



# Financial Inclusion via FinTech: From Digital Payments to Platform Investments

**(Claire) Yurong Hong, Xiaomeng Lu, and Jun Pan**

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## Abstract

We study household finance in the age of FinTech, where digital payments are integrated with various financial services through all-in-one super-apps. We hypothesize that increased FinTech adoption via digital payments can lower the non-monetary costs (e.g., psychological barriers) associated with financial market participation. We find that higher FinTech adoption leads to greater participation and increased risk-taking in mutual fund investments. Using distance from Ant as an instrument for FinTech penetration, as well as the exogenous penetration of QRPay in Shenzhen, we further provide causal evidence from digital payment to risky fund investment. Moreover, the effect of FinTech is stronger among individuals who are otherwise more constrained, those with higher risk tolerance, or those living in under-banked counties.