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From Financial Fragility to Financial Resilience of Households. A Systematic Review

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Abstract: The increasing prevalence of pandemics, climate change-related natural disasters, financial crises and wars is causing income loss, unemployment, indebtedness and ultimate financial fragility among households. Inequality gaps continue to widen, and previous redistributive policies raised the risk of credit growth and indebtedness. This systematic review of the literature sought to identify the causes of household financial fragility and recommend strategies of financial resilience from previous literature. One hundred and twelve (112) articles were retrieved from Scopus for analysis using the PRISMA protocol. The study found that social demographic factors, financial exclusion, inequality, natural disasters, financial illiteracy, digital poverty, and the financial and political system of a country are major drivers of financial fragility. Literature proposes capability-based strategies, such as financial literacy and life skills, resource-based strategies, such as financial inclusion, financial deepening through fintech, and social capital-based strategies, as major strategies for financial resilience. This study recommends the implementation of sound structural reforms that aim to attract investment consistent with job creation, economic development and growth in the country as a major strategy for addressing inequalities and household financial fragility.

Keywords: Financial literacy; financial resilience; financial inclusion; inequality

JEL Classification: A

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1. Introduction

The family stress model postulates that economic hardships caused by income loss or chronic economic conditions lead to household economic pressure, such as inability to pay bills and inability to meet basic needs like food, hence causing psychological stress and subsequent frustration, anger, anxiety, depressed mood, withdrawal from social interactions, marital conflict and disrupted parenting (Conger et al., 2020). The current wars, changes in international aid, climate change hazards, the previous COVID-19 pandemic, inflationary macroeconomic environments and global financial crises caused health and economic shocks to economies and households around the world, which triggered household financial fragility. Worrisome is the prevalence and rise of shocks, which have an ultimate economic and financial implication.

Surveys around the world indicate higher and worrying levels of financial fragility. In the United States the majority of households who participated in a survey could not raise $2000 within the next month in the event of an unexpected need (Clark & Mitchell, 2021). In the European Union, one third of European Union households who participated in a survey indicated that they were unable to handle an unexpected financial shock (Demtzs et al., 2020). Many developing nations in Africa faced financial and food challenges during the COVID-19 pandemic (Gumbo, 2023). Furthermore, the recent Middle East war is causing unexpected increases in fuel prices, which leads to price increases in many parts of the world. Hence, the urgent need for households and policymakers to develop strategies for enhancing financial resilience.

Being financially resilient is essential if individuals are to avoid adverse outcomes from unanticipated economic shocks. Financial fragility refers to the inability to cope with unexpected expenditures or income needs (Clark & Mitchell, 2024), whilst financial resilience refers to a household's ability to withstand acute shocks without harming financial well-being (Chen & Xiao, 2025). Household financial wellbeing is an important pillar for the achievement of sustainable development goals of no poverty, zero hunger, good health and wellbeing, quality education, gender equality and reduced inequalities. This research aims to determine the causes of household financial fragility and recommend strategies that can assist households to be resilient to financial shocks during a pandemic or financial crisis.

2. Materials and Methods

This study conducted a systematic literature review with bibliometric analysis to investigate the current literature trend and identify research gaps concerning financial fragility and financial shocks. The systematic literature review followed established systematic review guidelines from the Preferred Reporting Items for Systematic Reviews and Meta-Analyses (PRISMA) protocol and Transfield et al. (2024) guidelines to avoid bias and to ensure transparency. This section explains the research methodology adopted by the study.

2.1. Research Questions

The PRISMA protocol and literature concur that systematic reviews should be guided by a research question (Transfield et al., 2024). This study aims to

1. Identify causes of financial fragility from the literature.

2. Determine strategies that can assist financially fragile households to be resilient from the literature.

2.2. Inclusion and Exclusion Criteria

Guided by the research questions, a search criterion ("financial fragility" OR "financial vulnerability" OR "financial stress" AND "financial resilience" OR "financial capacity" OR "financial well-being" AND "households" OR "families" OR "consumers") was used to search documents from the Scopus database. The database was selected due to its diverse literature. After analysing preliminary search results, the search was refined to include articles in English, published during the years 2019 – 2025 and published as book chapters, conference papers and articles. Figure 1 shows the screening process and the articles selected for analysis.

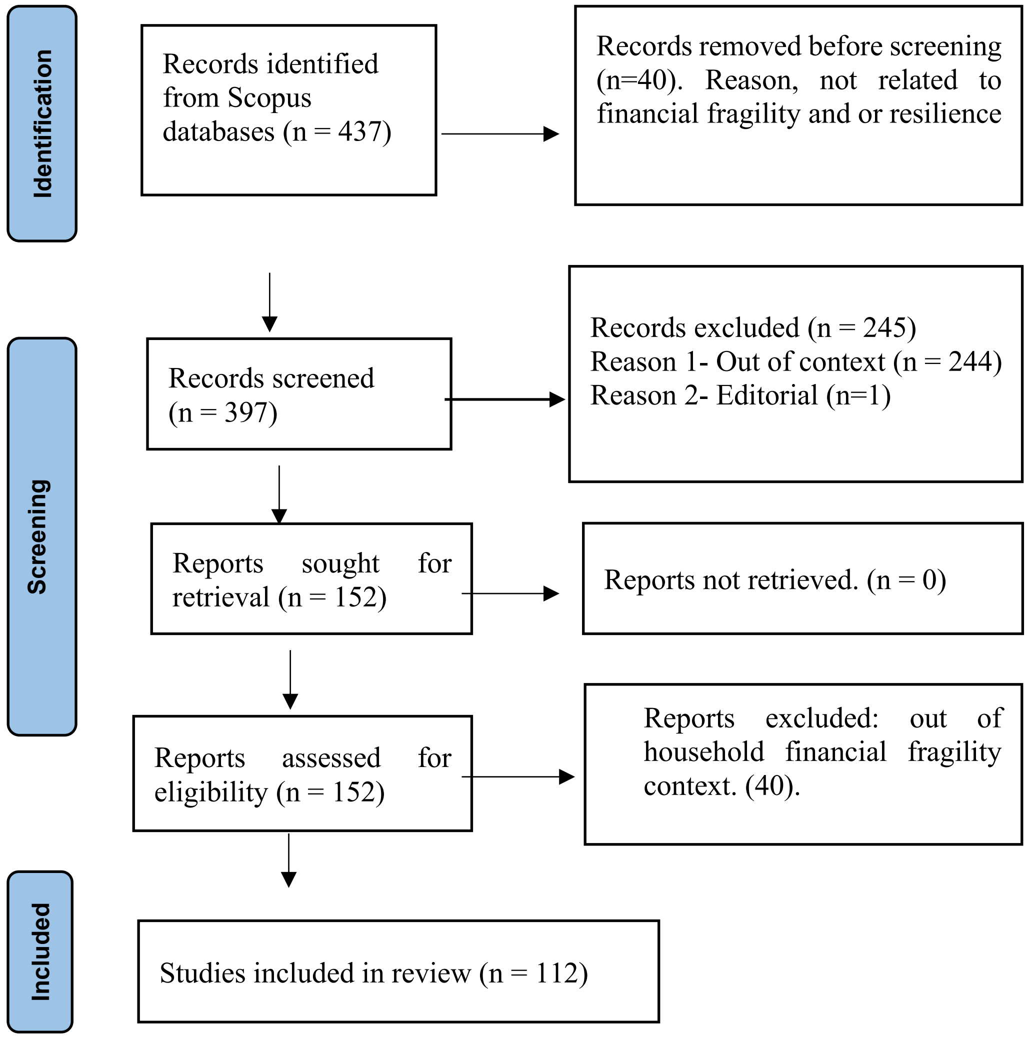

Figure 1. PRISMA flow chart of the literature review process

Source: Authors' compilation (2026)

2.3. Data Analysis

Qualitative data were analysed using content and thematic analysis. First findings were coded to identify recurring concepts and patterns, then these codes were used to identify themes. To ensure reliability, the review process was documented in detail. Quantitative data were analysed using descriptive and bibliometric analysis. Document citations, authors' keywords, country contribution and collaboration were assessed. Excel and VOSviewer software were used to analyse quantitative data.

3. Results

3.1. Descriptive Statistics

Literature of the study was drawn from seventy-eight (78) journals and one hundred and twelve (112) articles. A total of three hundred and thirty-three (333) authors contributed to the selected literature. Five hundred and nineteen (519) keywords were identified, and the average citation per document was nineteen (19), reflecting significant contribution of the selected articles to literature. The timespan of the selected literature ranges from 2019 to 2026, and forty (40) countries contributed to the literature in relation to the author's affiliation country. Table 1 shows the descriptive statistics of the papers included in the systematic literature review.

Table 1. Descriptive statistics of the papers

Main information about the data	
Timespan	2019-2026
Sources (Journals)	78
Documents	112
Average citation per document	18.79
Document content	
All keywords	519
Author's Keywords	301
Authors	
Authors	333
Authors' collaboration	
Single-authored docs	7
Contributing countries	40

Source: Authors' compilation, 2026

3.2. Authors' Keywords Co-Occurrence

Keyword co-occurrences identify main topics or themes and trends discussed in literature. Only keywords that were used more than three times were considered important themes. The selected literature is grouped into five major clusters. First, the blue cluster includes themes such as financial literacy, financial resilience, financial capability, financial fragility, financial education and financial inclusion as dominant themes. The literature highlights financial literacy/capabilities and financial inclusion as major strategies for building financial resilience. Secondly, the red colour cluster is represented by economic and sociodemographic factors like age, gender and income as major determinants of household financial fragility. Third, the yellow cluster has the pandemic as a major determinant of financial stress and financial anxiety. Fourth, the green colour represents psychological issues like locus of control, the financial system, financial services and household finance, and lastly, the purple colour represents psychological resilience, family and literacy.

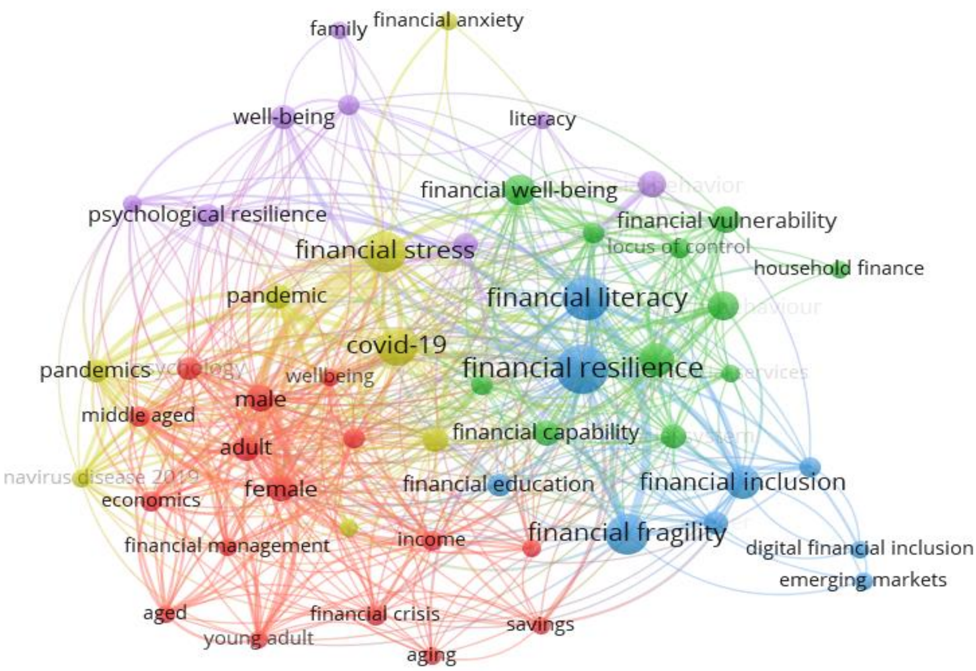

Figure 2. Keywords co-occurrence

Source: Authors' compilation (2026)

3.3. Country Contribution

United States of America authors were the major contributors of financial fragility and resilience literature. Authors from China, the United Kingdom, India, Australia, Malaysia and South Africa also contributed significantly to the literature. However, although financial fragility is high in Africa, African countries' research on fragility and financial resilience is still low. Further studies should consider an analysis of financial fragility in African countries and propose tailor-made strategies.

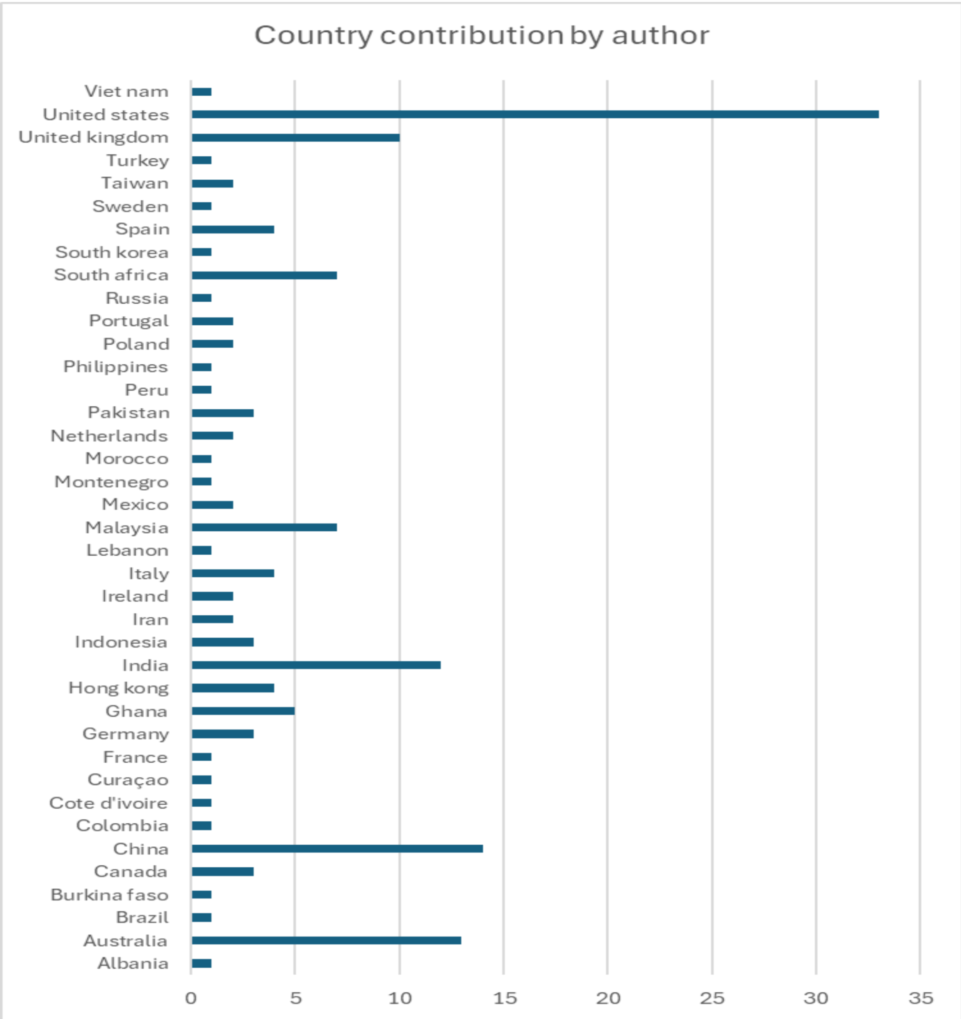

Figure 3. Country contribution

Source: Authors' compilation (2026)

3.4. Thematic Analysis on the Causes of Financial Fragility from the Literature

3.4.1. Theme One: Socio-Demographic Variables

Socio-demographic variables of households were cited as major determinants of financial fragility and resilience of households. Gender, age, employment, income, marital status, family size, region, education and net worth are core socio-demographic variables influencing the fragility and resilience of households (Klapper & Lusardi, 2019; Chen & Xiao, 2025). Generally, households with lower income, more dependants under 18, lower education, female-headed, divorced-headed, retired-headed and not employed faced higher levels of financial fragility compared to their counterparts (Dushku, 2023; Tinta, Ougraogo & Al-Hassan, 2025). Hence, financial capability educational programmes should target more women, the young and the less educated. Carton et al. (2024) found that young, educated females between the ages of 23 and 44 are the most resilient to financial shocks as compared to those above the age of 65, who are weak in planning, as they will not be able to plan for the long term. The authors went on to conclude that household heads or individuals above 65 years have weak financial knowledge and lack willingness to seek advice for them to withstand financial shocks. This finding contradicts the lifecycle hypothesis, which postulates that financial investments are accumulated as an individual grows and the retired above the age of 65 usually possess more wealth, which has been accumulated throughout their working years, and are the ones who assist their family by gifts and family financial support. There is consensus that level of education and employment status influence the financial fragility and vulnerability of a household. Financial vulnerability in Pakistan depends on the level of education, industry employment of the head of the household and employment status (Ali et al., 2020). Ali et al. (2020) alluded to the fact that the most financially vulnerable households are those without knowledge of financial information, formal education, communication and technology and are mostly engaged in agriculture.

Regarding employment status and income, household heads who were unemployed or retired were more financially fragile compared to families with employed household heads (Dakshu, 2023). Employment is a major source of income for most individuals; hence, the unemployed struggle to source money for buying family essentials. However, when measuring the employment status of individuals, self-employment, entrepreneurial endeavours and other forms of informal employment should be considered, especially in developing nations. In the United States of

America, the lower-income groups and African Americans are the most financially fragile individuals in the United States of America (Lusardi et al., 2020). Formerly incarcerated individuals also face severe financial fragility after a long period of unemployment. Reintegration of these individuals into society and securing employment is usually difficult (Bather et al., 2024). Family and partner support are vital to build financial resilience.

3.4.2. Theme Two: Lack of Financial Literacy

The majority of the literature concurred that financial literacy has a strong influence on financial fragility and financial resilience, as financially literate household heads were found to be more likely to be financially resilient. Gao, Rouxelin and Rojasavachai (2025) argued that financial illiteracy is a systematic risk that weakens household financial resilience and financial decisions and increases exposure to economic shocks. The authors argued that financial illiteracy increases financial credit default risk, inefficient asset allocation which contribute to broader market risk, macro-economic instability and wealth distribution inequalities. Without financial literacy the sustainable development goals of eradicating poverty, inequality and of promoting good health and wellbeing are far from being reached.

Hasler, Lusardi, Yugnick and Yukoboski (2025) argued that financial literacy matters in relation to financial fragility and financial risk, as financially literate household heads were found to be more likely to plan for retirement, manage their debts, and comprehend financial risk in times of crises. Clark and Mitchell (2024) also concurred that financial literacy is associated with financial resilience and is a protection against financial fragility. The authors investigated United States of America citizens aged 45-75 and concluded that more financially resilient individuals were more likely to select an annuity as a pension payout, which reflected knowledge of investment and growth. The age group of individuals aged 45-75 is usually composed of household heads. Additionally, Erdern and Rohahn (2022) confirmed the importance of financial literacy on financial resilience through a study of four European Union countries and established that financial literacy increases financial resilience.

Financial literacy is an evolving combination of financial capabilities namely, financial knowledge, financial attitude, financial behaviour and digital financial literacy. The measurement of financial literacy differs and very few studies measure all the components of financial literacy hence some results are not a complete reflection of financial literacy. Literature stresses the importance of good financial behaviours; financial knowledge and good financial attitudes in building financial resilience.

3.4.3. Inequality, Mortgage Delinquency and Debt-Financed Consumption

Literature highlighted that income inequality contributes to excessive accumulation of debt, which ultimately leads to financial fragility. Medialdea and Martin (2022) suggested that income inequality in a country leads to households replacing income with debt to finance household consumption. The authors argued that the previous global financial crisis forced middle to low-income earners to increasingly resort to debt to finance their consumption. Debt-financed consumption and continuous increase in house prices led to household financial indebtedness as households failed to service their debts and mortgages (Medialdea & Martin, 2022). In the same vein, Zungu and Greyling (2023) confirmed that inequality contributes to high indebtedness, resulting in financial fragility among the working class. These findings are supported by the Rogan hypothesis cited by Zungu and Greyling (2023), who highlighted that rising inequality drives credit and household indebtedness, financial fragility and ultimate financial crash as reflected by the previous global financial crisis, which started in the United States of America. In South Africa, Zungu and Greyling (2023) identified inequalities and excessive borrowing among low-income earners from both informal and formal institutions, which leads to household indebtedness and financial fragility.

3.4.4. Financial Exclusion

Literature identifies financial exclusion as a factor contributing to household financial fragility. Kim, Xiao and Porto (2023) investigated the effect of financial capability on the financial fragility of the United States of America with different financial inclusion statuses during the COVID-19 pandemic. The authors established that higher financial capability and financial inclusion reduce the risk of financial fragility, as access to loans improves with financial inclusion. Additionally, Kumaralalita and Zheng (2023) also highlighted that digital financial inclusion provides opportunities for women who often face unequal access to financial services and access to loans that are required to be financially resilient. The authors argued that crowdfunded digital platforms play an important role in providing access to faster loans, providing better opportunities that lead to a better life. However, Carton, Xiong and McCarthy (2024) argued that while digital financial inclusion may facilitate financial resilience, there is a danger that it might increase vulnerability of households to predatory financial services and financial scams.

Financially including illiterate individuals has detrimental effects to the individuals and to the financial system stability (Gao, Rouxelin & Rojasavachai, 2025).

3.4.5. Pandemic and Natural Disasters

Literature concurs that the previous COVID-19 pandemic and the corresponding closure of businesses caused loss of income and financial fragility (Kulshreshtha, Raju, Muktineni & Chatterjee 2023). Tano and Putri established that the financial conditions of individuals during the pandemic were deficient, as the majority of households were traders who relied on daily earnings and COVID-19 pandemic restrictions that forced them to remain home affected their business income.

Naughton and Brady (2024) noted that in developing countries like Mozambique, where the major economic activity is agriculture, recent natural disasters like cyclones have ruined harvests and rural infrastructure, causing extreme poverty and other climate change implications like increasing variations in rainfall and prevalence of drought, increases poverty. Liu and Ding (2025) also provide evidence that natural disaster experiences cause a decline in household incomes and psychological stress, which translates to shifts in risk attitudes and a decline in financial market participation. Investing in insurance is vital in protecting farmers against climate related disasters.

3.4.6. Digital Poverty

Digital poverty increases fragility by increasing exclusion in access to digital financial services (Ma & Liu, 2025). The use of mobile devices and USSD codes increases access to cheaper digital financial services. Digital poverty also weakens social interactions which are vital in sharing financial information. (Ma & Liu, 2025).

3.4.7. Locus of Control

Sabri et al. (2025) also argued that locus of control, referring to an individual’s belief in the degree of control over their lives and the events that are key, has an impact on one’s finances and financial behaviour. Kleimier et al. (2023) further established that that the household’s cognitive (financial literacy) and non-cognitive abilities (psychological resilience and internal locus of control) and non-cognitive psychological abilities assist in lessening higher financial fragility.

3.4.8. Physical and Psychological

Literature noted physical and psychological determinants as vital influences on financial fragility and resilience. Liu, Chen and Xiao (2025) argued that health status and disability have potential to affect one's income and financial resilience capability, whilst psychological, mental and cognitive status also affects one's capability to manage finances. Mundi's (2023) study focused on cognitive abilities and financial resilience of millennial parents and found that cognitive abilities of single parents have a significant impact on financial resilience, and that university degree, age, gender, staying with parents and employment status affects financial resilience of single parents.

3.4.9. The Financial and Political System of a Country

The financial and economic systems can either facilitate financial resilience or exuberate financial fragility. Rigid financial systems like collateral based lending restricts women's access to credit and promote financial exclusion. If supported by a political system with lower investor protections and weaker institutional support financial exclusion and unemployment will rise facilitating financial fragility. Matemane, Machokoto, Lemma and Majoni (2025) conducted an analysis of 2021-2022 Global Findex surveys data from 134 countries and found evidence that women face greater difficulty mobilising emergency funds within 7 and 30 days compared to men. Formal lending is considered an important source of funds to make ends meet. The authors stressed the need for policy interventions to alleviate women and strengthen women's financial resilience.

3.4.10. Economy and Economic Environments

Previous economic recessions and financial crises were identified as major causes of family financial fragility. The great recession and global financial crisis of 2007 - 2009 caused household indebtedness especially in the United States of America where low-income households were holding subprime mortgages (Friedline, Chen & Morrow, 2021). Macroeconomic factors like the counties gross domestic product, exchange rate, inflation, infrastructural development, unemployment level and the financial sector developments are major causes of financial fragility.

3.5. Thematic Analysis of Strategies That Can Assist Financially Fragile Households to Be Resilient

3.5.1. Capability Based Strategies of Financial Resilience

3.5.1.1. Improving Financial Literacy/ Financial Capability

Improving financial literacy emerged as one of the most important strategies of preventing financial fragility and building financial resilience. To move from the state of financial fragility of most household to financial resilience, households need to improve their financial knowledge, financial attitudes and practice good financial behaviours (Wiranatakusuma et al., 2024; Clark & Mitchel, 2024; Aristel et al., 2025). Good financial behaviours involve financial planning, saving, budgeting, responsible credit use, retirement planning, saving for emergencies, making a considered purchase, proper risk management and good money management (Hamid et al., 2023; Abreu et al., 2025; Tinta, Ougraogo; Zeka & Alhassan, 2024; Al-Hassan, 2025). Policy makers should facilitate the development of financial education programs that equip household heads with financial knowledge, encourage good financial behaviour, impart crucial digital financial skills and develop good financial attitudes especially among women, the youth and the old. Financial education should be integrated in basic education curricular as it is a basic human financial skill.

To avoid previous financial dilemmas caused by nationwide financial illiteracy and mortgage delinquency Gao et al. (2025), recommended the integration of financial literacy metrics into credit risk assessments, macro prudential oversight and investment framework to prevent household credit default and fragility. The literature also calls for support by policymakers and financial providers in terms of access to financial services and also availing resources and support services to indigenous citizens using flexible terms.

3.5.1.2. Financial Education, Education and Financial Coaching

Higher level education and financial education were cited as crucial strategies in enhancing financial literacy. The majority of individuals with lower levels of education underperformed individuals with higher education in financial resilience, hence the need for policy makers to facilitate the provision of education and incorporate financial education in basic education curriculum (Dakshu, 2023). Naughton and Brady (2024) noted that a financial training aimed at youths and women encouraged the uptake of formal services, mobile penetration and usage of payment systems. Liu and Chen (2024b) advocated for risk management education to promote financial literacy and resilience since families preferring moderate risks and yielded significantly higher financial resilience scores than those with high and low risk tolerances. Financial coaching targeted at specific groups of people is also vital in enhancing practical financial behavioural skills. Financial education programs should consider adding practical lessons on practical financial behaviour skills, financial knowledge tailored to current economic conditions, understanding of financial stress, managing financial stress, credit and risk management, and improving financial problem-solving skills (Yumiseva, 2025).

3.5.1.3. Life Skills and Digital Literacy

Sabri, Suhaimi, Nazario, Law and Maglia (2025) consented that the development of life skills like problem solving, decision making, critical thinking, communication is crucial in achieving financial wellbeing and financial resilience. In the same vein Kass-Hanna and Liu (2022) argued that digital literacy is an important skill that stimulates the usage of online banking, mobile money, and other digital financial services that offer an efficient mechanism to foster saving and borrowing decisions. The authors argued that since most of financial services are now accessed through digital platforms, digital literacy has become a catalyst for improved financial behaviours', which are important as that of financial literacy (Kass-Hanna & Liu, 2022).

3.5.2. Resource Based Strategies of Financial Resilience

3.5.2.1. Financial Inclusion

Zeka and Alhassan (2024) concurred that financial deepening and digital finance has potential to mitigate household financial vulnerability through the provision of more tailor-made financial services, reducing financing cost and optimising asset allocation. The authors argued that digital poverty restricts access to financial resources, limits social interactions and exposes households to greater financial risk in decision making. Specifically, the availability of savings acts as an early form of financial resilience; these savings can be formal and non-formal yet represents important safety net in emergencies.

Omuru and Awetey (2024) outlined four channels in which financial inclusion impacts financial resilience. First, financial inclusion facilitates production of investments where households that take advantage to invest in financial services gain higher returns, which acts as a buffer against economic challenges. Secondly, financial inclusion facilitates risk mitigation by providing health insurance and access to credit, which mitigates financial emergencies. Thirdly, financial inclusion facilitates emergency preparedness by providing households with an opportunity to accumulate savings and acquire assets that can be relied upon during emergencies. Fourth, financial inclusion facilitates cost-effective solutions, such as low-cost payment systems, to transfer money without physically sending it. However financial inclusion should work hand in hand with financial literacy, to facilitate effective use of money.

3.5.2.2. Government Support

Clark and Mitchell (2022) established government support as a vital strategy to improve household financial resilience during a crisis, with assistance available within a year of the effecting crisis, more effective. Government and policy makers should consider availing emergency grants, debt relief programs, financial training, cheaper housing schemes and avail affordable financial advice or counselling services (Sun, Small, Huang & Ger, 2022).

3.5.2.3. Insurance

Collier and Kousky (2025) stressed the importance of insurance in mitigating against financial shock caused by climate change. The authors highlighted the importance of insurance as a financial risk transfer tool available to household heads for addressing the unexpected risk. Zeka and Alhassan (2024) also established that risk management behaviour, represented by having an insurance, was the greatest driver of financial resilience, followed by planning for retirement, savings and having access to credit. However, there is generally low uptake of insurance due to trust and affordability issues.

3.5.2.4. Credit Services

The ability to borrow and access financial resources was considered an important strategy for financial resilience. Both formal and informal borrowing are crucial as borrowing from social, family, and friends is also crucial and can also provide cheaper funds, however it is also associated with social pressure. Formal credit services, like loans from Banks or microfinance, offer loans with structured repayment plans but may exclude the poor households and may have higher interest rates and unfavourable payment terms (Jalili et al., 2025). Donou-Adonsou and Leslie-Piper (2025) established that the Buy now, pay later credit service is a convenient payment alternative to traditional credit for those who lack emergency savings, income irregularities and perceived financial insecurity. However, credit services cause financial stress if not used appropriately.

3.5.2.6. Financial Deepening

Naughton and Brady (2024) emphasised ways in which greater financial resilience has been built among vulnerable populations with limited resources through financial services deepening and innovative uses of digital financial services. The authors also argued for micro insurance and financial technology availability to improve financial inclusion and increase resilience, closing the gendered equality gap. The successful implementation of a sandbox project in Mozambique in has contributed to advancing financial inclusion through expanding financial services and financial deepening, with the potential to disrupt traditional financial services through reduced cost and digital transactions.

3.5.2.7. Savings Groups

Naughton and Brady (2024) noted that savings groups platforms improved the financial resilience of households. Redford and Verhoof (2022) had the opinion that savings group foster financial resilience, financial inclusion and economic development in Africa. Formalising and facilitating savings groups among peers, communities and households enhance financial resilience. Jalili et al. (2025) called for the formalisation of informal financial networks such as Rotating Savings and Credit Associations (ROSCAs), burial societies, and community lending pools as they already help as critical financial shock backups in low-income countries.

3.5.2.8. Structural Reforms

Literature recommends the implementation of structural reforms that aim to bring investment consistent with employment creation, economic development and growth in the country as a major strategy for addressing noted income inequalities and household financial fragility. Rigid financial system reforms should be altered to improve financial inclusion and financial access (Matemane, Machokoto, Lemma & Majoni, 2025).

3.5.2.9. Financial Social Work

The tradition of addressing financial fragility of the poor through social work is still significant. Thorough social work specialised programs providing borrowing opportunities, facilitating savings and training the poor on the development of personalised financial plans are provided. The introduction of financial social work addresses some complex family financial dynamics related to family financial decision making, psychological attitudes, cultural patriarchal systems, financial behaviours and financial inclusion. Financial social work creates a supportive environment and considers emotional and psychological factors (Anvari-Clark et al., 2026).

3.5.2.10. Investment and Multiple Income Stream

Household diversify their income streams by combining their income from formal employment with income from side hustles, farming activities or gig work as relying on a single income source increases vulnerability. Investing in productive assets was also considered vital in ensuring financial resilience although some assets are less liquid. Depending on the development of the economy households invest in formal capital markets whilst others invest livestock or tools which provides long-term security (Jalili et al., 2025).

3.5.3. Social Capital

3.5.3.1. Social Capital and Family Identification in Cohesion

Social networks and community support through financial loans, in kind aid, or emotional backing helps maintain assets and mental well-bein (Jalili et al., 2025). Stevenson, Coste, Wakefield, Kellezi and Stack (2020) established family identification and cohesion in family support as an important contributor to financial resilience. Family cohesion and identification promote mental well-being, family support and effective coping with financial problems. The authors argued that household financial fragility can be well explained with the family stress model, which posits that household financial fragility has an adverse influence on the financial and psychological well-being of families.

4. Discussion and Direction for Further Study

Literature highlights the need for financial resilience because the majority of households are in a state of financial fragility. Social demographic factors, such as income, employment status, level of education, and gender, were cited as major causes of household financial fragility. Generally, low-income earners have challenges making ends meet and individuals with no or low levels of education do not have the capabilities to manage their finances easily. Women-headed households were indicated to be more prone to financial fragility. Hence financial education trainings should be targeted to these vulnerable population. Furthermore, financial illiteracy, financial exclusion and inequality were cited as major causes of financial fragility. Inequalities exist in some countries where the majority of the populace are low-income earners financing most of their consumption with borrowed funds, which causes higher levels of indebtedness and financial fragility. Financial inclusion without financial literacy exposes households to making mistakes in financial decisions exposing households to financial risk. Financial literacy, financial inclusion and financial deepening through fintech were cited as major strategies of building financial resilience. Strategies like financial education, life and digital skills training, savings groups and social capital we sighted as pathways to foster financial resilience coping skills, building capabilities to practice good financial behaviours not only vital in using or making financial decisions but vital in keeping and building financial resources required for financial resilience. Building social networks and family support was identified as an important strategy to build financial resilience. Training programs can be targeted to these social networks. In terms of pandemic and natural disasters, government support in the form of grants shelter and food provision was cited as vital in assisting affected households. The current literature is mainly concentrated in developed countries; there remains a study gap in developing countries, especially in Africa, where financial distress is high. Research needs to explore how household heads from various socio-demographic backgrounds can be assisted to become financially resilient.

5. Conclusion

Financial literacy and socio-demographic variables emerged as the major variables associated with financial fragility and resilience. Policy makers should focus on improving the financial literacy capabilities of household heads and also target women, the unemployed and less educated in providing financial education and financial assistance as they are more vulnerable to financial fragility. Digital financial inclusion and financial deepening have potential to provide financial services widely at a lower cost. Financial social work and strengthening of family support systems remain vital in promoting financial resilience. Structural inequalities need to be addressed and policies that aim to increase employment opportunities in the country were cited as more effective.

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