Measuring Financial Literacy in the age of generative AI and the Digital Economy

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ABSTRACT

Traditional financial literacy metrics—anchored in compound interest and inflation—are inadequate for an economy reshaped by generative AI, crypto-assets, and instant digital payments. We distill an initial pool of 1,008 candidate items into a psychometrically rigorous scale, validated on a nationally representative sample of 1,007 Brazilian adults. Exploratory and confirmatory factor analyses reveal a robust six-factor structure—spanning crypto self-efficacy, responsible financial management, perceived well-being, trust in digital payments, AI adoption in personal finance, and crypto performance expectations—with overall reliability $\omega = 0.923$ and strict scalar invariance. This instrument provides researchers and policymakers a precise, deployable tool for 21st-century financial inclusion.