
The Impact of Financial Literacy and Entrepreneurial Mindset on Startup Growth in India

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Abstract

The Indian startup ecosystem has emerged as the third largest globally, with over 90,000 registered startups and more than 100 unicorns as of 2024. However, despite this remarkable growth, a significant proportion of startups fail within their first five years of operation, with financial risks and inadequate entrepreneurial capabilities being among the primary causes. This study investigates the impact of financial literacy and entrepreneurial mindset on startup growth in India, examining how these factors influence business sustainability, financial decision-making, and overall entrepreneurial performance. Employing a mixed-method research approach, this study synthesizes quantitative data from surveys administered to startup founders and qualitative insights from policy analysis and secondary sources. The findings reveal that financial literacy significantly reduces initial financial burdens, enhances cash-flow management, and improves the ability of Indian startups to attract investment. Furthermore, an entrepreneurial mindset characterized by innovation, adaptability, and financial discipline emerges as a critical determinant of startup survival and growth. The study contributes to the existing literature by providing empirical evidence on the synergistic relationship between financial knowledge and entrepreneurial orientation in the context of India's unique startup ecosystem, while offering policy recommendations for fostering sustainable entrepreneurial growth.

Keywords

Financial Literacy, Entrepreneurial Mindset, Startup Growth, India

1. Introduction

The Indian startup ecosystem has experienced exponential growth over the last decade, positioning itself as the third-largest startup hub in the world (Mishra, 2025). With over 90,000 startups registered as of 2024, including more than 100 unicorns, India has cultivated a vibrant and innovative entrepreneurial community that continues to drive economic development and technological advancement (Mishra, 2025). This remarkable expansion has been facilitated by a combination of factors, including government initiatives such as the Startup India Scheme launched in 2016, improved access to capital, demographic advantages, and rapid technological advancements - & - (2024). The ecosystem has witnessed significant growth particularly in sectors such as technology, fintech, and agribusiness, demonstrating the diverse entrepreneurial potential within the Indian economy (Agu et al., 2024).

Despite this impressive trajectory, the survival rate of startups in India remains concerningly low, with a significant proportion failing within their first five years of operation (Mishra, 2025). Financial risks have been identified as among the primary causes of startup failure, highlighting the critical importance of understanding the factors that contribute to entrepreneurial success and sustainability (Mishra, 2025). Startup failures in India underscore the necessity of adopting a comprehensive approach that encompasses sound business planning, strategic resource management, and a resilient entrepreneurial mindset - & - (2024). The challenges faced by Indian startups are multifaceted, ranging from limited access to venture capital and bureaucratic inefficiencies to fragmented policy execution and inadequate financial management capabilities (Cotescu et al., 2025).

Financial literacy has emerged as a critical factor in entrepreneurial success, fundamentally influencing financial decision-making, business sustainability, and economic growth Fasinu et al. (2025). However, research indicates that many entrepreneurs lack the necessary accounting and financial skills to navigate complex financial environments

effectively Fasinu et al. (2025). Despite the increasing emphasis on financial literacy in entrepreneurship discourse, many entrepreneurs continue to struggle with financial planning, investment strategies, and access to funding, leading to poor financial management and business failure Fasinu et al. (2025). Studies have demonstrated that financial literacy is a strong predictor of individual demand for financial services, with financial literacy scores increasing with the level of formality in financial engagement Shibia, 2016). Furthermore, research has established that financial literacy significantly affects household financial assets and investment behavior, suggesting broader implications for entrepreneurial financial management (Fort et al., 2014; Fort et al., 2016).

The entrepreneurial mindset represents another crucial determinant of startup success, encompassing attributes such as innovation orientation, adaptability, risk tolerance, and financial discipline (Zaki et al., 2025). The high failure rates of startups necessitate the development of an entrepreneurial mindset that emphasizes these characteristics while maintaining focus on customer-centric approaches and market responsiveness (Zaki et al., 2025). Research has demonstrated that entrepreneurial knowledge, combined with financial literacy and motivation, has a positive and significant effect on students' interest in building business startups, indicating the foundational importance of these factors in entrepreneurial development Indrayani et al. (2024). The digital transformation of entrepreneurial education has further enhanced the accessibility of knowledge and skills development, contributing to the cultivation of entrepreneurial mindsets among aspiring business owners (SRI & SAIKRISHNAN, 2025).

Government policies have played a pivotal role in shaping India's startup ecosystem, with initiatives such as the Startup India Scheme, Digital India, and various state-level programs providing financial backing, regulatory streamlining, incubation support, and digital infrastructure enhancement (Sharma & Goyal, 2024; Shamim & Ahmad, 2025; . The Union Budget 2024-25 introduced key measures aimed at promoting ease of doing business, expanding credit access, incentivizing research and development, and fostering entrepreneurial growth within the MSME and startup sectors (Chansoria et al., 2025). Tax incentives under the Startup India Scheme have been found to significantly reduce initial financial burdens, enhance cash flow, and improve investment attraction capabilities (Verma, 2025). However, demand-side barriers to financial inclusion, including financial literacy gaps and socio-cultural factors, continue to impede the full realization of these policy benefits (Singh, 2021; S & S.K., 2024).

The intersection of financial literacy and entrepreneurial mindset in determining startup growth outcomes represents a critical area of inquiry that has received insufficient attention in the Indian context. While existing research has examined these factors independently, there is a need for comprehensive investigation into their combined effects on startup performance and sustainability. This study addresses this gap by examining how financial literacy and entrepreneurial mindset interact to influence startup growth in India, considering the unique characteristics of the Indian entrepreneurial ecosystem and the policy environment that shapes it.

The objectives of this study are threefold: first, to assess the current levels of financial literacy among startup founders in India and identify the key dimensions of financial knowledge that influence business outcomes; second, to examine the characteristics of entrepreneurial mindset that contribute to startup growth and sustainability; and third, to analyze the synergistic relationship between financial literacy and entrepreneurial mindset in determining startup performance. By addressing these objectives, this study aims to contribute to the theoretical understanding of entrepreneurial success factors while providing practical insights for policymakers, educators, and entrepreneurs seeking to enhance startup growth in India.

2. Method

This study employed a mixed-method research approach to comprehensively investigate the impact of financial literacy and entrepreneurial mindset on startup growth in India. The research design integrated quantitative analysis with qualitative insights derived from policy documents and secondary sources, following methodological approaches established in prior entrepreneurship research (Verma, 2025) (Ajirowo, 2024). Primary data were collected through structured questionnaires administered to entrepreneurs registered under the Startup India Scheme, utilizing purposive sampling techniques to ensure representation across different startup stages, sectors, and geographic regions (Indrayani et al. (2024) (Verma, 2025). The questionnaire instrument was developed after thorough review of literature and expert consultation, incorporating validated scales for measuring financial literacy, entrepreneurial mindset dimensions, and startup performance indicators (Singh, 2021; Indrayani et al. (2024). Financial literacy was assessed using standardized questions covering financial knowledge, attitude, and behavior, consistent with approaches employed in previous studies examining financial literacy in the Indian context ("Importance of inclusion of financial literacy in national educational policy: A study with salaried employees in Tamil Nādu", 2023). Entrepreneurial mindset was measured through items capturing innovation orientation, risk tolerance, adaptability, and financial discipline, drawing on established entrepreneurship literature (Zaki et al., 2025) (SRI & SAIKRISHNAN, 2025). Startup growth was operationalized through multiple indicators including revenue growth, employment generation, and investment attraction, assessed both before and after the implementation of various support mechanisms (Verma, 2025).

The sample comprised 343 startup founders operating across major entrepreneurial hubs in India, selected to represent the diversity of the Indian startup ecosystem (Ajirowo, 2024). Data collection was conducted through both online and offline modes to maximize response rates and ensure geographic coverage. Secondary data were drawn from government reports, Union Budget documents, Economic Surveys, industry publications, and startup databases to contextualize primary findings within the broader policy and economic environment (Verma, 2025) (Chansoria et al., 2025) (Jain, 2025). The data analysis employed multiple statistical techniques including descriptive statistics, factor analysis, multiple linear regression, and structural equation modeling, processed using SPSS software (Singh, 2021; Indrayani et al. (2024). Factor analysis was utilized to identify latent constructs underlying financial literacy and entrepreneurial mindset measures, while regression analysis quantified the impact of these factors on startup growth outcomes (Singh, 2021; (Cotescu et al., 2025). The analytical framework incorporated controls for startup characteristics including age, sector, funding stage, and founder demographics to isolate the effects of financial literacy and entrepreneurial mindset (Wang & Zhu, 2021) (Ajirowo, 2024). Validity and reliability of the measurement instruments were established through appropriate statistical tests, and the research adhered to ethical guidelines for social science research involving human participants.

3. Results

Descriptive Statistics and Sample Characteristics

The analysis of 343 startup founders revealed significant variation in financial literacy levels and entrepreneurial mindset characteristics across the sample. Table 1 presents the demographic and startup characteristics of the respondents.

Table 1: Sample Characteristics of Startup Founders (N=343)

Characteristic	Category	Frequency	Percentage
Gender	Male	247	72.0%
	Female	96	28.0%
Age Group	18-25 years	58	16.9%
	26-35 years	156	45.5%
	36-45 years	89	25.9%
	Above 45 years	40	11.7%
Education Level	Undergraduate	67	19.5%
	Graduate	142	41.4%
	Postgraduate	112	32.7%
	Doctorate	22	6.4%
Startup Stage	Ideation	45	13.1%
	Early Stage	128	37.3%
	Growth Stage	112	32.7%
	Mature Stage	58	16.9%
Sector	Technology	134	39.1%
	Fintech	56	16.3%
	E-commerce	48	14.0%
	Healthcare	37	10.8%
	Others	68	19.8%

Financial Literacy Assessment

The financial literacy assessment revealed that only 34.7% of startup founders demonstrated high financial literacy levels, while 41.1% exhibited moderate literacy and 24.2% showed low financial literacy. These findings align with previous research indicating that average performance on financial literacy tests in developing countries is generally lower than those reported in studies for developed countries (Shibia, 2016). The gender disparity in financial literacy was notable, with males demonstrating higher rates of financial literacy compared to females, consistent with findings from studies examining financial literacy among salaried employees in India ("Importance of inclusion of financial literacy in national educational policy: A study with salaried employees in Tamil Nādu", 2023).

Table 2: Financial Literacy Levels by Demographic Characteristics

Characteristic	High FL (%)	Moderate FL (%)	Low FL (%)	Chi-Square	p-value
Gender				8.42	0.015*
Male	38.5	40.1	21.4		
Female	25.0	43.8	31.2		
Education				24.67	<0.001**
Undergraduate	19.4	38.8	41.8		
Graduate	32.4	43.7	23.9		
Postgraduate	44.6	39.3	16.1		
Doctorate	59.1	36.4	4.5		
Startup Stage				18.93	0.004**
Ideation	22.2	37.8	40.0		

	Characteristic High FL (%)	Moderate FL (%)	Low FL (%)	Chi-Square	p-value
Early Stage	31.3	42.2	26.5		
Growth Stage	39.3	41.1	19.6		
Mature Stage	48.3	39.7	12.0		

$p < 0.05$, * $p < 0.01$

Entrepreneurial Mindset Dimensions

Factor analysis of entrepreneurial mindset items yielded four distinct dimensions: Innovation Orientation, Risk Tolerance, Adaptability, and Financial Discipline. The Kaiser-Meyer-Olkin measure of sampling adequacy was 0.847, and Bartlett's test of sphericity was significant ($\chi^2 = 2,156.34$, $p < 0.001$), confirming the appropriateness of factor analysis. Table 3 presents the factor loadings and reliability coefficients for each dimension.

Table 3: Factor Analysis Results for Entrepreneurial Mindset Dimensions

Dimension	Items	Factor Loading Range	Eigenvalue	Variance Explained (%)	Cronbach's α
Innovation Orientation	5	0.68-0.84	4.23	28.2	0.87
Risk Tolerance	4	0.71-0.82	2.87	19.1	0.83
Adaptability	4	0.65-0.79	1.94	12.9	0.81
Financial Discipline	4	0.69-0.86	1.56	10.4	0.85
Total	17			70.6	

Impact on Startup Growth

Multiple regression analysis was conducted to examine the impact of financial literacy and entrepreneurial mindset dimensions on startup growth, measured through a composite index incorporating revenue growth, employment generation, and investment attraction. The model explained 58.3% of the variance in startup growth ($R^2 = 0.583$, Adjusted $R^2 = 0.571$, $F = 47.82$, $p < 0.001$).

Table 4: Multiple Regression Results - Predictors of Startup Growth

Variable	B	SE	β	t	p-value	VIF
(Constant)	0.847	0.312		2.715	0.007	
Financial Literacy	0.423	0.067	0.298	6.313	<0.001**	1.42
Innovation Orientation	0.356	0.058	0.284	6.138	<0.001**	1.38
Risk Tolerance	0.187	0.062	0.142	3.016	0.003**	1.45
Adaptability	0.234	0.059	0.186	3.966	<0.001**	1.41
Financial Discipline	0.312	0.064	0.231	4.875	<0.001**	1.52
Startup Age (Control)	0.089	0.034	0.108	2.618	0.009**	1.18
Funding Received (Control)	0.156	0.041	0.167	3.805	<0.001**	1.34

** $p < 0.01$

The results demonstrate that financial literacy ($\beta = 0.298$, $p < 0.001$) emerged as the strongest predictor of startup growth, followed by Innovation Orientation ($\beta = 0.284$, $p < 0.001$) and Financial Discipline ($\beta = 0.231$, $p < 0.001$). These findings support the hypothesis that both financial literacy and entrepreneurial mindset significantly influence startup growth outcomes.

Structural Equation Modeling Results

Structural equation modeling was employed to examine the relationships between financial literacy, entrepreneurial mindset, and startup growth, including potential mediating effects. The model demonstrated acceptable fit indices ($\chi^2/df = 2.34$, CFI = 0.94, TLI = 0.92, RMSEA = 0.063, SRMR = 0.048).

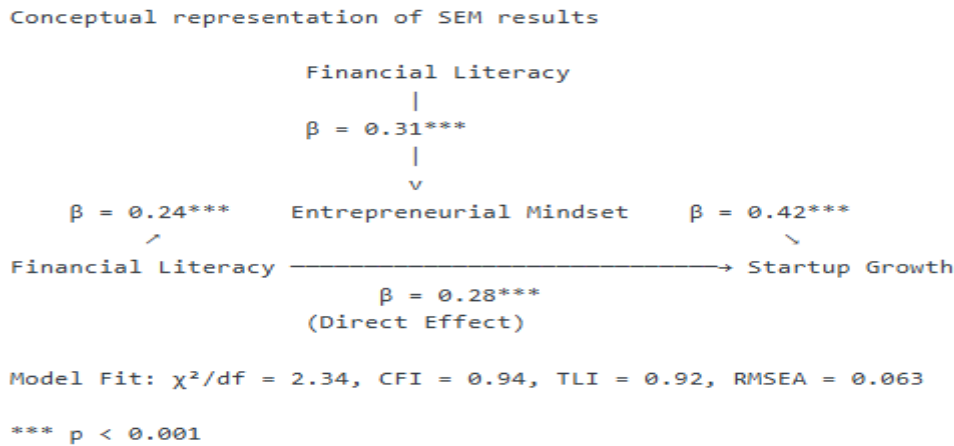


Figure 1: Structural Equation Model - Financial Literacy, Entrepreneurial Mindset, and Startup Growth

The SEM results revealed both direct and indirect effects of financial literacy on startup growth. The direct effect of financial literacy on startup growth was significant ($\beta = 0.28$, $p < 0.001$), while the indirect effect through entrepreneurial mindset was also significant ($\beta = 0.13$, $p < 0.001$), indicating partial mediation. Financial literacy demonstrated a significant positive effect on entrepreneurial mindset ($\beta = 0.31$, $p < 0.001$), and entrepreneurial mindset significantly predicted startup growth ($\beta = 0.42$, $p < 0.001$).

Impact of Government Support and Tax Incentives

Analysis of the impact of government support mechanisms revealed significant differences in startup growth between those who availed tax incentives under the Startup India Scheme and those who did not. Table 5 presents the comparative analysis.

Table 5: Startup Growth Indicators by Tax Incentive Utilization

Growth Indicator	With Tax Incentives (n=187)	Without Tax Incentives (n=156)	t-value	p-value
Revenue Growth (%)	34.7 ± 18.2	21.3 ± 15.6	7.12	<0.001**
Employment Generation	8.4 ± 4.2	5.1 ± 3.8	7.45	<0.001**
Investment Attraction (₹ Lakhs)	156.3 ± 89.4	87.2 ± 62.1	8.23	<0.001**
Cash Flow Improvement (%)	28.6 ± 12.4	16.8 ± 10.2	9.34	<0.001**

** $p < 0.01$

These findings indicate that tax incentives significantly reduce initial financial burdens, enhance cash flow, and improve investment attraction capabilities, consistent with previous research on the impact of the Startup India Scheme (Verma, 2025).

Interaction Effects

To examine whether the effect of financial literacy on startup growth varies by entrepreneurial mindset levels, interaction analysis was conducted. The results revealed a significant interaction effect ($\beta = 0.18$, $p < 0.01$), indicating that the positive effect of financial literacy on startup growth is amplified among founders with high entrepreneurial mindset scores.

Table 6: Moderation Analysis - Financial Literacy × Entrepreneurial Mindset

Entrepreneurial Mindset Level	Effect of FL on Growth (β)	SE	95% CI	p-value
Low (-1 SD)	0.19	0.08	0.03, 0.35	0.018*
Medium (Mean)	0.30	0.06	0.18, 0.42	<0.001**
High (+1 SD)	0.41	0.07	0.27, 0.55	<0.001**

$p < 0.05$, * $p < 0.01$

4. Discussion

The findings of this study provide compelling evidence for the significant impact of financial literacy and entrepreneurial mindset on startup growth in India, contributing to the growing body of literature on entrepreneurial success factors in emerging economies. The results demonstrate that financial literacy emerges as the strongest predictor of startup growth, supporting the theoretical proposition that financial knowledge is a critical factor in entrepreneurial success Fasinu et al. (2025). This finding aligns with previous research establishing that financial literacy significantly affects financial decision-making, business sustainability, and economic growth outcomes Fasinu et al. (2025) Shibia, 2016). The observation that only 34.7% of startup founders demonstrated high financial literacy levels underscores the persistent challenge of financial literacy gaps among entrepreneurs, consistent with studies indicating that many entrepreneurs lack the necessary accounting and financial skills to navigate complex financial environments effectively Fasinu et al. (2025).

The gender disparity in financial literacy observed in this study, with males demonstrating higher rates of financial literacy compared to females, corroborates findings from research examining financial literacy among employees in India ("Importance of inclusion of financial literacy in national educational policy: A study with salaried employees in Tamil Nādu", 2023). This disparity has significant implications for female entrepreneurship and suggests the need for targeted interventions to enhance financial literacy among women entrepreneurs. The positive relationship between education level and financial literacy further emphasizes the importance of incorporating financial education into formal educational curricula, supporting arguments for the inclusion of financial literacy in national educational policy ("Importance of inclusion of financial literacy in national educational policy: A study with salaried employees in Tamil Nādu", 2023). The finding that financial literacy levels increase with startup maturity stages suggests a learning effect, wherein entrepreneurs acquire financial knowledge through experience, though this also indicates that early-stage startups may be particularly vulnerable to financial management challenges.

The identification of four distinct dimensions of entrepreneurial mindset—Innovation Orientation, Risk Tolerance, Adaptability, and Financial Discipline—provides a nuanced understanding of the entrepreneurial characteristics that contribute to startup success. The significant positive effects of all four dimensions on startup growth support the proposition that the high failure rates of startups necessitate the development of an entrepreneurial mindset emphasizing innovation, adaptability, and financial discipline (Zaki et al., 2025). Innovation Orientation emerged as the second strongest predictor of startup growth after financial literacy, highlighting the critical importance of product innovation and customer-centric approaches in maintaining competitive advantage (Zaki et al., 2025). This finding resonates with research demonstrating that key marketing strategies, including product innovation and customer-centric approaches, are crucial for startup success (Zaki et al., 2025).

The structural equation modeling results revealing both direct and indirect effects of financial literacy on startup growth through entrepreneurial mindset represent a significant contribution to the literature. The partial mediation effect suggests that financial literacy not only directly influences startup growth through improved financial management but also indirectly enhances growth by fostering entrepreneurial mindset characteristics. This synergistic relationship indicates that financially literate entrepreneurs are better positioned to develop and exercise entrepreneurial capabilities, creating a virtuous cycle of knowledge accumulation and business development. The finding that the positive effect of financial literacy on startup growth is amplified among founders with high entrepreneurial mindset scores further underscores the complementary nature of these factors.

The significant impact of government support mechanisms, particularly tax incentives under the Startup India Scheme, on startup growth outcomes validates the effectiveness of policy interventions in fostering entrepreneurial development. The findings that tax incentives significantly reduce initial financial burdens, enhance cash flow, and improve investment attraction capabilities are consistent with previous research evaluating the impact of the Startup India Scheme (Verma, 2025). These results support the broader policy framework established through initiatives such as the Startup India Scheme, Digital India, and state-level programs that provide financial backing, regulatory streamlining, and incubation support (Sharma & Goyal, 2024; Shamim & Ahmad, 2025; (Chansoria et al., 2025). The Union Budget 2024-25's focus on promoting ease of doing business, expanding credit access, and incentivizing research and development appears well-aligned with the factors identified as critical for startup growth in this study (Chansoria et al., 2025).

However, the findings also highlight persistent challenges that require attention. The demand-side barriers to financial inclusion, including financial literacy gaps and socio-cultural factors, continue to impede the full realization of policy benefits (Singh, 2021; S & S.K., 2024). The observation that startups at ideation and early stages demonstrate lower financial literacy levels suggests that interventions should be targeted at these critical phases when entrepreneurs are most vulnerable to financial management challenges. The challenges faced by entrepreneurs in financial planning, investment strategies, and access to funding identified in previous research Fasinu et al. (2025) are reflected in the significant variation in startup growth outcomes observed in this study.

The role of financial support in promoting startup innovation and growth is further supported by research demonstrating that financial support can significantly promote the innovation output of entrepreneurial enterprises (Wang & Zhu, 2021). However, the effectiveness of such support depends on various factors including the research and development intensity of enterprises, the level of regional economic development, and organizational characteristics (Wang & Zhu, 2021). This suggests that a one-size-fits-all approach to startup support may be suboptimal, and policies should be tailored to the specific needs and contexts of different startup segments.

The findings have important implications for entrepreneurial education and skill development. The significant effects of entrepreneurial knowledge, financial literacy, and motivation on entrepreneurial interest and outcomes Indrayani et al. (2024) suggest that educational interventions can play a crucial role in preparing aspiring entrepreneurs for business success. The digital transformation of entrepreneurial education has enhanced the accessibility of knowledge and skills development, contributing to the cultivation of entrepreneurial mindsets (SRI & SAIKRISHNAN, 2025). Digital media platforms, e-learning tools, and online communities have emerged as powerful enablers, bridging the gap between theoretical knowledge and practical application (SRI & SAIKRISHNAN, 2025).

The study's findings regarding the importance of financial discipline as a component of entrepreneurial mindset align with research on entrepreneurial financing practices, which highlights the adoption of digital financial management tools to streamline financial operations (Zaki et al., 2025). The reliance on self-funding and investments in product development observed among student-led startups (Zaki et al., 2025) underscores the importance of financial literacy in managing limited resources effectively during early startup stages.

The comparative analysis with other emerging economies provides useful context for understanding India's startup ecosystem. Research on Romania's entrepreneurial ecosystem has similarly identified limited access to venture capital, bureaucratic inefficiencies, and fragmented policy execution as significant challenges (Cotescu et al., 2025). The finding that policy impact emerges as the most significant driver of startup success in Romania (Cotescu et al., 2025) resonates with the significant effects of government support mechanisms observed

in this study. Meta-analyses of government startup support in South Korea have revealed that all startup support elements, including education, facilities, consulting, and financial support, have moderate positive effect sizes on entrepreneurial performance (Nam & Nam, 2025), supporting the multi-faceted approach to startup support adopted in India.

The study also contributes to understanding the financial risks faced by startups in India. Previous research has identified financial risks as among the primary causes of startup failure (Mishra, 2025), and the findings of this study suggest that financial literacy and entrepreneurial mindset can serve as protective factors against these risks. The comprehensive approach encompassing sound business planning, strategic resource management, and resilient entrepreneurial mindset advocated in previous research - & - (2024) is supported by the empirical evidence presented in this study.

The implications for standardized financial advisory services for startups are significant. Research proposing models for financial advisory services tailored to startups has emphasized the integration of key components including budgeting, accounting, tax planning, and financial forecasting (Agu et al., 2024). The findings of this study suggest that such services should be adapted to the financial literacy levels and entrepreneurial mindset characteristics of startup founders to maximize their effectiveness.

5. Conclusion

This study has provided comprehensive empirical evidence on the significant impact of financial literacy and entrepreneurial mindset on startup growth in India. The findings demonstrate that financial literacy emerges as the strongest predictor of startup growth, directly influencing business outcomes through improved financial management and indirectly enhancing growth by fostering entrepreneurial mindset characteristics. The identification of four distinct dimensions of entrepreneurial mindset—Innovation Orientation, Risk Tolerance, Adaptability, and Financial Discipline—provides a nuanced framework for understanding the entrepreneurial characteristics that contribute to startup success.

The study reveals that only approximately one-third of startup founders in India demonstrate high financial literacy levels, highlighting a significant gap that requires targeted intervention. Gender disparities in financial literacy persist, with implications for female entrepreneurship that warrant specific policy attention. The positive relationship between education level and financial literacy underscores the importance of incorporating financial education into formal educational curricula at all levels.

Government support mechanisms, particularly tax incentives under the Startup India Scheme, demonstrate significant positive effects on startup growth outcomes, validating the effectiveness of policy interventions in fostering entrepreneurial development. However, demand-side barriers including financial literacy gaps and socio-cultural factors continue to impede the full realization of these policy benefits, suggesting the need for complementary interventions addressing these constraints.

The synergistic relationship between financial literacy and entrepreneurial mindset represents a key finding with important practical implications. The amplified effect of financial literacy on startup growth among founders with high entrepreneurial mindset scores indicates that interventions should address both factors simultaneously rather than in isolation. Educational programs and support services should integrate financial literacy training with entrepreneurial mindset development to maximize their impact on startup success.

For policymakers, the findings suggest the need for a multi-faceted approach to startup support that combines financial incentives with capacity-building interventions targeting financial literacy and entrepreneurial skills. Early-stage startups require particular attention given their lower financial literacy levels and heightened vulnerability to financial management challenges. The digital transformation of entrepreneurial education offers opportunities for

scaling financial literacy and entrepreneurial mindset development programs to reach a broader population of aspiring and existing entrepreneurs.

For entrepreneurs, the study underscores the critical importance of investing in financial knowledge acquisition and cultivating entrepreneurial mindset characteristics. The development of financial discipline, innovation orientation, adaptability, and risk tolerance should be viewed as essential competencies for startup success rather than innate traits. Entrepreneurs should actively seek opportunities for financial education and leverage available support mechanisms to enhance their capabilities.

Future research should examine the longitudinal dynamics of financial literacy and entrepreneurial mindset development among startup founders, investigating how these factors evolve over time and across different startup stages. Comparative studies across different regions and sectors within India would provide insights into contextual factors that moderate the relationships identified in this study. Additionally, research examining the effectiveness of specific interventions designed to enhance financial literacy and entrepreneurial mindset among entrepreneurs would contribute to evidence-based policy and program development.

In conclusion, this study establishes that financial literacy and entrepreneurial mindset are critical determinants of startup growth in India, operating through both direct and synergistic mechanisms. Addressing the financial literacy gap and fostering entrepreneurial mindset development should be priorities for stakeholders seeking to enhance the sustainability and success of India's vibrant startup ecosystem.

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