay Area and its surrounding rural regions. After data cleaning, 763 valid household samples were retained, and an OLS model was employed to examine the determinants of financial literacy. The results show that rural residents’ financial literacy remains at a moderately low level despite relatively favorable regional economic conditions and financial infrastructure. Four major contradictions are identified: uneven financial skills combined with insufficient training, broad availability of inclusive financial products but shallow market participation, widespread financial needs but limited financing channels, and relatively sound day-to-day financial management but weak long-term financial planning. Further analysis indicates that education level, employment status, annual income, household savings, and risk preference significantly influence financial literacy. For low-income groups in particular, household savings, risk preference, and education emerge as the most important factors. Drawing on these findings, the study argues that improving rural financial literacy requires coordinated interventions that strengthen entrepreneurial initiative, market participation, and technological proficiency. The study contributes empirical evidence and policy implications for promoting sustainable income growth among rural populations in developing economies.

Keywords: Financial Literacy; Rural Residents; Low-Income Groups; Income Growth; Influencing Factors; Guangdong-Hong Kong-Macao Greater Bay Area