EMPOWERING VIETNAM'S ECONOMICALLY VULNERABLE: THE ROLE OF FINANCIAL LITERACY EDUCATION

Assoc.Prof.PhD. Nguyen The Anh* - PhD. Le Tai Thu**

Abstract: ***This article urgently addresses the critical issue of financial literacy to empower economically vulnerable populations in Vietnam, a country grappling with rapid economic growth and persistent income disparities. Despite the recognized importance of financial literacy for economic empowerment, a significant gap exists in understanding the specific factors that facilitate such empowerment within the Vietnamese context. This study aimed to identify and analyze these factors to enhance the efficacy of financial literacy programs. Employing multivariate linear regression analysis, the research methodologically assessed the impact of content relevance, information accessibility, practical application, follow-up support, and impact measurement on financial empowerment. The results revealed that these factors significantly contribute to empowering the economically vulnerable, highlighting the complex interplay between educational content, access to information, practical application, and continuous support in financial empowerment.***

• Keywords: *financial literacy; economic empowerment; educational content; information accessibility; practical application.*

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1. Introduction

Financial literacy plays a critical role in empowering economically vulnerable populations, a concern that is particularly relevant in Vietnam, a country that has achieved remarkable economic growth alongside persistent financial inequality. Despite its successful transition to a market-oriented economy and deeper global integration, large segments of the population remain excluded from financial knowledge and access, constraining inclusive and sustainable development.

While financial literacy is widely recognized as a key driver of socio-economic empowerment, limited evidence exists on how financial education programs can be effectively designed and adapted for Vietnam's vulnerable groups. Existing initiatives remain insufficiently evaluated, and longitudinal evidence on their long-term behavioral and resilience impacts is scarce.

This study aims to assess current financial literacy programs targeting economically vulnerable populations in Vietnam and to propose strategies to improve their effectiveness and outreach. By providing policy-relevant insights, the research contributes to broader discussions on financial inclusion, poverty reduction, and equitable economic empowerment in emerging economies.

2. Literature reviews

Content Relevance

Prior studies indicate that the relevance of financial literacy content is a key driver of empowerment among economically vulnerable groups in Vietnam. Generic financial education often fails to produce meaningful behavioral change, whereas programs tailored to participants' specific financial realities, such as budgeting under constraints, managing informal credit, and navigating emerging digital finance, are more effective. When financial education aligns with learners' immediate needs and socio-economic contexts, it enhances engagement, confidence, and the adoption of sound financial behaviors, thereby fostering genuine empowerment.

Information Accessibility

Accessibility of financial information extends beyond mere availability to include clarity, cultural appropriateness, and effective delivery channels. Evidence suggests that financial literacy programs are more impactful when information is presented in simple formats, local languages, and trusted community-based channels. While digital finance and fintech platforms improve information dissemination, unequal access to technology necessitates user-centered and socially embedded approaches. Overall, accessible and trusted financial information significantly enhances the empowering potential of financial literacy initiatives.

Practical Application: Financial literacy contributes to empowerment only when knowledge is

** Academy of Finance*
*** Banking Academy*

translated into practical financial behaviors. Programs incorporating experiential learning, such as budgeting exercises, savings groups, and context-specific simulations, demonstrate stronger impacts on financial decision-making and confidence. Practical application is most effective when aligned with local economic conditions, enabling vulnerable individuals to apply financial concepts directly to their livelihoods. This process not only improves individual financial well-being but also strengthens broader economic resilience.

Support and Follow-Up: Ongoing support and follow-up mechanisms are essential for sustaining the impact of financial literacy programs. Continuous mentorship, personalized guidance, and community-based reinforcement help participants apply financial knowledge over time. Adaptive follow-up, supported by digital tools where appropriate, ensures that financial education evolves alongside participants' changing needs. Such sustained support strengthens confidence, reinforces learning, and promotes long-term empowerment.

Measurement of Impact: Measuring the impact of financial literacy programs is critical for understanding their effectiveness and guiding improvement. Effective evaluation combines quantitative outcomes with qualitative changes in confidence, agency, and financial behavior, preferably through longitudinal approaches. Feedback from impact assessments supports program refinement, scalability, and evidence-based policymaking, positioning financial literacy as a strategic tool for inclusive and sustainable development.

Hypotheses

H1: Content relevance positively and significantly influences empowerment among economically vulnerable groups in Vietnam.

H2: Information accessibility positively and significantly influences empowerment among economically vulnerable groups in Vietnam.

H3: Practical application positively and significantly influences empowerment among economically vulnerable groups in Vietnam.

H4: Support and follow-up positively and significantly influence empowerment among economically vulnerable groups in Vietnam.

H5: Effective measurement of impact positively and significantly influences empowerment among economically vulnerable groups in Vietnam.

3. Methodology

Instrument and Participants

Data were collected using a structured questionnaire developed in accordance with ethical research standards, ensuring informed consent, confidentiality, and participant privacy. The instrument was reviewed by an interdisciplinary panel of experts in psychology, sociology, public policy, and finance to ensure content validity and alignment with the study objectives.

The questionnaire comprised two sections: (i) demographic information (age, gender, education, and employment status) and (ii) measurement items capturing key dimensions of financial literacy education, including content relevance, information accessibility, practical application, support and follow-up, and impact measurement related to the empowerment of economically vulnerable groups in Vietnam.

Linguistic and cultural suitability was verified by language specialists, followed by a pre-test with 40 respondents from the target population. Minor revisions were made to improve clarity and contextual relevance. A pilot test with participants involved in local credit programs further confirmed the instrument's validity and practicality.

The main survey was conducted in December 2025 across multiple regions in Vietnam, including northern provinces and selected southern localities with active poverty-oriented credit programs. A total of 200 participants engaged in credit services completed the survey, yielding a 100% response rate. This sample size was considered adequate and representative for examining the role of financial literacy education in empowering economically vulnerable populations.

Table 1. Demographic characteristics of survey participants

		Education								
		Bachelor		Primary school		Secondary school		Vocational training		
		Count	Row N %	Count	Row N %	Count	Row N %	Count	Row N %	
Age	35 44 years old	4	17.4	3	13.0	6	26.1	10	43.5	
	18 24 years old	2	8.3	3	12.5	8	33.3	11	45.8	
	25 34 years old	7	7.7	15	16.5	26	28.6	43	47.3	
	35 44 years old	4	6.5	2	3.2	21	33.9	35	56.5	
Gender	female	6	12.5	6	12.5	15	31.2	21	43.8	
	male	11	7.2	17	11.2	46	30.3	78	51.3	
Employment_ Status	Employed fulltime	3	9.4	3	9.4	9	28.1	17	53.1	
	Employed parttime	3	7.3	5	12.2	12	29.3	21	51.2	
	Self-employed	11	8.7	15	11.8	40	31.5	61	48.0	
Income	over VND5000.000	4	8.7	8	17.4	11	23.9	23	50.0	
	VND 3.000.000	5	15.2	2	6.1	9	27.3	17	51.5	
	VND 5000.000	8	6.6	13	10.7	41	33.9	59	48.8	
Marital_Status	Divorced	1	2.3	5	11.6	12	27.9	25	58.1	
	Married	12	10.8	10	9.0	38	34.2	51	45.9	
	Widowed	4	8.7	8	17.4	11	23.9	23	50.0	

		Education							
		Bachelor		Primary school		Secondary school		Vocational training	
		Count	Row N %	Count	Row N %	Count	Row N %	Count	Row N %
Number_ Dependent	1-2	5	10.0	7	14.0	14	28.0	24	48.0
	13-4	7	7.1	13	13.1	29	29.3	50	50.5
	Over 4	5	9.8	3	5.9	18	35.3	25	49.0
Type_ Residence	Rural	4	5.7	9	12.9	23	32.9	34	48.6
	Suburban	8	9.4	9	10.6	23	27.1	45	52.9
	Urban	5	11.1	5	11.1	15	33.3	20	44.4
Housing_ Status	Own	10	8.0	18	14.4	34	27.2	63	50.4
	Rent	7	9.3	5	6.7	27	36.0	36	48.0

Reliability Analysis

Table 2. Summary of Reliability

Scales	Number of variables observed	Reliability coefficients (Cronbach Alpha)	The correlation coefficient of the smallest total variable
Relevance of Content (Re_Content)	4	0.771	0.528
Accessibility of Information (Ac_Information)	4	0.785	0.590
Practical Application (Pra_Application)	4	0.800	0.559
Support and Follow-Up (Follow_Up)	4	0.764	0.510
Measurement of Impact (Mea_Impact)	4	0.795	0.566
Empowerment for the Economically Vulnerable (Empowerment)	4	0.741	0.468

Reliability was assessed using Cronbach's alpha to evaluate the internal consistency of the measurement scales. Following established guidelines, Cronbach's alpha values above 0.7 indicate acceptable reliability. As shown in Table 2, all constructs exhibit Cronbach's alpha coefficients exceeding 0.7, confirming strong internal consistency. Item-total correlations also exceed the recommended threshold, indicating that all items contribute meaningfully to their respective constructs. Overall, the results confirm that the measurement scales are reliable for subsequent analysis.

Factor analysis

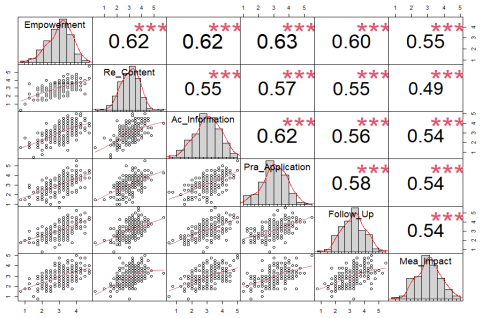
Table 3. Result of factor analysis

Rotated Component Matrix						
	Component					
	1	2	3	4	5	6
Mea_Impact4	.718					
Mea_Impact1	.677					
Mea_Impact3	.667					
Mea_Impact2	.656					
Pra_Application4		.808				
Pra_Application1		.729				
Pra_Application3		.672				
Pra_Application2		.567				
Follow_Up1			.736			
Follow_Up4			.680			
Follow_Up2			.620			
Follow_Up3			.603			
Ac_Information2				.742		
Ac_Information1				.687		
Ac_Information3				.677		
Ac_Information4				.597		
Re_Content1					.743	
Re_Content4					.726	
Re_Content2					.710	
Re_Content3					.570	
Empowerment1						.790
Empowerment3						.614
Empowerment2						.582
Extraction Method: Principal Component Analysis.						
Rotation Method: Varimax with Kaiser Normalization.						
Rotation converged in 6 iterations.						
Kaiser-Meyer-Olkin Measure of Sampling Adequacy (KMO) = 0.918						
Bartlett's Test of Sphericity (Chi-Square =1876.282, df =253 .sig.=0.000)						
Extraction Sums of Squared Loadings =63.396, Initial Eigenvalues=1.002.						

Exploratory factor analysis (EFA) was conducted using Principal Component Analysis with Varimax rotation to examine construct validity. The KMO value of 0.918 and a significant Bartlett's test (Sig. = 0.000) indicate that the data are suitable for factor analysis. Six factors were extracted with eigenvalues greater than 1, explaining 63.396% of the total variance. All factor loadings exceed 0.5, demonstrating strong convergent validity. These results confirm the adequacy of the factor structure and the suitability of the measurement model.

Correlation analysis

Figure 1. Correlation analysis results



Pearson correlation analysis was employed to examine relationships among the study variables. The results indicate statistically significant correlations at the 95% confidence level, with coefficients of appropriate magnitude for regression analysis. No excessively high correlations were observed, suggesting that multicollinearity is not a concern. These findings support the use of multiple regression analysis in subsequent stages to assess the effects of independent variables on empowerment.

Multivariate linear regression analysis

Table 4. Regression analysis results

Dependent variable:	
	Empowerment
Model	
Re_Content	0.080* (0.061)
Ac_Information	0.253*** (0.066)
Pra_Application	0.174** (0.072)
Follow_Up	0.157** (0.069)
Mea_Impact	0.230*** (0.070)
Constant	0.417* (0.216)
Observations	200
R2	0.475
Adjusted R2	0.443
Residual Std. Error	0.548 (df = 194)

F Statistic	32.593*** (df = 5. 194)
VIF:	Re_Content =1.76, Ac_Information =1.98 , Pra_Application =2.05 , Follow_Up =1.86, Mea_Impact =1.70
*Note: *p<0.1; **p<0.05; ***p<0.01*	

Multivariate linear regression was employed to examine the effects of multiple independent variables on empowerment. As shown in Table 4, the regression model is statistically significant ($F = 32.593$, $p < 0.01$) and explains 47.5% of the variance in empowerment (Adjusted $R^2 = 0.443$).

All explanatory variables exhibit positive and statistically significant effects on empowerment. Accessibility of information and measurement of impact show the strongest influences ($p < 0.01$), followed by practical application and support and follow-up ($p < 0.05$). Content relevance also has a positive effect at the 10% significance level.

Multicollinearity is not a concern, as all VIF values are below 3.0, indicating that the estimated coefficients are reliable. Overall, the results confirm the adequacy of the model in explaining empowerment among economically vulnerable groups in Vietnam.

4. Results

The multivariate linear regression results (Table 4) confirm that all five hypothesized components of financial literacy education have positive and statistically significant effects on the empowerment of economically vulnerable individuals in Vietnam. Content relevance positively influences empowerment at the 10% significance level ($\beta = 0.080$), highlighting the importance of aligning educational content with learners' real-life contexts.

Accessibility of financial information exhibits the strongest effect on empowerment ($\beta = 0.253$, $p < 0.01$), underscoring the critical role of reducing informational barriers. Practical application ($\beta = 0.174$, $p < 0.01$) and support and follow-up ($\beta = 0.157$, $p < 0.01$) also significantly enhance empowerment, confirming the value of experiential learning and sustained engagement. Additionally, the measurement of impact shows a strong positive association with empowerment ($\beta = 0.230$, $p < 0.01$), emphasizing the importance of outcome evaluation. Overall, the findings support all proposed hypotheses (H1-H5).

5. Discussion

The results reinforce core theories of financial literacy while extending them to Vietnam's specific socio-economic context. Content relevance emerges as a key driver of empowerment, providing empirical evidence that financial education must be culturally and contextually tailored for vulnerable populations.

The strong effect of information accessibility highlights the importance of inclusive dissemination mechanisms, suggesting that empowerment depends not only on knowledge availability but also on clarity, trust, and reach. The significance of practical application confirms that financial knowledge becomes empowering when translated into real-world financial behavior.

Furthermore, the positive impact of support and follow-up underscores empowerment as a continuous process requiring sustained guidance rather than one-off interventions. The role of impact measurement strengthens the case for evidence-based program design, indicating that continuous evaluation and feedback loops are essential for improving financial literacy initiatives. Together, these findings advocate a holistic, adaptive, and context-sensitive approach to financial literacy education.

Conclusion

This study demonstrates that financial literacy education plays a pivotal role in empowering economically vulnerable populations in Vietnam when it is relevant, accessible, practical, supported over time, and systematically evaluated. By empirically identifying the key factors influencing empowerment, the research provides actionable insights for policymakers, educators, and practitioners seeking to design more inclusive and effective financial literacy programs.

Despite limitations related to cross-sectional data and country-specific scope, the study contributes meaningfully to the literature and lays a foundation for future research. Longitudinal and comparative studies, as well as investigations into the role of digital financial services, are recommended to deepen understanding of financial empowerment dynamics. Overall, the findings highlight financial literacy as a critical pathway toward inclusive growth, economic resilience, and reduced vulnerability in emerging economies such as Vietnam.

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