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How Do Financial Literacy, Behavioral Biases, and Social Media Exposure Interact to Influence Young People's Vulnerability to Financial Scams in Emerging Economies?

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ABSTRACT

The present literature review explores the relationship between financial literacy, psychological biases, and digital media as the main factors shaping youth vulnerability to financial fraud in developing countries. Although financial literacy is traditionally considered the key safeguarding measure against financial risks, recent academic sources increasingly claim that the problem lies in the emotional context in which people behave, rather than their lack of knowledge and awareness. Individuals can have sufficient information about finance yet act irrationally because of their overconfidence, herding tendencies, and FOMO.

Digital media, namely social media, appears to be one of the key tools via which the population gets acquainted with financial information and investment opportunities. Various financial influencers, entertaining short videos, luxurious lifestyles, and inspiring success stories create the illusion of credibility and legitimacy of potentially dangerous operations. The problem becomes even more complicated due to fast digital financial inclusion and low availability of high-quality financial education in developing economies.

In methodological terms, this review follows a PRISMA-influenced systematic approach by using academic databases (Google Scholar, Scopus, ResearchGate) and institutional databases between 2014 and 2026. The reviewed materials include scholarly literature on the topic and macroeconomic data from the World Bank Global Findex Database and S&P Global Financial Literacy Survey. The key message emerging from the reviewed literature is that youth vulnerability to financial fraud is best understood through the interplay of three elements: lack of knowledge, cognitive biases, and digital media. Therefore, the issue can be addressed only by a multi-faceted approach to protecting individuals.

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1. INTRODUCTION

Digital technologies have become increasingly prevalent and transformative over the past ten years in shaping people's interaction with various financial instruments and providers. The adoption of such fintech innovations as mobile banking, digital payments, cryptocurrency exchanges, investment platforms, and other services has accelerated in both advanced economies and developing economies. For instance, according to the latest statistics provided by the World Bank Global Findex database, global financial account ownership increased to 76% in 2021, including 71% in developing economies. Meanwhile, the share of adults using digital payments in developing economies rose from 35% in 2014 to 57% in 2021 (World Bank; Demirgüç-Kunt et al.). Such data indicate significant advancements in financial inclusion in developing economies. On the other hand, these statistics show that financial inclusion does not equal financial security.

It should be noted that young people in developing economies are exposed to digital financial services at a time when they have no prior education on finances. As a result, they may be able to operate with mobile banking applications, cryptocurrencies, or investment platforms without understanding the potential risks of using these services, additional expenses associated with transactions, or the red flags that suggest fraud. This lack of connection between access and awareness presents a unique situation, which has yet to be analyzed adequately.

In addition to the above-discussed problems, another factor worth considering is that young people often get information regarding finance-related issues from unofficial sources, which include Instagram, TikTok, YouTube, and Telegram. Indeed, in recent years, official sources (government agencies, banks, and educational programs) and even schools have ceased to be the primary providers of financial literacy. As a result, users can be exposed to manipulative, false, and sometimes outright fraudulent information in pursuit of financial stability. Content shared on social media usually includes quick-profit schemes, videos where influencers showcase their luxury lifestyles, and advice on how to earn money. Unfortunately, not having enough financial literacy, young people cannot critically evaluate such information and may be easily convinced to engage with financial schemes that can cause losses.

Despite the prevalence of the phenomenon under discussion, it is important to note that it has not been comprehensively analyzed. Existing literature reviews and research studies focus on different aspects of the issue, such as financial literacy, behavioral factors, and the influence of social media. While they present insightful findings, these works do not offer an integrated framework that explains the interaction between factors contributing to fraud vulnerability. Hence, it is crucial to consider the existing knowledge in relation to a specific research question, which is the following: how do financial literacy, behavioral factors, and social media use contribute to young people's fraud vulnerability in developing economies? In doing so, the review identifies three gaps in the existing literature concerning the conditions under which financial literacy protects, the untested effects of partial literacy, and the measurement of actual fraud losses; these are developed in Section 4. Rather than treating these as separate influences, this review synthesizes the literature into a proposed conceptual framework in which the three factors appear to condition one another, with the structural setting of emerging economies plausibly operating as a multiplier across all three. This framework is offered as a synthesis to be tested empirically, not as an established causal model.

2. REVIEW METHOD

To identify relevant literature, searches were conducted in Google Scholar, Scopus, and ResearchGate. The World Bank Open Knowledge Repository and the S&P Global website were searched for relevant institutional reports. Searches were conducted between March and May 2026. The following combinations of keywords were used: "financial literacy AND fraud", "behavioral biases AND investment decisions", "social media AND financial fraud", "finfluencers AND young investors", "FOMO AND financial behavior", "overconfidence AND investment", "herd behavior AND digital finance", and "financial fraud AND developing economies". The search window comprised the years from 2014 to 2026. Nevertheless, one foundational theoretical paper, the publication by Kahneman and Tversky (1979), published before this time frame, was incorporated since it was highly relevant for the development of the theoretical framework and was cited in numerous reviewed publications. Further, one relevant preprint (Singh) was kept although there was no peer review because of its relevance to the impact of finfluencers on young investors; its preliminary nature is noted wherever cited.

The selection process followed the PRISMA (Preferred Reporting Items for Systematic Reviews and Meta-Analyses) method, which presents a structured process of selection, screening, and identification of research papers. Articles were included if they addressed financial literacy, behavioral factors, or social media in relation to financial behavior, were published in reputable academic journals or by international institutions (with the one disclosed exception noted above), and were available in English; studies focused exclusively on advanced economies, lacking an empirical basis, or concerned with corporate finance were excluded. The initial search resulted in the selection of approximately 180 potentially relevant studies from the above-mentioned databases. Upon removing 20 duplicate records, the number of papers that had to be screened according to their titles and abstracts became 160, and out of them, 120 records were rejected because of their discrepancies with the target audience, area, and topic. The 40 remaining records were assessed against the established criteria, and 29 studies were discarded due to a lack of theory/empirical base, being dedicated to corporate fraud, or focusing only on developed countries. Finally, 11 academic papers and institutional reports were selected for review, in addition to 2 macro-level data sources: the World Bank Global Findex Database (World Bank; Demirgüç-Kunt et al.) and the S&P Global Financial Literacy Survey (Klapper et al.). The following section reviews the selected literature thematically, beginning with the role of financial literacy.

3. LITERATURE REVIEW

3.1 Financial Literacy and Fraud Prevention

Broadly speaking, financial literacy is defined as the possession of certain financial skills, such as interest calculation, understanding of inflation and risks, investment opportunities and principles, debt repayment methods, etc. According to Lusardi and Mitchell, financial literacy constitutes an important type of human capital that can be developed to enhance decision-making in the field and promote people's economic well-being. Specifically, financially literate individuals are able to properly analyze available financial products and investments and to assess potential risks and possible threats of falling victim to scams.

Despite the significance of financial literacy, statistics from a global perspective indicate that its presence is quite limited among the majority of adults around the world. According to the results obtained as part of the S&P Global Financial Literacy Survey, only around 33% of adults globally possess the necessary financial skills. Among major advanced economies, this figure is significantly higher (about 55%). By contrast, the average financial literacy rate in emerging economies is approximately 28% (Klapper et al.). It can be seen from Figure 1 below that financial literacy is much higher in advanced economies, while emerging economies are lagging behind. Specifically, in such G7 economies as the United States, Canada, Japan, France, Germany, Italy, and the United Kingdom, the figures range from 42% to 70%.

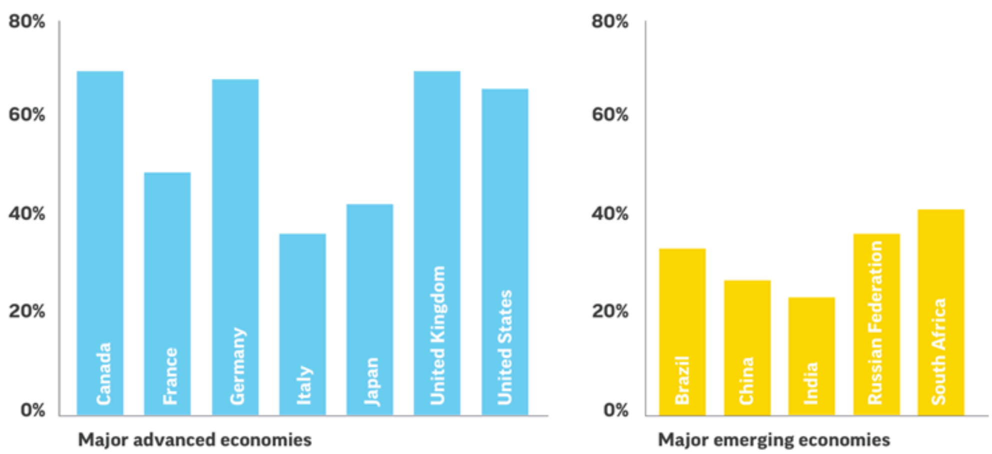
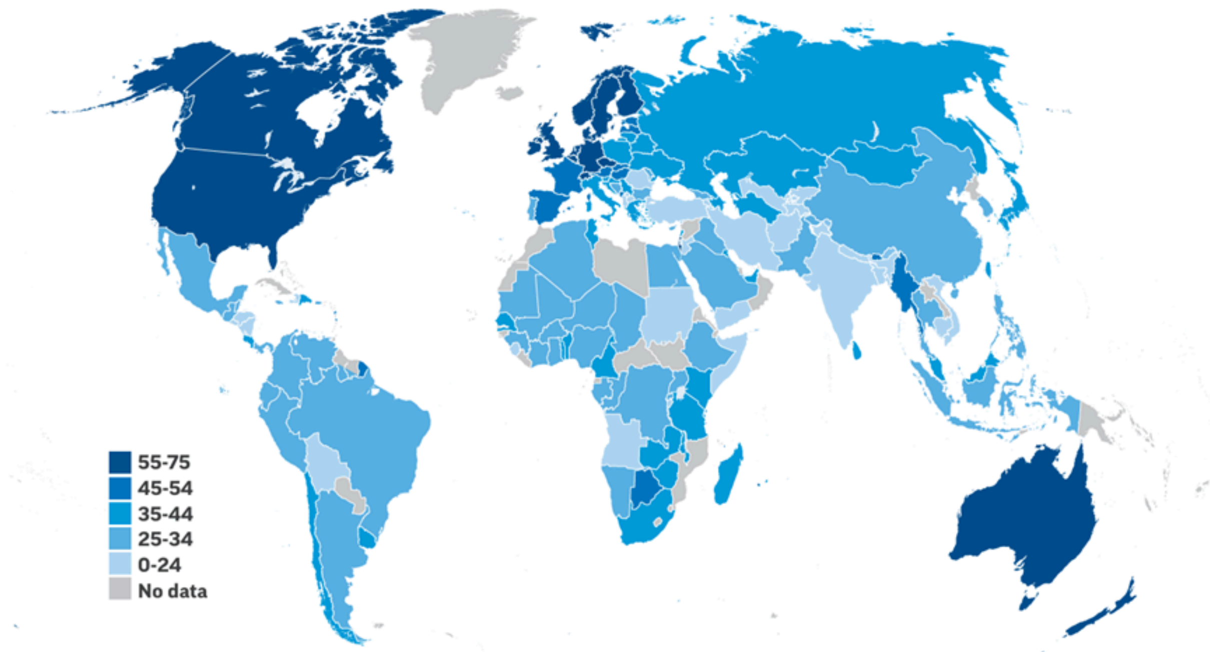


Figure 1: Wide Variation in Financial Literacy: Major Advanced vs. Emerging Economies (% of financially literate adults). Reproduced from the S&P Global FinLit Survey (Klapper, Lusardi, & Van Oudheusden).

A global perspective on financial literacy can be illustrated with the help of Map 1 below, which shows that the greatest levels of financial literacy (55-75%) are found in North America, Northern Europe, and Australia. Meanwhile, Sub-Saharan Africa, South Asia, and most parts of the developing world suffer from the lowest levels of financial literacy (0-34%).



Map 1: Global Variations in Financial Literacy (% of adults who are financially literate). Reproduced from the S&P Global FinLit Survey (Klapper et al.).

While it is clear that financial literacy plays an important role in preventing fraud, research shows that this factor does not guarantee financial safety. For instance, Indonesian millennials' financial literacy positively affected their decisions and made them more prone to scrutinize any offers from financial influencers and reject suspicious ones (Indratirta et al.). On the other hand, evidence suggests that financial literacy is often insufficient to overcome the negative influence of such factors as FOMO (the fear of missing out) and herd behavior, which encourages impulsive actions (Javed et al.). However, there is nothing to suggest that these two pieces of research contradict each other. In fact, Indratirta et al. look into deliberation and reflection in offline decision-making contexts, while Javed et al. capture decision-making in the fast-paced, emotionally charged environment of active stock trading. Together, the two studies point to the conclusion that the usefulness of financial literacy depends on the circumstances, and the environment affects a person at least as much as one's education. Moreover, empirical research from emerging markets confirms the same result: studying Russia, Klapper et al. ("Financial Literacy and Its Consequences") found that individuals with low financial literacy relied more heavily on informal financial arrangements, participated less in formal financial markets, and coped substantially worse with economic shocks – conditions that leave them more exposed to unregulated and potentially fraudulent offerings. However, none of these studies establishes at what level, and under which conditions, financial literacy provides security in a digital environment. This gap is examined further in Section 4. For now, it is sufficient to emphasize that although financial literacy is essential for preventing fraud, its protective effect is conditional rather than absolute.

3.2 Financial Literacy and Economic Development

As it was indicated above, the global picture of financial literacy varies significantly across countries depending on the national economic condition. According to the findings obtained from the data collected as part of the S&P Global FinLit survey, there is a positive correlation between GDP per capita and financial literacy rate in a country. Hence, more developed nations have more financially literate citizens (see Figure 2 below).

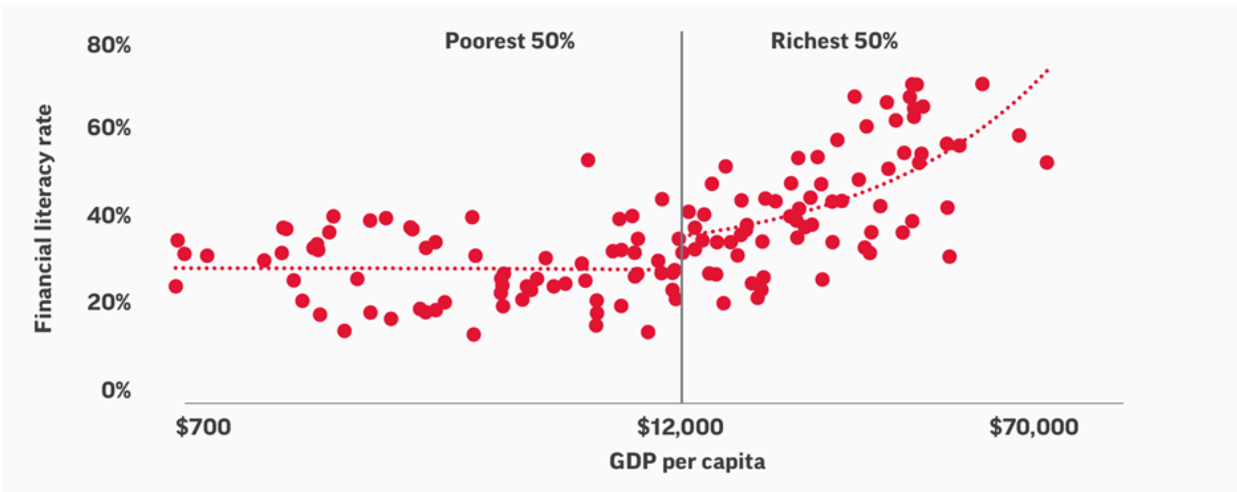


Figure 2: High Economic Development Tied to High Financial Literacy (GDP per capita vs. financial literacy rate). Reproduced from the S&P Global FinLit Survey (Klapper et al.), based on World Bank Global Findex data.

At the same time, it is important to add that the relationship between financial literacy and economic development is not so straightforward. According to the OECD/INFE 2023 International Survey of Adult Financial Literacy, income is strongly correlated with individuals' financial knowledge, behaviour, and attitudes (OECD). However, in low-income countries, financial literacy remains fairly low regardless of differences in GDP. The significance of this issue lies in the fact that economic growth does not automatically promote financial literacy; instead, it is institutional development that ensures the latter. Specifically, Klapper et al. argue that the development of consumer protection frameworks, financial education systems, and financial markets contributes to the increase in national financial literacy. This means that despite rapid economic growth in some developing countries, they may lack the necessary institutions that prevent users from experiencing financial problems.

This review extends the framework proposed by Lusardi and Mitchell in their definition of human capital, wherein just as an individual's acquisition of financial literacy skills involves making investments in themselves, national-level financial literacy skills development would equally involve establishing the necessary institutional structure needed to consolidate them. This point carries immense relevance for developing countries, as, in addition to rapidly growing populations of digital finance users, such countries are experiencing faster growth than institutions capable of protecting these users.

3.3 Behavioral Biases and Risky Financial Decisions

As opposed to the concept of financial literacy that was discussed in previous sections, the notion of behavioral bias relates to human psychology. Kahneman and Tversky developed prospect theory, which explains that instead of acting rationally and maximizing utility, people make decisions based on their emotions, feelings of loss aversion, information framing, heuristics, and other factors. Specifically, several behavioral biases can significantly affect users' decisions and lead them to invest in fraudulent schemes, most notably overconfidence and herd behavior (Javed et al.), alongside FOMO, which finfluencer content has been observed to exploit (Espeute & Preece).

Overconfidence involves a person's belief in their superiority in a particular sphere and the idea that they can easily recognize financial scams. Herd behavior refers to situations when people copy the actions performed by others; thus, if all social media users in a particular group are investing in a certain company, they decide to do so too. Finally, the FOMO feeling makes people think that an opportunity is limited and that failing to seize it would bring regret. Overall, younger and less experienced investors have been shown to react more intensely to salient local information and social signals (Laudenbach et al.).

Research carried out among the younger generation reveals that psychological and social factors play a more important role in people's financial decisions compared to logic. Specifically, the findings obtained by Javed et al. show that individuals often make investment decisions by following the behavior of those around them rather than independent analysis. This tendency is clearly visible among Generation Z, who have been found to place greater trust in investment information encountered on social platforms and to act on finfluencer guidance in their decision-making (Espeute & Preece). Hence, in terms of fraud, behavioral biases can make a person invest in a risky and potentially fraudulent product even though their financial knowledge would otherwise prevent them from doing so.

Moreover, it is possible to highlight such an important nuance as the illusion of competence. When an individual possesses partial financial literacy, i.e., is aware of the basic terminology and concepts, they may be more exposed to becoming overconfident. For example, a person can believe that they have enough skills to analyze the market and differentiate financial scams from actual financial opportunities.

This creates a paradox that neither Javed et al. nor Laudenbach et al. directly test: the information aimed at protecting people might, in a middle range, increase the vulnerability of the latter by encouraging their overconfidence. Thus, it could be concluded that the relation between financial literacy and behavioral bias is far more complex than just an attenuation of the latter with increasing literacy levels. The implications of this unresolved paradox are returned to in Section 4.

3.4 Social Media, Finfluencers, and Digital Persuasion

In recent years, Instagram, TikTok, YouTube, and Telegram have started playing an important role in users' lives because they provide financial information in an interesting format. Users spend hours watching entertaining videos and reading posts that may contain useful financial tips. At the same time, as noted in previous sections, social media represent an important source of information because the majority of users obtain it from there. However, at the same time, they are the primary medium for manipulating people's beliefs and convincing them that particular financial products and services are promising. The mechanism responsible for this phenomenon is the so-called illusory truth effect; namely, repeated exposure to similar information increases its perceived credibility regardless of its validity. Lamberton and Stephen, in their review of digital, social, and mobile marketing, evaluate the effectiveness of these persuasive principles at scale within various social media platforms. If the illusory truth effect applies to financial products and fraud, the latter becomes more trustworthy and appealing to people.

From the viewpoint of fraudulent schemes, young people are plausibly more exposed to the illusory truth effect than other groups, given the time they spend watching financial videos and reading posts. In this regard, they may become convinced that any investment opportunity is a good choice and that a product is credible because it is mentioned frequently. Finfluencers also contribute substantially to risky financial decisions among young people because they encourage behavioral biases such as overconfidence and herd behavior (Singh, preprint). This issue has been confirmed by institutional research: an investigation of the content posted by finfluencers in five different countries has revealed that young investors often seek the advice of finfluencers because of their low financial literacy and lack of access to professionals (Espeute & Preece). Specifically, finfluencers convince viewers to invest in a particular stock or cryptocurrency by showcasing the benefits they have gained from this decision and demonstrating how luxurious their lives have become.

According to Haase et al., influencer sentiment may significantly affect market perception of an asset, particularly in such a fast-developing sphere as cryptocurrency. In this context, a positive sentiment generated by influencers leads to a corresponding increase in price. Interestingly, influencers are able to generate an overall positive sentiment due to a few favorable factors. First of all, people tend to follow the recommendations of influential accounts because they are confident in the knowledge of the experts. Secondly, influencers use such psychological tricks as the demonstration of their achievements and financial independence. In this way, the influencer culture of flexing can be considered as another mechanism that persuades users to invest in fraudulent schemes.

While these sources identify the influence of finfluencers, they point out different channels through which it can happen. Singh (preprint) and Espeute and Preece focus on how finfluencers contribute to the development of behavioral biases in individuals, namely their overconfidence and herd mentality, and how gaps in disclosure prevent young viewers from assessing their objectivity. On the other hand, Haase et al. work at the market level and show how the opinions of finfluencers affect the collective behavior of a crowd and cause fluctuations in asset prices. Overall, the findings can be summarized in terms of a two-step process, whereby finfluencers initially affect the behavior of individuals, and then this leads to market behavior reinforcing the idea of success. None of these studies, however, examines whether and how fraud occurs due to finfluencers' impact.

Another factor that plausibly contributes to the effectiveness of fraudulent posts and videos is people's failure to verify the veracity of information, i.e., verification failure. Although the reviewed studies do not examine verification behavior directly, several reasons for this failure can be inferred from them. Checking a claim requires additional time and effort, while, as noted above, the perceived expertise of influential accounts makes such effort seem unnecessary. Alternative sources of information, such as blogs, forums, and specialized websites, may also be inconvenient to navigate compared with short-form video content, leaving young users with little practical means of cross-checking even when doubts arise. Finally, the very desire to become rich works against verification: a person hoping that an opportunity is genuine has little motivation to search for evidence that it is not.

3.5 Financial Fraud in Developing Economies: Structural Context

While analyzing individual factors contributing to fraud vulnerability, one should bear in mind that the risk of encountering fraudulent schemes depends largely on the structural context. Specifically, developing countries have unique characteristics that increase the risk of young people making costly financial mistakes. One of the most important facts is that there has been tremendous growth in digital financial inclusion in such economies. As noted by Demirgüç-Kunt et al., there were 1.4 billion adults around the world unbanked by 2021, many of whom resided in developing economies. Many of them started using digital financial services through applications and online platforms rather than banks.

Another characteristic that should be considered is the lack of consumer protections and regulations for dealing with emerging forms of financial activity. According to Demirgüç-Kunt et al., many developing countries face problems related to rapid digital financial growth because they are not sufficiently protected. The combination of weak consumer protections and regulations and a fast-paced digital environment provides great opportunities for scammers, especially as the development of cryptocurrency markets is hindered by ineffective rules regulating the activities of market participants.

The reliance on informal finance must also be taken into account. Klapper et al. ("Financial Literacy and Its Consequences") document that individuals with low financial literacy participate less in formal financial markets and depend more on informal alternatives; a plausible contributing factor, though not directly tested in the reviewed literature, is the mistrust of formal institutions associated with poor services and excessive bureaucracy. Thus, such individuals try their luck in informal environments, which is a source of problems since fraudsters tend to target individuals who are willing to invest in cryptocurrency or other assets. Finally, low financial literacy, documented in Section 3.1, compounds these structural risks.

Taken together, the reviewed literature can be synthesized into a plausible vulnerability pathway to fraud that arises from exposure to social media through the illusory truth effect, finfluencer content, and fake social proof. In this account, such exposures appear to activate or reinforce behavioral biases (overconfidence, herd behavior, and FOMO), which may in turn weaken the protective effect of financial literacy by bypassing reflective processing and encouraging emotional decision-making. At the structural level, the conditions of emerging economies (weak regulation, limited consumer protection, and rapid but shallow digital inclusion) would amplify all three dynamics simultaneously by removing the institutional safeguards that would otherwise constrain fraudulent content and protect victims. This interaction is summarized in Table 1 below.

Factor	**Proposed Mechanism**	**Hypothesized Effect on Vulnerability**	**Moderated by**
Social media exposure	Illusory truth effect; finfluencer persuasion; flexing culture	↑ Persuasive pressure; normalizes risky behavior	Platform regulation; media literacy
Behavioral biases (overconfidence, herd behavior, FOMO)	Bypass rational analysis; amplify urgency and social signals	↑ Impulsive decisions; reduced verification	Financial literacy; self-awareness
Financial literacy	Enables critical evaluation of financial offers and red flags	↓ Vulnerability, but only partially	Education quality; digital literacy
Weak regulation & institutions	Limited consumer protection; no influencer disclosure rules	↑ Risk environment; fewer safety nets	Government policy; enforcement capacity

Table 1: Proposed Conceptual Framework of Interacting Factors in Young People's Fraud Vulnerability (author's synthesis; hypothesized, not empirically tested)

In conclusion, the reviewed literature provides a consistent understanding of the factors contributing to fraud vulnerability, although researchers tend to examine these factors in isolation rather than in combination. The gaps arising from this fragmentation are taken up in Section 4.

4. SYNTHESIS OF FINDINGS

Across the reviewed studies, financial literacy emerges as necessary but insufficient: it improves discernment and the recognition of false return guarantees (Lusardi & Mitchell; Indratirta et al.; Klapper et al., "Financial Literacy and Its Consequences"), yet research from Indonesia and Pakistan converges on the finding that conventional literacy is superseded by the social and emotional pressures of the digital sphere, where decisions bypass reflective analysis (see Section 3.1).

The correlation seen in Figure 2 suggests that the relationship between the GDP per capita and financial literacy represents a significant structural hazard. The fast pace of economic and technological growth in developing countries results in rapid digitalization, the pace of which outruns the development of other necessary institutions (education, consumer and investor protection policies, etc.). Consequently, people who are at the forefront of digital financial marketplaces find themselves in an environment where it is difficult to detect fraud.

The evidence provided in the literature demonstrates that young investors exhibiting overconfidence, herd behavior, and FOMO consistently make riskier choices and appear more susceptible to fraudulent offers. Moreover, these biases tend to enhance each other and are actively used in manipulative financial posts. According to Laudenbach et al., young investors have especially noticeable reactions to relevant information and social cues, making them more vulnerable to such psychological pressures.

A great deal of convergence can be observed in the literature regarding the role of social media and its influence on people's vulnerabilities. Amplification of the illusion of truth effect on social platforms (Lamberton & Stephen), finfluencers' role in enhancing behavioral biases and the inadequacy of content disclosures (Singh, preprint; Espeute & Preece), and the impact of influential users on the sentiment of the market (Haase et al.) all lead to the conclusion that digital space allows fraudsters to increase their persuasive power due to social and emotional manipulation.

The above-mentioned convergence, however, does not mean that there are no tensions and research gaps that should be addressed in this field. First, the crucial issue is not whether financial literacy protects against fraud, but under which conditions it does so (Section 3.1). The second research gap is that neither Javed et al. nor Laudenbach et al. examine the moderating effect of literacy level on the strength of behavioral biases, leaving the paradox raised in Section 3.3 untested. Third, there is a persistent measurement gap: the reviewed studies overwhelmingly capture intentions, behavioral tendencies, or risky investment decisions rather than documented losses from fraud. Demonstrating that exposure to finfluencer content is associated with riskier behavior is not equivalent to demonstrating actual victimization, and the pathway from exposure through decision-making to financial outcomes has yet to be traced empirically. These three gaps jointly define the research agenda that follows from this review.

5. DISCUSSION

From a practical perspective, the most significant implication of the framework proposed in Section 3.5 is that fraud vulnerability is concentrated at the intersection of the three elements rather than within any one of them. It follows that an approach tackling one element alone is unlikely to succeed; financial literacy programs that fail to consider the digital landscape in which decisions take place or awareness programs about bias that ignore the context of a poorly regulated system will fall short of their protective purpose.

The GDP-literacy correlation also carries a policy implication: since institutions rather than income drive financial literacy in developing economies (Section 3.2), governments and regulatory bodies bear a special responsibility for providing adequate financial education and consumer protection frameworks.

This, in turn, entails a conclusion about educational policy: in addition to traditional financial literacy topics like interest rates, diversification, and compound interest, it should incorporate issues like recognizing persuasive manipulation techniques, understanding conflicts of interest, recognizing the urgency of a proposal, and being aware of one's own behavioral biases. This represents a kind of digital financial literacy encompassing both technical information and critical thinking skills.

Finally, from the perspective of regulation, influencer promotion of financial products should be accompanied by stricter requirements concerning transparency regarding financial interests, and platform providers should accelerate efforts to eliminate fake content, especially in fields prone to fraud like cryptocurrency. The problem with regulating financial fraud on social media platforms is its constant adaptation to regulatory requirements – emergent AI, deepfakes, and impersonation can easily outpace traditional approaches, meaning any framework must be ongoing and adaptive.

The key contribution of this review is a conceptual one. It proposes that, despite the individual focus of much of the literature, young people's vulnerability to fraud is best framed as a systemic problem involving financial education, social media design, psychological mechanisms, and regulation simultaneously, a framing that existing single-factor studies neither adopt nor test.

6. LIMITATIONS

Several limitations need to be acknowledged concerning this paper. First, all of the sources considered are of secondary nature: by synthesizing previously published research, this paper can reveal patterns but cannot prove causality in the same way as primary data. Second, in terms of geographic scope, the majority of relevant studies concern Indonesia, Pakistan, and Russia. As much as they have yielded interesting conclusions, they cannot necessarily be generalized to other regions characterized by lower levels of regulatory sophistication, more developed digital networks, and different risk cultures. Third, the measurement gap identified in Section 4 also operates as a limitation of the present review: since documented fraud losses are rarely measured in the underlying studies, the conclusions drawn here concern vulnerability rather than confirmed victimization. Finally, certain constructs like fear of missing out, hope, social anxiety, and status aspirations, while playing a major role in making someone vulnerable to fraud, cannot be fully measured using quantitative data. Mixed methodologies might be useful here.

7. CONCLUSION

In summary, this literature review sought to explore the mechanism of youth financial fraud vulnerability in developing economies through the lens of financial literacy, behavioral biases, and social media use. The reviewed literature suggests that these elements do not operate independently; rather, their interaction appears to create the conditions under which fraud vulnerability emerges. At the same time, although financial literacy has a positive effect on decision-making, it is weakened in a digitally engineered and psychologically loaded social environment.

On the one hand, the illusion of truth, the culture of display, and the role of finfluencers contribute to rendering financial information socially and emotionally significant: its popularity and visual appeal become more convincing than credibility and evidence. On the other hand, the institutional pattern behind the GDP-literacy relationship implies that protecting young people from fraud requires both education and institutional regulation. The framework proposed here is therefore best read as an agenda for future research: empirical studies are needed that trace the full pathway from social media exposure through behavioral response to documented financial losses, and that test whether financial literacy moderates this pathway differently at different levels.

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