Financial Literacy and Inclusion in India

Final Report - India

National Institute of Securities Market

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Contents

Abbreviations

Abbreviation	Meaning
(V)	Voluntary Reasons
BCs	Banking Correspondents
CC	Credit Card
DBT	Direct Benefit Transfer
ECS	Electronic Clearing Service
EPF	Employee Provident Fund
FA	Financial Attitude
FB	Financial Behaviour
FI	Financial Inclusion
FK	Financial Knowledge
FLIS	Financial Literacy and Inclusion Survey
FMC	Forward Market Commission
FSDC	Financial Stability and Development Council
Govt.	Government
IPO	Initial Public Offerings
IRDA	Insurance Regulatory and Development Authority
KYC	Know Your Customer
NCFE	National Centre for Financial Education
NCR	National Capital Region
NEFT	National Electronic Funds Transfer
NISM	National Institute of Securities Markets
NPS	National Pension Scheme
NSFE	National Strategy for Financial Education
OBC	Other Backward Class
OECD	Organization for Economic Co-operation & Development
PFRDA	Pension Fund Regulatory and Development
PPS	Probability Proportional to Sampling
Qs	Questions
RBI	Reserve Bank of India
RFP	Request for Proposal
RTGS	Real Time Gross Settlement
SC	Schedule Cast
SEBI	Securities and Exchange Board of India
SHGs	Self Help Groups
ST	Schedule Tribe
ToR	Terms of Reference
UT	Union Territory
Wk	Week

1   Project Background

1.1   About Stakeholders

1.1.1   About National Centre for Financial Education

A National Strategy for Financial Education (NSFE) has been prepared under the guidance of a Technical Group on Financial Inclusion and Financial Literacy of the Financial Stability and Development Council (FSDC), which would cater to all sections of the population in the country.

NSFE aims to promote a smoother and more sustainable co-operation between regulators and stakeholders, avoid duplication of resources and allow development of articulated and tailored roadmaps with measurable and realistic objectives based on dedicated national assessments. To implement the NSFE, the National Centre for Financial Education (NCFE) is setup as a part of NISM, with representatives from all financial sector regulators i.e. Reserve Bank of India, Securities & Exchange Board of India, Insurance Regulatory & Development Authority, Pension Fund Regulatory and Development Authority and Forward Markets Commission.

As a very first step towards improving financial literacy and inclusion in India, a nationwide baseline survey i.e. NCFE-Financial Literacy and Inclusion Survey (FLIS) is being carried out for assessing the state of financial inclusion and financial literacy. Mott MacDonald, a global management and development consultancy organisation, has been appointed through competitive techno-commercial bidding to carry out the proposed survey.

1.1.2   About Reserve Bank of India

The Reserve Bank of India (RBI) is the nation's central bank. Since 1935, Reserve Bank of India has stood at the centre of India's financial system, with a fundamental commitment to maintaining the nation's monetary and financial stability. RBI ensures stability of interest and exchange rates and provides liquidity and an adequate supply of currency and credit for the real sector. RBI also ensures bank penetration and safety of depositors' funds, promotes and develops financial institutions and markets, and maintains the stability of the financial system through continued macro-financial surveillance.

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1.1.3 Securities & Exchange Board of India

The Securities and Exchange Board of India was established on April 12, 1992 in accordance with the provisions of the Securities and Exchange Board of India Act, 1992. The basic functions of the Securities and Exchange Board of India is to protect the interests of investors in securities and to promote the development of, and to regulate the securities market and for matters connected therewith or incidental thereto.

1.1.4 Insurance Regulatory & Development Authority

Insurance Regulatory and Development Authority (IRDA) is an autonomous apex statutory body which regulates and develops the insurance industry in India. It was constituted by a Parliament of India act called Insurance Regulatory and Development Authority Act, 1999. The mission of IRDA is to protect the interests of the policyholders, to regulate, promote and ensure orderly growth of the insurance industry and for matters connected therewith or incidental thereto

1.1.5 Pension Fund Regulatory and Development Authority

The Pension Fund Regulatory and Development Authority (PFRDA) was established by Government of India on 23rd August, 2003. The Government has, through an executive order dated 10th October 2003, mandated PFRDA to act as a regulator for the pension sector. PFRDA was established to promote old age income security by establishing, developing and regulating pension funds, to protect the interests of subscribers to schemes of pension funds and for matters connected therewith or incidental thereto.

1.1.6 Forward Markets Commission

Forward Markets Commission (FMC) headquartered at Mumbai, is a regulatory authority for commodity futures market in India. It is a statutory body set up under Forward Contracts (Regulation) Act 1952. The Forward Markets Commission (FMC) is the chief regulator of forwards and futures markets in India

1.1.7 National Institute of Securities Market

National Institute of Securities Markets (NISM) is a public trust, established by the Securities and Exchange Board of India (SEBI), the regulator for securities markets in India. It is located in Navi Mumbai, India. NISM seeks to add to market quality through educational initiatives. It is an autonomous body governed by its Board of Governors. NISM consists of 6 different schools.

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1.1.8 | Mott MacDonald

Mott MacDonald (MM) is a global £1.1 billion management, engineering and development consultancy adding value for public and private clients in more than 140 countries. Our geographical and technical footprints make us a powerful partner, especially for multi-faceted clients operating globally. We use our ingenuity to save our customers money and time, reduce risks, increase efficiency, maximise sustainable outcomes and advance best practice.

1.2 | The Assignment

In the recent years, in light of globalization, economic uncertainty & volatility, privatization in financial sector, shrinking public support system, rising cost of living and availability of large number of financial products (like never before) in the market, concerns over the long term financial wellbeing of an individual in nations has heightened. Also with time, government is pushing the locus of responsibility of financial management, financial planning and ultimately financial wellbeing, in various sections of society, into the domain and purview of an individual in an integrated manner through financial education & investor education and sound policy framework. Thus, it becomes necessary to assess the level of literacy & inclusion enabling them to make sound, informed and responsible decisions to secure the future not only for themselves but also the people dependent on them. In the given context, Government of India through its agencies is conducting the nation-wide Financial Literacy and Financial Inclusion Survey.

1.3 | Scope of work

The scope of work outlined in the Request for Proposal (RfP) indicates the focus on the robust data collection to arrive at state-level, zonal-level and country level statistics on financial literacy and financial inclusion. The data analysis and method of arriving at various figures/statistics was determined jointly by the study team with NISM team during the inception stage along with the reporting formats. The consultant foresees the following purpose of the survey:

- Estimate the present level of financial literacy and financial inclusion in terms of key socio-economic demographic groups and other explanatory variables
- Identify the needs and gaps of the Country and different sections of the society

- Intra-Country and Inter-Country comparison of Levels of Financial Literacy and Financial Inclusion
- Provide baseline figures which can be measured, evaluated, compared and benchmarked for strategies, policies and future change

Survey Results would assist various government departments and regulators in designing appropriate policies, regulation, initiatives and campaigns targeting different region and different sections of society (Students, Poor, Women, Senior Citizens, and Working Executives).

The survey methodology, sample distribution including zones, district selection has been decided based on the inception report submitted by MM with due consultation with all stakeholders involved.

1.4 Approach & Methodology

The Survey was structured in two stages. First is the inception stage which is a pre-cursor to an enumeration/primary research and forms the most critical aspect of the project. The second stage is primary research stage which involves actual enumeration and which runs concurrently with the third stage of data entry cycle, including collection of data, validation and quality assurance and data coding. The primary research stage culminates with data and statistical analysis. The overall framework for the project is provided in the figure below:

Figure 1.1: Overall Framework

Source: IMM Analysis

The consultants approach for carrying out survey for such large-scale and wide-reach was to diligently assure correctness and maximum benefit and involved a number of separate tasks which need to be well coordinated and timely executed. The same are:
- Preparing the Sample Plan;
- Questionnaire Design;

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- Developing the Data Entry Module
- Training of enumerators, supervisors and data entry personnel;
- Piloting;
- Finalising the questionnaire;
- Finalising the data entry module;
- Field Survey work;
- Quality Control & Data Entry;
- Report preparation and reporting to the NISM

The survey was conducted in all the 28 states and 7 Union Territories focusing both, on the rural and urban segment. Within a given state, a survey was conducted in 20% of the districts with minimum of 2 districts per state/UT. The overall country for the purpose of survey is divided into five zones as per BSR system:

Table 1.1: Zone-wise Distribution of States/Union Territories

East Zone	Central Zone	North Zone	South Zone	West Zone
Bihar, Sikkim, Arunachal Pradesh, Nagaland, Manipur, Mizoram, Tripura, Meghalaya, Assam, West Bengal, Jharkhand, Odisha, Andaman & Nicobar Islands	Uttarakhand, Uttar Pradesh, Chhattisgarh and Madhya Pradesh	Jammu & Kashmir, Himachal Pradesh, Punjab, Chandigarh, Haryana, Delhi and Rajasthan	Andhra Pradesh, Karnataka, Lakshadweep, Kerala Tamil Nadu and Puducherry	Gujarat, Daman & Diu, Dadra & Nagar Haveli, Maharashtra And Goa

This report comprises details and analysis of survey conducted pan-India level.

1.4.1 Sample size and distribution

The sample size at state level/zone level in order to achieve statistically significant output at state/zonal level would be obtained from the following expression,

$$n = DZ^2_{1-\alpha/2}\, p(1-p)/d^2$$

Where
p = anticipated proportion to be estimated; $100(1- \alpha /2)$ % is the confidence level

D = Design Effect, Considered to be 2 in Multistage sampling

d = absolute precision required on either side in the proportion in percentage points

With confidence interval of 95% and precision level of 3%, the sample size at disaggregation level is derived to be 2134 (rounded off to 2200). Since there are 4 disaggregation levels- Urban/Rural and Male/Female, the sample size is considered to be 8800. Thus zonal minimum sample size of 8800 is distributed across states in the 5 zones proportionate to the census population. After distribution of the sample across all the

states in the zone, the state sample size has been adjusted to minimum of 2200 sample size so as to provide estimates at state level with the confidence interval of 95% and precision level of 3%. For smaller states and union territories, the sample size will be adjusted to 1250 which would yield estimate of 4% precision level. The state with sample size of higher than 2200 have not been adjusted as it is already achieving statistical requirement and implicitly adding weight of state's population at the zonal level. Thus the estimated sample size is 74,747, which would be rounded off to 75000.

To derive an optimum sampling plan, it is also imperative to understand the demographics of the country. The recent census of 2011 forms the guiding cornerstone for understanding the overall demographics of the country. The statistical analysis of the census data at district level reveals that the urbanization in the country is strongly correlated (positively/negatively) with the parameters such as Literacy rate, Non-agricultural occupations and income distribution. The other parameters such as gender, working status, age group and marital status do not show much variation in the distribution across the country. For example the Gender Distribution in the country is in the +/- 5% range variation. It is also found that the homogeneity in the demographic pattern among the rural districts and degree of heterogeneity increases with an increase in the urbanization. At present, 70% of the districts in the country has urbanization rate of less than 30%.

Thus sample size in urban areas is adjusted to account for disparity and heterogeneity. Since the urban population in India is estimated to approximately to have 30% higher score on *Gini Coefficient* (The Gini Coefficient is a measure of statistical dispersion intended to represent the income distribution of nation's resident), the urban sample size is proportionately oversampled by 30%. The overall sample size at state and UT level is kept constant, thereby reducing the sample size in rural areas. However reduction in the sample size of rural areas will not have influence on overall output since rural regions, as compared to urban areas, have less diversity and more homogeneity.

In case Rural sample size gets reduced to zero at state/UT level after applying urban over sampling technique. Over sampling was not applied to those states/U T.

1.4.2 Sampling Plan
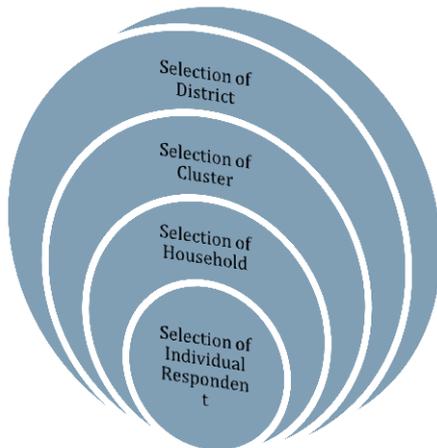
Since the population-wise sampling frame of individuals and households is not available and also the geographical coverage to ensure simple random sampling would be impossible to manage, the consultant followed an multistage cluster sampling plan to achieve the overall objective of the study. Under the proposed sampling plan, the consultant targeted households & ultimately individuals in selected non-overlapping clusters, which was further filtered through multiple stages using various tools and techniques. Also the consultants ensured that the sampling plan ensures representation from all the sections of the society, thus ensuring generation of correct scenario of the nation. The overall framework of sampling plan involved the primary steps of: selection of district, selection of cluster, selection of household and selection of individual respondent.

1.4.2.1 Selection of District

In line with NISM requirements the consultants covered at least 20% of the districts with minimum of two districts from every state/UT. For the Union Territory of Lakshadweep, Dadra & Nagar Haveli and Chandigarh, which has only one district, the sample size was spread across the entire Union Territory. The district coverage in the state was further distributed across Socio-Cultural Regions (SCR)[1]. It becomes imperative to ensure coverage of socio-cultural diversity as current nature of states does not truly reflect the socio-cultural diversity of the region. Thus working within the traditional boundaries of state would not give justice to the overall objective of the study which demands the coverage of all sections of the society.

The 20% of districts was distributed across each SCR in proportion to their population as reported in Census 2011. Within a SCR, the districts were selected using **Probability Proportional to Size (PPS)** methodology. Probability proportional to size (PPS) is a sampling technique in which the probability of selecting a sampling unit (hereinafter referred to as district) is proportional to the size of its population. It gives a probability (i.e., random, representative) sample. It is most suitable as districts in the state vary considerably in size, thereby assuring that those in highly populated districts have the same

[1] Rashiduddin Khan, eminent Indian Scholar, segmented the country in 56 Socio Cultural Region. Each Socio Cultural Region has its own identity in terms of language, culture, dress and location. The culture of a region provides a window into the attitudes of the people who live there, their relationships and power structures and ultimately their hierarchy of needs (Rural Marketing, Pradeep Kashyap)

probability of getting into the sample as those in less populated districts, and vice-versa

1.4.2.2 Selection of Cluster

In line with the requirement of NISM, the consultants carried out survey in 20 households per Cluster. The cluster in the context of study also refers to as villages (in case of rural areas) and wards (in case of urban areas). In case, the number of households in a selected village was less than 100, the village was linked with other nearby villages so as to ensure the complete survey of targeted samples at cluster level. In urban areas at ward level, sufficient numbers of households were available to cover the stipulated cluster-level sample size.

" Mott MacDonald ensured that major metro urban cities form part of survey, even if they are not selected out of PPS methodology"

The district-wise urban samples were distributed within towns/cities/metros in proportion to their population reported in Census 2011. The wards within the town/cities/metros were selected using Probability Proportional to Size (PPS) methodology. Similarly villages were also selected through Probability Proportional to Size (PPS) methodology at block level. The survey of rural areas was carried out in at least 20% of the blocks within each district, which in turn would be selected through PPS methodology. However, before finalizing the villages, the consultant ensured that villages across the district in terms of distance (less than 10 KM, 10-50 KM and greater than 50 KM) from the important town/economic centre had representation in the sampling plan as distances of rural areas from given town/economic centre could have comparatively significant influence on financial inclusion.

1.4.2.3 Selection of Household[2]

The household within the cluster was selected through **right hand standard random route** methodology. Under the right hand standard random route methodology, every dwelling unit after pre-defined interval on the right hand side along the route was approached for survey. The sampling interval varied based on the category of the location. Considering the population density and level of homogeneity within different class of location, sampling interval was derived from

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[2] A Household is usually a group of persons who normally live together and take their meals from a common kitchen unless the exigencies of work prevent any of them from doing so. Persons in a household may be related or unrelated or mix of both. However if group of unrelated persons live in a dwelling unit but do not have their meals from common kitchen, then they are not constituent of a common household. Thus household could be either single membered or multi membered. Also people living temporarily or guest should not be considered as members of household

cluster-level population data and target size of 20, subject to maximum of 10 households.

The generally preferred starting-point considered was an important junction or landmark (such as village gate, temple, pond, etc) within the cluster. To assist the field enumerator, **satellite and outline map** were provided to the enumerators along with the designated starting address and starting direction of the path. In case, the enumerator encountered single household dwelling, one storey building, tenements, bungalow, row house, enumerator approached dwelling unit for the survey. In case enumerator came across any closed unit or commercial unit or any other non-occupant dwelling, enumerator moved on to approach next dwelling unit along the path in accordance with the sampling interval. In case of multi-storey building and large residential complex, enumerator interviewed maximum of 3 households within the building or residential complex considering the applicable sampling interval

In the event of crossing, the enumerator turned to the right and stayed on the right-hand side and continued the approach. If there was a dead end along the path, the enumerator stopped the approach and moved on to the next path.

The consultant conducted the survey in a maximum of 10 households along the path. The enumerators were provided with layouts of 2 non-overlapping routes (Plus 2 additional routes in case of contingency) within the cluster.

1.4.2.4 Selection of Respondent within Household

Once the eligible household has been approached, enumerators would scan the household to ensure that at least one member of the household falls within the domain of survey i.e.
- Age Group of 18-80 Years
- Resident of India (Residing in India for more than 1 Year continuously)
- Resident of Household (Guests or relatives living else or living temporarily would be excluded)

To ensure an approximate male to female gender ratio of 1:1, the consultant alternatively targeted male and female population within the cluster. Thus after interviewing male, female would be interviewed before targeting another male or vice versa. The survey at cluster level would endeavour to mimic the state-wise age profile as reported in the Census 2011. To ensure the representation of various subgroups,

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cluster level sampling matrix was provided to the enumerator. The representative sampling matrix for one of the cluster level is as follows:

Table 1.2: Cluster Level - Representative Sampling Matrix

Sr. No	Gender	Sample Mix	Age	Sample Mix (Considering State of Gujarat)
1	Male	10	18-24 Years	4 (20%)
2	Female	10	25-49 Years	10 (50%)
3			50-64 Years	4 (20%)
4			65-80 Years	2 (10%)
TOTAL		20		20 (100%)

Source: IMM Analysis Data in parenthesis is state-level age profile for population in the age group of 18-80 Years.

Once the eligibility of a member of the household to participate in the survey has been established, the enumerator interviewed the individual member of the household. The enumerator conducted only one interview from a particular household. In carrying out the interview, the enumerator displayed professionalism and integrity to make sure that they interview according to the target group and sampling plan using the pre-defined and approved questionnaire.

2   Socio Economic Profile - India

## 2.1 | State wise Sample Distribution for India

Considering Approach and methodology, sampling plan and distribution as described in the earlier chapter, the zone wise selection of State and actual sample size for India is provided as table hereunder:

Table 2.1:   Zone and State Wise Sample Distribution

Zone	State	Total Sample	Urban	Rural
North Zone	Chandigarh	1259	1224	35
North Zone	Haryana	2315	1153	1162
North Zone	Himachal Pradesh	2251	312	1939
North Zone	Jammu & Kashmir	2207	892	1315
North Zone	NCT of Delhi	2280	2207	73
North Zone	Punjab	2217	1105	1112
North Zone	Rajasthan	3552	1235	2317
	North Zone	**16081**	**8128**	**7953**
East Zone	Andaman & Nicobar Islands	1285	651	634
East Zone	Arunachal Pradesh	1260	401	859
East Zone	Assam	2365	532	1833
East Zone	Bihar	2621	423	2198
East Zone	Jharkhand	2214	756	1458
East Zone	Manipur	1253	550	703
East Zone	Meghalaya	1265	396	869
East Zone	Mizoram	1252	898	354
East Zone	Odisha	2297	534	1763
East Zone	Nagaland	1252	499	753
East Zone	Sikkim	1253	433	820
East Zone	Tripura	1272	470	802
East Zone	West Bengal	2829	1280	1549
	East Zone	**22418**	**7823**	**14595**
Central Zone	Chhattisgarh	2211	735	1476
Central Zone	Madhya Pradesh	2486	968	1518
Central Zone	Uttar Pradesh	5768	1850	3918
Central Zone	Uttarakhand	2221	925	1296
	Central Zone	**12686**	**4478**	**8208**
West Zone	Gujarat	3103	1837	1266
West Zone	Daman & Diu	1251	1005	246
West Zone	Dadra & Nagar Haveli	1280	848	432
West Zone	Maharashtra	6046	3699	2347
West Zone	Goa	1256	1034	222
	West Zone	**12936**	**8423**	**4513**
South Zone	Andhra Pradesh	2946	1310	1636
South Zone	Karnataka	2247	1173	1074
South Zone	Kerala	2253	1421	832
South Zone	Puducherry	1316	1168	148
South Zone	Tamil Nadu	2624	1688	936
South Zone	Lakshadweep	1255	990	265
	South Zone	**12641**	**7750**	**4891**
All India		**76762**	**36602**	**40160**
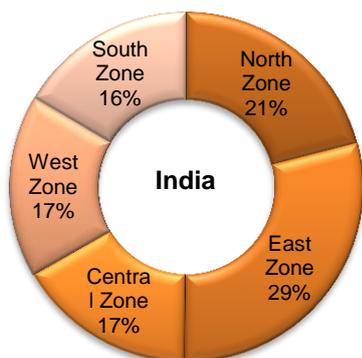
Out of the total sample size of India and considering the approach and methodology as adopted, the maximum numbers of respondents were from East Zone and North Zone. Central and West had equal number of samples. The percentage distribution of samples are provided as graph beside.

2.2 | Geographical Mix (Urban – Rural)
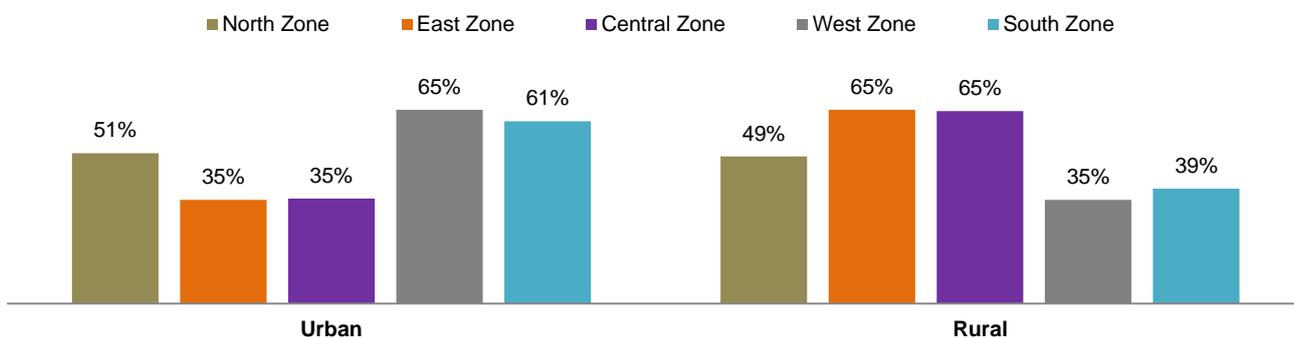
The selection of urban and rural respondents was on actual basis considering methodology and defined sample distribution. The overall geographic mix of sample viz. urban and rural is in the ratio of 48:52.
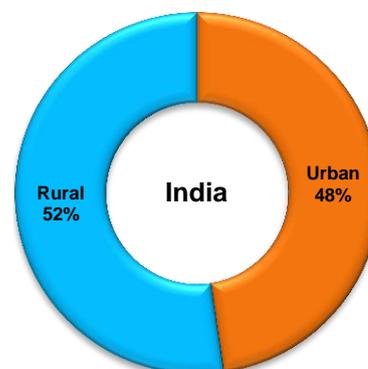
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2.3 | Gender Mix – (Male-Female)

North Zone   East Zone   Central Zone   West Zone   South Zone

Male

57%   56%   58%   56%   53%

Female

43%   44%   42%   44%   47%
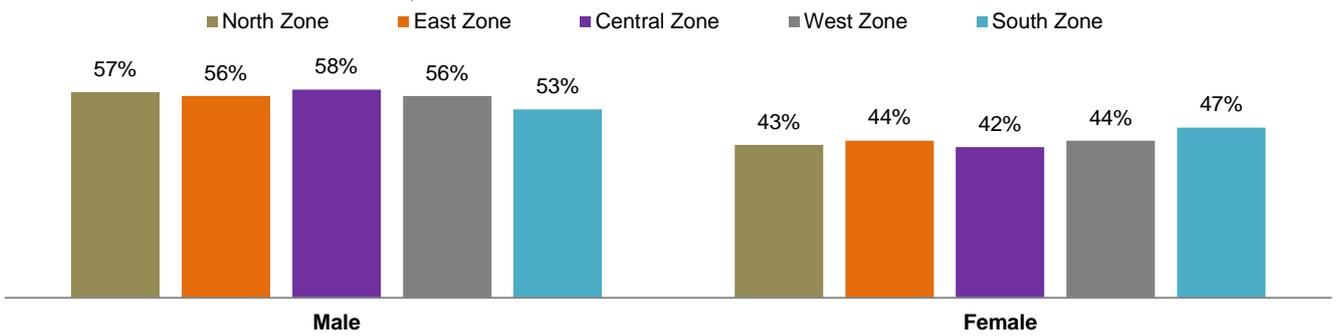
Considering methodology and sample distribution as defined, the overall gender mix of actual respondents viz. male and female is in the ratio of 56:44.

Female 44%   **India**   Male 56%

2.4 | Age Group Mix

North Zone   East Zone   Central Zone   West Zone   South Zone

18-24

21%   18%   22%   22%   17%

25-49

56%   64%   55%   57%   56%

50-64

17%   14%   16%   15%   18%

65-80

6%   5%   7%   6%   8%
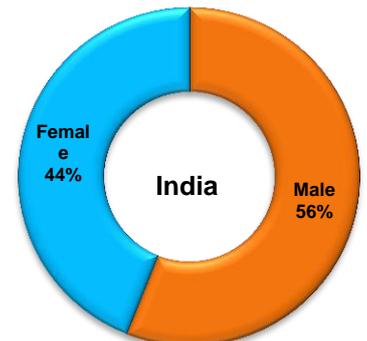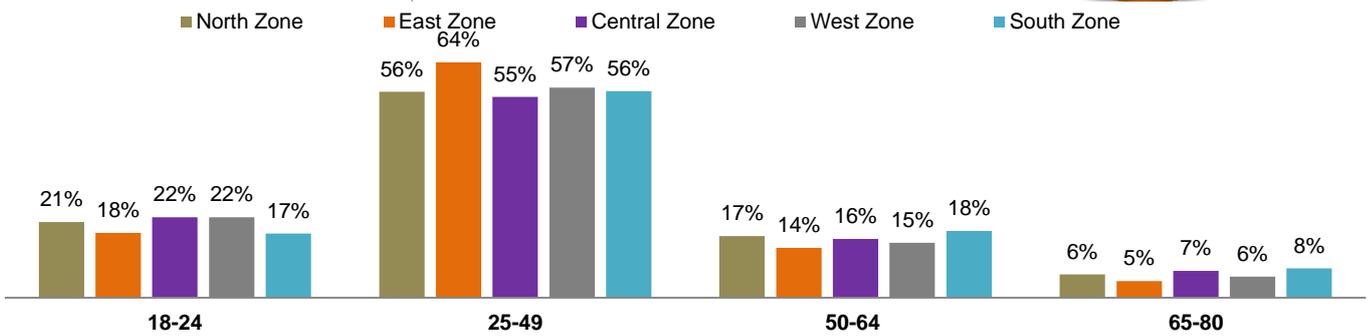
Age group between 25-49 years represents maximum sample distribution which is about 58% and is followed by 18-24 years, 50-64 years and 65-80 years respectively.

65-80 6%   18-24 20%   50-64 16%   **India**   25-49 58%
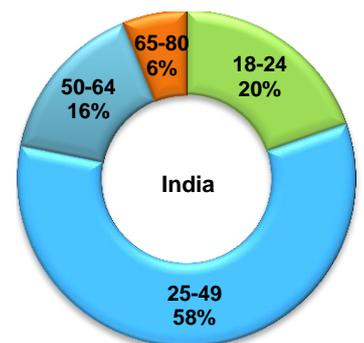
2.5 | Social Categorisation

Legend: North Zone ■ East Zone ■ Central Zone ■ West Zone ■ South Zone

General: North Zone 67%, East Zone 43%, Central Zone 45%, West Zone 56%, South Zone 41%

SC: North Zone 12%, East Zone 10%, Central Zone 15%, West Zone 9%, South Zone 13%

ST: North Zone 6%, East Zone 28%, Central Zone 4%, West Zone 6%, South Zone 12%

OBC: North Zone 15%, East Zone 19%, Central Zone 35%, West Zone 29%, South Zone 35%
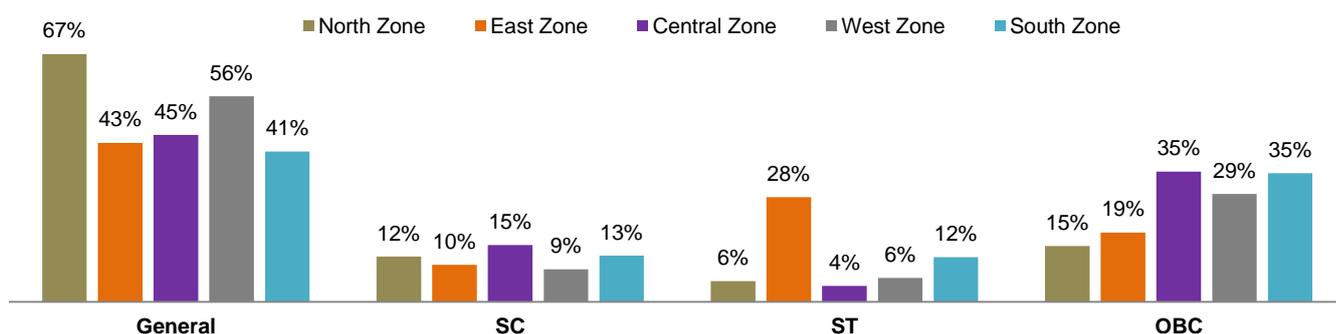
General and Other Backward Class categories represent around 75% of the respondents, followed by Scheduled Tribe (ST) and Scheduled Caste (SC).

India donut chart: OBC 25%, ST 13%, SC 12%, General 50%

2.6 | House hold Structure

Legend: North Zone ■ East Zone ■ Central Zone ■ West Zone ■ South Zone

Nuclear Family: North Zone 44%, East Zone 48%, Central Zone 48%, West Zone 39%, South Zone 57%

Nuclear Family with Elders: North Zone 16%, East Zone 9%, Central Zone 13%, West Zone 8%, South Zone 9%

Joint Family: North Zone 37%, East Zone 40%, Central Zone 37%, West Zone 51%, South Zone 33%

Single Persons/Siblings: North Zone 3%, East Zone 3%, Central Zone 2%, West Zone 2%, South Zone 1%

The majority of the household structure of respondents comprises Joint Family and Nuclear Family and is in the ratio of 40% and 47% respectively.

India donut chart: Single Persons/Siblings 2%, Joint Family 40%, Nuclear Family with Elders 11%, Nuclear Family 47%

2.7 | Education Profile

Legend: ■ North Zone ■ East Zone ■ Central Zone ■ West Zone ■ South Zone

Illiterate: 15%, 12%, 20%, 10%, 13%
Primary (Up to Class V): 7%, 10%, 9%, 9%, 8%
Upper Primary (VI-VIII): 11%, 15%, 15%, 12%, 13%
Secondary (IX to X): 17%, 19%, 12%, 22%, 19%
Senior Secondary (XI-XII): 19%, 20%, 19%, 19%, 17%
Diploma: 2%, 2%, 1%, 3%, 4%
Graduate and Above: 30%, 22%, 23%, 24%, 25%
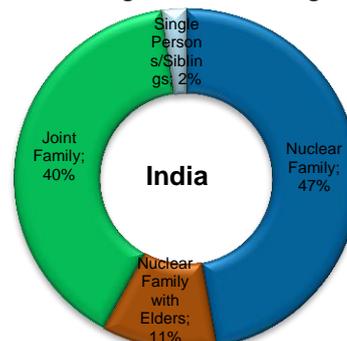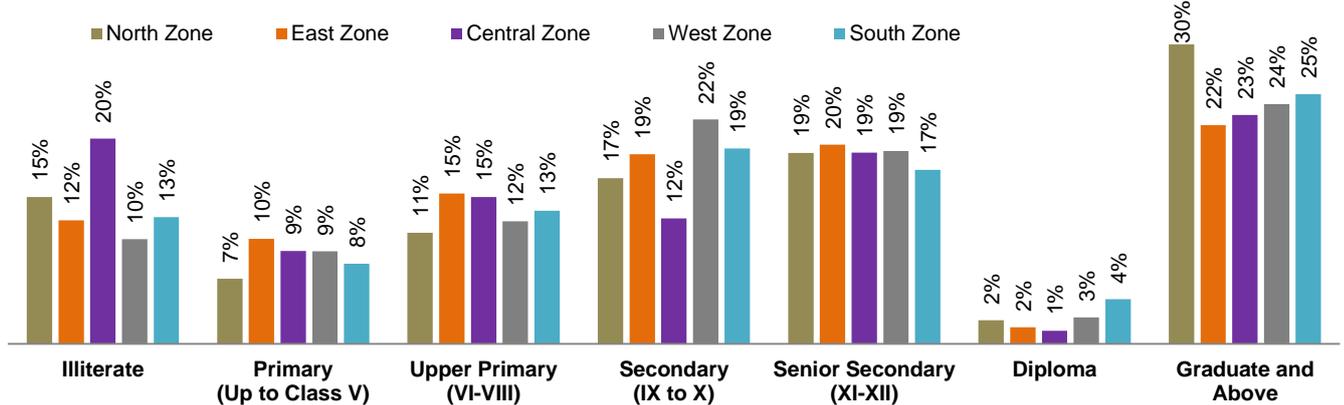
More than 45% of the respondents are having education above secondary level. However 14% respondents are illiterate.

India donut chart:
- Graduate & Above; 25%
- Illiterate; 14%
- Primary; 9%
- Upper Primary; 13%
- Secondary; 18%
- Sr. Secondary; 19%
- Diploma; 2%

2.8 | Working Status

Legend: ■ North Zone ■ East Zone ■ Central Zone ■ West Zone ■ South Zone

Working (Part Time): 7%, 12%, 7%, 6%, 8%
Working (Full Time): 47%, 50%, 50%, 56%, 45%
Not Working: 46%, 39%, 43%, 38%, 46%
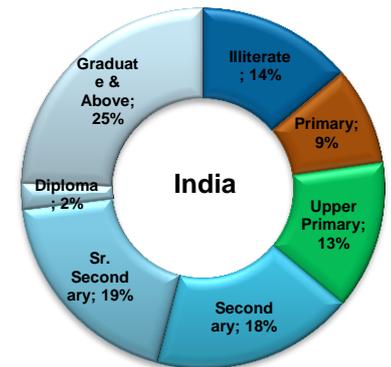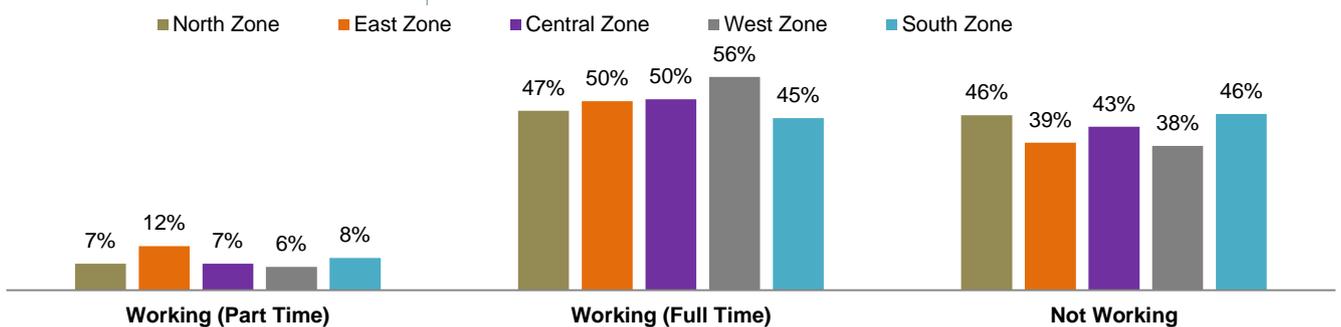
More than 50% of the respondents are working full time followed by not working which are around 42% and the balance being part time.

India donut chart:
- Part Time 8%
- Full Time 50%
- Not Working 42%
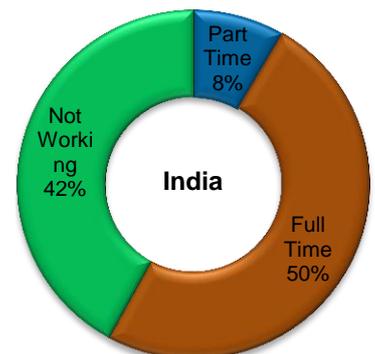
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2.9 | Occupation

■ North Zone ■ East Zone ■ Central Zone ■ West Zone ■ South Zone
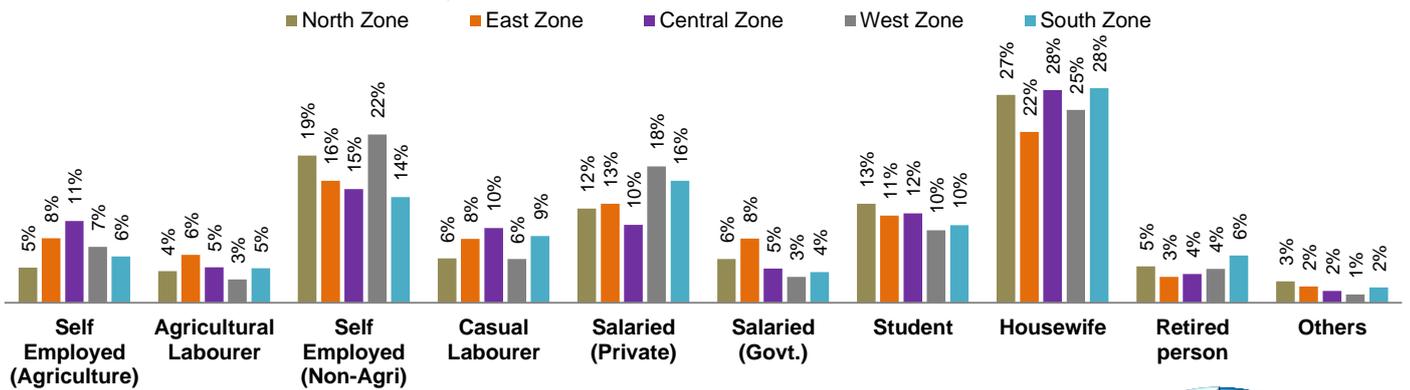
A quarter of the respondents are house wife/home maker followed by self-employed (Non Agri) and salaried (private).

India

2.10 | Income Group

■ North Zone ■ East Zone ■ Central Zone ■ West Zone ■ South Zone
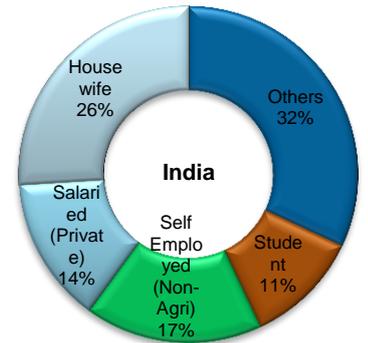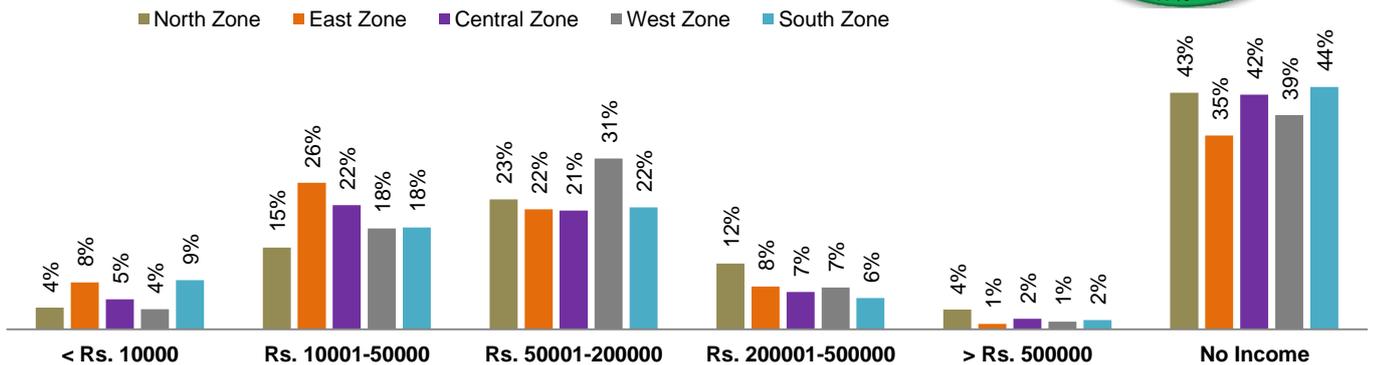
Around 40% of the respondents are from No Income category followed by income group category of INR 50K - 200K.

India

17
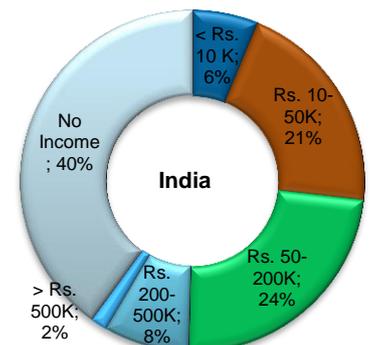
3 Financial Literacy – Survey Findings[3]

The components of financial literacy are depicted as:

Financial Attitude

- **Towards Spending Money**
- **Towards Saving Money**
- **Towards Planning Money**

Financial Behaviour

- **Preparation and involvement of household budget & management**
- **Ability towards meeting monthly expenses & how to manage the gap (credit availed or not?)**
- **Towards evaluation of options for selection of financial products/services**
- **Gathering information before purchase of financial product/Services**
- **Towards saving money (Active/Passive)**
- **Set long term goals and strive to achieve them**
- **keep watch on personal financial affairs**
- **Towards bills payments**
- **Towards affordability**

Financial Knowlege

- **Division**
- **Time value for money**
- **Interest paid on loans**
- **Simple interest Calculations**
- **Compound interest calculations**
- **Inflation**
- **Risk-Return relationship**
- **Diversification**

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3 **All survey findings in terms of %age are representative of total sample size of the zone/country.**

Supported by

3.1 | Financial Attitude

I tend to live for today and let tomorrow take care of itself.

3.1.1 | Towards Spending Money

The Zone wise views of various respondents on the statement are provided as figure below.
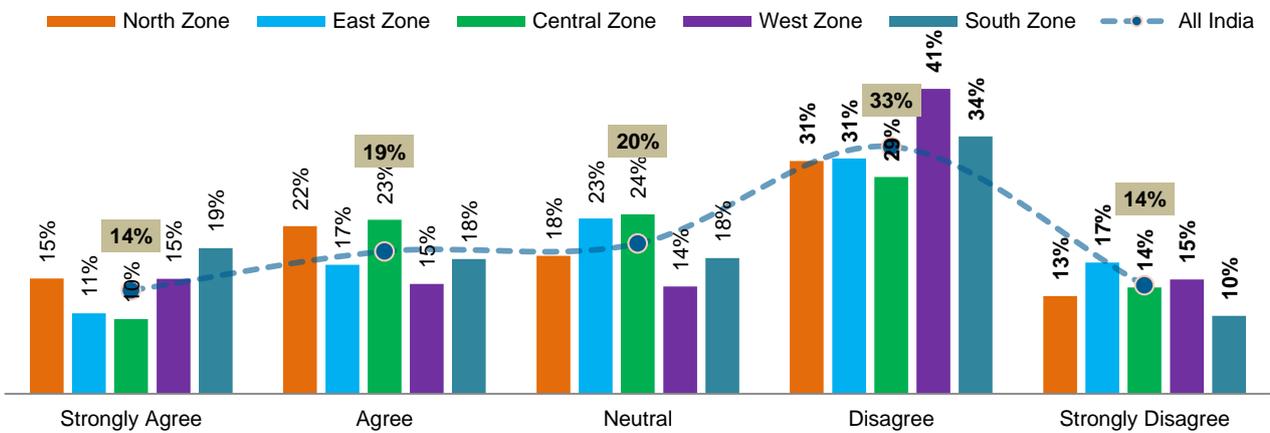
The profile of the respondents as per the Geographic mix, gender and age profile are provided as figure.
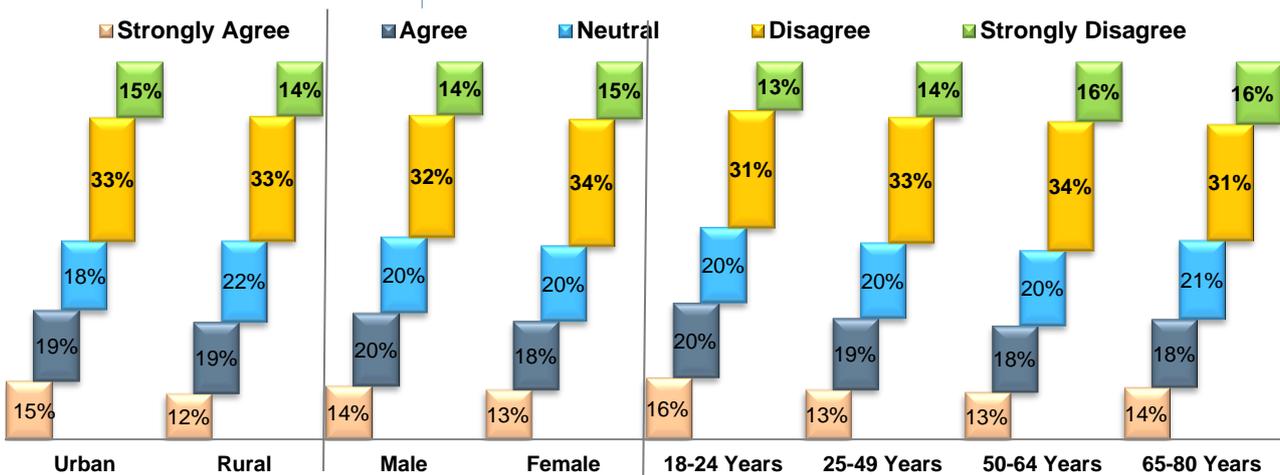
It can be seen that around 47% of the total respondents have either disagreed or strongly disagreed to the statement. It can also be observed from the above graph that these respondents are equally distributed among the geographic and gender mix.

Supported by

3.1.2 Towards Saving Money

> I find it more satisfying to spend money, than to save it for the long term.

The zone wise details of views of the respondents towards saving money for long term are depicted in the figure below.

Legend: North Zone | East Zone | Central Zone | West Zone | South Zone | All India

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
North Zone	8%	17%	33%	29%	13%
East Zone	5%	18%	33%	29%	15%
Central Zone	9%	22%	26%	33%	9%
West Zone	7%	15%	35%	30%	14%
South Zone	7%	22%	25%	35%	11%
All India	7%	18%	31%	31%	13%

The profile of the respondents as per the Geographic Mix, Gender and age profile are provided as figure.

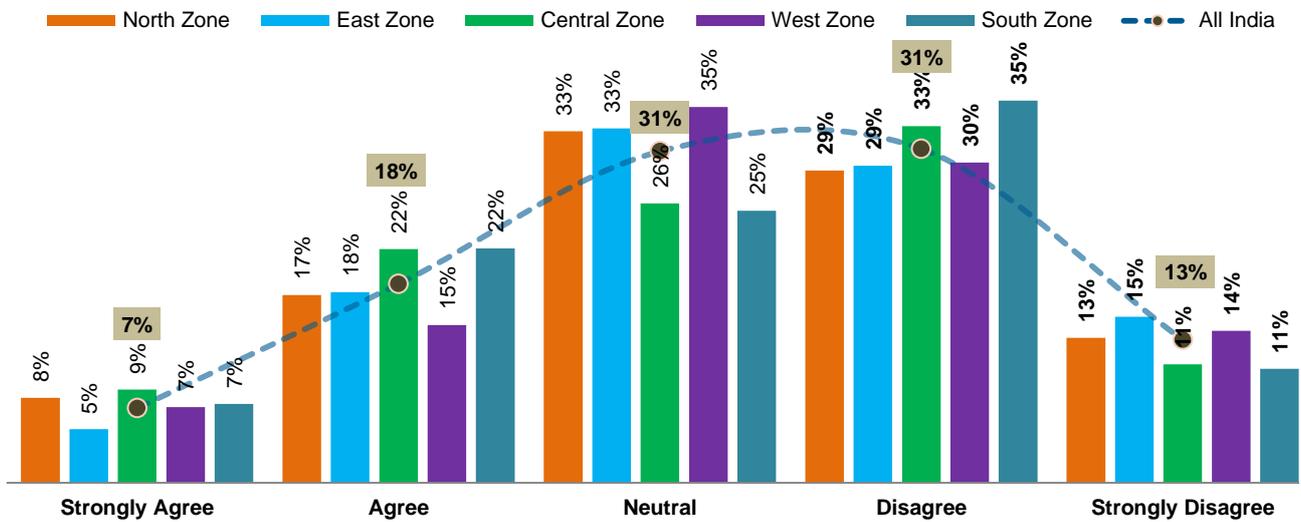|	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Urban	8%	17%	31%	30%	14%
Rural	6%	19%	30%	32%	12%
Male	7%	19%	31%	30%	13%
Female	7%	18%	30%	31%	14%
18-24 Years	9%	20%	31%	29%	12%
25-49 Years	6%	18%	31%	31%	13%
50-64 Years	6%	18%	29%	31%	14%
65-80 Years	7%	19%	29%	31%	13%
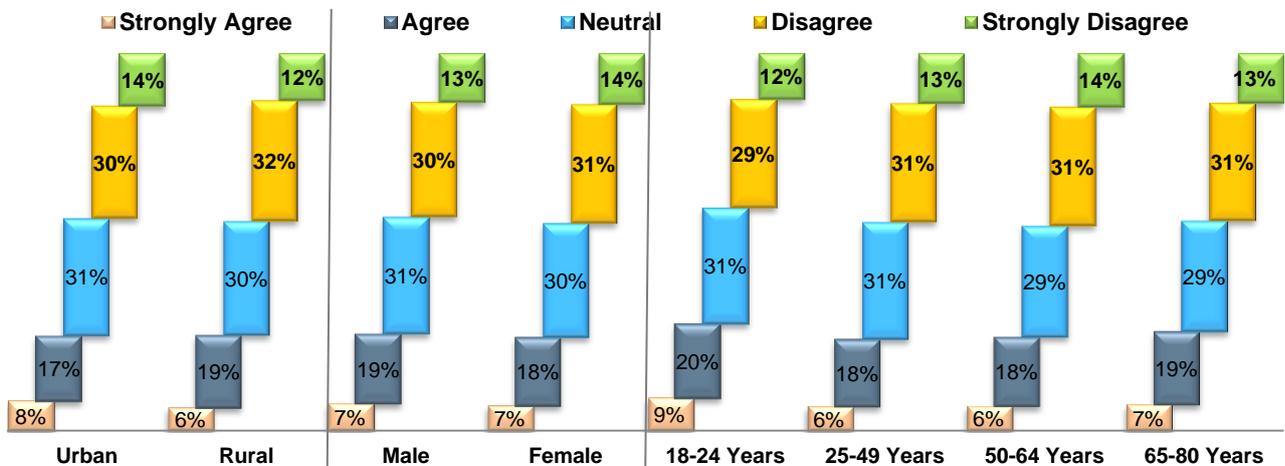
It can be seen that more than 40% of the total respondents have either disagreed or strongly disagreed to this statement. There were also around 31% respondents who are neutral on their attitude towards saving money for long term.

Supported by

3.1.3 | Towards Planning Money

> Money is there to be spent.

The zone wise response towards the statement stating attitude of respondents for planning money has been depicted in the figure below.

The profile of the respondents as per the Geographic Mix, Gender and age profile are provided as figure.

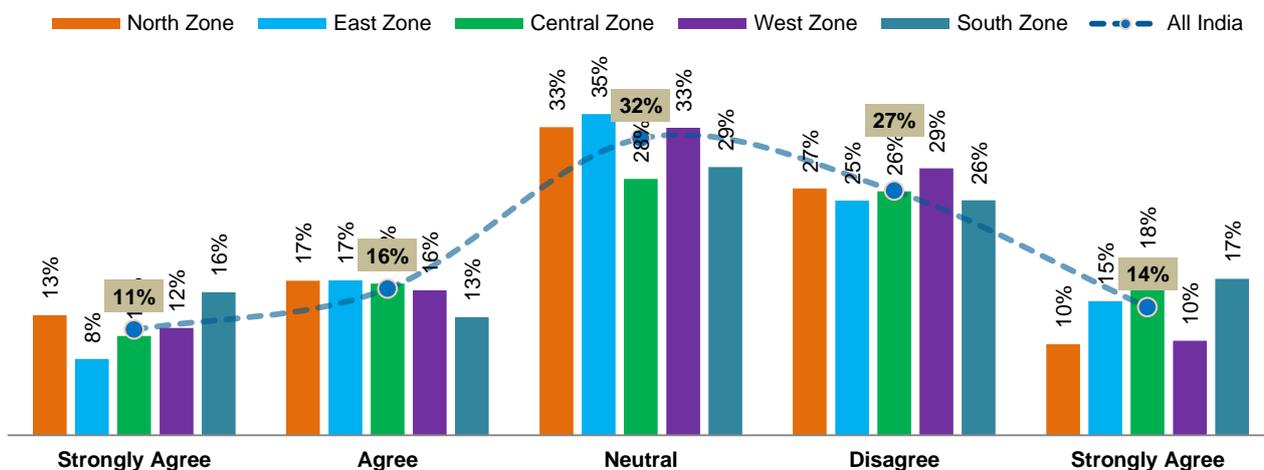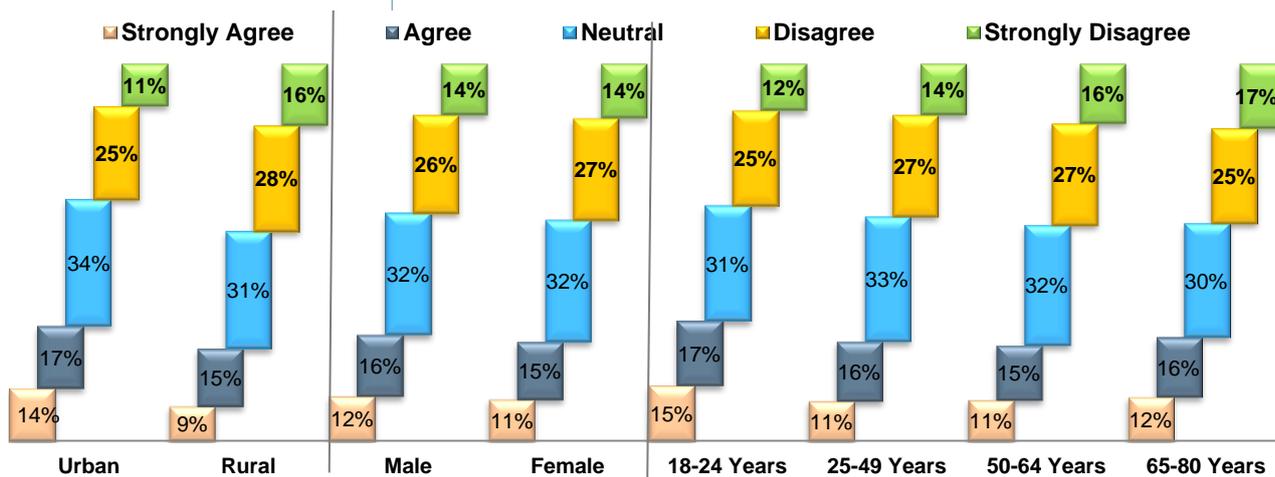It can be seen that around 40% of the total respondents have either disagreed or strongly disagreed to this statement. However there are around 32% respondents who have been neutral towards their attitude on planning money.
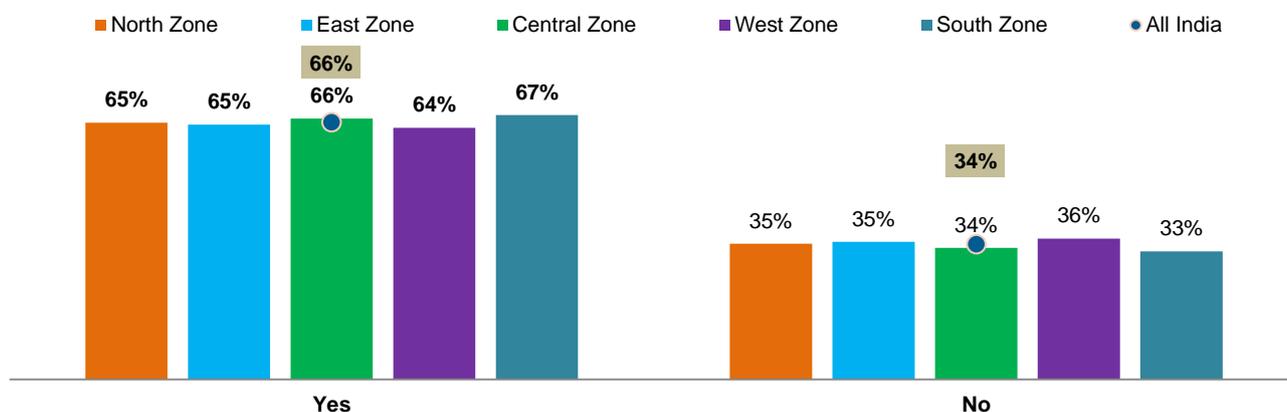
Supported by

3.2 Financial Behaviour

3.2.1 Towards Preparation of Budget

Financial & Money Management

The respondents were asked if they had any house hold budget. The question was considered to know their behaviour towards Financial and Money Management. Zone wise details of views of the respondents are provided as figure below.

| North Zone | East Zone | Central Zone | West Zone | South Zone | All India |

Yes: North Zone 65%, East Zone 65%, Central Zone 66%, West Zone 64%, South Zone 67% (All India 66%)

No: North Zone 35%, East Zone 35%, Central Zone 34%, West Zone 36%, South Zone 33% (All India 34%)

The profile of the respondents as per the Geographic Mix, Gender and age profile are provided as figure.

Prepare Budget / Do not Prepare Budget

	Urban	Rural	Male	Female	18-24 Years	25-49 Years	50-64 Years	65-80 Years
Do not Prepare Budget	35%	34%	33%	36%	35%	33%	36%	38%
Prepare Budget	65%	66%	67%	64%	65%	67%	64%	62%
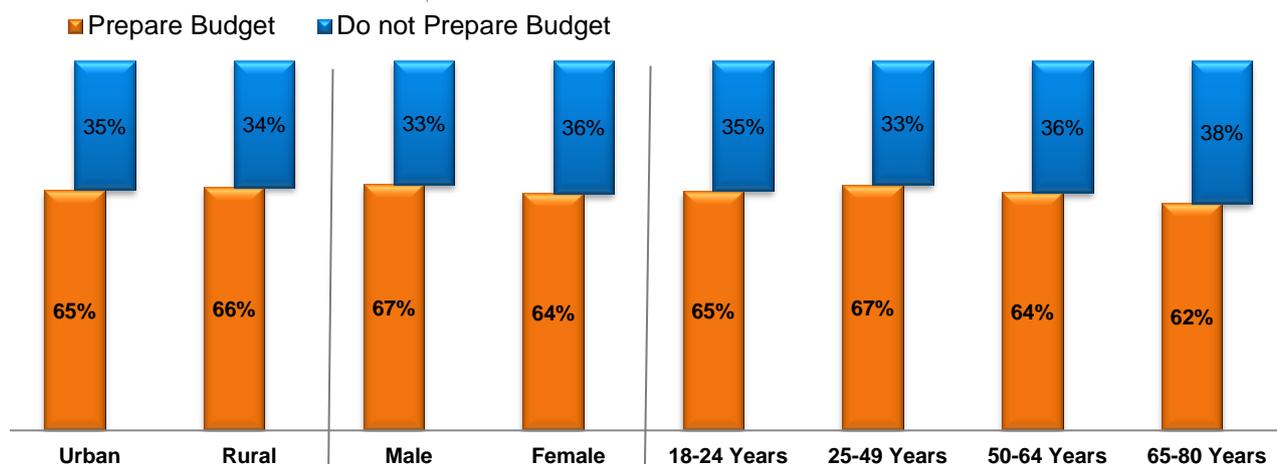
It can be seen that around 65% of the total respondents have responded affirmative in the preparation of house hold budget.

Supported by

3.2.2 Responsibility for Household Financial & Money Management

Financial & Money management

The respondents were asked whether he / she are personally or jointly involved / responsible in preparation of household budget. They were asked to know their behaviour towards financial and money management. The Zone wise details of their views are provided as figure below.
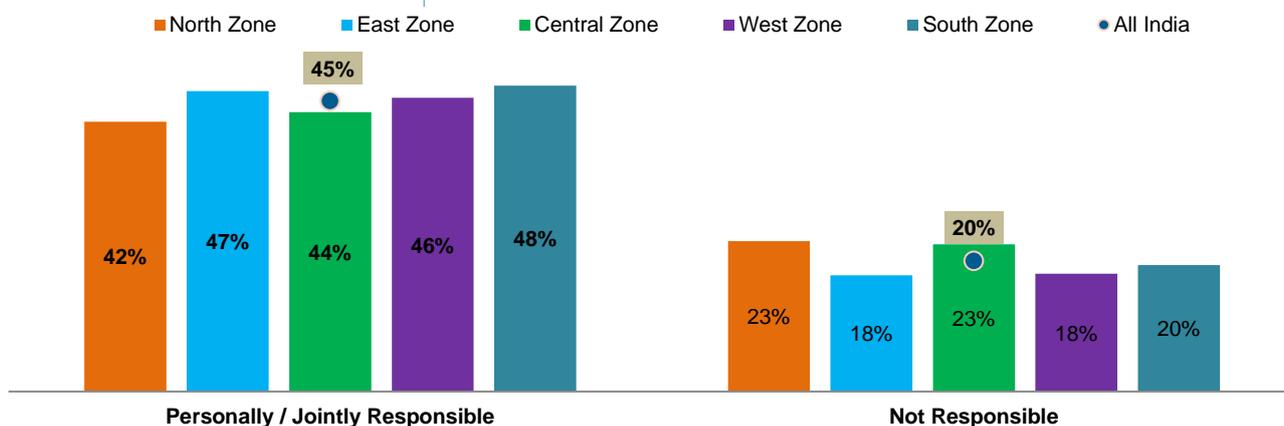
The profile of the respondents as per the Geographic Mix, Gender and age profile are provided as figure.
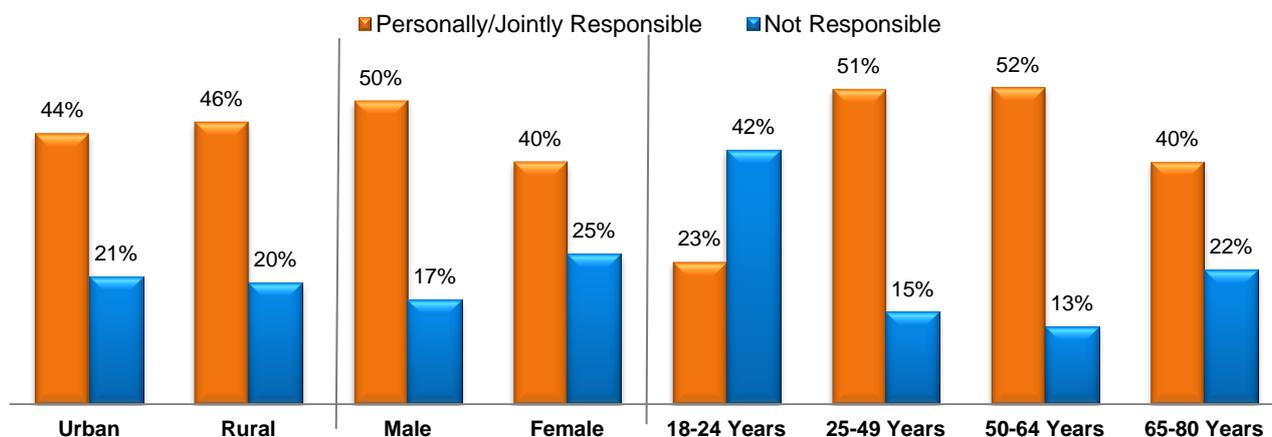
It can be seen that around 45% of the total respondents are personally or jointly responsible for preparation of household budget.

3.2.3 Ability to meet their Living Costs in past 12 months and How Did They Manage

Situation where living cost are not met and behaviour to manage the shortfall.

The respondents were asked about their financial behaviour in terms of managing shortfall in case they have not been able to meet their living costs in past 12 months. The zone wise details of responses of the respondents are provided as figure below.

Income Doest Not cover Living cost in last 12 months

Availed credit to meet Living cost

The profile of the respondents as per the Geographic Mix, Gender and age profile are provided as figure.
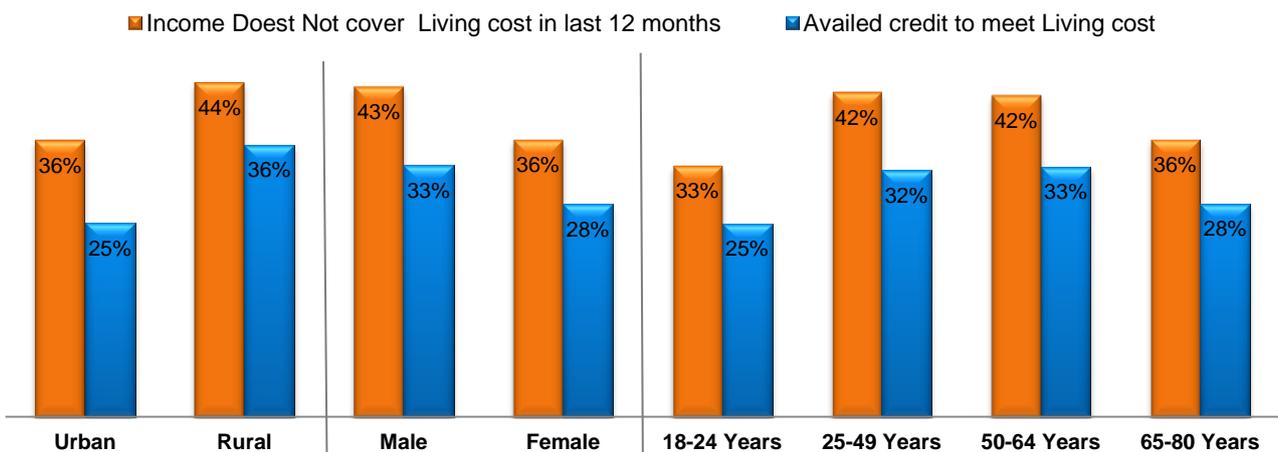
It can be seen that around 40% of the respondents have confirmed that they had expenses more than their income in the last 12 months. There are around 31% respondents who have availed credit to meet monthly expenses in past 12 months.

3.2.4 **Evaluation of Options Before selection of Financial Product / Service**

Evaluation of Options before purchase / Careful purchase

The respondents were asked about their financial behaviour for evaluation of options before selection of any financial product and services. The zone wise details of the response are provided as figure below.

Legend: North Zone, East Zone, Central Zone, West Zone, South Zone, All India

Have availed any Financial Product: 77%, 73%, 68% (76% All India), 80%, 80%

Evaluated various products: 49%, 47%, 37% (51% All India), 61%, 62%

Do not evaluate: 28%, 26%, 32% (25% All India), 20%, 17%

The profile of the respondents as per the Geographic Mix, Gender and age profile are provided as figure.

Legend: Evaluated various products, Do not evaluate various products

Urban: 59%, 21%
Rural: 43%, 28%
Male: 56%, 26%
Female: 44%, 24%
18-24 Years: 47%, 23%
25-49 Years: 53%, 25%
50-64 Years: 50%, 26%
65-80 Years: 42%, 26%
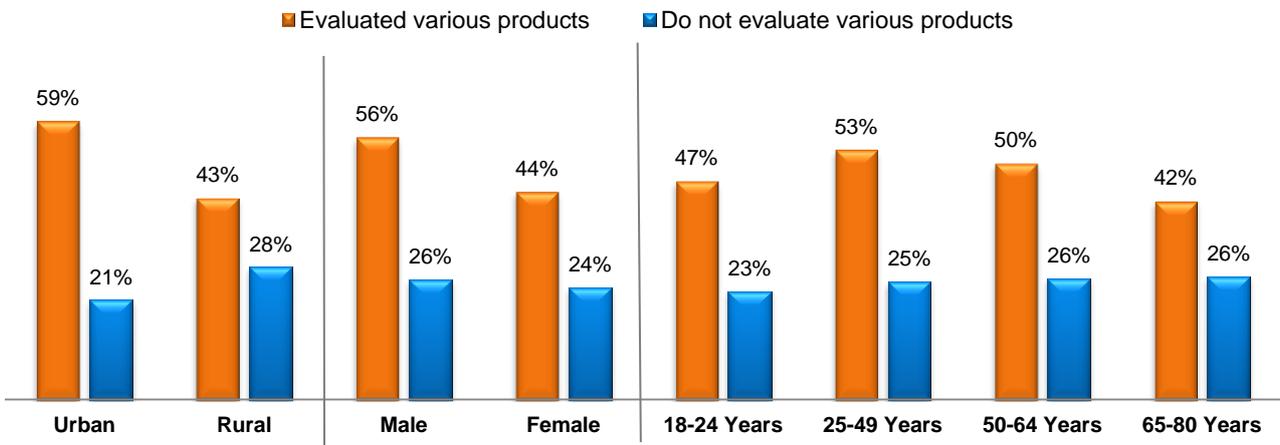
Out of the total respondents around 51% evaluated various products/services before selection of financial product / services. More than 40% respondents from each category have practise of evaluation of various option before selection of financial product / service.

3.2.5 Gathering Information for Selection of Financial Product / Service

Gathering Information for Selection of Financial Product / Service

The respondents were asked about their financial behaviour towards gathering information for selection of financial product/service. The zone wise details of the views of the respondents are provided as figure below.

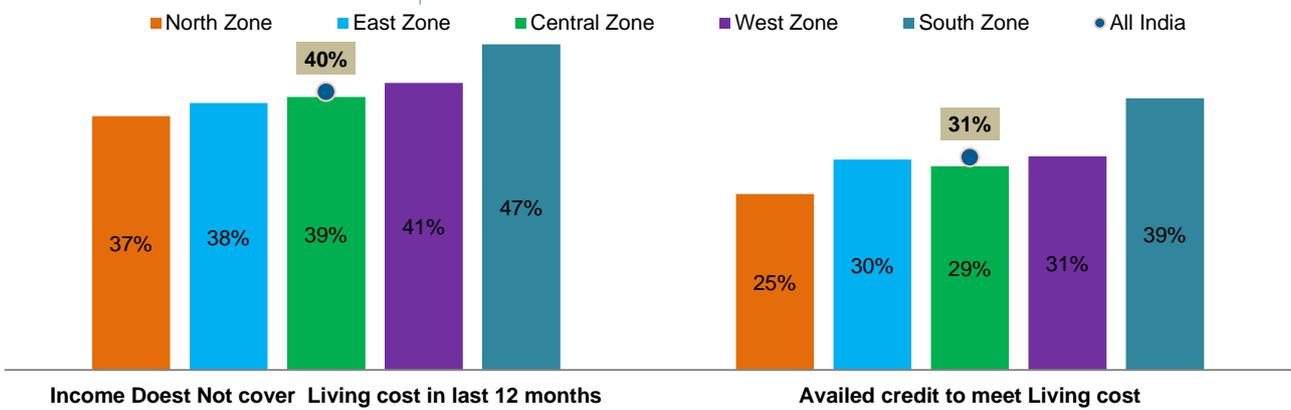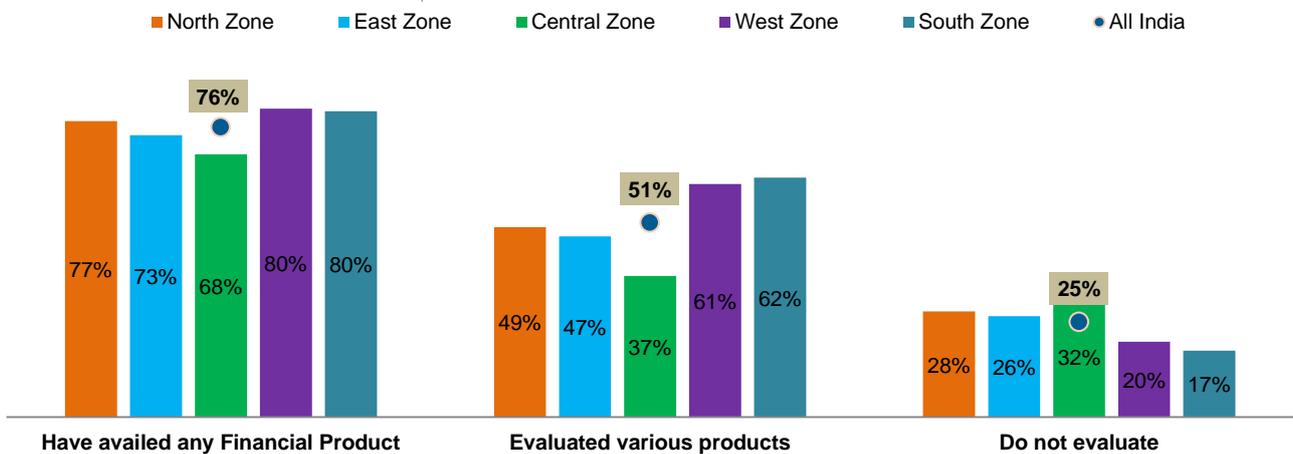The profile of the respondents as per the Geographic Mix, Gender and age profile are provided as figure.
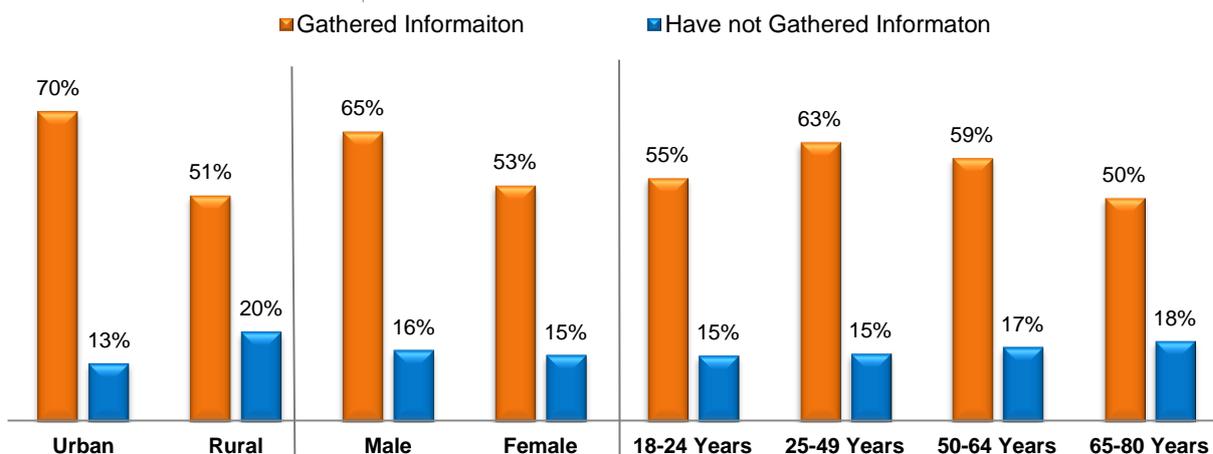
It can be seen that around 60% of total respondents have gathered information before selection of financial products/services. More than 50% respondents from all categories have practice of gathering information before selection of financial product / service.
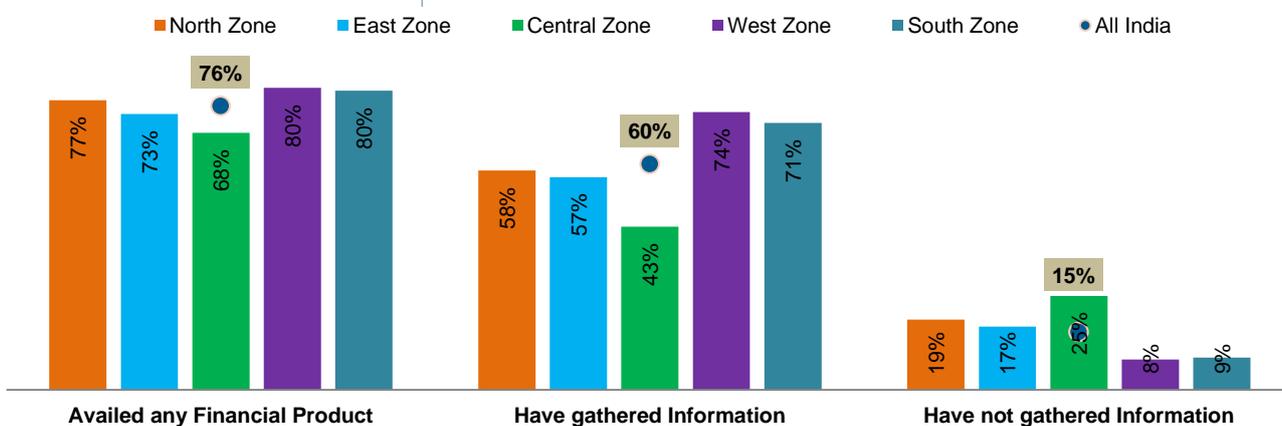
3.2.6 | Saving Money in past 12 months

Saving Money

The respondents were asked about their financial behaviour towards saving money in the past 12 months. The zone wise details of the views of the respondents are provided as figure.
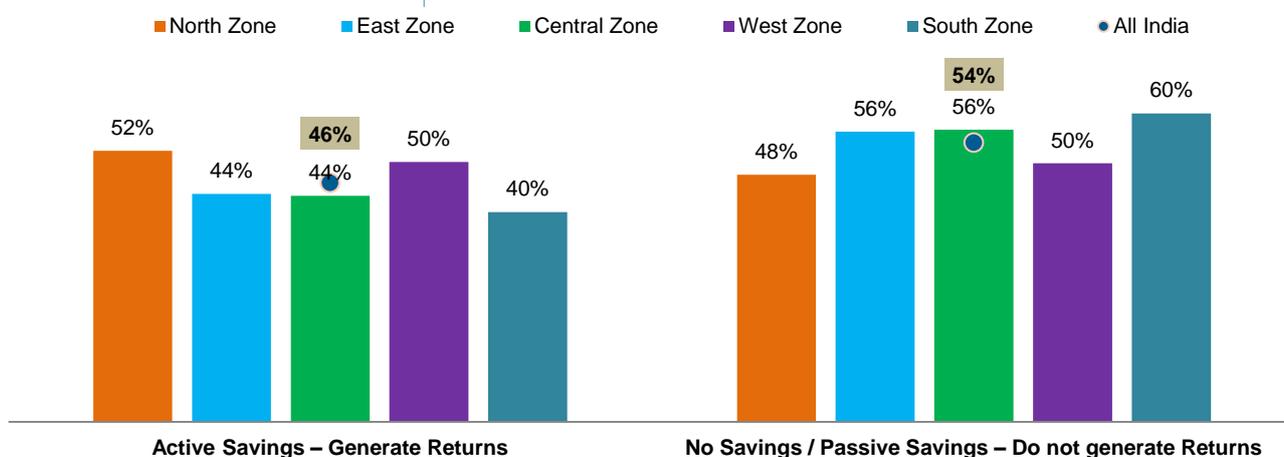
■ North Zone   ■ East Zone   ■ Central Zone   ■ West Zone   ■ South Zone   ● All India

Active Savings – Generate Returns

No Savings / Passive Savings – Do not generate Returns

The profile of the respondents as per the Geographic Mix, Gender and age profile are provided as figure.

■ Active Savings – Generate Returns   ■ No Savings / Passive Savings – Do not generate Returns
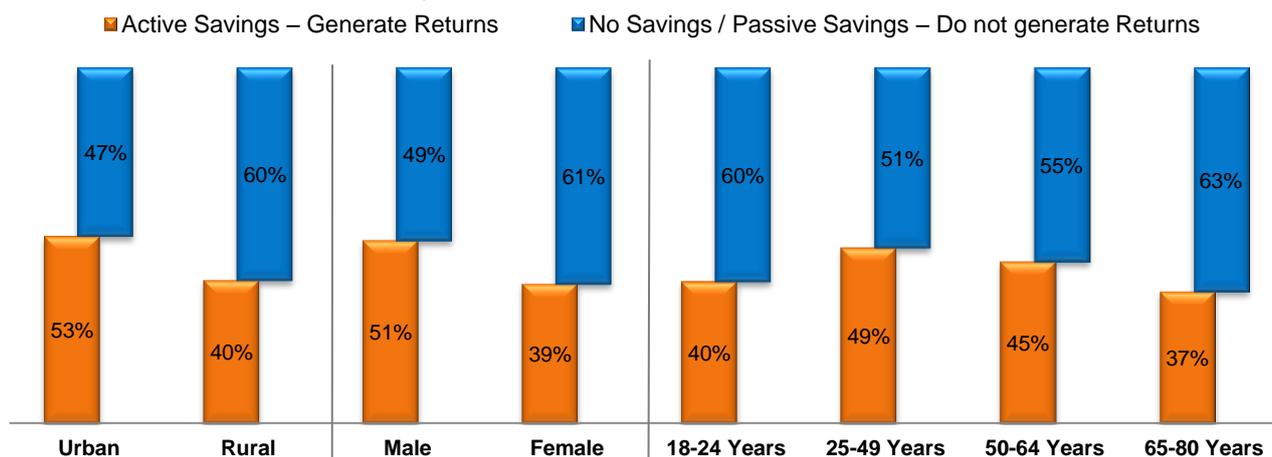
It is observed that around 46% of the total respondents have tendency of saving money in products generating returns (active saving).

3.2.7 **Setting up Long Term Financial Goals and Strive to Achieve Them**

Set Long Term Goals

The respondents were asked about their financial behaviour of setting up long term financial goals and strive to achieve them. The zone wise details of the views of the respondents are provided as figure below.
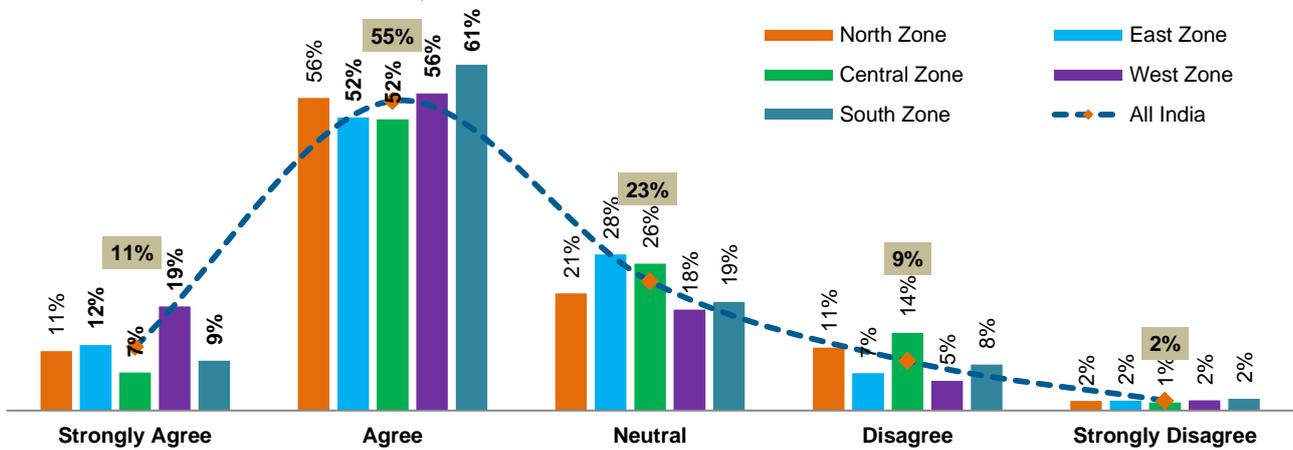
The profile of the respondents as per the Geographic Mix, Gender and age profile are provided as figure.
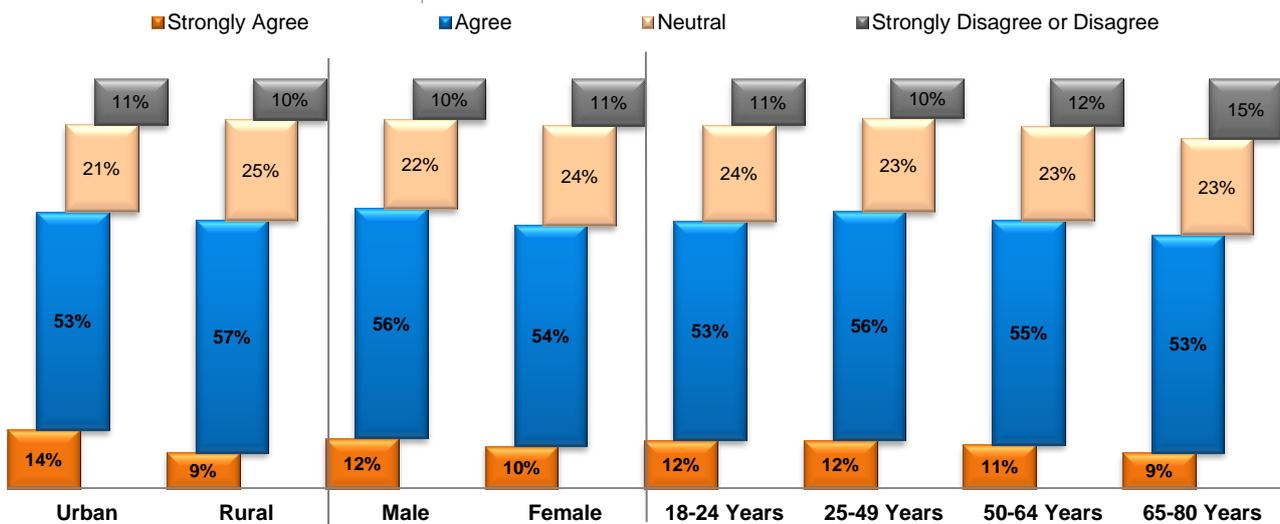
It can be seen that aroun 66% of the respondents in all the categories have either strongly agreed or agreed to set long term financial goals and strive to achieve them.

Supported by

3.2.8 | Keep close watch on Financial Affairs

Close watch on Financial Affairs

The respondents were asked about their financial behaviour of keeping close watch on their personal financial affairs. The zone wise details of their views are provided as figure below.

The profile of the respondents as per the geographic mix, gender and age profile are provided as figure.
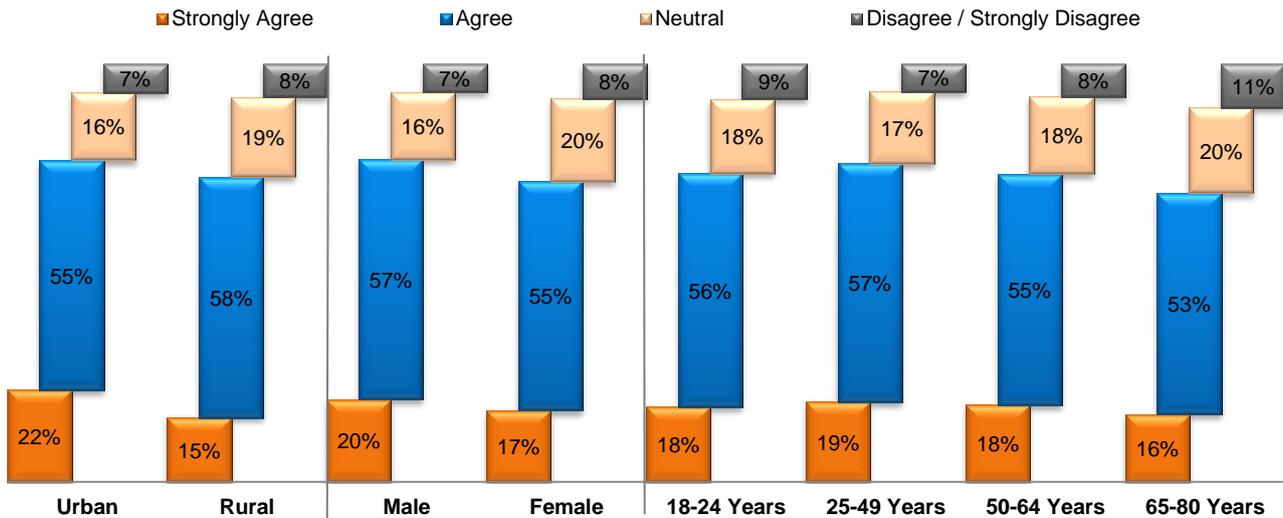
It can be seen that more than 70% of the respondents from all categories have either strongly agreed or agreed for keeping an eye on their financial affairs.

3.2.9 | Bill Payment Behaviour

Bill Payment

The respondents were asked about their financial behaviour towards paying bills on time. The zone wise details of the views of the respondents are provided as figure below.
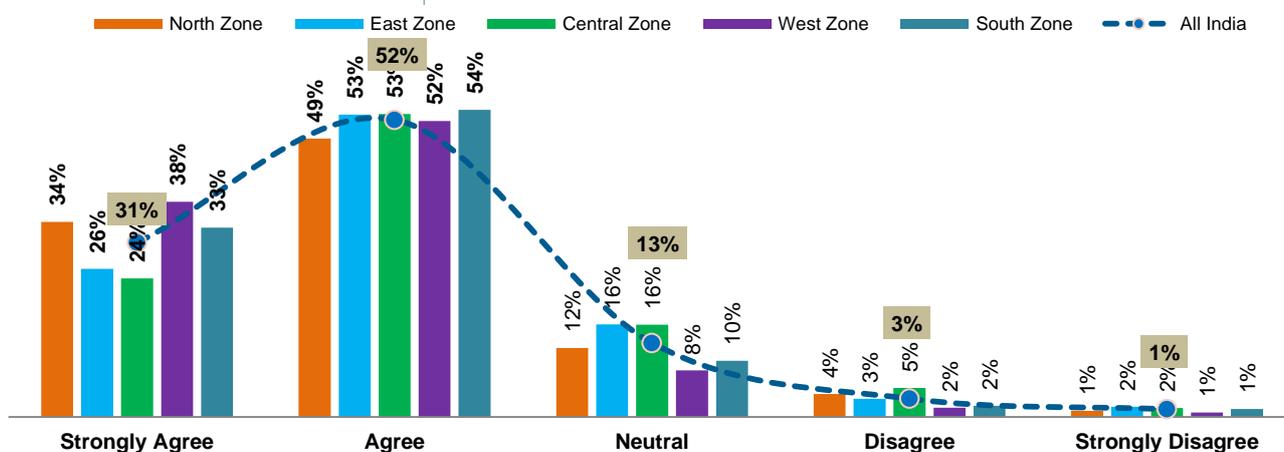
The profile of the respondents as per the Geographic Mix, Gender and age profile are provided as figure.
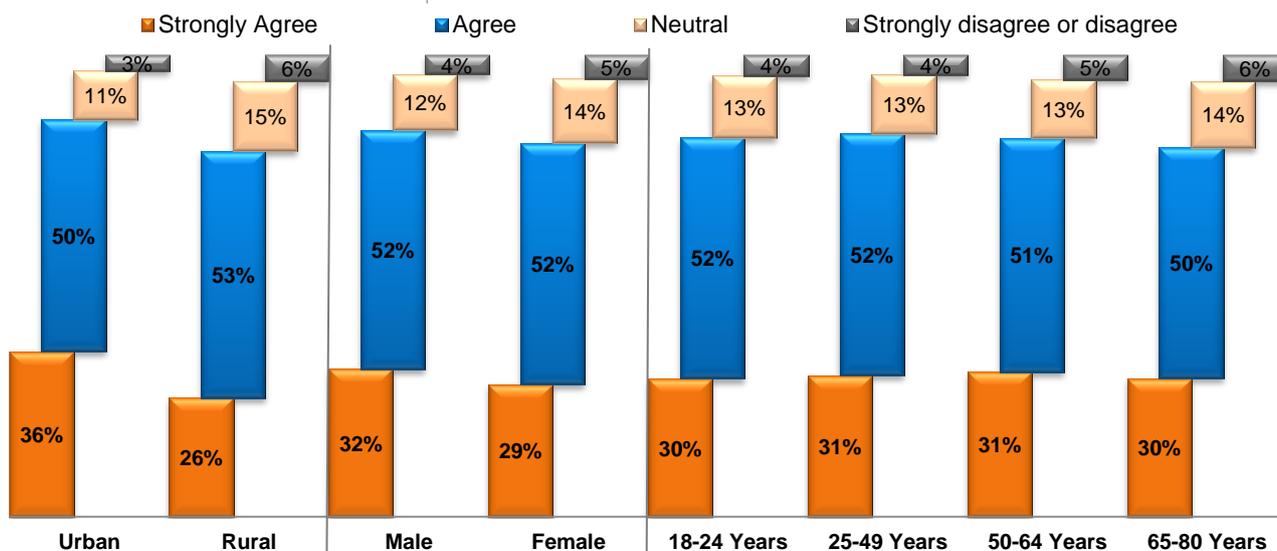
It can be seen that cumulatively more than 80% of the respondents of all categories have either strongly agreed or agreed on paying bills on time.

Supported by

3.2.10 | Behaviour on Affordability

I buy only things which I can afford

The respondents were asked about their financial behaviour of affordability. The zone wise details of the views of the respondents are provided as figure.

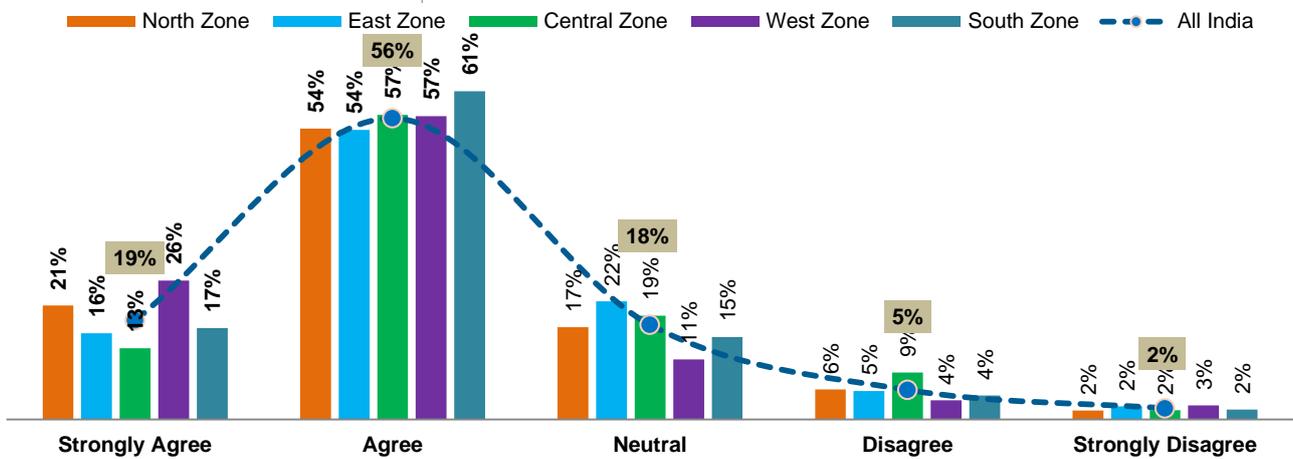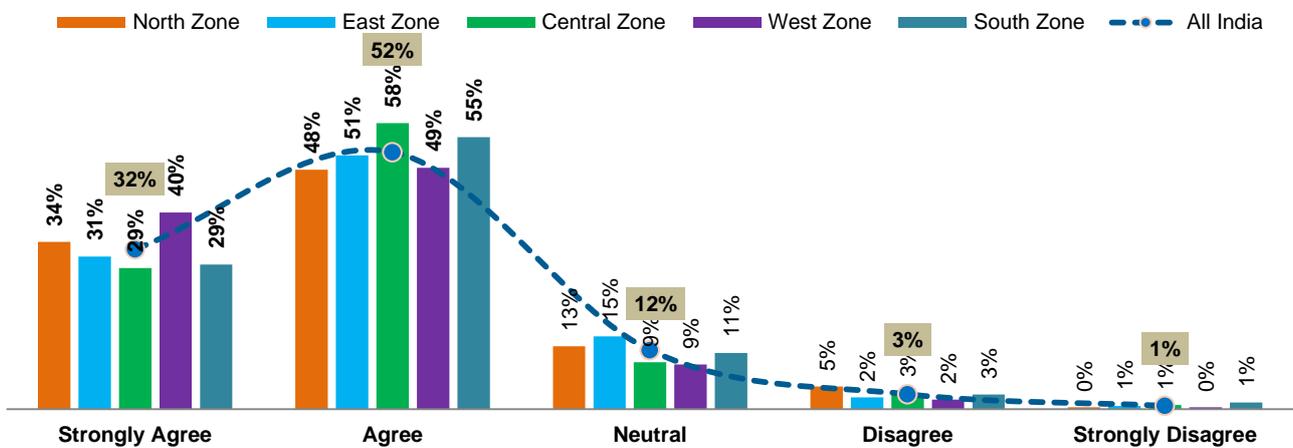The profile of the respondents as per the Geographic Mix, Gender and age profile are provided as figure.
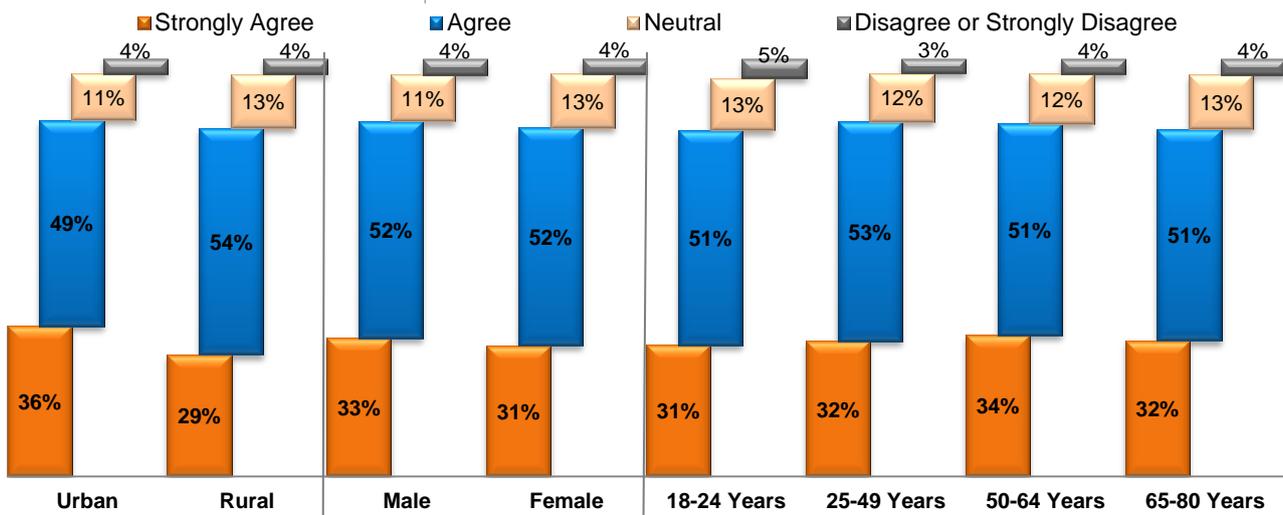
It can be seen that around 84% of the respondents have either agreed or strongly agreed with the statement that they buy only what is affordable.

3.3 Financial Knowledge

3.3.1 Basic Financial Knowledge

For evaluation of basic financial knowledge of the respondents, it was divided into seven categories:

1. Ability of Division
2. Understanding about Time Value of Money
3. Understanding about Interest component on Loan
4. Knowledge on Simple Interest
5. Knowledge about Compound Interest
6. Understanding about Risk – Return relationship
7. Knowledge about Inflation

Basic Financial Knowledge

The respondents were asked various questions about their basic financial knowledge. The zone wise details of their responses are provided as figure.
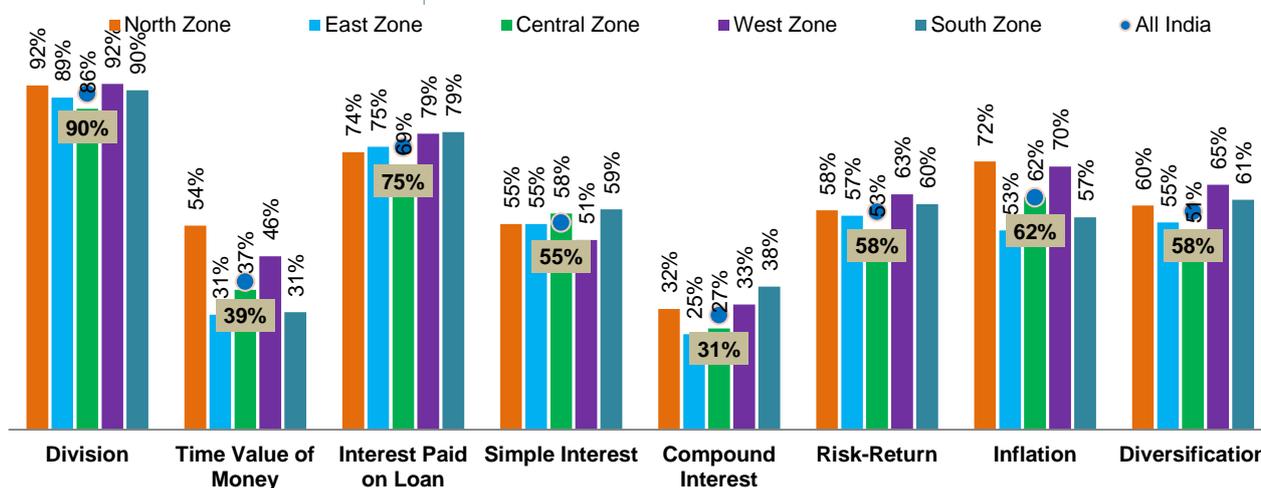
The profile of the respondents as per the Geographic Mix, Gender and age profile are provided as figure.
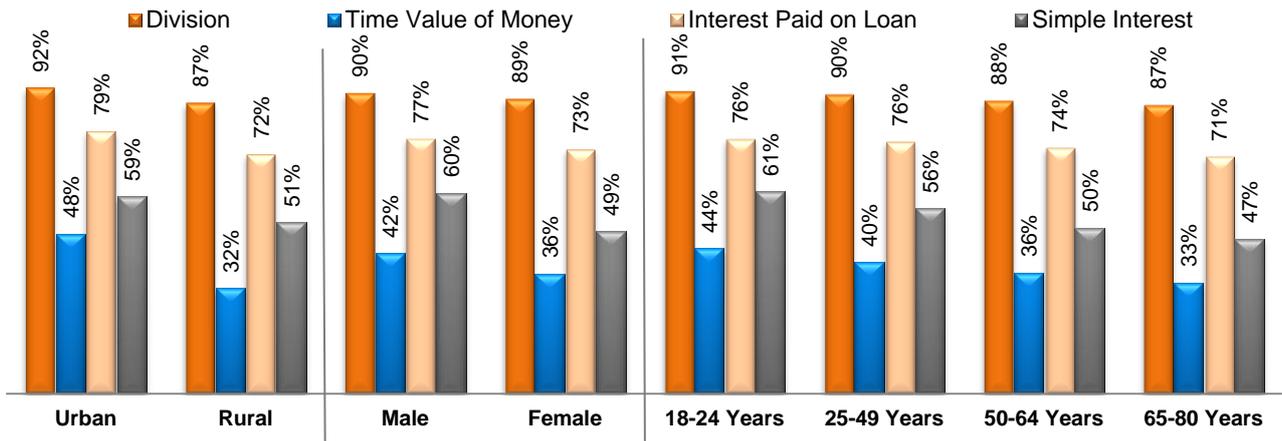
It was observed that most of the respondents were comfortable in financial calculations like Division, Interest paid on Loan but had difficulty in calculations of Simple Interest and understanding about time Value of Money.
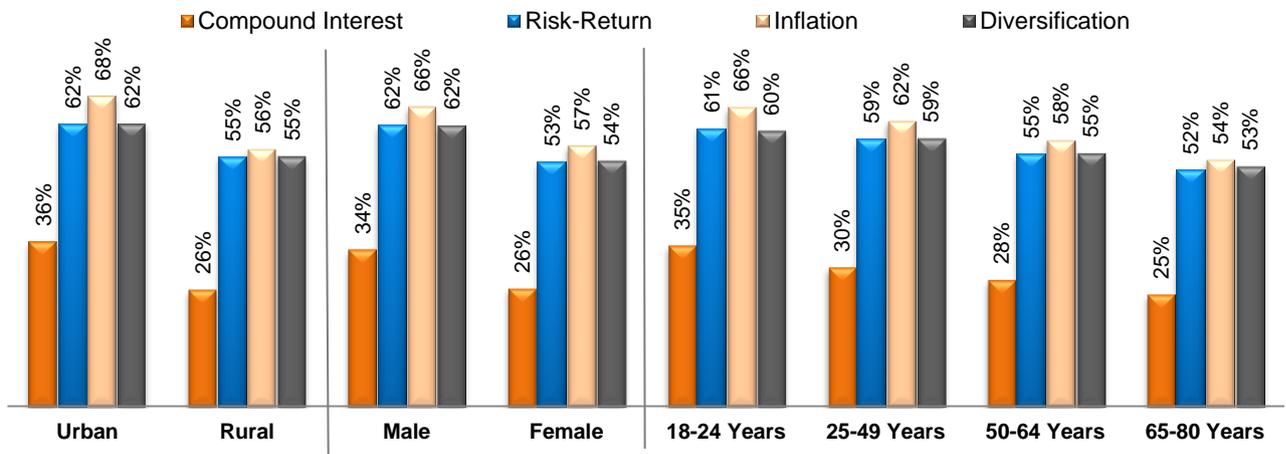
It was also observed that most of the respondents were aware of risk-return relationship, inflation and diversification but had difficulty in calculation of compound interest.

4 Financial Inclusion – Survey Findings[4]

Financial inclusion basically focuses on access to affordable and wide range of financial products along with services which comprises banking and savings related products, insurance products, pension products and investment products.

As per methodology defined the financial inclusion analysis is divided into following components:

Financial Inclusion

- Saving related banking products
- Banking related services
- Credit related banking products
- Other saving products
- Insurance products
- Capital market products
- Pension related products
- Commodity Futures market products

Component wise details of survey findings are elaborated in detail in subsequent sections of this chapter.

4.1 Banking Products

4.1.1 Savings related Banking Products

Savings related banking products include Savings bank account, Recurring Deposit and Fixed Deposit. The survey findings in terms of awareness, holding and operations in past 2 years for all these three products are elaborated hereunder.

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4 **All survey findings in terms of %age are representative of total sample size of the zone.**

4.1.1.1 | Savings Bank Account

Zone wise findings for awareness, holding and operations in past 2 years for savings bank account are depicted as graph hereunder.

Legend: North Zone | East Zone | Central Zone | West Zone | South Zone | All India

Awareness: North 94%, East 93%, Central 90%, West 96%, South 92%, All India 93%

Holding: North 74%, East 69%, Central 63%, West 76%, South 76%, All India 71%

Operating: North 73%, East 66%, Central 60%, West 73%, South 74%, All India 69%
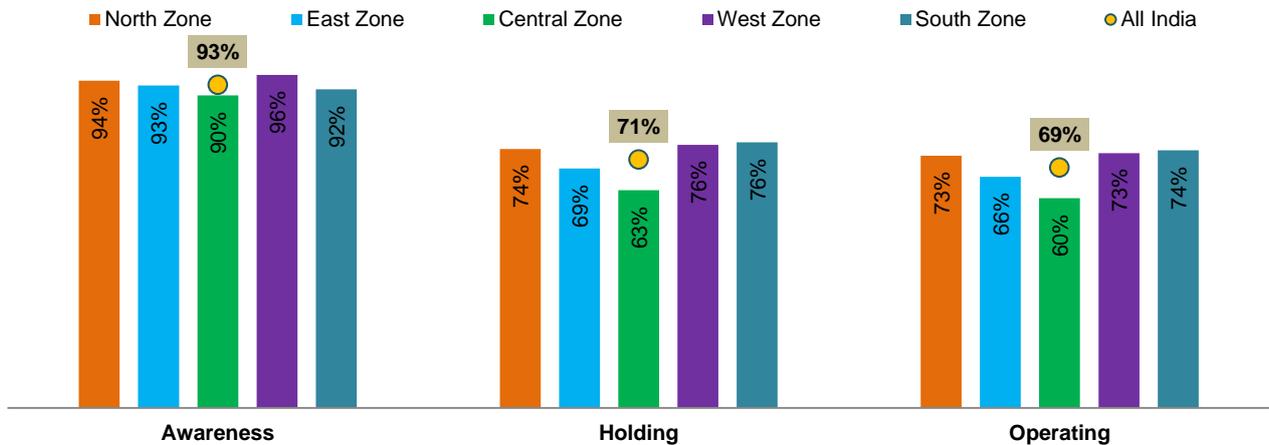
It can be observed that around 93% respondents are aware about savings bank account with around 69% of them operate the account.

Category wise details about awareness, holding and operating savings bank account are explained hereunder.

Legend: Awareness | Holding | Operating

Category	Awareness	Holding	Operating
Urban	94%	77%	75%
Rural	92%	66%	64%
Male	95%	78%	75%
Female	90%	63%	61%
18-24 Years	93%	65%	63%
25-49 Years	94%	74%	72%
50-64 Years	92%	72%	70%
65-80 Years	87%	64%	61%
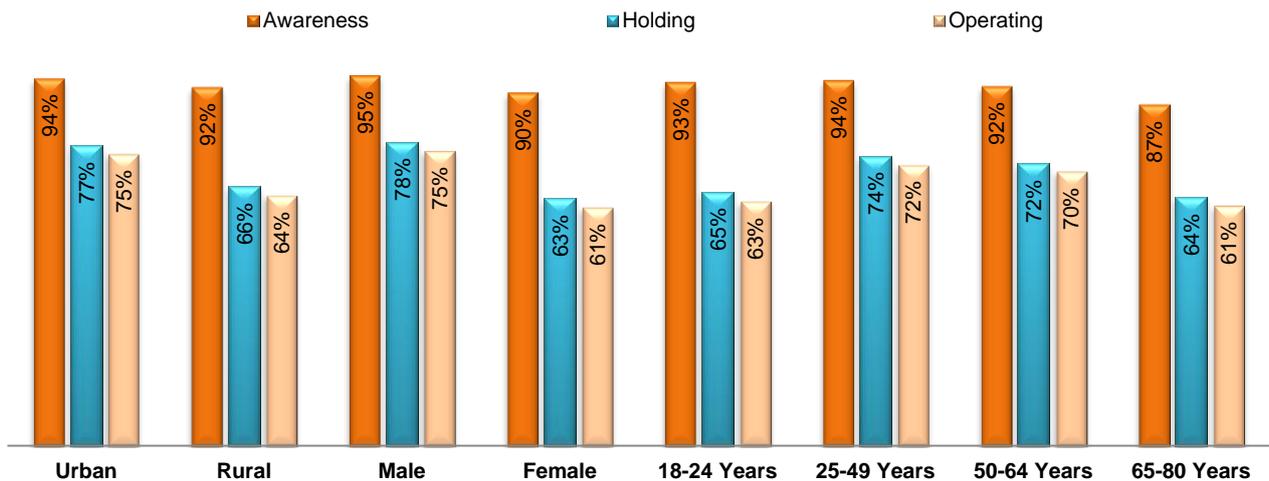
It can be seen that around 90% of respondents from all categories are aware about the savings bank account with more than 60% from each category are holding and operating the same.

Supported by

4.1.1.2 | Recurring Deposit

Zone wise survey findings about awareness, holding and operations in past 2 years for recurring deposit are provided hereunder.
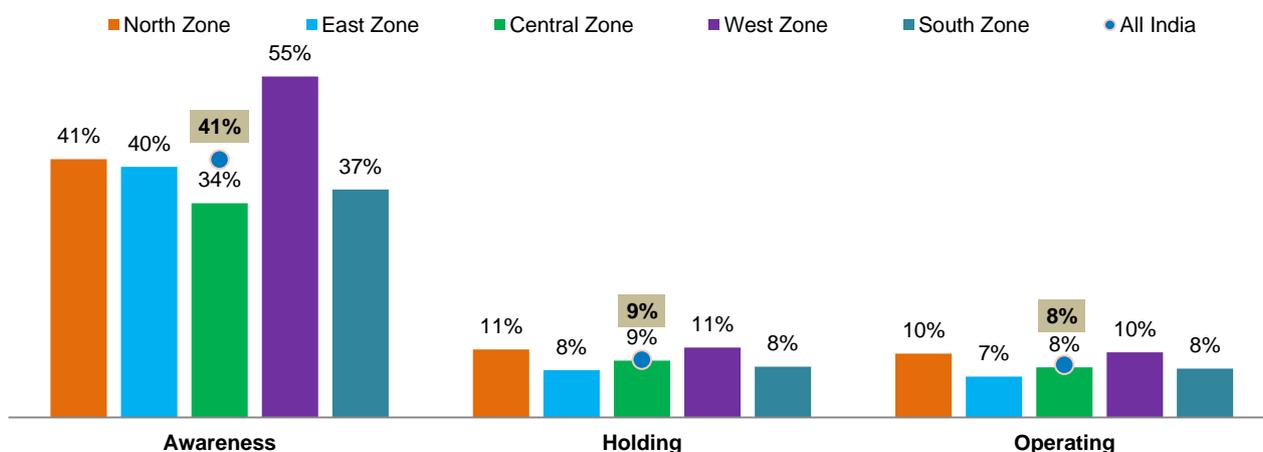
The profile of the respondents as per the Geographic Mix, Gender and age profile are provided as figure.
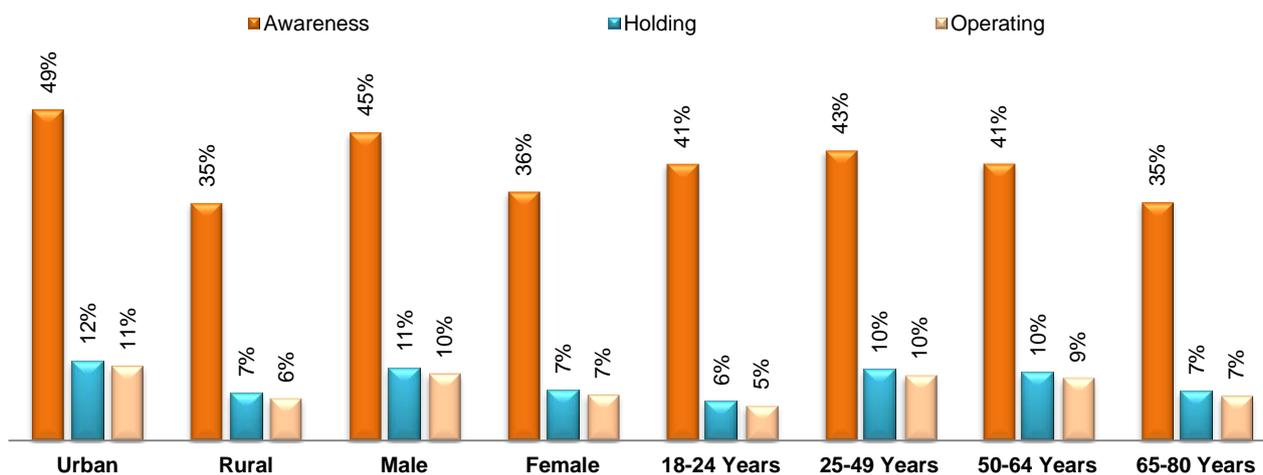
It can be observed from the above graph that the awareness and holding of recurring deposit in urban region and males is higher than rural region and females respectively.

Supported by

4.1.1.3 | Fixed Deposit

The survey findings about responses about awareness, holding and operations of fixed deposits are stated hereunder.
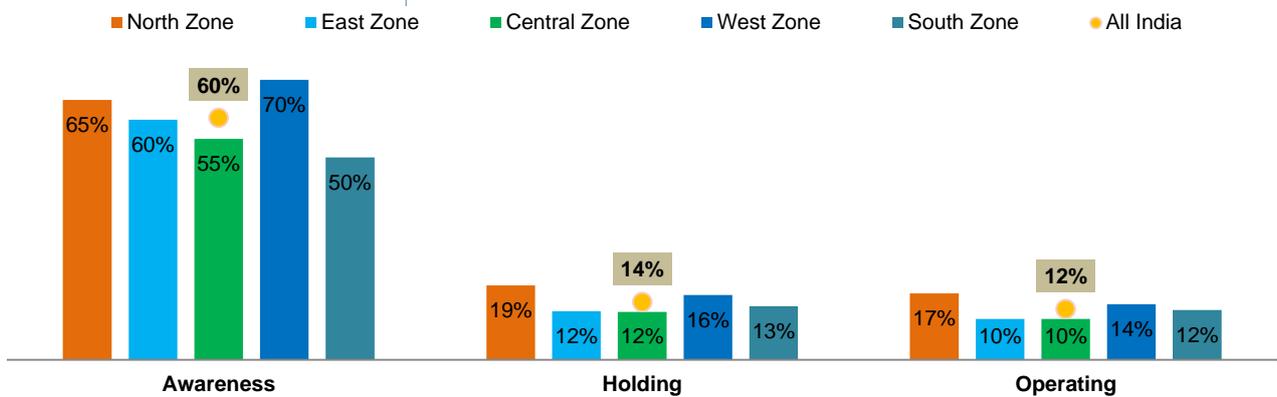
Out of total respondents, around 60% respondents are aware about fixed deposit with only 12% are holding and operating the same.

The profile of the respondents as per the Geographic Mix, Gender and age profile are provided as figure.
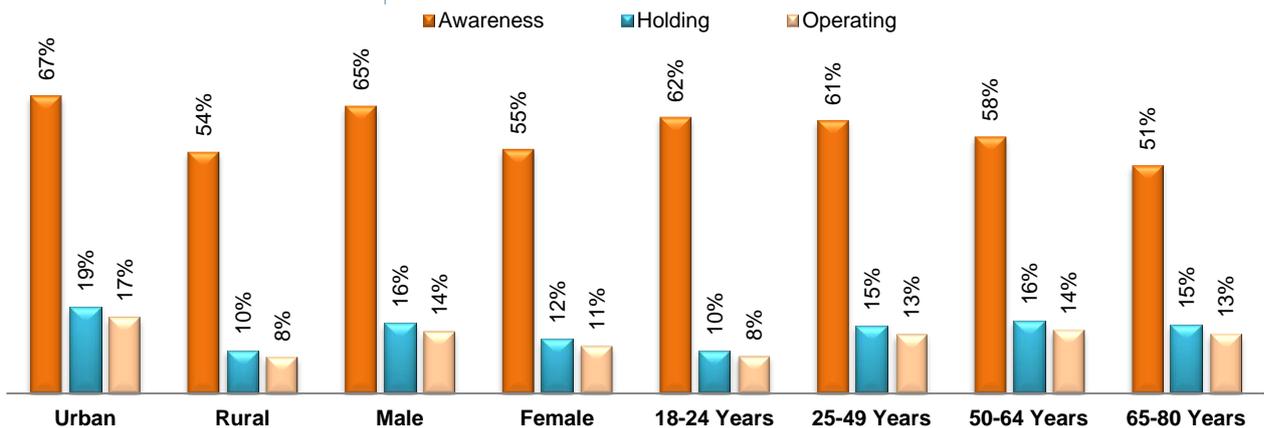
Holding of fixed deposits in urban region and males is higher compared to rural region and females respectively. Moreover the holding of fixed deposit is around 15% in case of respondents more than 25 years of age.

Supported by

4.1.2 | Credit related Banking products

Credit related banking products comprise of Overdraft facility, Kisan Credit Card, General Credit Card and Other Bank Loans. The survey findings covering each of the products are provided hereunder.

4.1.2.1 | Overdraft Facility

Zone wise findings for awareness, holding and operations in past 2 years for overdraft facility are depicted as graph hereunder.
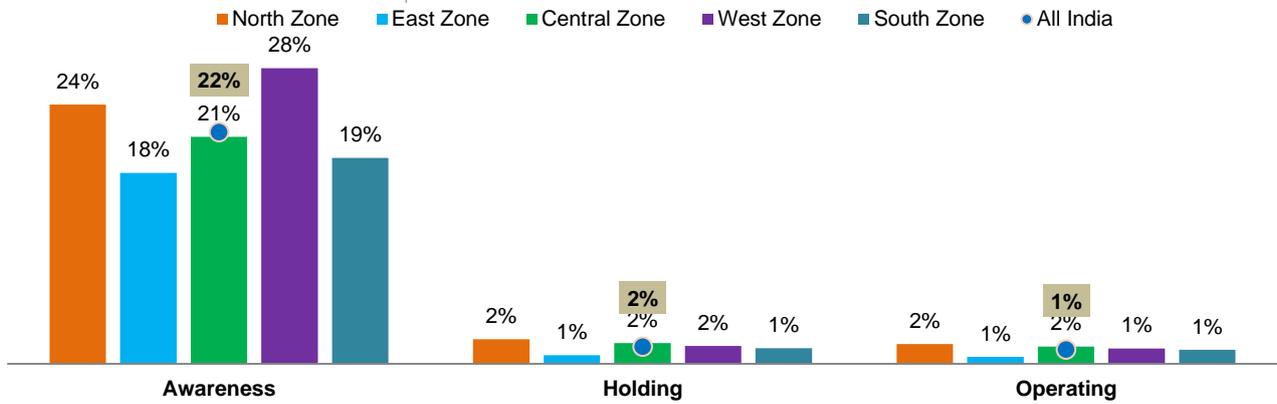
It can be observed that only 1-2% respondents are holding and operating overdraft facility though around 22% respondents are aware about it.

The profile of the respondents as per the geographic mix, gender and age profile are provided as figure.
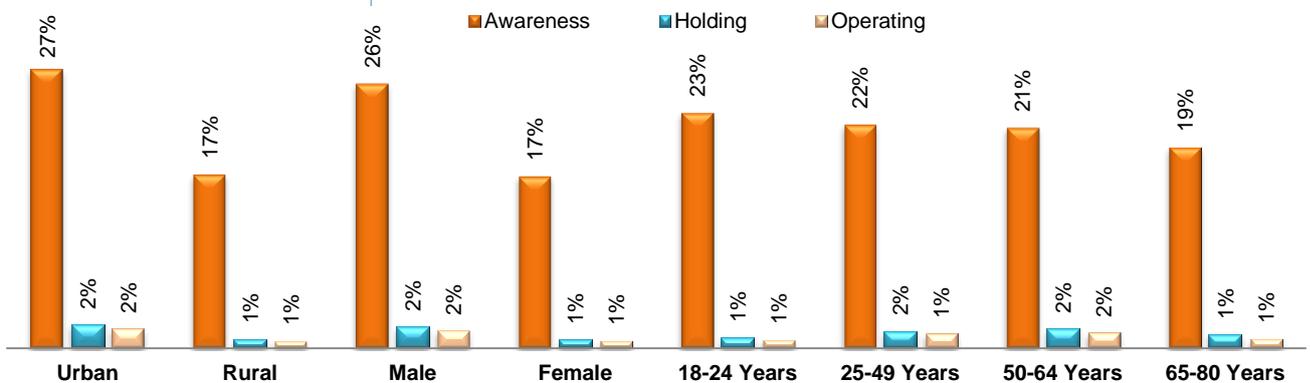
It can be seen that under each category around 1-2% respondents are holding and operating overdraft facility though around 17-27% respondents are aware about it.

Supported by

4.1.2.2 | Kisan Credit Card

Zone wise findings for awareness, holding and operations in past 2 years for Kisan Credit Card are depicted as graph hereunder.
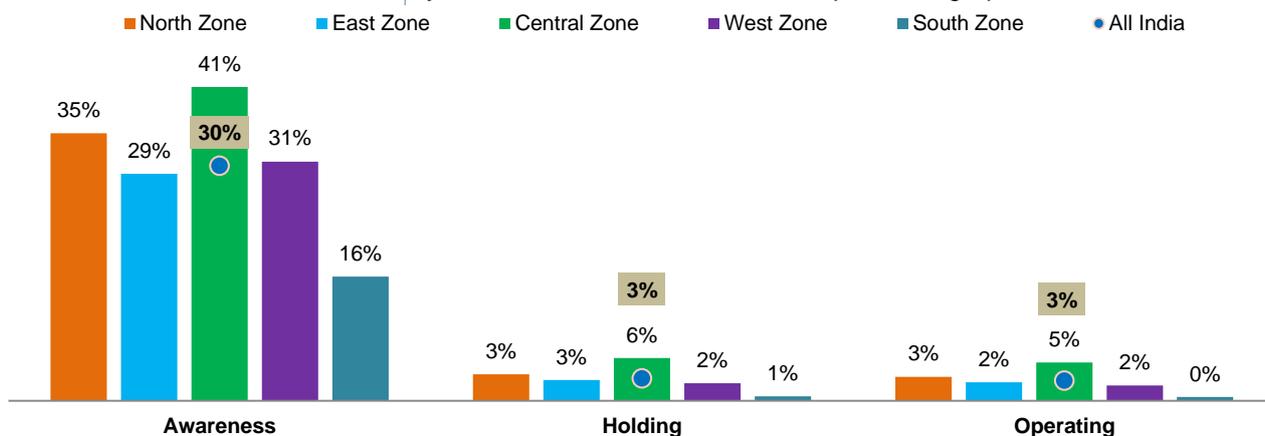
It is observed from the above graph that only 3% respondents are holding and operating Kisan Credit card while around 30% respondents are aware about the same.

Category wise details about awareness, holding and operating Kisan Credit Card are provided hereunder.
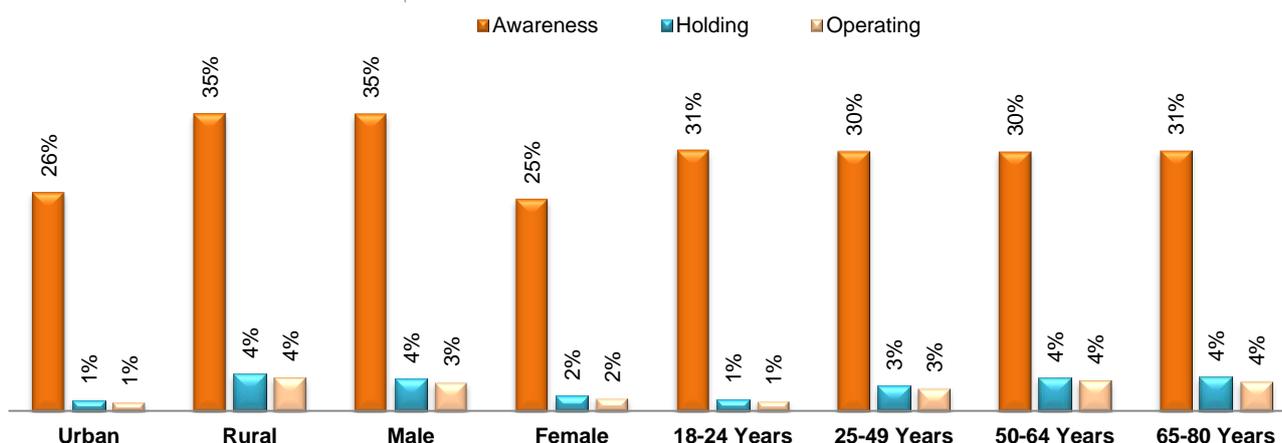
It can be observed from the above graph that the awareness about Kisan Credit Card is more in rural region compared to urban region and around 1-4% respondents from each category are holding and operating Kisan Credit Card.

39

Supported by

4.1.2.3 | General Credit Card

The survey findings about responses about awareness, holding and operations of General Credit Card (GCC) are provided hereunder.

Legend: ■ North Zone ■ East Zone ■ Central Zone ■ West Zone ■ South Zone ● All India

Awareness: 16%, 21%, 23%, **21%**, 26%, 18%
Holding: 1%, 4%, 1%, **2%**, 2%, 4%
Operating: 1%, 3%, 1%, **2%**, 2%, 3%

Out of total respondents, around 21% respondents are aware about GCC with around 1-3% are holding and operating GCC.

The profile of the respondents as per the geographic mix, gender and age profile are provided as figure.

Legend: ■ Awareness ■ Holding ■ Operating

	Urban	Rural	Male	Female	18-24 Years	25-49 Years	50-64 Years	65-80 Years
Awareness	21%	20%	23%	17%	21%	21%	19%	18%
Holding	2%	3%	3%	2%	2%	3%	2%	2%
Operating	2%	3%	2%	2%	1%	2%	2%	1%
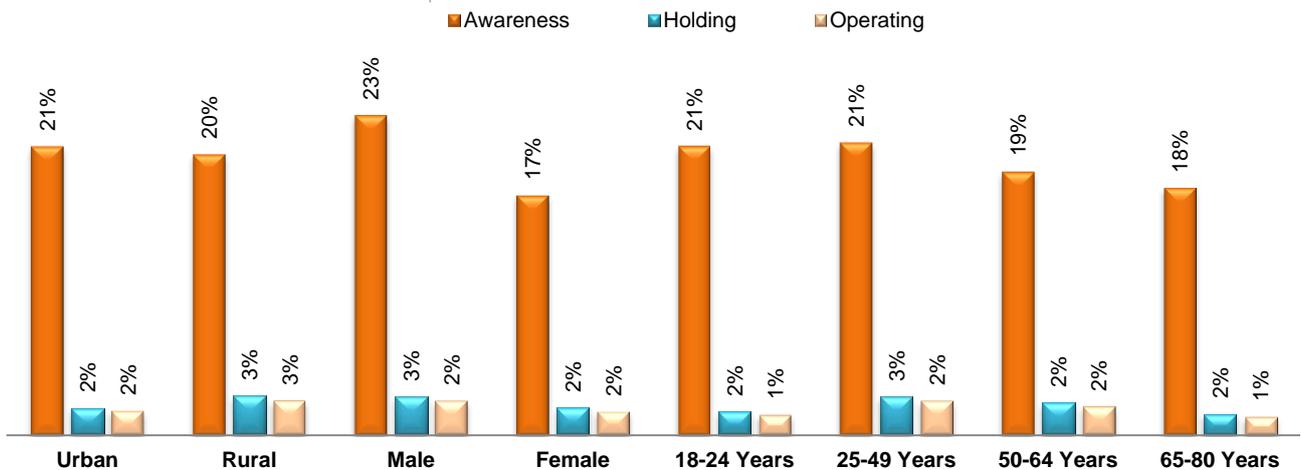
Holding and operating of GCC in all the categories is within 1-3% though the awareness is around 17-23%.

 Any other Bank Loan

The survey findings about responses about awareness, holding and operations of bank loan are stated hereunder.
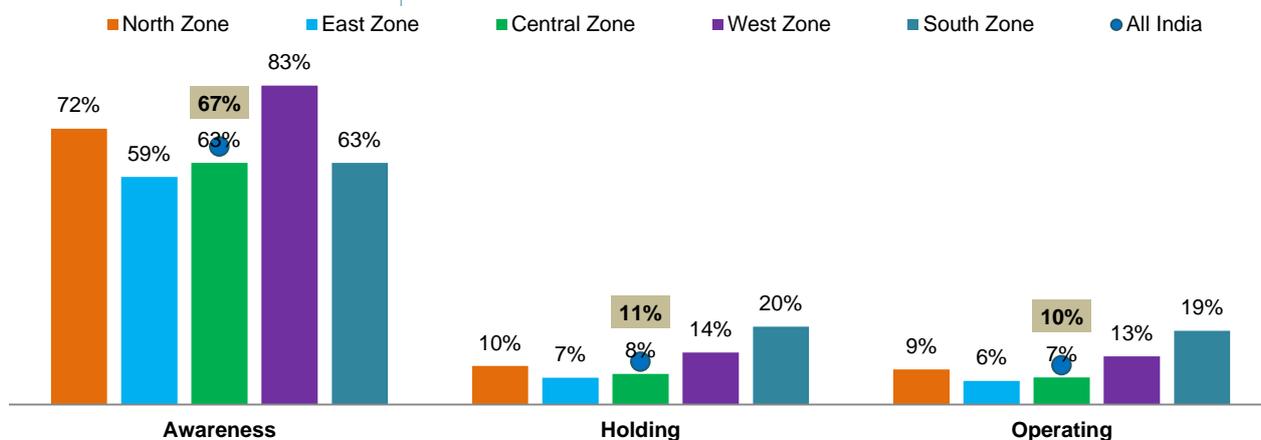
Out of total respondents, highest awareness about other bank loan is in West Zone i.e. around 83% and East Zone has the lowest awareness i.e. around 59%. However overall around 10% respondents are holding and operating the bank loan.

The profile of the respondents as per the geographic mix, gender and age profile are provided as figure.
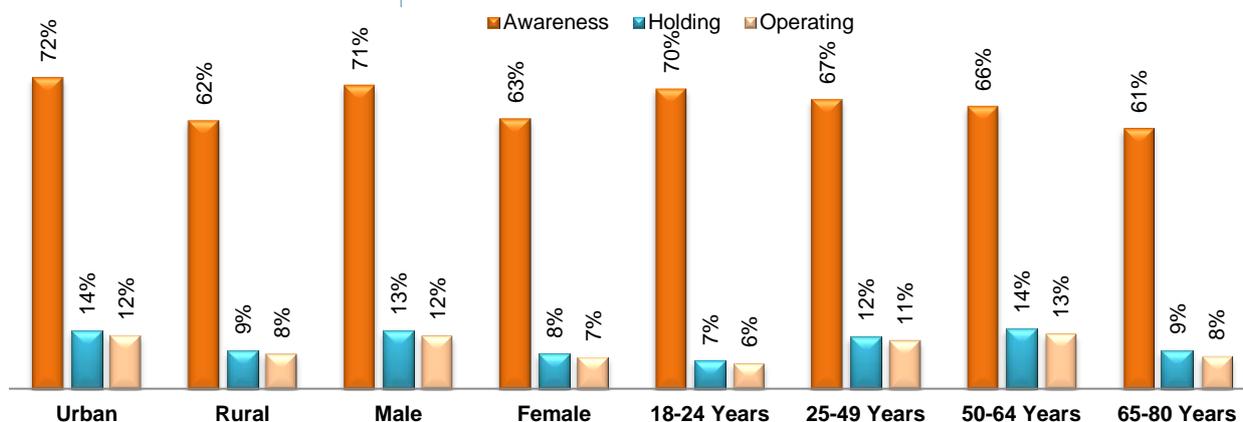
Awareness about other bank loan is higher in urban region compared to rural region with higher numbers of male respondents are aware about other bank loans compared to females. Overall holding of other bank loans within all categories is around 7-14% within various categories of respondents.

Supported by

4.1.2.5 | Credit Card

The survey findings about responses about awareness, holding and operations about credit card are stated hereunder.

Legend: ■ North Zone ■ East Zone ■ Central Zone ■ West Zone ■ South Zone ● All India

Awareness — North 48%, East 31%, Central 35%, All India 41%, West 54%, South 42%
Holding — North 8%, East 3%, Central 4%, All India 6%, West 9%, South 9%
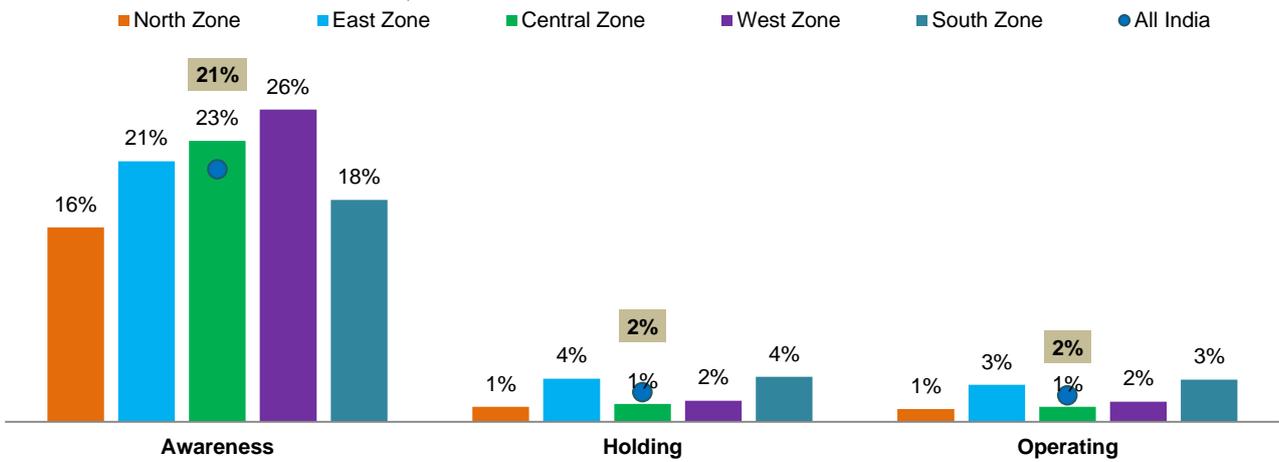**Operating** — North 7%, East 3%, Central 4%, All India 6%, West 8%, South 8%

Out of total respondents, the awareness about credit card is around 41% with around 6% of the respondents are holding and operating the credit cards.

The profile of the respondents as per the geographic mix, gender and age profile are provided as figure.

Legend: ■ Awareness ■ Holding ■ Operating

	Urban	Rural	Male	Female	18-24 Years	25-49 Years	50-64 Years	65-80 Years
Awareness	54%	29%	46%	35%	48%	41%	35%	30%
Holding	10%	3%	7%	5%	5%	7%	6%	4%
Operating	9%	3%	7%	4%	4%	6%	5%	3%
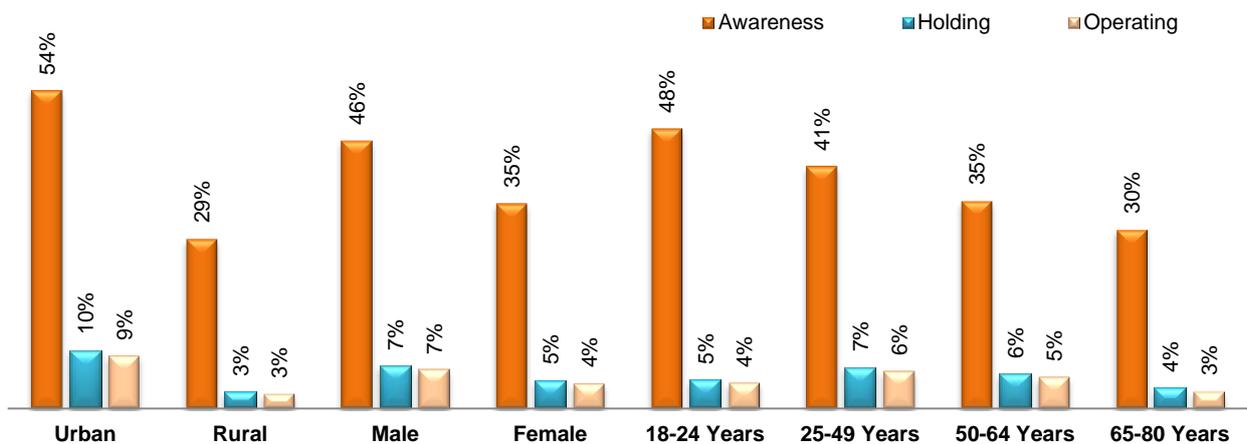
Awareness about credit card is higher in urban region compared to rural region while higher numbers of male respondents are aware and hold credit card compared to females. Overall holding of credit card within all categories is less than 10%.

Supported by

4.1.3 | Other Savings related Products

Other savings products available in the financial market and considered for the study are Public Provident Fund, Post Office Savings Account and National Savings Certificates (NSC) or Kisan Vikas Patra (KVP). Survey finding for each of the product is provided in subsequent sections in this chapter.

4.1.3.1 | Public Provident Fund (PPF)

Survey findings with respect to the responses about awareness, holding and operations about Public Provident Fund are stated hereunder.
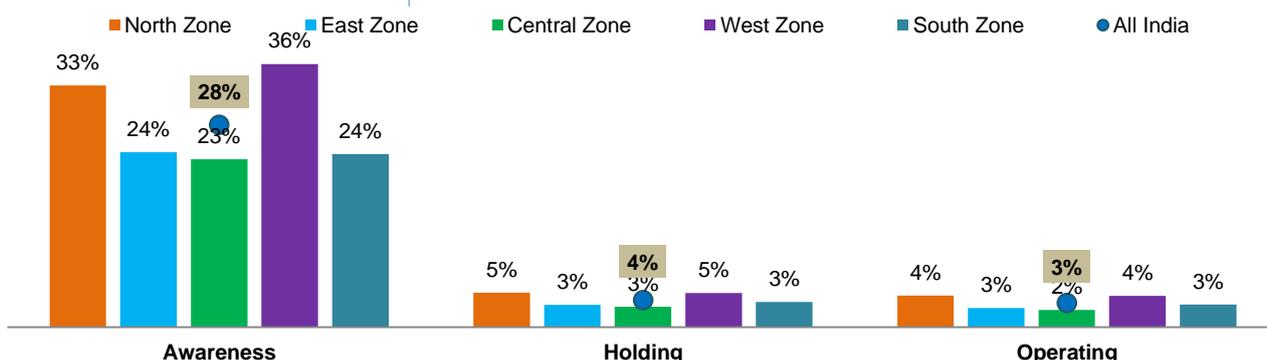
Out of total respondents, 28% respondents are aware about Public Provident Fund. However only 3% are holding and operating the same.

Details about geographic mix, gender mix and age group are given as graph hereunder.
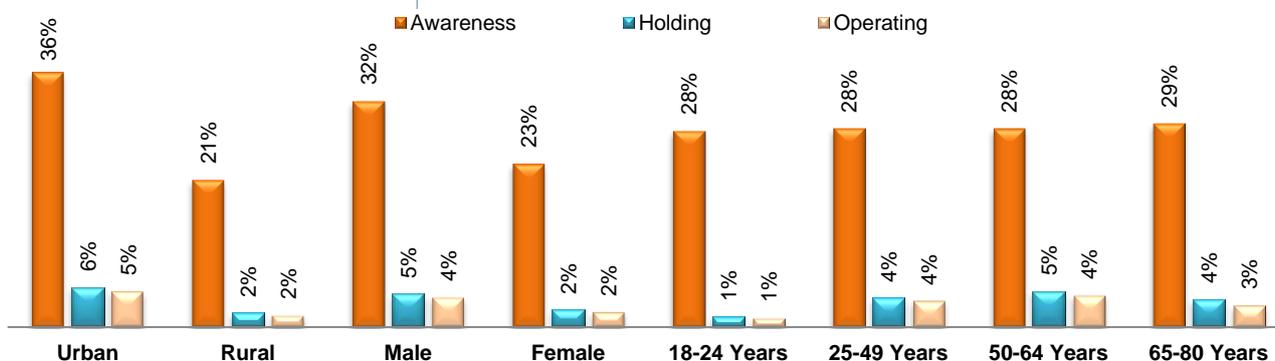
Awareness about Public Provident Fund is higher in urban region compared to rural region while higher numbers of male respondents are aware and hold Public Provident Fund accounts compared to females. Overall holding of Public Provident Fund within all categories is around 1-6% within various categories.

Supported by

4.1.3.2 | Post Office Savings Scheme

Survey findings about responses about awareness, holding and operations of Post Office Savings Scheme are stated hereunder.
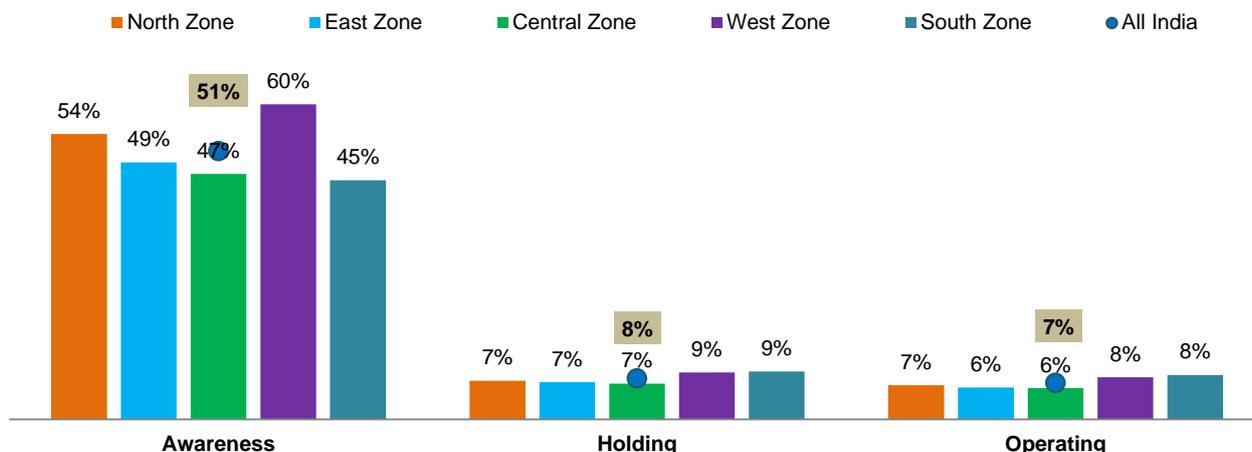
Out of total respondents, the awareness about Post Office Savings scheme is around 51%. However holding and operating is 7%.

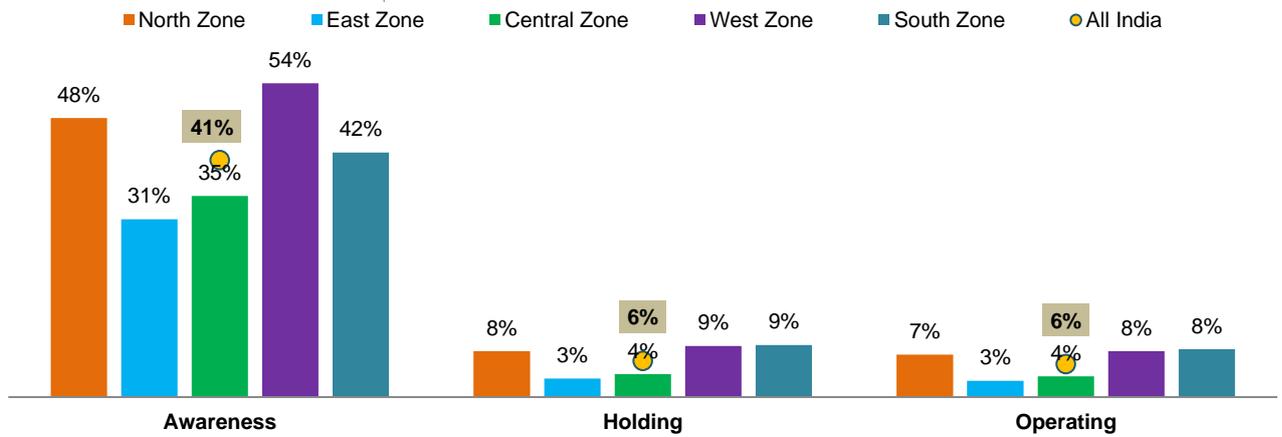The profile of the respondents as per the geographic mix, gender and age profile are provided as figure.
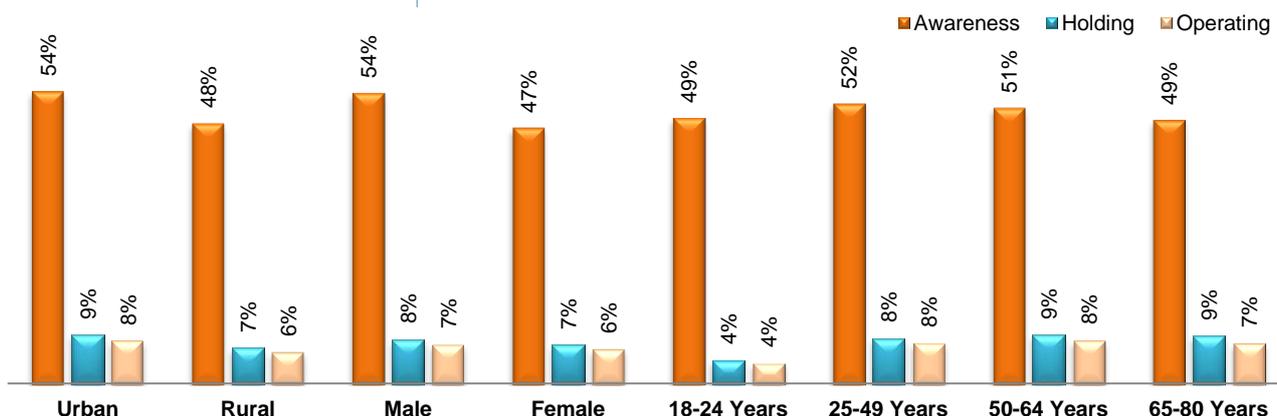
More than 45% respondents from all categories are aware about the post office savings scheme.

Supported by

4.1.3.3 | National Savings Certificate (NSC) / Kisan Vikas Patra (KVP)

Zone wise survey findings about responses about NSC / KVP awareness, holding and operations in past 2 years are stated hereunder.
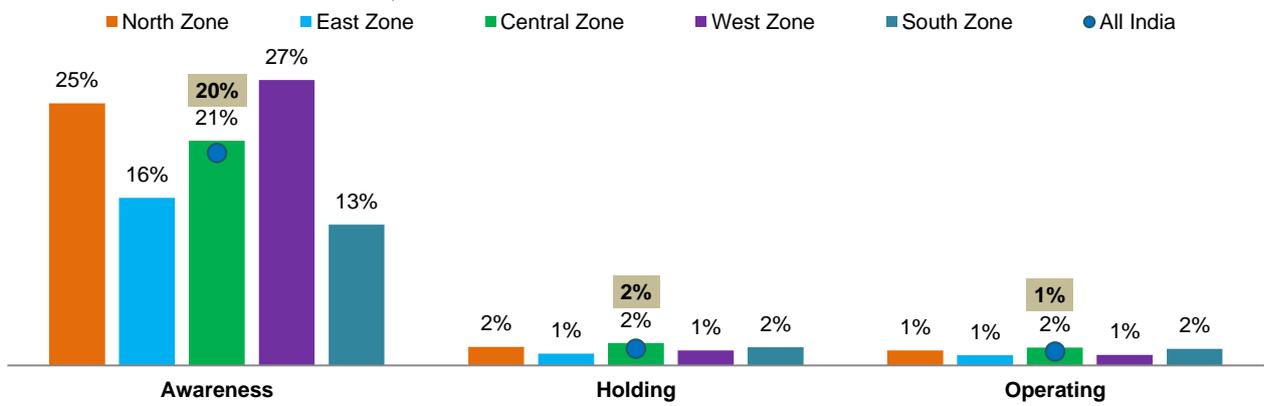
Out of total respondents, around 20% respondents are aware about NSC / KVP. Around 1% of the total respondents are holding and operating these products.

Details about geographic mix, gender mix and age group are given as graph hereunder.
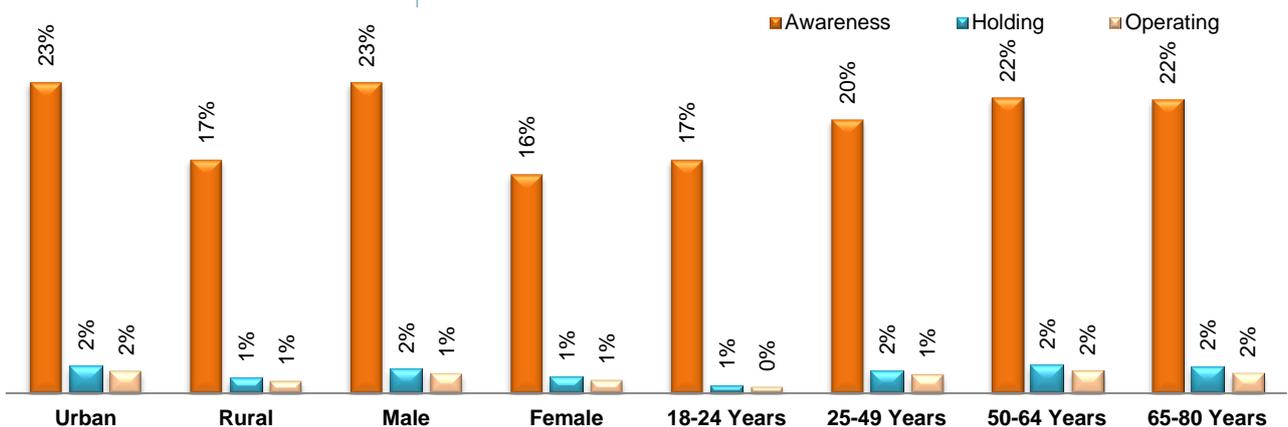
Awareness about NSC / KVP is higher in urban region compared to rural region while higher numbers of male respondents are aware about NSC / KVP compared to female respondents. However around 1-2% of respondents are using these product for savings.

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4.1.4 Reason for not holding Bank Account though aware about Bank Account

Zone wise evaluation of reasons for not having bank account have been depicted as graph hereunder
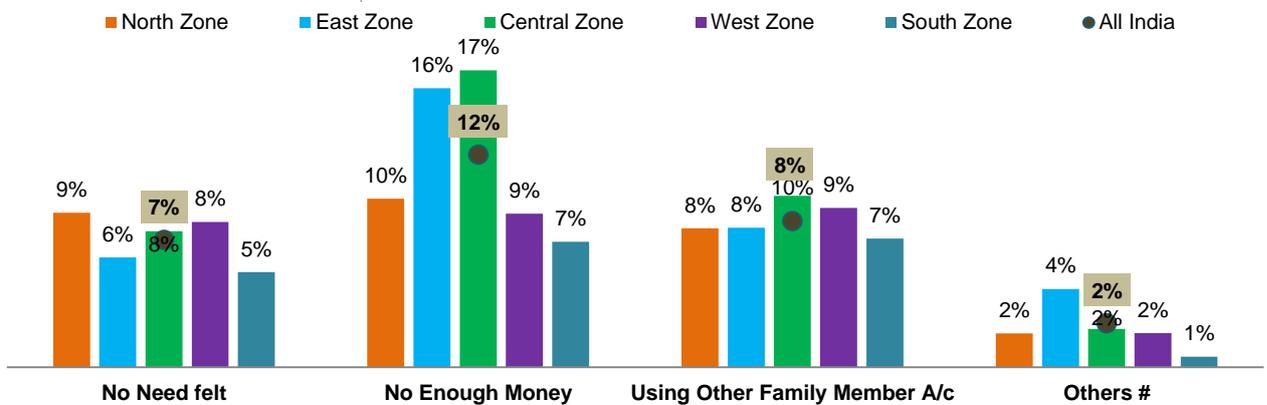
Others include Banks are too far, Lack of Necessary documents, Do not trust Bank, Complex/difficult process, religious reasons and others.

4.1.5 Holding Commercial and Co-op Bank A/c and services availed

Zone wise survey findings about holding commercial and co-op bank accounts and services availed by respondents have been given as graph hereunder.
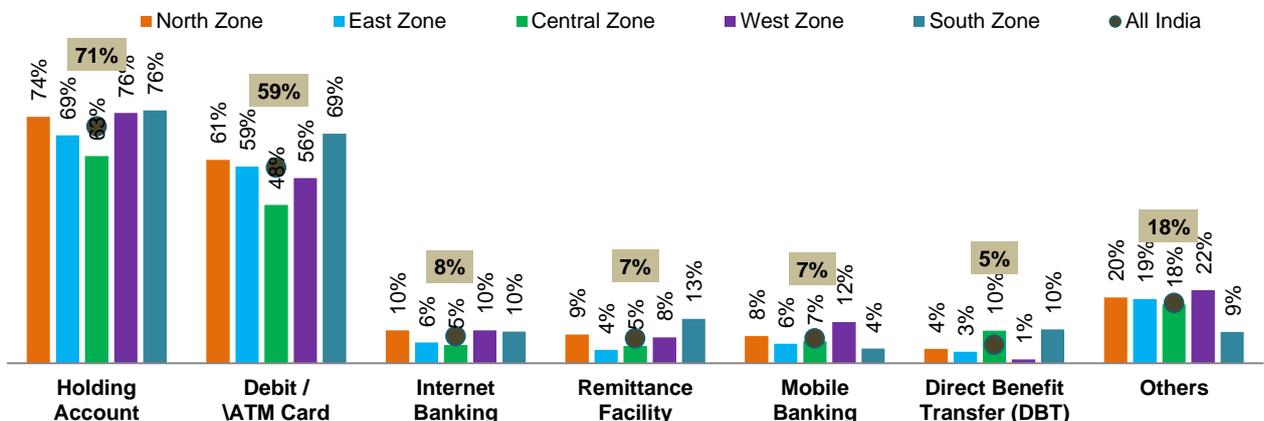
It can be observed from the graph that around 71% respondents hold commercial and co-operative bank account. Commonly used services include debit / ATM card facility.

4.1.6 | **Evaluation of reasons for not availing Remittance Facility of Banks**

The zone wise details of respondents who have not availed remittance facility and reasons for not availing the same are explained hereunder.
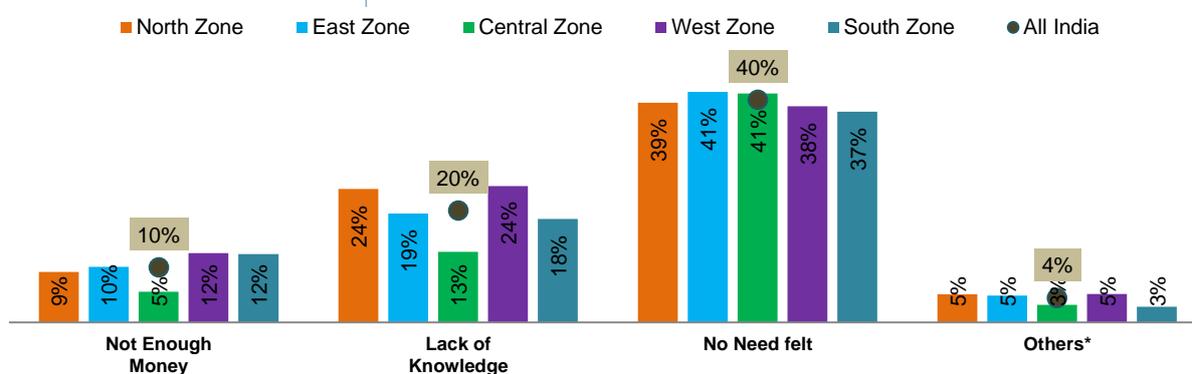
* Other reasons include Banks are too far, involve high cost, difficult procedure and other reasons.

It can be seen from the above graph that out of total respondents from all zone, more than 40% have not availed remittance facility of the bank. The main reasons being it is not required or lack of awareness.

4.1.7 | **Reasons for not availing credit / loan facility from Commercial / Co-op Bank**

The zone wise response over not availing credit / loan from commercial or co-operative bank has been provided as graph hereunder.
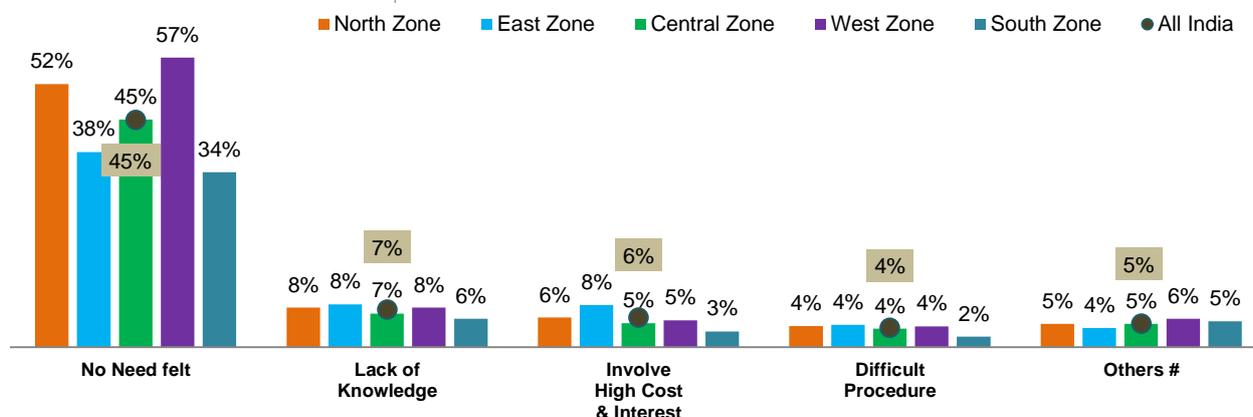
\# Others category include Banks are too far, availed credit from other unregulated sources, lack of necessary documents and other reasons.

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Major reasons for not availing credit or loan from commercial / co-operative banks are either no needs felt or lack of awareness of the product. Some of the respondents felt procedural difficulties, high cost and interest are a deterrent for availing loans.

4.1.8   Banking Correspondent (BC) Facility

Zone wise response on availability of Banking Correspondent facility and services availed is depicted as graph hereunder.
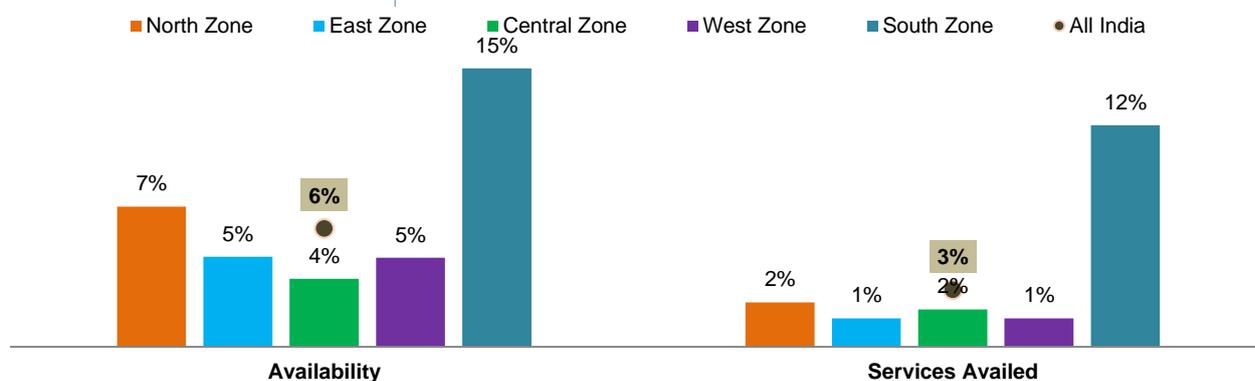
It can be seen from the above graph that around 6% respondents have agreed of having BC services with around 3% having availed the services.

4.1.9   Reasons for not availing Banking Services through BCs

Zone wise responses on reasons for not availing banking services through BCs are provided as graph hereunder.
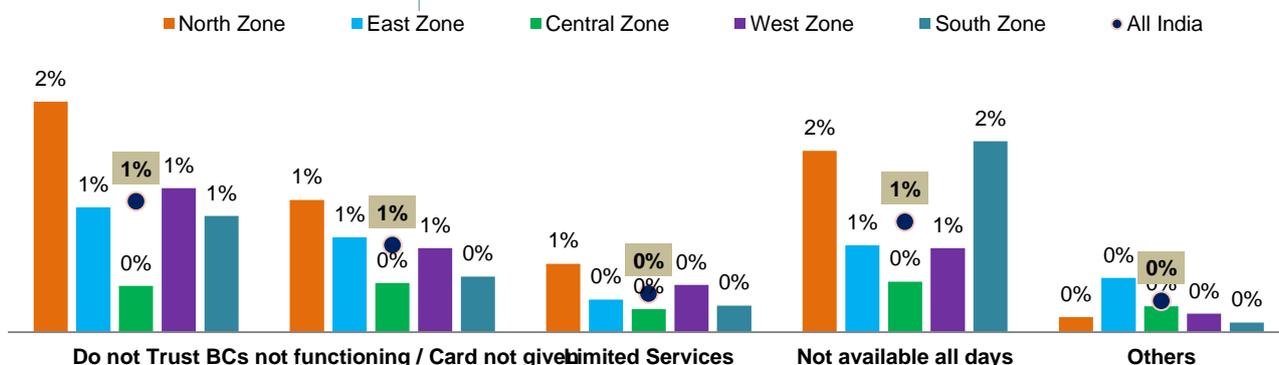
It can be observed from the graph above that some of the respondents have trust issues with BCs and a few are not happy with the functioning of BCs and allotment of card.

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4.1.10 | Loan availed from sources other than banks

Zone wise details about responses received on loan availed from sources other than banks are provided as graph below.
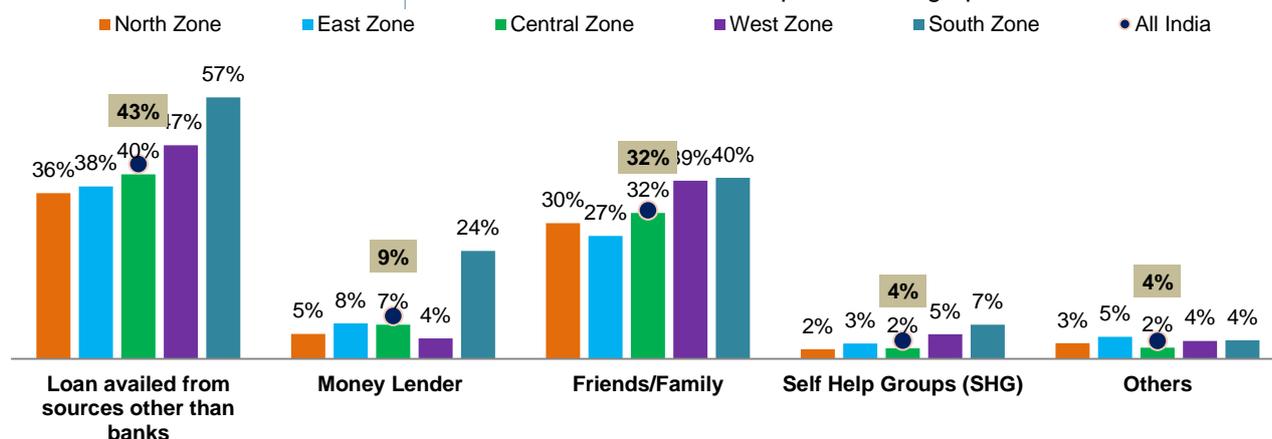
$ Others include Micro Finance Institutions, Departmental Loans and other sources.

It can be observed from the figure above that around 43% respondents have availed loan from source other than bank; maximum being in South Zone where around 57% respondents have availed loan from source other than bank with the major source of this loan is friends and relatives.

Category wise source of loan from source other than bank have been depicted as graph below.
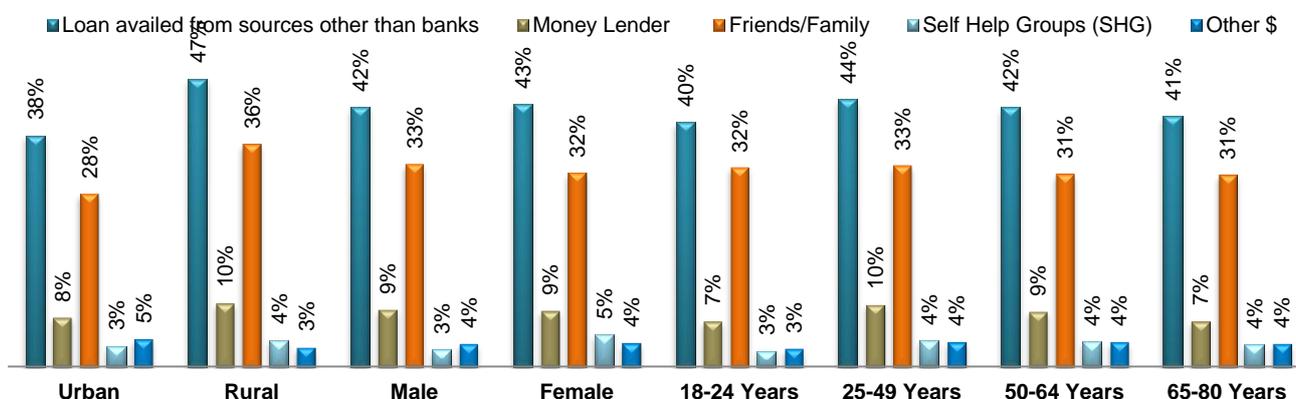
$ Others include Micro Finance Institutions, Departmental Loans and other sources.

It can be seen that from all the categories of respondents have tendency of availing loan from source other than bank and the major source being friends and relatives.

Life Insurance
Motor Insurance
Health Insurance
Home Insurance
Crop Insurance
Cattle / Livestock Insurance
Any other General Insurance

4.2   Insurance Products

The product wise analysis of responses received about insurance products from the field survey has been elaborated as subsequent sections of the report.

4.2.1   Life Insurance

Survey findings about responses to awareness, holding and operations about Life Insurance are stated hereunder.
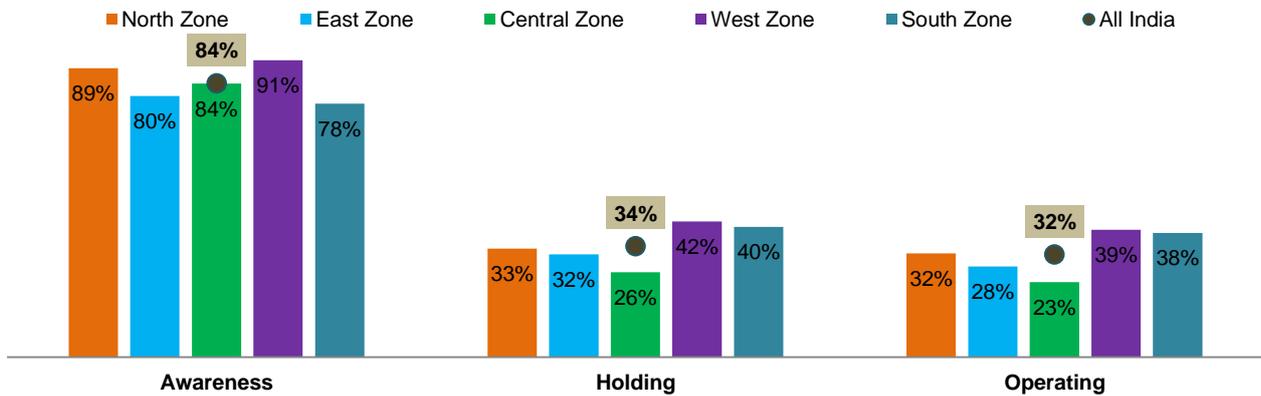
Out of total respondents, more than 84% respondents are aware about Life Insurance with around 32% respondents hold and operate the product.

Details about geographic mix, gender mix and age group are given as graph hereunder.

It can be observed from the figure above that more than 75% of the total respondents from all categories are aware about life insurance. Compared to rural and female respondents more urban and male respondents hold life insurance respectively.

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4.2.2 | Motor Insurance

Survey findings about responses about awareness, holding and operations about Motor Insurance are stated hereunder.
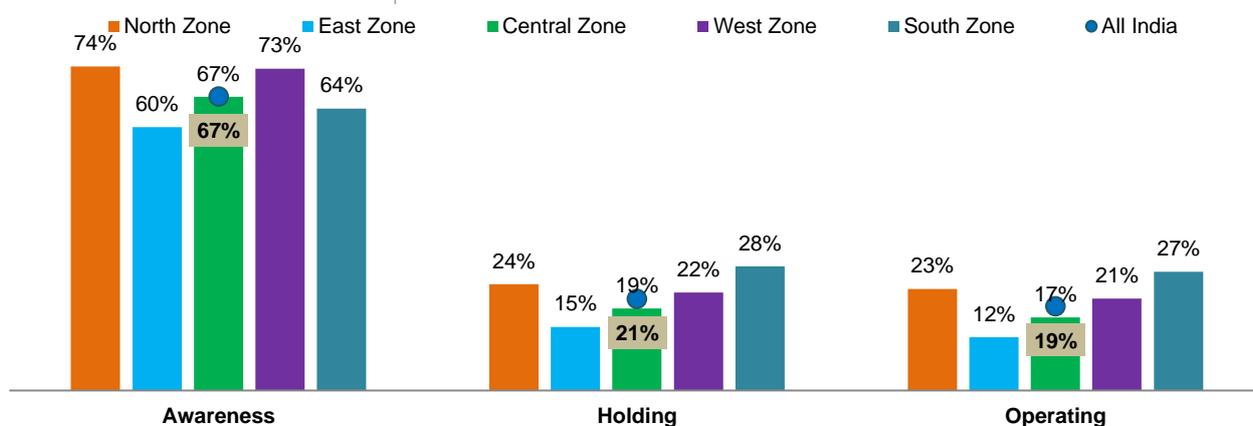
Out of total respondents, around 67% respondents are aware about Motor Insurance with around 19% hold and operate the same.

Details about geographic mix, gender mix and age group are given as graph hereunder.
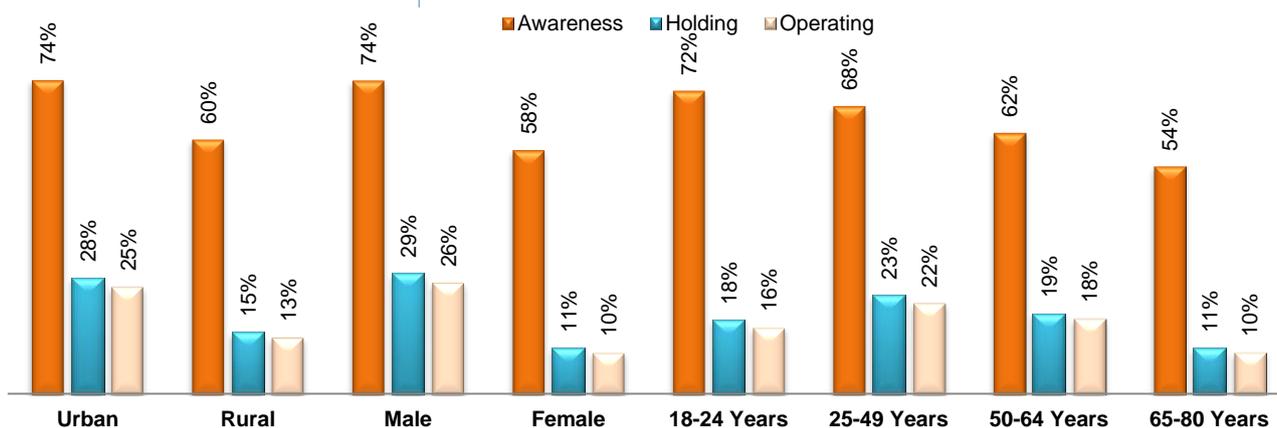
It can be observed from the figure above that the urban respondents are more aware about motor insurance vis a vis rural respondents and the same pattern is observed in holding of the same. In case of gender mix the males are more aware of the product/services than the female respondents.

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4.2.3 | Health Insurance

Zone wise survey findings about responses about awareness, holding and operations about Health Insurance are stated hereunder.

Legend: ■ North Zone ■ East Zone ■ Central Zone ■ West Zone ■ South Zone ● All India

Awareness: 65%, 49%, 55% (59%), 78%, 53%
Holding: 13%, 7%, 12% (12%), 19%, 14%
Operating: 12%, 6%, 9% (11%), 17%, 13%

Out of total respondents, more than 59% respondents are aware about Health Insurance with around 11% hold and operate the product.

Details about geographic mix, gender mix and age group are given as graph hereunder.

Legend: ■ Awareness ■ Holding ■ Operating

	Urban	Rural	Male	Female	18-24 Years	25-49 Years	50-64 Years	65-80 Years
Awareness	68%	50%	63%	53%	63%	59%	55%	52%
Holding	17%	8%	13%	11%	10%	13%	13%	10%
Operating	16%	6%	12%	9%	9%	12%	11%	8%
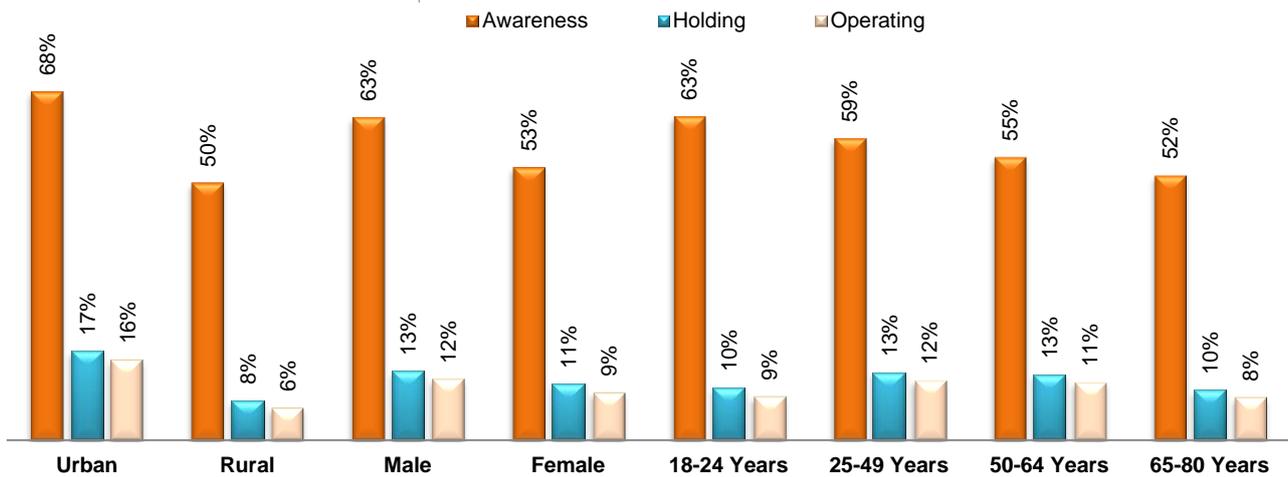
As compared to the urban respondents, the awareness and holding of the product is low in the rural respondents. The holding is the lowest in the 65-80 years age group.

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4.2.4 | Home Insurance

Zone wise survey findings about responses about awareness, holding and operations in Home Insurance are stated hereunder.
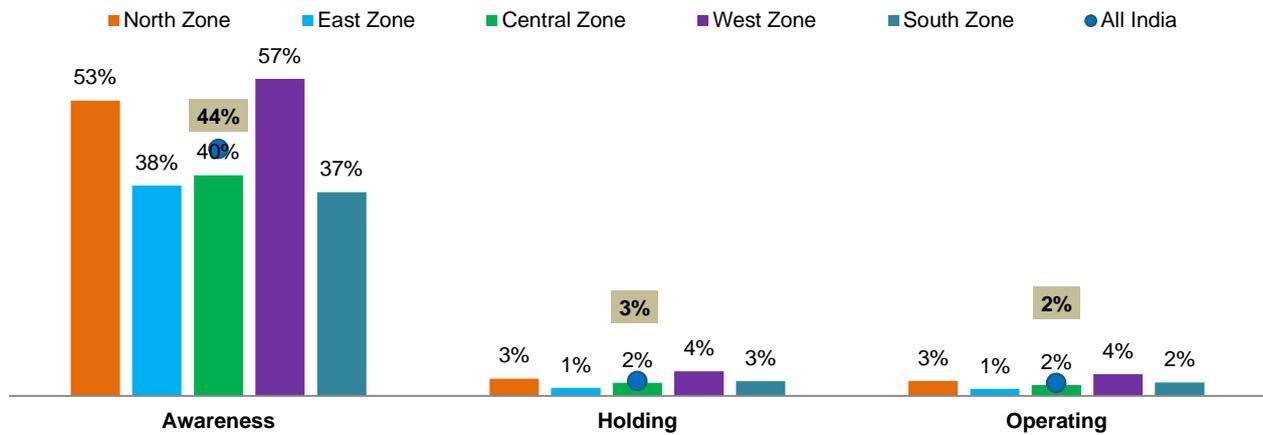
Out of total respondents, more than 44% respondents are aware about Home Insurance with 2% hold and operate the product.

Details about geographic mix, gender mix and age group are given as graph hereunder.
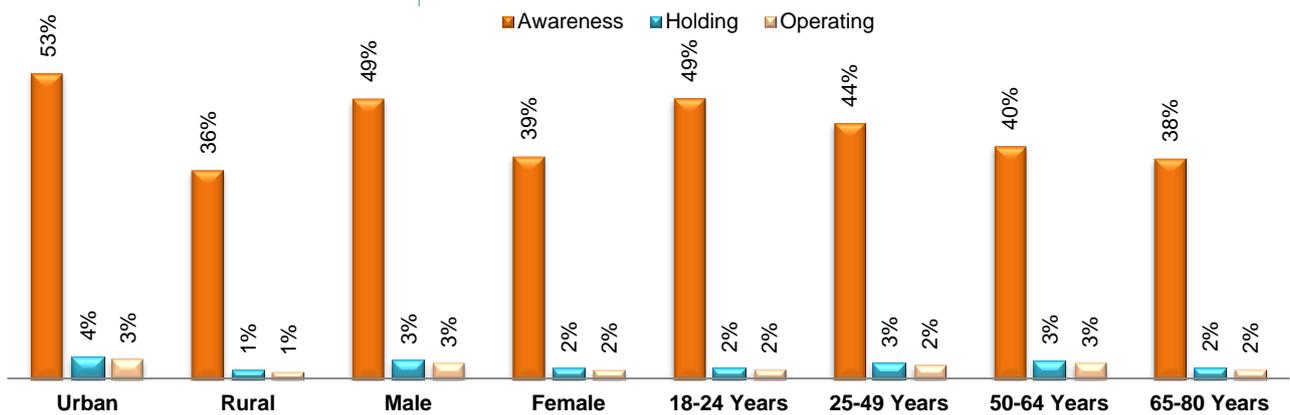
As compared to urban respondents the awareness level, holding and operation of the home insurance are low in rural respondents. In case of age group, around 50-60% respondents are aware about home insurance with only 3-6% are holding the same.

4.2.5 | Crop Insurance

Zone wise survey findings about responses about awareness, holding and operations about Crop Insurance are stated hereunder.

Legend: North Zone, East Zone, Central Zone, West Zone, South Zone, All India

Awareness: North 32%, East 23%, Central 29% (All India 27%), West 30%, South 23%

Holding: North 1%, East 0%, Central 1%/2%, West 2%, South 2%

Operating: North 0%, East 0%, Central 1%/2%, West 2%, South 2%
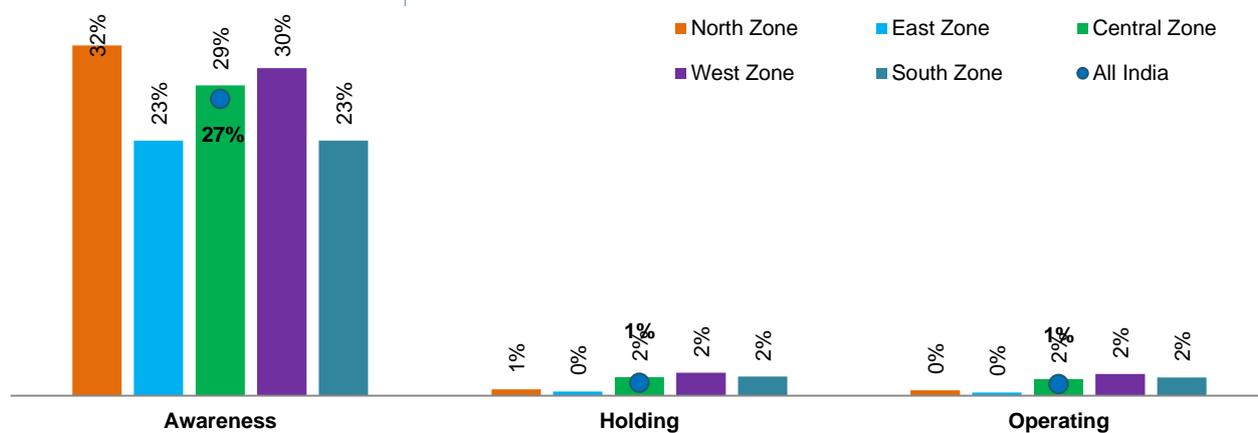
Out of total respondents, around 27% respondents are aware about Crop Insurance with only 1% respondents hold and operate the product.

Details about geographic mix, gender mix and age group are given as graph hereunder.

Legend: Awareness, Holding, Operating

	Urban	Rural	Male	Female	18-24 Years	25-49 Years	50-64 Years	65-80 Years
Awareness	27%	28%	31%	22%	28%	27%	27%	26%
Holding	1%	2%	1%	1%	1%	1%	2%	1%
Operating	0%	2%	1%	1%	1%	1%	2%	1%
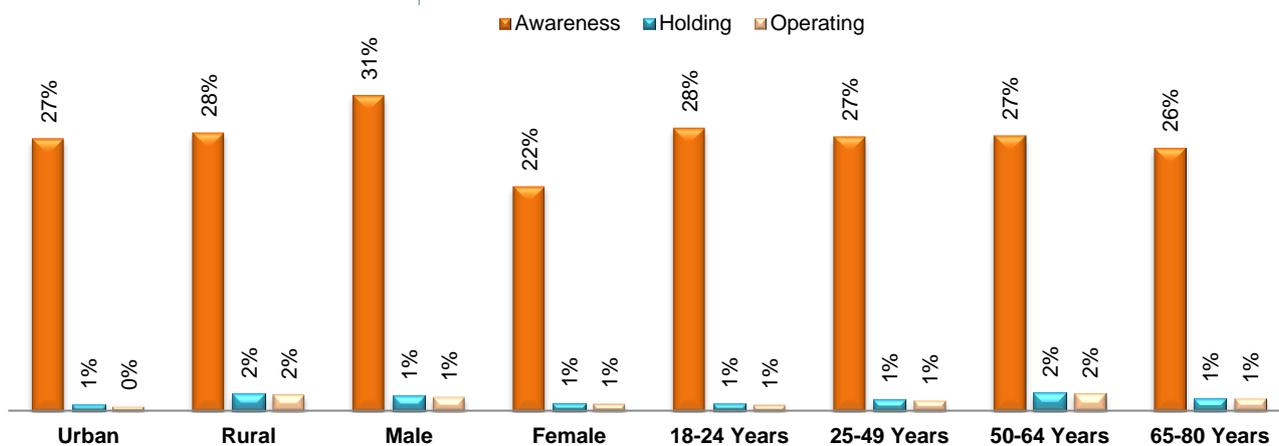
As compared to rural respondents the awareness level, holding and operation of the crop insurance are low in urban respondents. Also the awareness level is low among female respondents.
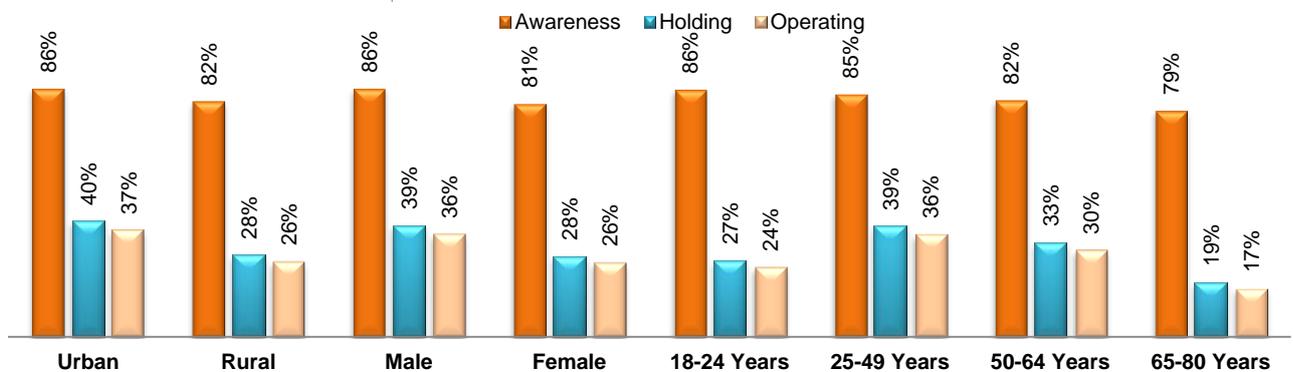
4.2.6 | **Cattle / Livestock Insurance**

Zone wise survey findings about responses about awareness, holding and operations about Cattle / Livestock Insurance are stated hereunder.
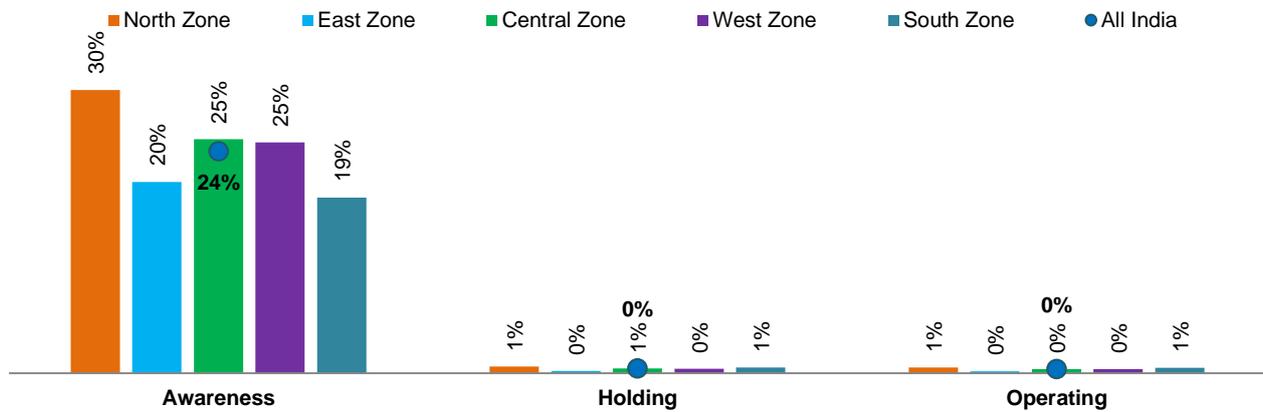
Out of total respondents, around 24% respondents are aware while less than 1% of total respondents are holding and operating the same.

Details about geographic mix, gender mix and age group are given as graph hereunder.
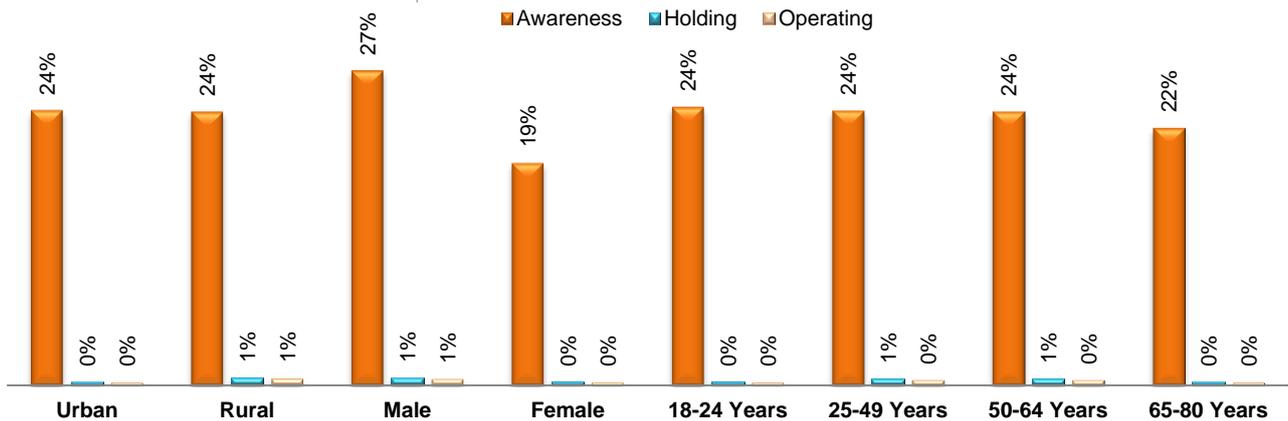
It can be observed from the figure above that around 19-27% of respondents from each category are aware about the cattle / livestock insurance.

Supported by

4.2.7 | **Any Other General Insurance**

Very few respondents (less than 1%) were aware, holding and operating other general insurance products.

4.2.8 | **Reasons for not having Insurance**

Zone wise survey findings about reasons about not having Insurance are stated hereunder.

■ North Zone   ■ East Zone   ■ Central Zone   ■ West Zone   ■ South Zone   ● All India
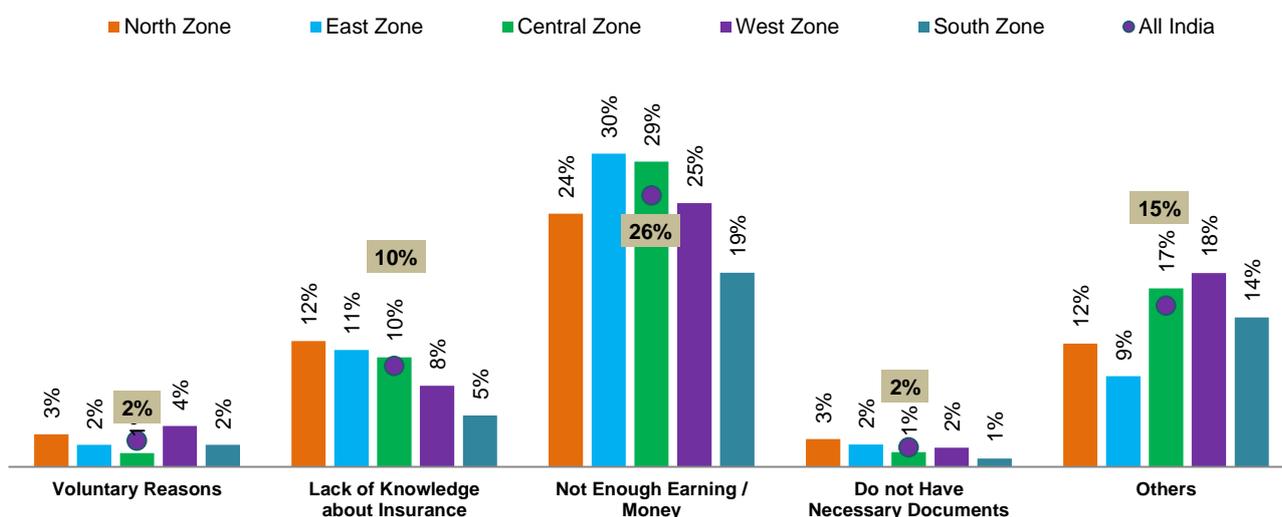
*Others include Do not Trust Insurance Company, Insurance are Costly, Do not Have Access to Insurance Companies, No need Felt and Confused about Choices.

4.3 | **Capital Market Products**

Capital Market products mainly include following products.

    a. Shares / Stocks
    b. Initial Public Offering (IPO)
    c. Bonds / Debentures
    d. Mutual Funds

The product wise analysis of responses received about capital market products from the field survey has been elaborated in subsequent sections of the report.

4.3.1 | Shares / Stocks

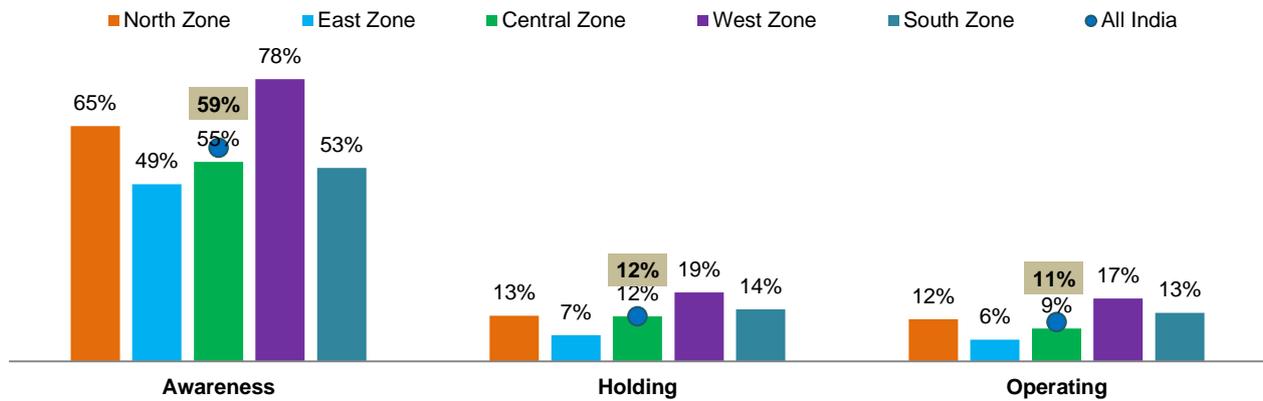Zone wise survey findings of responses about awareness, holding and operations of shares / stocks are stated hereunder.

Legend: North Zone | East Zone | Central Zone | West Zone | South Zone | All India

Awareness
- North Zone: 39%
- East Zone: 25%
- Central Zone: 28%
- West Zone: 49%
- South Zone: 29%
- All India: 33%

Holding
- North Zone: 3%
- East Zone: 2%
- Central Zone: 3%
- West Zone: 5%
- South Zone: 2%

Operating
- North Zone: 3%
- East Zone: 1%
- Central Zone: 2%
- West Zone: 4%
- South Zone: 2%

Out of total respondents around 33% respondents are aware about shares / stocks however only 3% respondents hold the same.

Details about geographic mix, gender mix and age group are given as graph hereunder.

Legend: Awareness | Holding | Operating

Category	Awareness	Holding	Operating
Urban	44%	5%	4%
Rural	24%	1%	1%
Male	38%	4%	3%
Female	27%	1%	1%
18-24 Years	40%	1%	1%
25-49 Years	33%	3%	3%
50-64 Years	28%	3%	2%
65-80 Years	25%	3%	2%

It can be observed from the figure above that urban respondents are more aware than rural respondents. In case of gender mix 38% of male and 27% of female respondents are aware about stocks / shares. Awareness about shares / stocks is more in the age group of 18-24 years and the same is reducing as age increases.

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4.3.2 | Initial Public Offering (IPO)

Zone wise survey findings of responses about awareness, holding and operations of Initial Public Offering (IPO) are stated hereunder.

Legend: North Zone, East Zone, Central Zone, West Zone, South Zone, All India
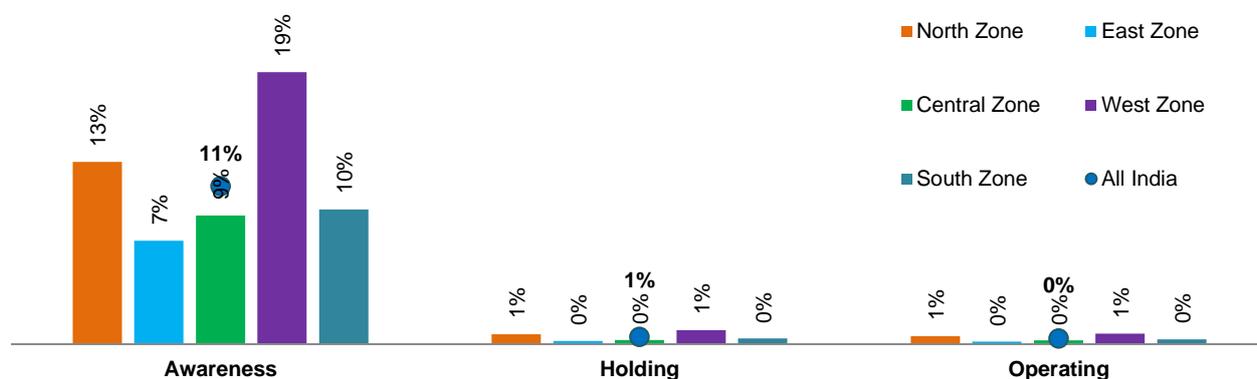
Out of total respondents, around 11% respondents are aware about IPO with 1% holding the same.

The profile of the respondents as per the Geographic Mix, Gender and age profile are provided as figure.

Legend: Awareness, Holding, Operating
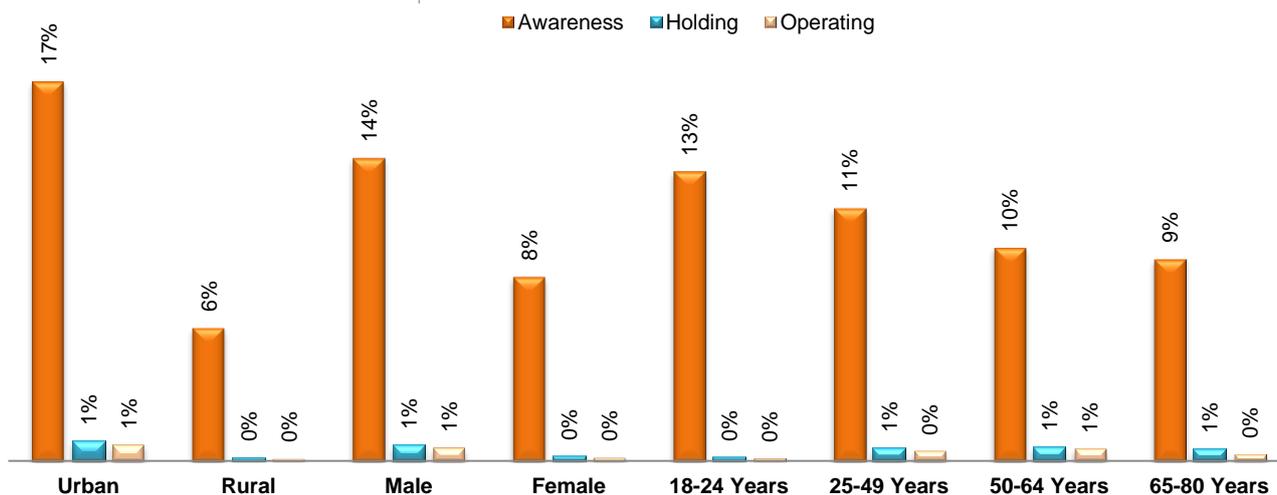
As compared to the rural respondents, the level of awareness is more in the urban respondents. In case of gender mix 14% of male and 8% of female respondents are aware about IPO.

Supported by

4.3.3 Bonds / Debentures

Zone wise survey findings of responses about awareness, holding and operations of Bonds / Debentures are stated hereunder.
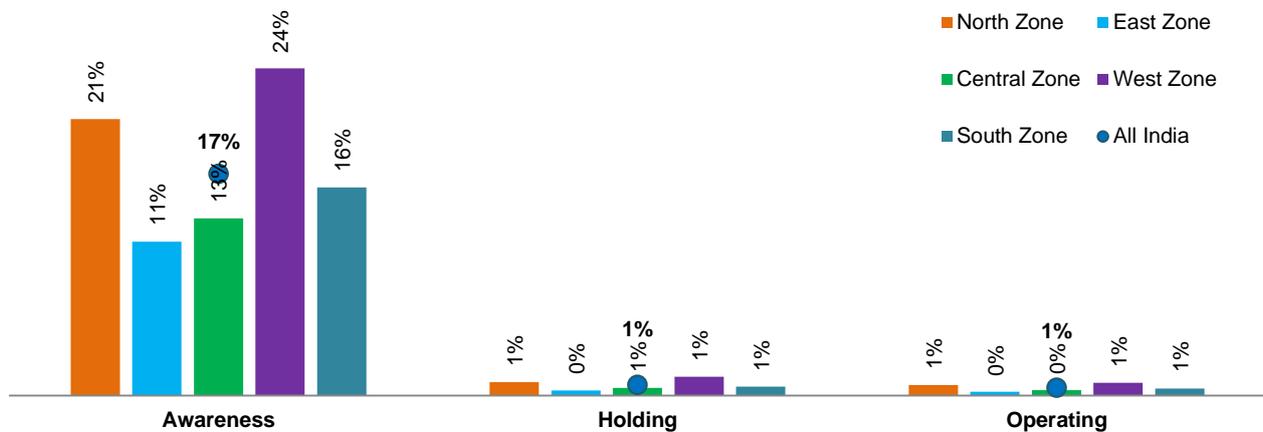
Out of total respondents, around 17% respondents are aware about Bonds / Debentures with only 1% holding/operating the same.

The profile of the respondents as per the Geographic Mix, Gender and age profile are provided as figure.
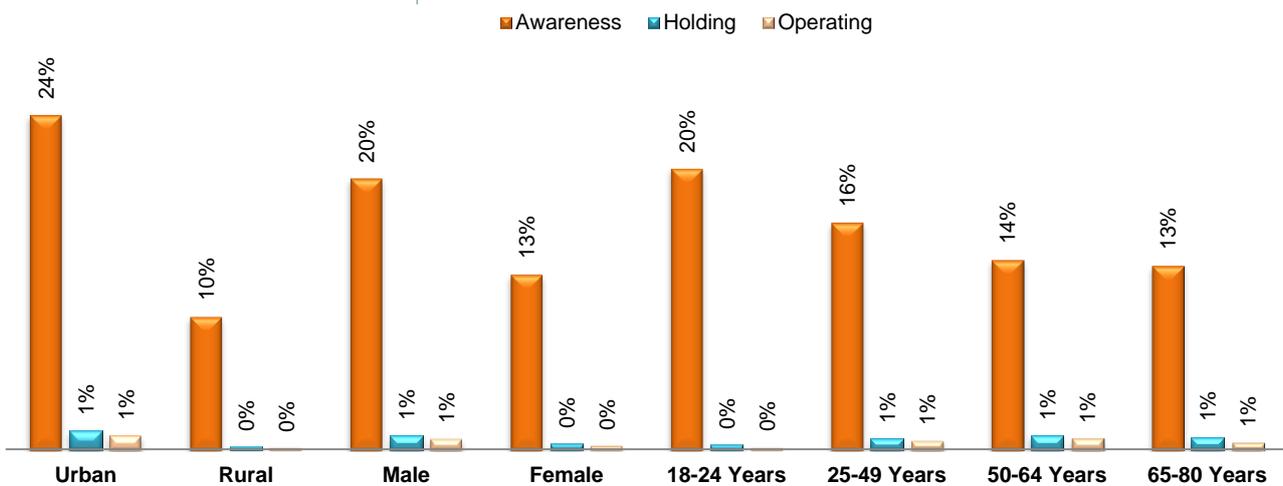
As compared to the urban respondents the awareness, holding and operation of bonds/debentures are low in the rural respondents. In case of gender mix around 20% of male and 13% of female respondents are aware about Bonds and Debentures.

Supported by

4.3.4 | Mutual Funds

Zone wise survey findings of responses about awareness, holding and operations of mutual funds are stated hereunder.
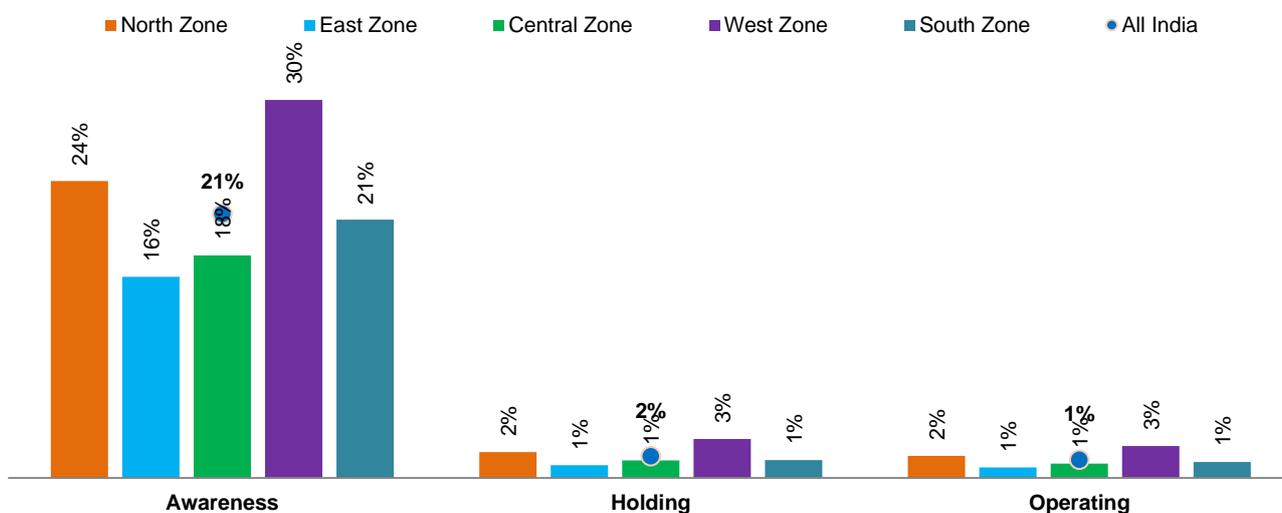
Out of total respondents, around 21% respondents are aware about Mutual Funds and around 2% are holding the same.

The profile of the respondents as per the Geographic Mix, Gender and age profile are provided as figure.
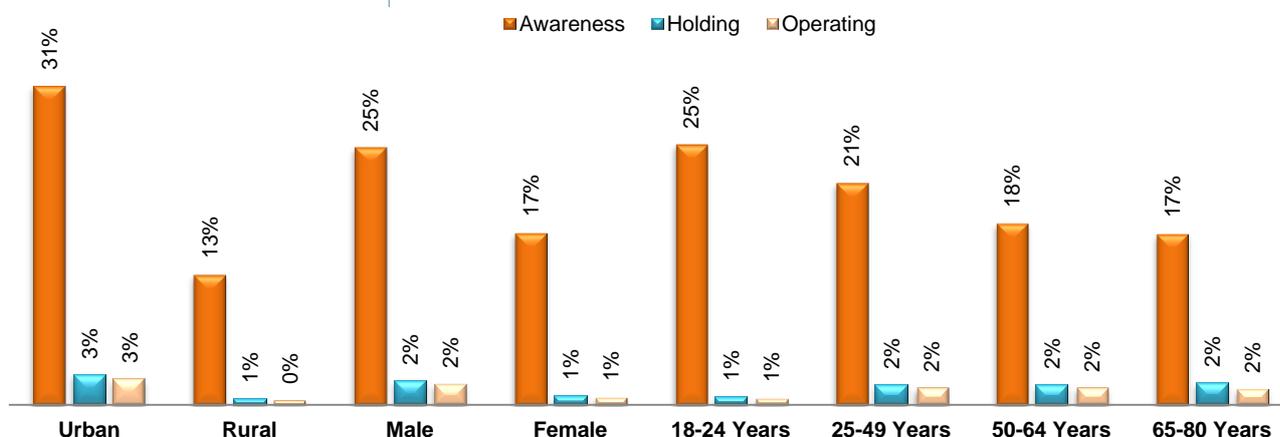
As compared to rural respondents, the awareness level of Mutual funds is more in the urban respondents.

4.3.5 | Reasons for not investing in Capital Market

Zone wise survey findings of reasons about not investing in capital market are stated hereunder.
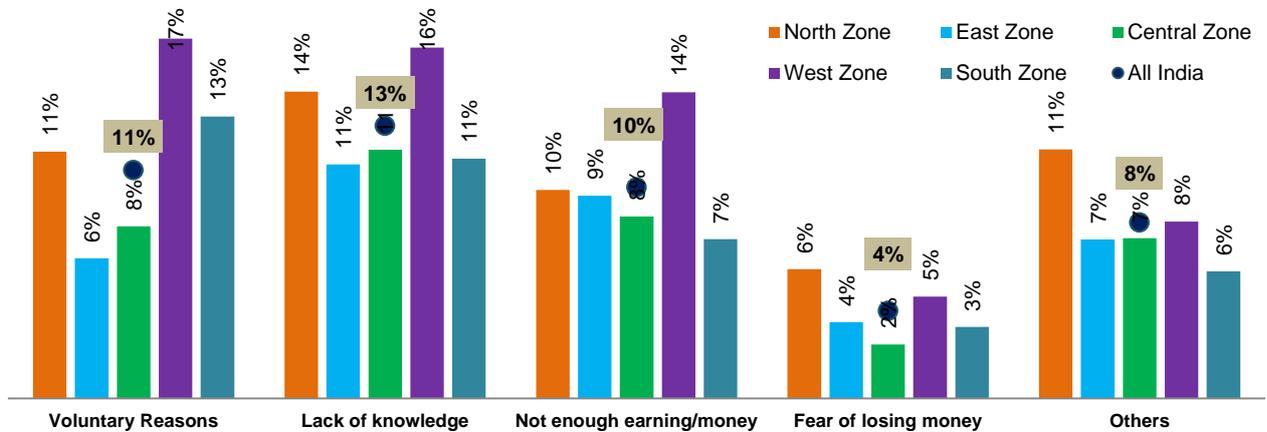
*Others include Complicated & difficult procedure, Demands lot of time, do not find it trustworthy, do not generate sufficient returns and lack of ethics.
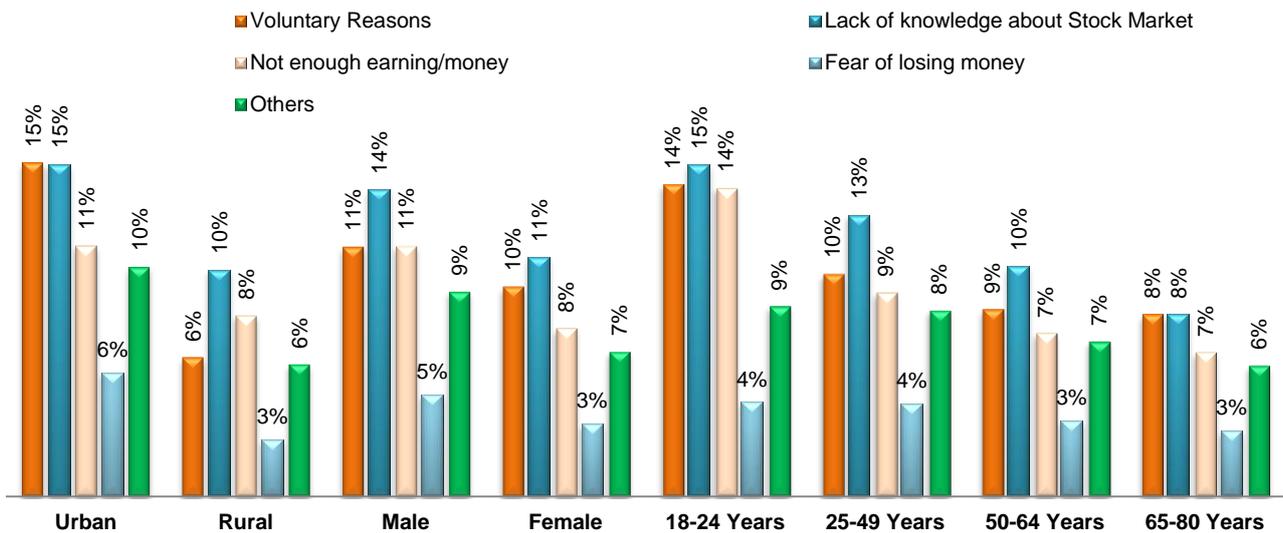
It can be observed from the above figure that around 17% respondents in west zone have voluntary reasons for not investing in capital market and around 13% respondents are lack of awareness.

Supported by

4.4   Pension related Products

a.   Employees Provident Fund (EPF)

b.   National Pension Scheme (NPS)

c.   Family / Employee Pension Scheme

The product wise analysis of responses received about pension related products from the field survey has been elaborated in subsequent sections of the report.
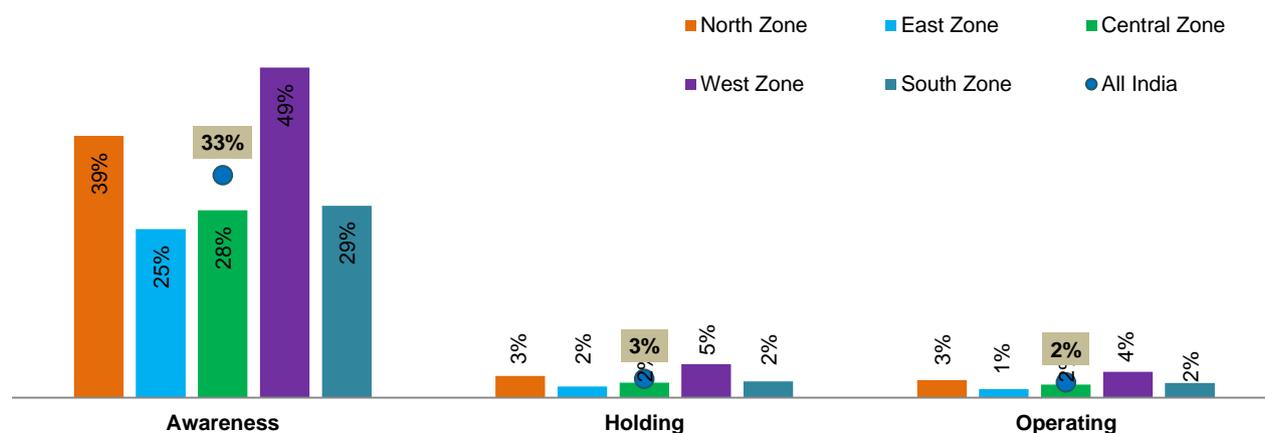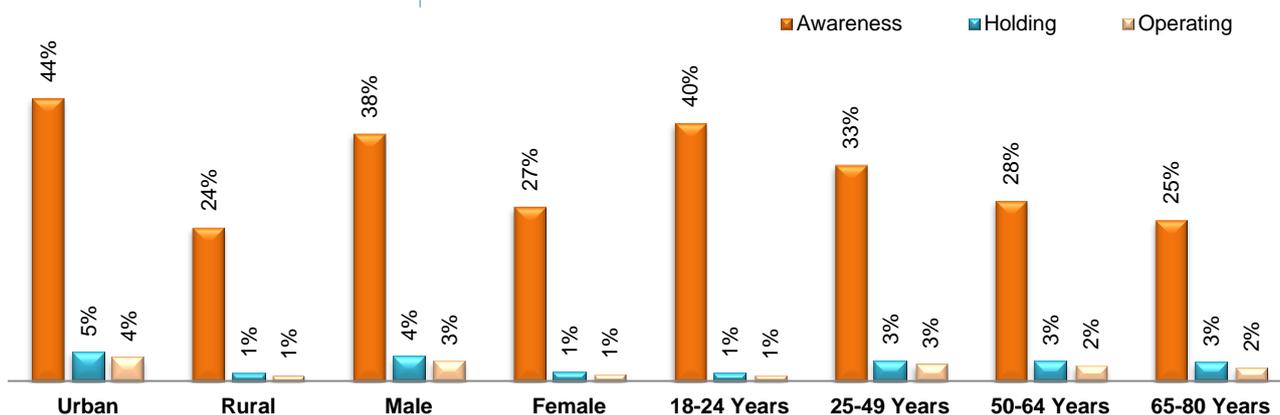
4.4.1   Employees Provident Fund (EPF)

Zone wise survey findings of responses about awareness, holding and operations of Employee Provident Fund are stated hereunder.
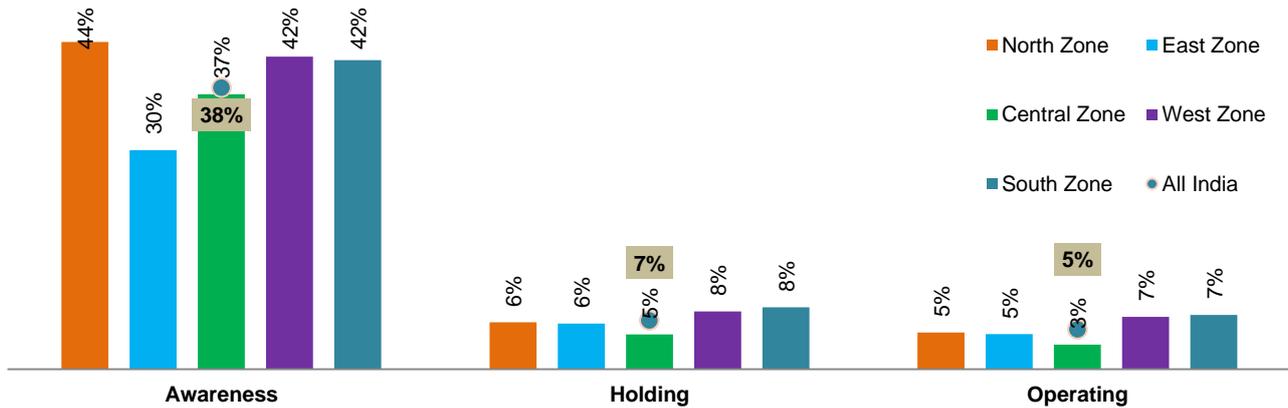
Out of total respondents in India 38% respondents are aware about EPF and around 7% are holding the same.

Details about geographic mix, gender mix and age group are given as graph hereunder.
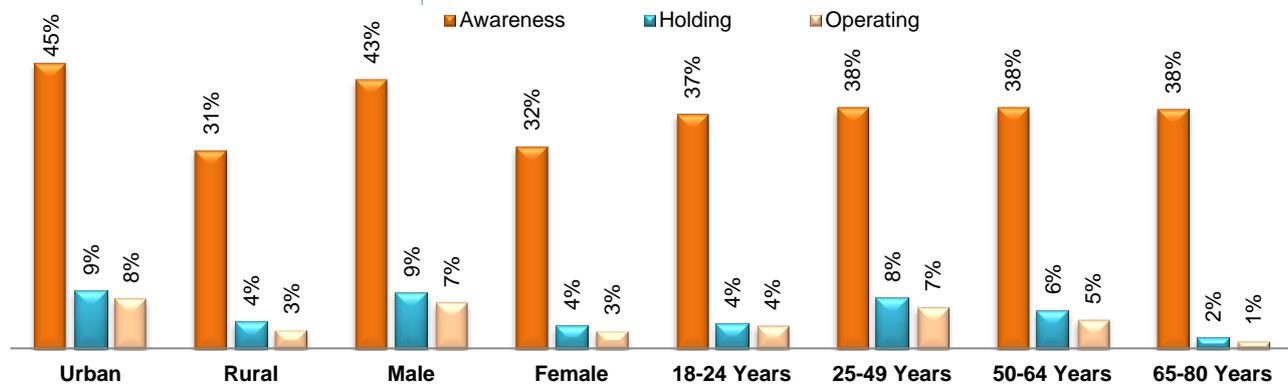
As compared to the rural respondents it was observed that more urban respondents are aware of EPF. In case of gender mix around 43% of male respondents and 32% of female respondents are aware about EPF.

4.4.2 National Pension Scheme (NPS)

Zone wise survey findings of responses about awareness, holding and operations of National Pension Scheme are stated hereunder.
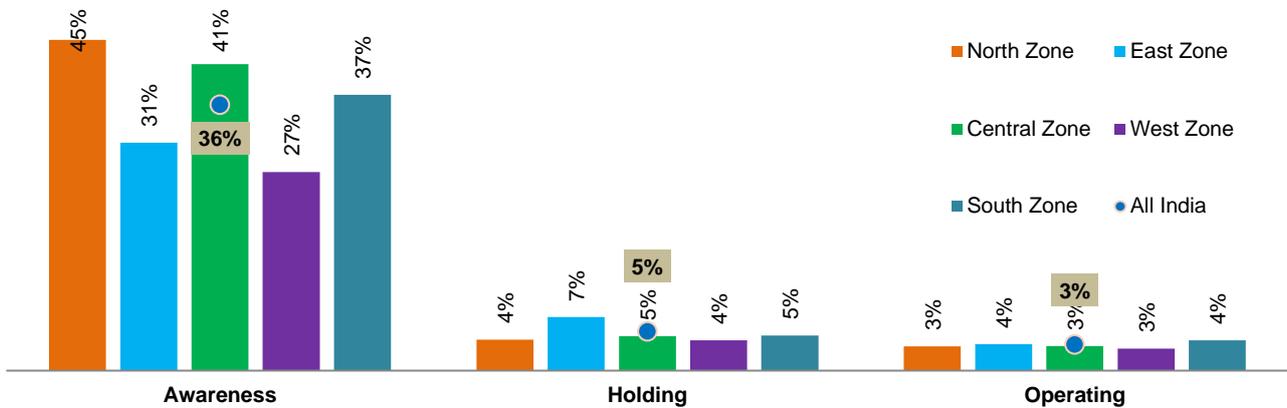
Out of total respondents, around 36% respondents are aware about NPS and around 5% are holding the same.

The profile of the respondents as per the Geographic Mix, Gender and age profile are provided as figure.
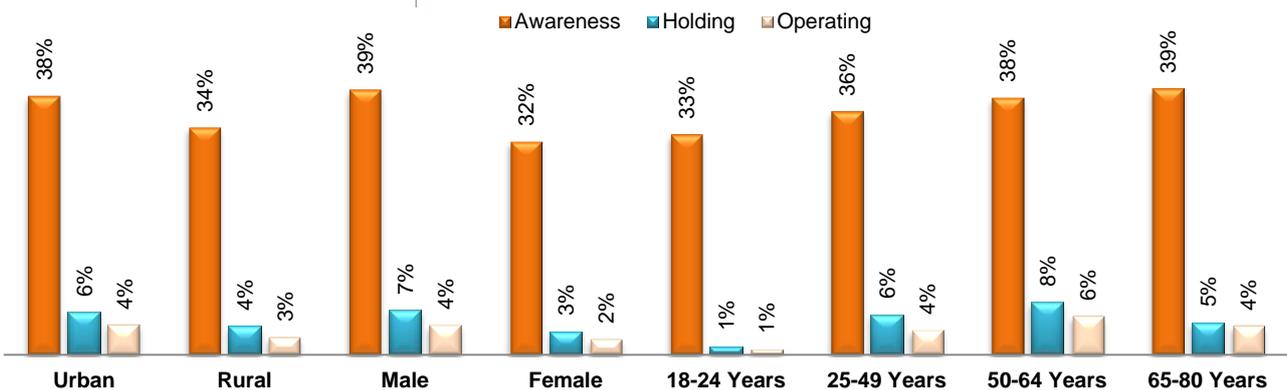
The urban respondents are more aware of NPS vis-à-vis rural respondents. In case of gender mix around 39% of male respondents and 32% of female respondents are aware about NPS.

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4.4.3 | Family / Employee Pension Scheme

Zone wise survey findings of responses about awareness, holding and operations of Family / Employee Pension Scheme are stated hereunder.

Legend:
- North Zone
- East Zone
- Central Zone
- West Zone
- South Zone
- All India

Awareness — North 37%, East 24%, Central 35%, All India 30%, West 27%, South 32%

Holding — North 3%, East 2%, Central 1%, All India 2%, West 1%, South 4%

Operating — North 2%, East 2%, Central 1%, All India 2%, West 1%, South 4%

Out of total respondents, around 30% respondents are aware about F/EPS and around 2% are holding the same.

The profile of the respondents as per the geographic mix, gender and age profile are provided as figure.

Legend: Awareness, Holding, Operating

	Urban	Rural	Male	Female	18-24 Years	25-49 Years	50-64 Years	65-80 Years
Awareness	33%	28%	33%	27%	28%	30%	32%	34%
Holding	3%	2%	3%	1%	0%	2%	5%	7%
Operating	3%	1%	3%	1%	0%	2%	4%	6%
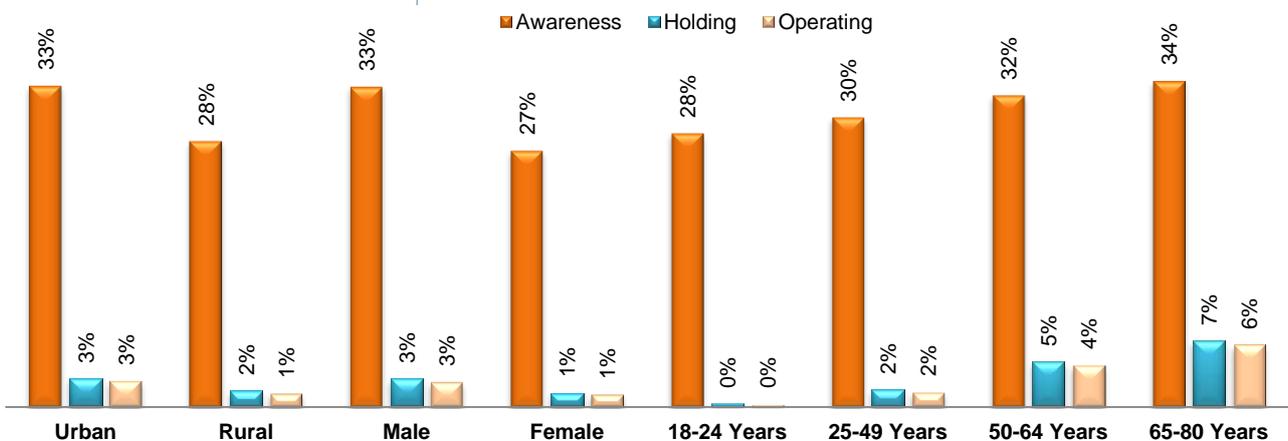
The urban respondents are more aware of F/EPS than the rural respondents. In case of gender mix around 33% of male respondents and 27% of female respondents are aware about Family / Employee Pension Scheme.

4.4.4 | Reasons for Not Holding / Investing in Pension Products

Zone wise survey findings of reasons about not investing in pension products are stated hereunder.
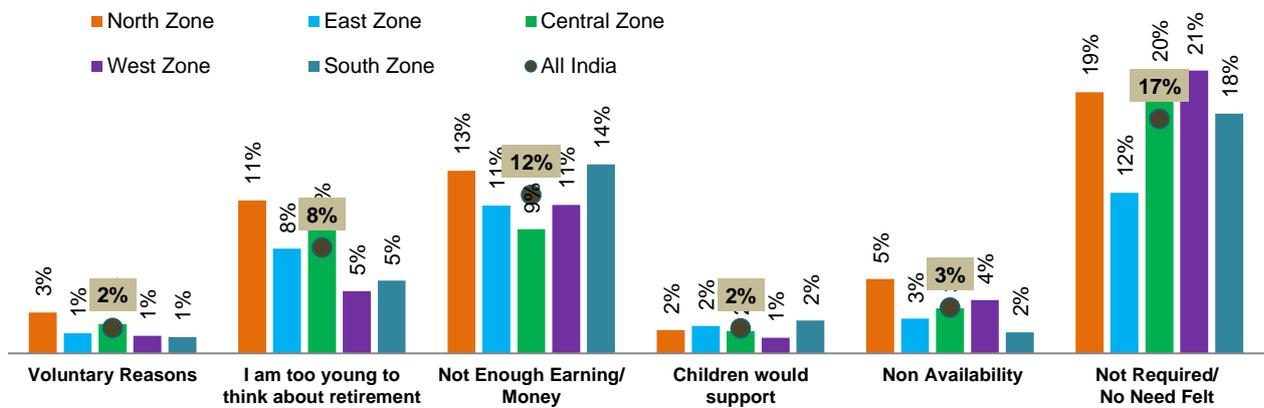
Around 2% respondents have voluntary reasons for not investing / holding pension products with around 17% respondents don't feel requirements of the same.

The profile of the respondents as per the Geographic Mix, Gender and age profile are provided as figure.
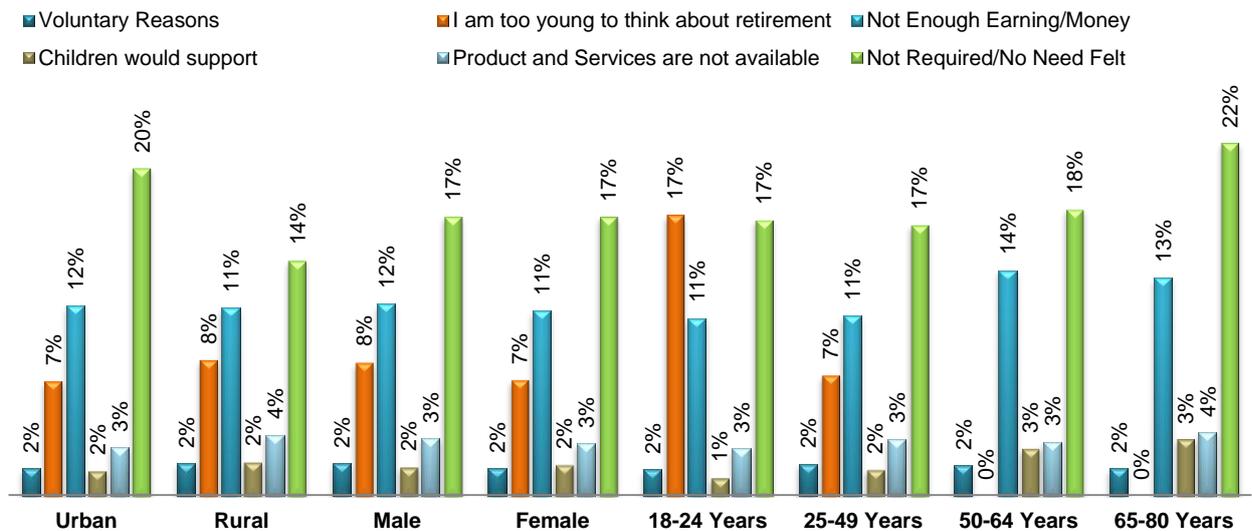
4.5 **Commodity Futures Market Products**

1. Agri Futures
2. Bullion Futures
3. Metal Futures
4. Energy Futures
5. Others

The product wise analysis of responses received about futures market related products from the field survey have been elaborated in subsequent sections of the report.

4.5.1 **Agri Futures**

Zone wise survey findings of responses about awareness, usage and operations of Agri Futures are stated hereunder.
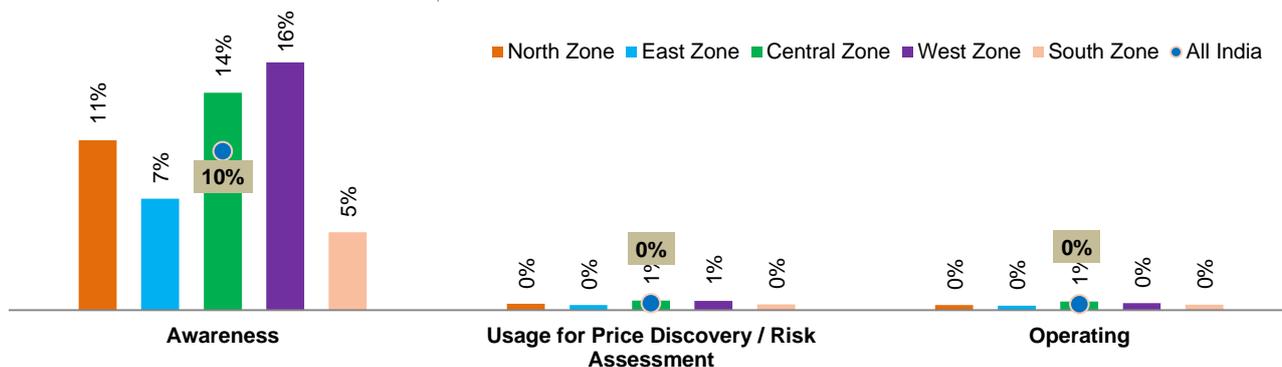
Out of total respondents, around 10% respondents are aware about Agri Futures and less than 1% respondents have used the knowledge for price discovery / risk management. Very few respondents have transacted in Agri futures. The profile of the respondents as per the Geographic Mix, Gender and age profile are provided as figure.
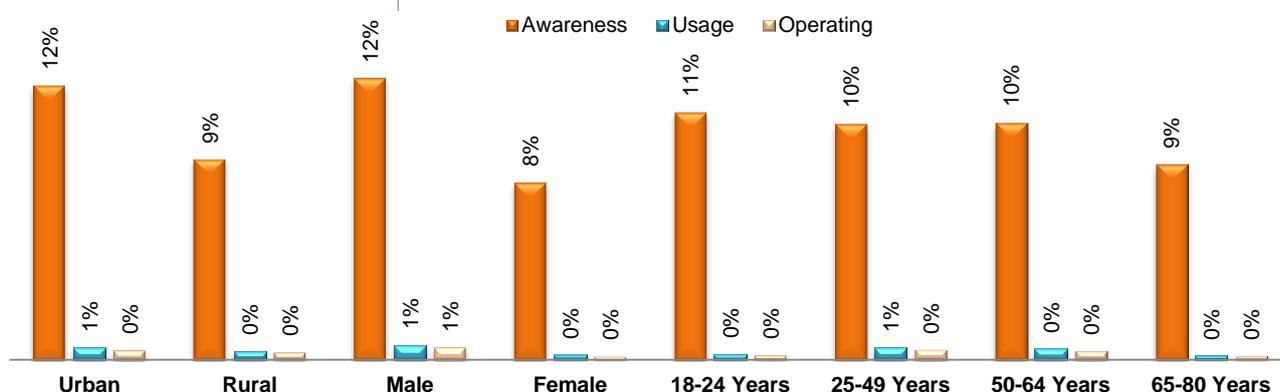
The urban respondents are more aware about Agri futures as compared to the rural respondents. In case of gender mix around 12% of male respondents and 8% of female respondents are aware about Agri Futures.

66

4.5.2 | Bullion Futures

Zone wise survey findings of responses about awareness, usage and operations of Bullion Futures in forward market are stated hereunder.
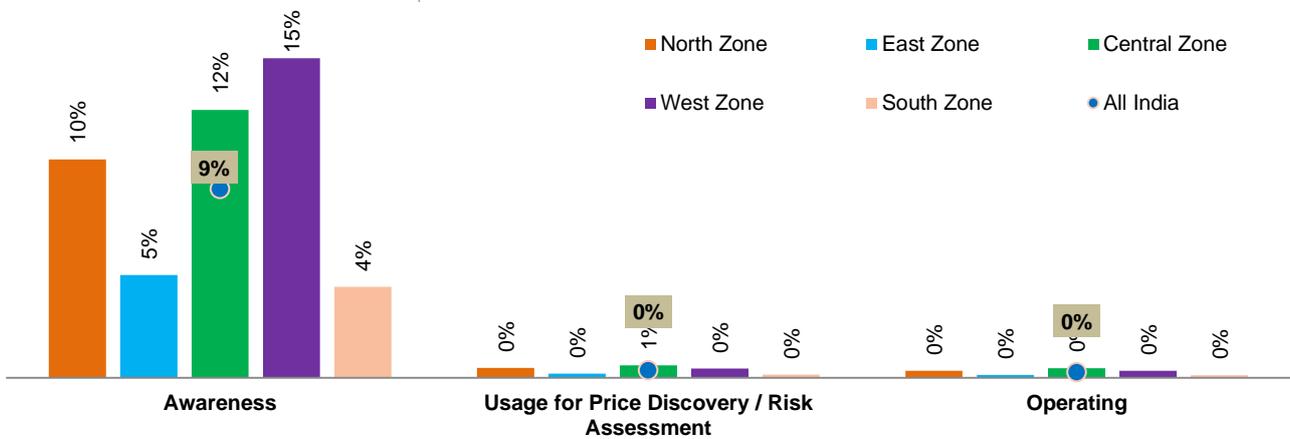
Out of total respondents, around 9% respondents are aware about Bullion Futures and less than 1% respondents have used the knowledge for price discovery / risk management. Very few (less than 1%) respondents are into operation of Bullion Futures.

The profile of the respondents as per the Geographic Mix, Gender and age profile are provided as figure.
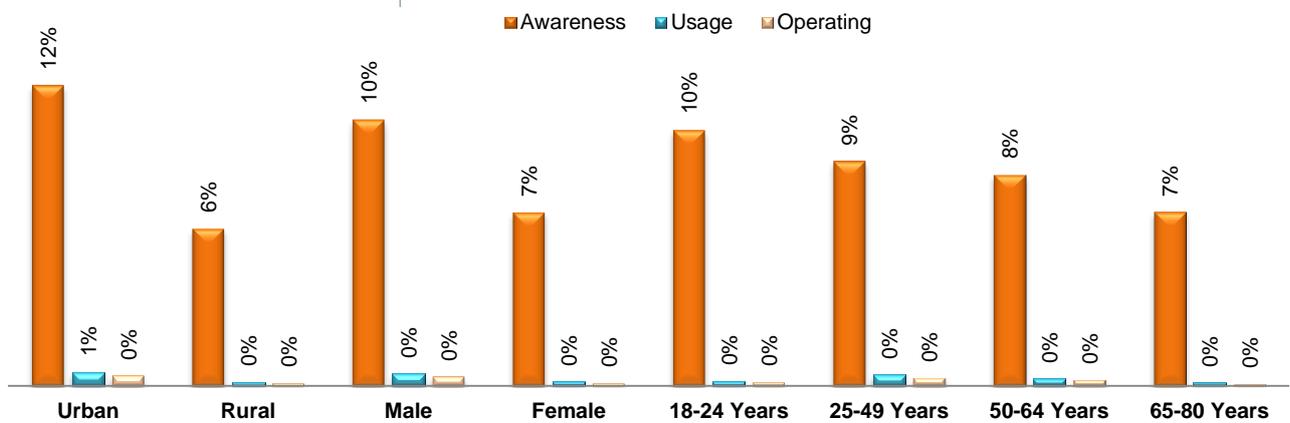
The urban respondents are more aware than rural respondents. In case of gender mix around 10% of male respondents and 7% of female respondents are aware about Bullion Futures.

4.5.3 | Metal Futures

Zone wise survey findings of responses about awareness, usage and operations of Metal Futures in forward market are stated hereunder.

Out of total respondents, around 7% respondents are aware about Metal Futures. Very few (less than 1%) respondents have ever used the knowledge for discovery of price and risk management.

The profile of the respondents as per the Geographic Mix, Gender and age profile are provided as figure.
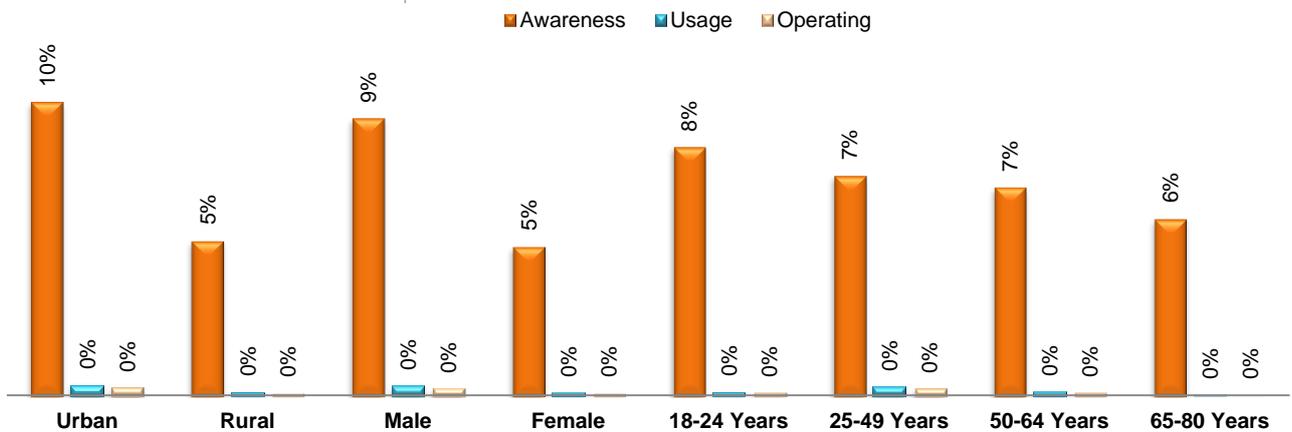
The urban respondents are more aware than rural respondents. In case of gender mix around 9% of male respondents and 5% of female respondents are aware about Metal Futures. The reducing trend is observed about awareness in case of various age groups.

**4.5.4** | **Energy Futures**

Zone wise survey findings of responses about awareness, usage and operations of Energy Futures in forward market are stated hereunder.

Legend: North Zone, East Zone, Central Zone, West Zone, South Zone, All India
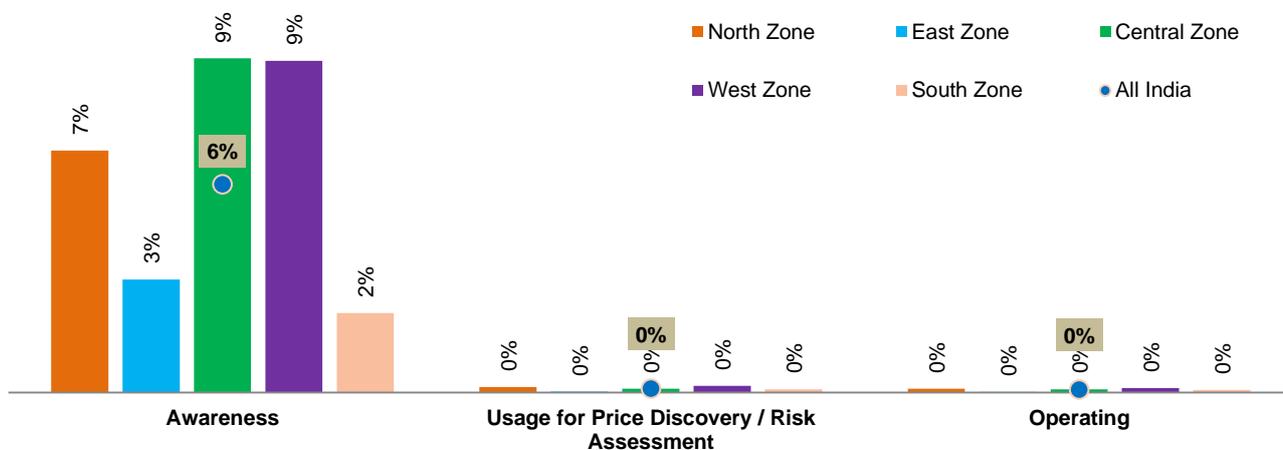
Out of total respondents, around 6% respondents are aware about Energy Futures. Very few respondents have ever used the knowledge for discovery of price and risk management.

The profile of the respondents as per the Geographic Mix, Gender and age profile are provided as figure.

Legend: Awareness, Usage, Operating
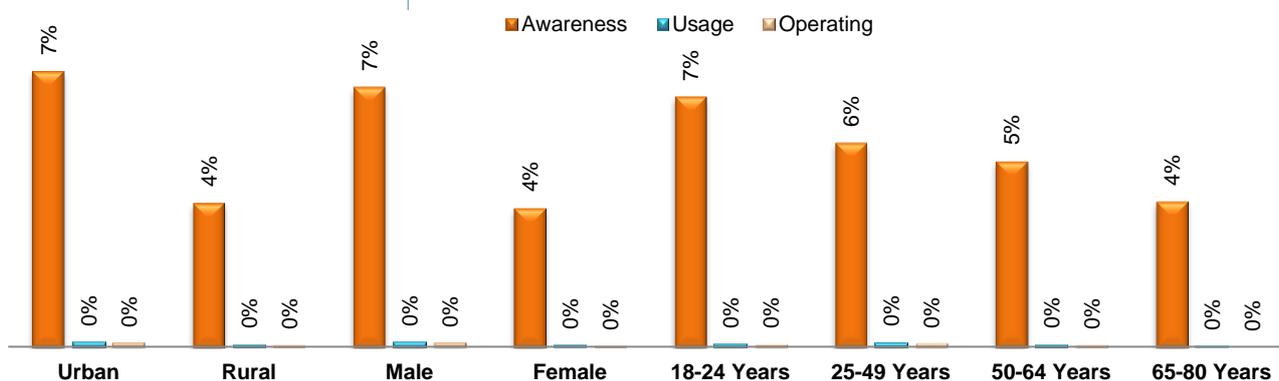
It can be observed from the figure above that urban respondents are more aware than rural respondents. In case of gender mix around 7% of male respondents are aware while 4% of female respondents are aware about Energy Futures.
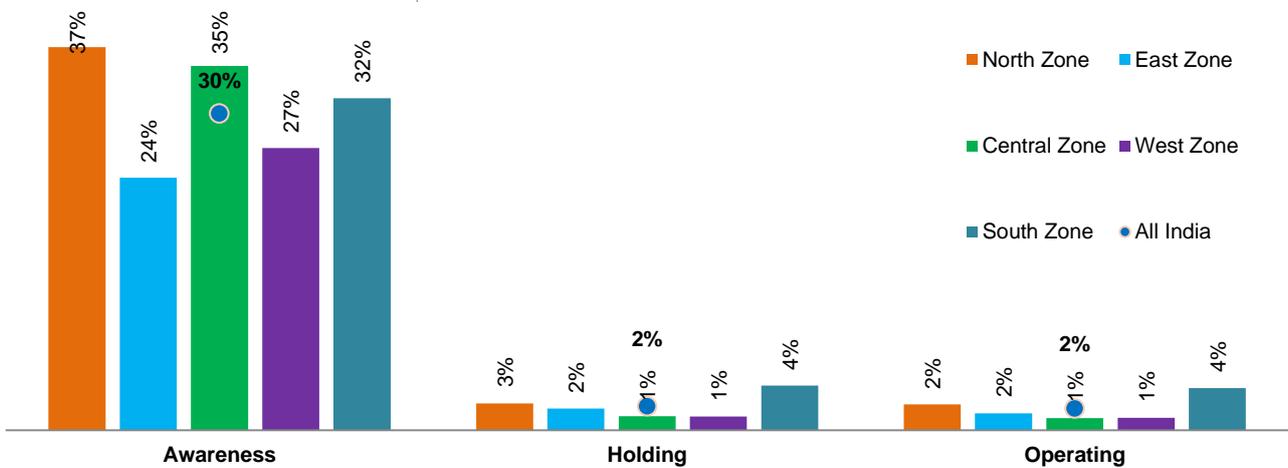
Supported by

4.5.5 | Others

Very few (less than 1%) respondents in India are aware about any other commodity market products.

4.5.6 | Reasons for Not Investing in Commodity Futures Market

Zone wise survey findings of reasons about not investing in Commodity Futures products are stated hereunder.

Legend: ■ North Zone ■ East Zone ■ Central Zone ■ West Zone ■ South Zone ● All India
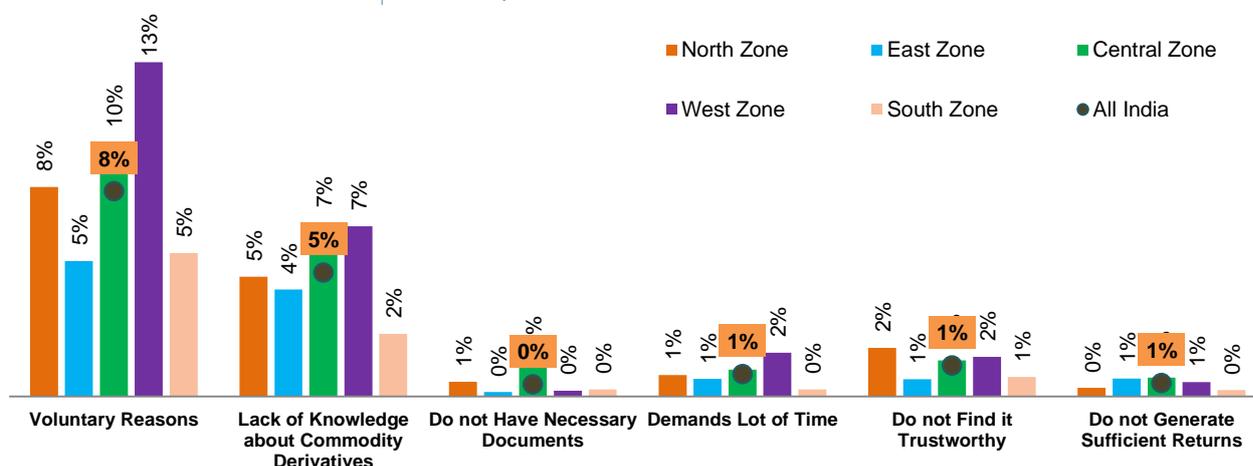
It can be observed from the above figure that about 8% respondents have provided voluntary reasons while 5% have not invested in commodity futures market because of lack of knowledge.

5   Financial Literacy – Score Evaluation

5.1   **Measuring individual components of Financial Literacy**

As described in the sections, the financial literacy is divided into three part viz. financial attitude, financial behaviour and financial knowledge. The total points for measuring financial literacy are decided to be 22.

Points allotted and scoring details to individual components of financial literacy as deliberated and approved by NISM and other stakeholders have been provided hereunder.

5.1.1   **Financial Attitude**

Financial Attitude score is derived based on responses to each statement.

Score Table of Financial Attitude related Questions

Question	Question Type	MIN Score	MAX Score
I tend to live for today and let tomorrow take care of itself.	Scaled Response on 5 Point Likert Scale	1	5
I find it more satisfying to spend money, than to save it for the long term.		1	5
Money is there to be spent.		1	5
Financial Attitude		**1**	**5**

The score of attitude questions would be derived adding together the responses to each of the three questions and then would be divided by total number of questions in Financial Attitude category (i.e. 3). Thus for Financial Attitude the score can have minimum value of 1 and maximum value of 5.

5.1.2   **Financial Behaviour**

The score on behaviour is calculated after merging information of the results of all the behaviour related questions. Since the questions in behavioural segment contain multiple question types (such as Yes/No, Scaled Response on 5 Point Likert Scale and Multiple Choice Questions), scoring for individual questions is question specific. The table below provides question specific scoring in behavioural segment.

Supported by

Score Table of Behaviour Based Questions

	Question	Question Type	Value Towards Final Score	MIN Score	MAX Score
1.	Does Your Household have Budget?	Derived Variable Created out of two questions on "Money Management" of two different question types	• 1 point is awarded, if respondent is personally or jointly responsible for money management and has a budget. • 0 in all other cases.	0	1
2.	Are you responsible for budget				
3.	In the last 12 months have you encountered situation wherein your income does not cover for your living costs?	Derived Variable Created out of two questions on "Borrowings to make ends meet" of two different question type	• 0 is awarded to the respondent if he/she uses credit to make fulfilment of his/her needs. • 1 in all other cases. • (Refusal of encountering such situation would also result in score of 1)	0	1
4.	If Yes, What Did you do to meet your living cost?				
5.	Which of the following statements best describes how did you last chose or evaluated any of the financial products?	Derived Variable Created out of two questions on "Choosing Financial Products" of two different question type	• 0 if respondent have refused to answer, not chosen a product, or not made any attempt to make an informed decision. • 1 point for respondent who had tried to shop around or gather any information. • 2 points for those who had shopped around and availed products.	0	2
6.	Which Source of Information most influenced your decision in selecting financial products?				
7.	In the last 12 months have you been personally saving the money in any of the following ways?	Multiple Choice Question	• 1 point is awarded, if savings is done into activity which provides return. 0 in all other cases	0	1
8.	I set long term financial goals and strive to achieve them.	Scaled Response on 5 Point Likert Scale	• 1 point is awarded for respondents who choose Strongly Agree or Agree. • 0 is awarded in all other cases.	0	1
9.	I keep a close personal watch on my financial affairs.	Scaled Response on 5 Point Likert Scale	• 1 point is awarded for respondents who choose Strongly Agree or Agree. • 0 is awarded in all other cases.	0	1
10.	I pay my bills on time	Scaled Response on 5 Point Likert Scale	• 1 point is awarded for respondents who choose Strongly Agree or Agree. • 0 is awarded in all other cases.	0	1
11.	I only buy things which I can afford	Scaled Response on 5 Point Likert Scale	• 1 point is awarded for respondents who choose Strongly Agree or Agree. • 0 is awarded in all other cases.	0	1
Financial Behaviour				**0**	**9**

The minimum value of behavioural questions score would be 0 and maximum value of 9.

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5.1.3 | Financial Knowledge

The score on financial knowledge is computed by simply calculating the correct answer. The table below provides question specific scoring in knowledge segment.

Score Table of Knowledge Based Questions

	Question	Question Type	Value Towards Final Score	MIN Score	MAX Score
1.	Imagine a father leaves behind INR 100,000 for his 2 children. If the 2 children have to share the money equally how much does each child get? (Division)	Multiple Choice Questions	• 1 point for correct answer. • 0 in all other cases.	0	1
2.	In continuation to above question, now imagine that the children have to wait for one year to get their share of the INR 50,000 and inflation stays at 5 percent. In one year's time will they be able to buy fewer things than they can do it today? (Time Value of Money)	Multiple Choice	• 1 point for correct answer. • 0 in all other cases.	0	1
3.	You lend INR 50,000 to your brother one evening and he gives you INR 50,000 back the next day. Did he pay any interest on this loan? (Interest paid on Loan)	Multiple Choice	• 1 point for correct answer. • 0 in all other cases.	0	1
4.	Suppose you put INR 1000 into a deposit account with a guaranteed simple interest rate of 10% per year. You don't make any further payments into this account and you don't withdraw any money. How much would there be in the account at the end of the first year, including interest? (Simple Interest)	Multiple Choice	• 1 point for correct answer. • 0 in all other cases.	0	1
5.	Suppose you put INR 1000 into a deposit account with a guaranteed compound interest rate of 10% per year. You don't make any further payments into this account and you don't withdraw any money. How much would there be in the account at the end of the fifth year, including interest? (Compound Interest)	Multiple Choice	• 1 point for correct answer. • 0 in all other cases.	0	1
6.	An investment with a high return is likely to be of high risk. (Risk – return relationship)	True / False	• 1 point for respondents who answer "True". • 0 in all other cases.	0	1
7.	It is better to invest your money in more than 1 Financial Product for safety. (Diversification)	True / False	• 1 point for respondents who answer "True". • 0 in all other cases	0	1
8.	High inflation means that the cost of living increases	True / False	• 1 point for respondents who answer "True". • 0 in all other cases	0	1
Financial Behaviour				**0**	**8**

Thus, for Financial Knowledge the score can have minimum value of 0 and maximum value of 8.

5.1.4 Financial literacy score summary

Component wise total financial literacy score can be summarised as below:

Component wise Score Table of Financial Literacy

Question	MIN Score	MAX Score
Financial Attitude	1	5
Financial Behaviour	0	9
Financial Knowledge	0	8
Financial Attitude	**1**	**22**

5.2 Measuring Financial Literacy

Since Financial Literacy is a combination of knowledge, attitude and behaviour, it would only be prudent to derive/evaluate Financial Literacy by combining all the three components. In order to assess overall levels of financial literacy, the aggregate individual scores of components are done. Thus, the score can have minimum value of 1 and maximum value of 22. Since the scores on three components have different maximum values, the combined score is implicitly weighted.

Further to derive the financial literacy level as percentage of total population, OECD proposes a cut off 15 marks out of maximum aggregated value. The respondent who scores less than 15 would be considered financial illiterate. The respondent who scores more than 15 points on aggregate basis would be technically considered financially literate. However, we can further segregate financial literate segment into two categories – moderately literate and highly literate. The respondent who scores more than 15 points on aggregated basis but scores less or equal to 20 points on aggregated basis would be considered moderately literate. The respondent who scores more than 20 points on aggregated basis would be considered highly literate.

5.3 | Financial Literacy – India

Category and component wise financial literacy score computed from the survey findings has been tabulated as:

Financial Literacy Score – India

Category	Financial Attitude (>=3 Points)	Financial Behaviour (>=6 Points)	Financial Knowledge (>=6 Points)	Financial Literacy (>=15 Points)	Moderately Literate5 (>=15 and <=20 Points)	Highly Literate (>20 Points)
INDIA	**67%**	**57%**	**39%**	**20%**	**18%**	**1.61%**
Maximum Score	5 Points	9 Points	8 Points	**22 Points**	22 Points	22 Points
LOCATION-WISE						
Urban	64%	65%	46%	25%	23%	2%
Rural	69%	50%	31%	15%	14%	1%
GENDER-WISE						
MALE	65%	62%	44%	23%	21%	2%
FEMALE	68%	51%	32%	16%	15%	1%
AGE-WISE						
18-24 Years	62%	49%	43%	17%	16%	1%
25-49 Years	68%	61%	39%	21%	20%	2%
50-65 Years	69%	57%	35%	20%	18%	2%
66-80 Years	67%	47%	30%	16%	15%	1%
CATEGORY-WISE						
General	67%	63%	46%	24%	22%	2%
Scheduled Caste (SC)	63%	47%	31%	14%	13%	1%
Scheduled Tribe (ST)	71%	52%	26%	15%	14%	1%
Other Backward Caste (OBC)	65%	51%	35%	17%	16%	1%
EDUCATION-WISE						
Illiterate	64%	30%	13%	4%	4%	0%
Primary (Up to Class V)	69%	45%	24%	11%	11%	0%
Upper Primary (Class VI-VIII)	68%	49%	28%	13%	12%	1%
Secondary (Class IX-X)	69%	57%	37%	19%	18%	1%
Senior Secondary (Class XI-XII)	67%	59%	43%	21%	20%	1%
Diploma	64%	70%	52%	29%	27%	3%
Graduate & Above	65%	77%	61%	35%	31%	4%

5 Cumulative score considered without segregation of individual components.

Category	Financial Attitude (>=3 Points)	Financial Behaviour (>=6 Points)	Financial Knowledge (>=6 Points)	Financial Literacy (>=15 Points)	Moderately Literate5 (>=15 and <=20 Points)	Highly Literate (>20 Points)
INDIA	**67%**	**57%**	**39%**	**20%**	**18%**	**1.61%**
INCOME-WISE (PER ANNUM)						
No Income	66%	46%	33%	14%	14%	1%
< INR 10,000	65%	48%	24%	12%	12%	0%
INR 10,0001-50,000	64%	56%	32%	16%	15%	1%
INR 50,001-200,000	70%	68%	47%	27%	25%	2%
INR 200,001-500,000	67%	83%	60%	38%	31%	6%
> INR 500,001	67%	88%	71%	47%	37%	11%
OCCUPATION-WISE						
Self Employed (Agriculture)	69%	54%	28%	14%	13%	1%
Agriculture Labourer	60%	40%	23%	10%	10%	0%
Self Employed (Non-Agriculture)	71%	67%	48%	28%	26%	3%
Casual Labourer	64%	45%	27%	11%	11%	0%
Salaried (Private)	64%	75%	50%	29%	26%	3%
Salaried (Government)	70%	85%	53%	36%	31%	5%
Student	60%	49%	48%	17%	17%	1%
Housewife/Homemaker	69%	44%	27%	13%	12%	1%
Retired Person	65%	62%	44%	25%	22%	3%
Others	65%	45%	36%	16%	16%	0%

- 25% urban and 15% rural respondents are found financially literate.
- 18% male respondents are financially literate which is 1.5 times of female literate respondents.
- The 25-49 age group are the most financial literate in the age category.
- The general class category leads in the financially literacy among all classes.
- Higher the education and income higher is the financial literacy.
- Government employees are leading in financial literacy followed by private employees, self-employed (non-agri.), retired persons and students.

Socio-Economic category wise details of Financial Literacy have been described hereunder.

Supported by

5.3.1 | Geographic Mix & Financial Literacy

Geographical mix and level of financial literacy has been depicted as graph below.
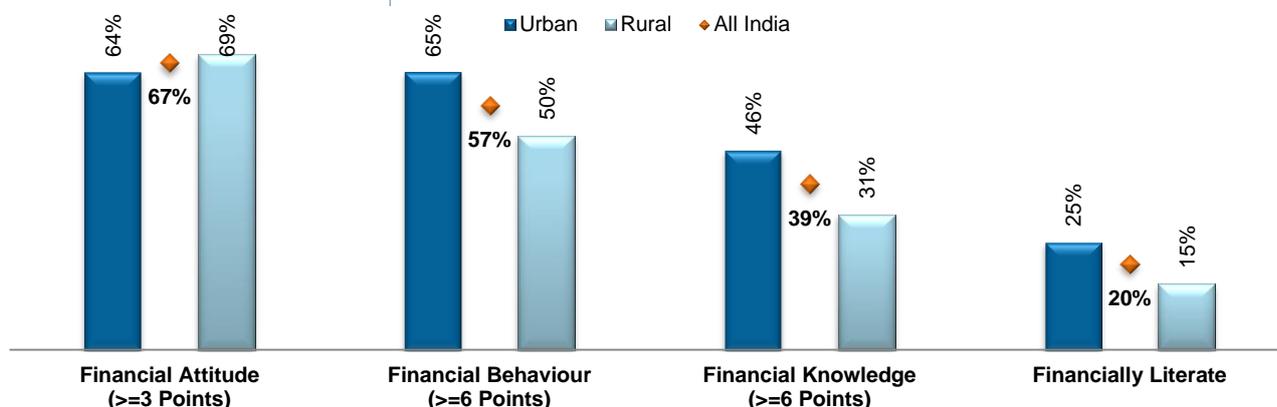
It is observed that rural respondents are leading in case of financial attitude while in the cases of financial behaviour and knowledge more urban respondents have achieved minimum required scores than rural respondents. The same has been reflected in overall category wise ratio of financial literacy.

5.3.2 | Gender Mix & Financial Literacy

Financial literacy within different gender groups (Male and Female) has been depicted as graph below.
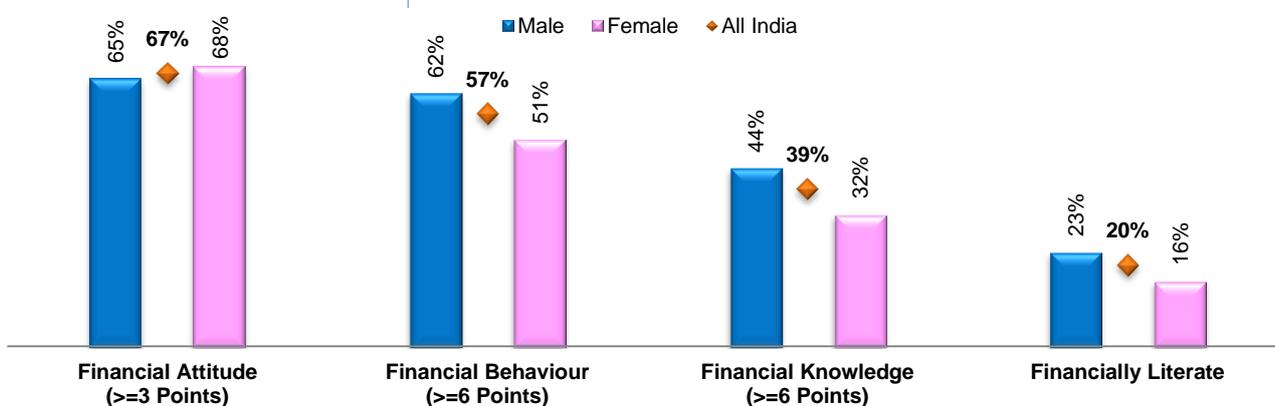
It can be seen from the above graph that around 2/3rd respondents from either male or female have similar financial attitude. However in case of financial behaviour and knowledge higher number of male respondents have achieved minimum required score than female respondents.

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Around 23% male respondents are found financially literate while around 16% female respondents are found financially literate.

5.3.3 Age Group & Financial Literacy

Component wise responses from various age groups are depicted as graph below.
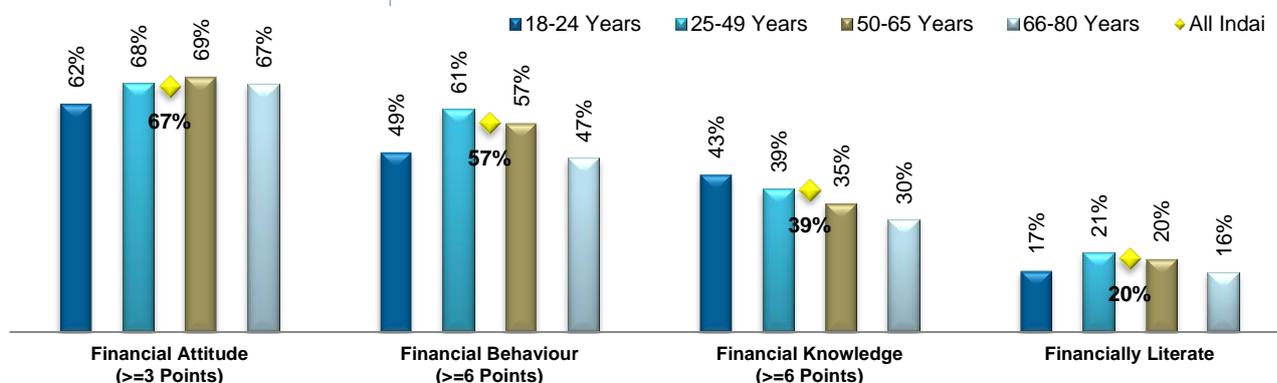
It can be observed from the above graph that around 67% respondents from all age group have scored more than 3 points in case of Financial Attitude. Age group of 25-49 are leading in financial literacy when compared to other age groups.

5.3.4 Social Category & Financial Literacy

Financial literacy in various social categories has been shown as graph hereunder.
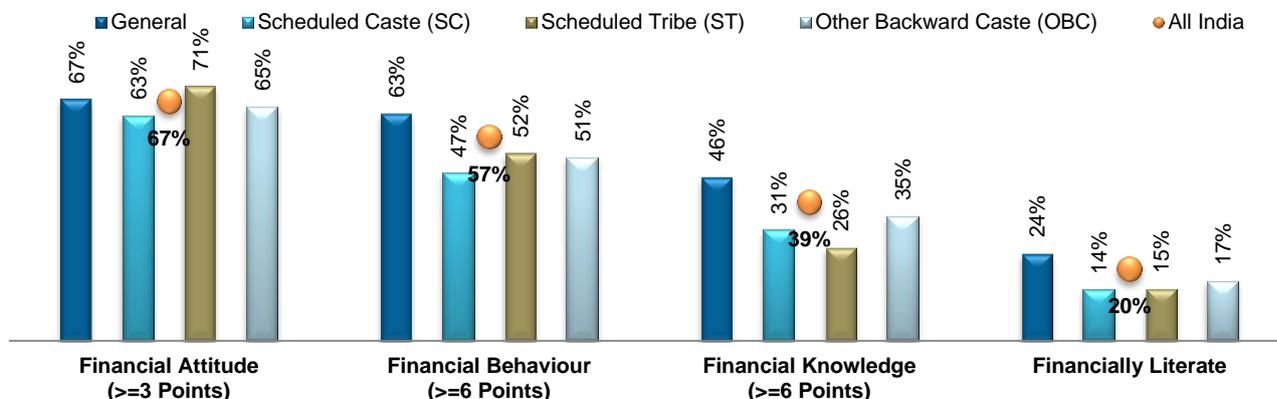
It can be observed from the above graph that General category respondents are leading in case of financial literacy. Financial literacy among other category respondents is between 14-17%.

Supported by

5.3.5 | Education & Financial Literacy

The relationship with educational level and financial literacy has been given as graph hereunder.

Legend:
- ■ Illiterate
- ■ Primary (Up to Class V)
- ■ Upper Primary (Class VI-VIII)
- ■ Secondary (Class IX-X)
- ■ Senior Secondary (Class XI-XII)
- ■ Diploma
- ■ Graduate & Above
- ● West Zone
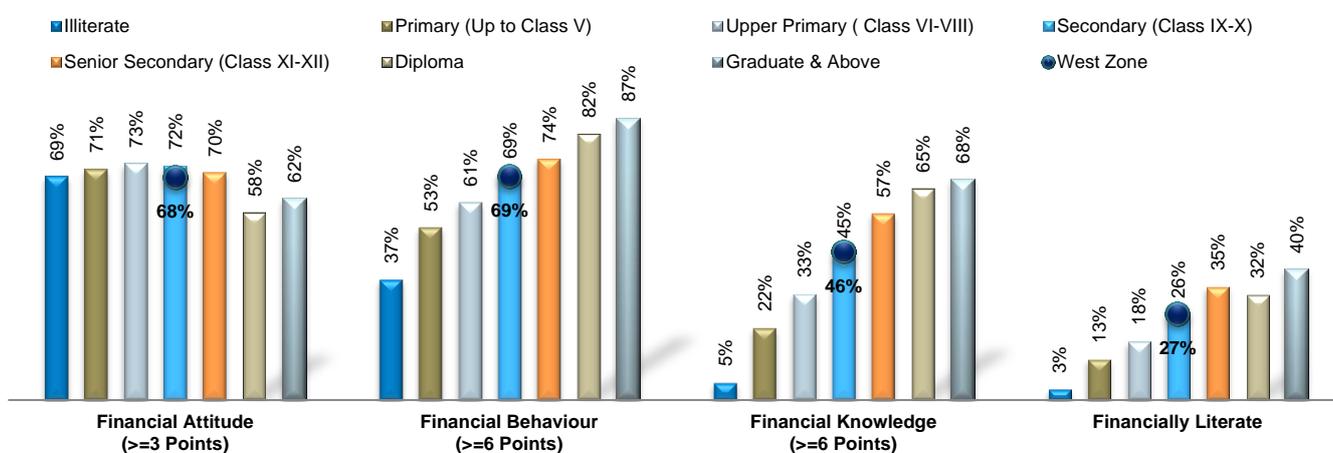
The direct relationship is observed between education and financial literacy.

5.3.6 | Personal Income & Financial Literacy

The relationship between income level and financial literacy has been given as graph below.

Legend:
- ■ No Income
- ■ < INR 10 K
- ■ INR 10-50 K
- ■ INR 50-200 K
- ■ INR 200-500K
- ■ > INR 500 K
- ◆ All India
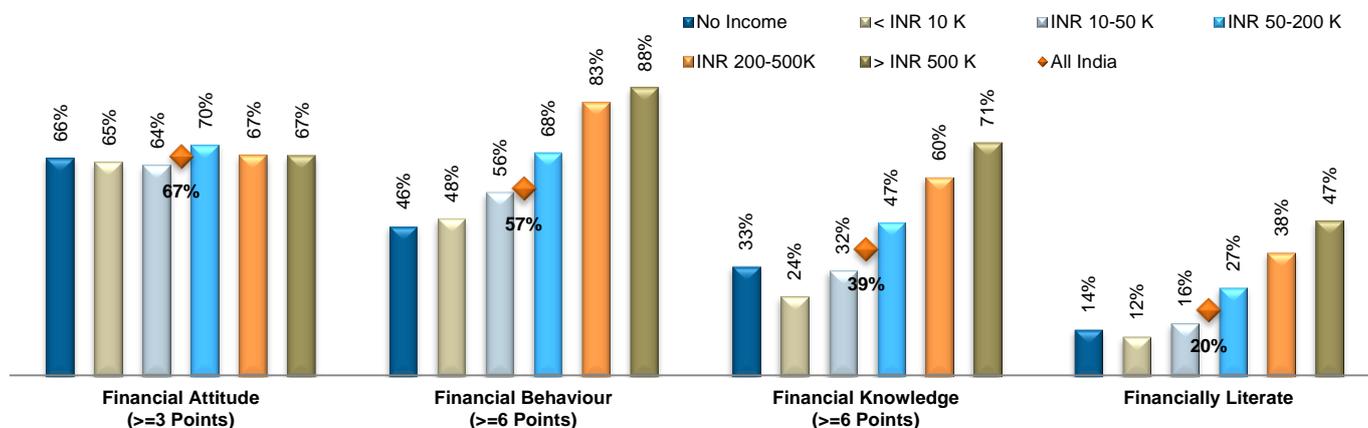
It can be observed from the above graph that with increase in income level there is increase in financial literacy.

Supported by

5.3.7 | Occupation & Financial Literacy

The relationship between occupation and financial literacy has been depicted as graph below.

■ Self Employed (Agriculture)   ■ Agriculture Labourer   ■ Self Employed (Non-Agriculture)   ■ Casual Labourer
■ Salaried (Private)   ■ Salaried (Government)   ■ Student   ■ Housewife/Homemaker
■ Retired Person   ■ Others   ◆ All India
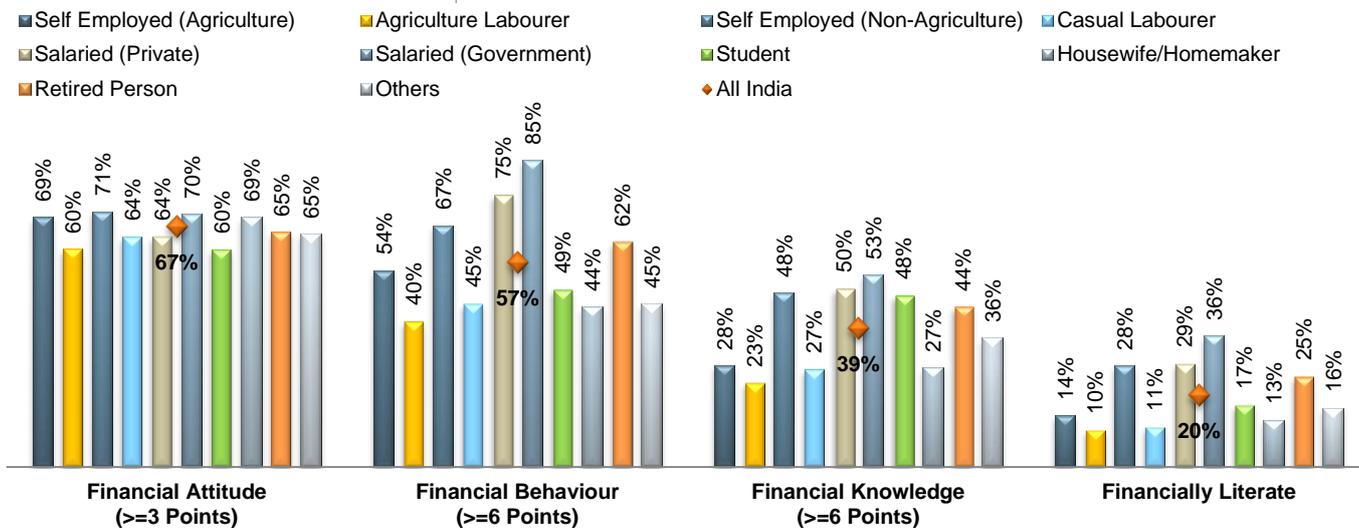
It is observed from the above graph that more than 25% respondents from each category of self-employed, salaried or retired are financially literate. Lowest financial literacy is observed in case of casual labourers, housewife / homemaker and agricultural labourers.

6   Financial Inclusion – Score Evaluation

6.1 | **Measuring individual components of Financial Inclusion**

Points allotted to individual component of financial inclusion as deliberated and approved by NISM and other stakeholders, the scoring details have been provided hereunder.

As described earlier financial inclusion comprise banking and savings related products, insurance products, pension products and investment products. Total points for measuring financial inclusion are decided to be 22. The break-up of the same within various components is provided hereunder.

Score Table – Financial Inclusion

CATEGORY	FINANCIAL PRODUCTS / SERVICES	SCORING	MIN Points	MAX Points
SAVINGS RELATED BANKING PRODUCTS	Saving Bank Account / No Frill Account (either with Commercial or Cooperative Bank) Recurring Deposit Fixed Deposit	• 0 Point if Person has not availed any of the product for reasons whatsoever • 2 Points if Person has availed at least one product but has not made any transactions related to the product in last 2 Years • 3 Points if Person has availed at least one product and has made any transactions related to the product in 2 Years	0	3
BANKING RELATED SERVICES	Remittance	• 0 Point if Person has not availed remittance facility for reasons whatsoever • 2 Points if Person has availed remittance facility	0	2
CREDIT RELATED BANKING PRODUCTS	Overdraft Facility Kisan Credit Card General Credit Card Any other Bank Loans	• 0 Point if person has not availed any of the product for reasons whatsoever • 2 Points if Person has availed at least one product but has not made any transactions related to the product in last 2 Years • 3 Points if Person has availed at least one product and has made any transactions related to the product in 2 Years	0	3
OTHERS SAVINGS RELATED PRODUCTS	Public Provident Fund Post Office Savings Scheme National Savings Certificate/ Kisan Vikas Patra	• 0 if Person is not aware about all the products • 1 Points if Person has availed at least one product but has not made any transactions related to the product in last 2 Years • 2 Points if Person has availed at least one product and has made any transactions related to the product in 2 Years	0	2
INSURANCE	Life Insurance Motor Insurance Health Insurance	• 0 if person is not aware about all the products OR aware about some or all the products, but the reason for exclusion in involuntary • 1 Point if person has not even availed one of	0	3

CATEGORY	FINANCIAL PRODUCTS / SERVICES	SCORING	MIN Points	MAX Points
	Home Insurance Crop Insurance Cattle/Livestock Insurance Any other General Insurance	the product and reason of exclusion is voluntary • 2 Points if Person hold at least one product type • 3 Points if Person hold more than one valid product type and has made transactions related to the products in last two years		
CAPITAL MARKETS	Shares/Stocks Initial public offering (IPO) Bonds/Debentures Mutual Fund	• 0 if person is not aware about all the products OR aware about some or all the products, but the reason for exclusion in involuntary • 1 Point if person has not even availed one of the product and reason of exclusion is voluntary • 2 Points if Person has availed one or more than one product but has not made any transactions related to the product in last 2 Years • 3 Points if Person has availed one or more than one product and has made any transactions related to the product in 2 Years	0	3
PENSION RELATED PRODUCTS	Employee Provident Fund National Pension Scheme (NPS) Family/ Employee Pension Scheme	• 0 if person is not aware about all the products OR aware about some or all the products, but the reason for exclusion in involuntary • 1 Point if person has not even availed one of the product and reason of exclusion is voluntary • 2 Points if Person has availed one or more than one product but has not made any transactions related to the product in last 2 Years • 3 Points if Person has availed one or more than one product and has made any transactions related to the product in 2 Years	0	3
COMMODITY FUTURES MARKET	Agri Futures Bullion Futures Metal Futures Energy Futures Others	• 0 if Person is not aware about all the products OR aware about some or all the products, but the reason for exclusion in involuntary • 1 if Person is aware of at least one product ,but the reason for exclusion is voluntary • 2 Point if Person has not availed any of the products but has used the knowledge of Commodity derivatives for price discovery/ risk management • 3 Points if Person has availed at least one product and made any transaction related to the products	0	3
Financial Inclusion			**0**	**22**

The categorization of commonly stated reasons of non-access into voluntary and involuntary for various types of financial products is tabulated below:

Voluntary & Involuntary Reasons of Exclusion

Product/Services	Voluntary Reasons	Involuntary Reasons
Insurance Sector	▪ Covered In Someone Else's Policy ▪ Religious Reason	▪ Lack of Knowledge about Insurance ▪ Do not Have Necessary Documents ▪ Do not Trust Insurance Company ▪ Insurance are Costly ▪ I am Healthy Physically/Financially ▪ Do not Have Access to Insurance Companies ▪ Confused about Choices ▪ No Need Felt
Capital Markets	▪ Religious reason ▪ Not Required/No Need Felt	▪ Lack of knowledge about Stock Market ▪ Not enough earning/money ▪ Complicated & difficult procedure ▪ Demands Lot of Time ▪ Do not find it trustworthy ▪ Do not generate sufficient returns ▪ Fear of losing money ▪ Lack of ethics in market place
Pension Products	▪ Have invested in other financial Products ▪ Religious Reason	▪ I am too young to think about retirement ▪ Not Enough Earning/Money ▪ Children would support ▪ Product and Services are not available ▪ Not Required/No Need Felt
Commodity Derivatives	▪ Not Enough Earning/Money ▪ Religious Reason ▪ Not Required/No Need Felt	▪ Lack of Knowledge about Commodity Derivatives ▪ Do not Have Necessary Documents ▪ Demands Lot of Time ▪ Do not Find it Trustworthy ▪ Do not Generate Sufficient Returns

6.2 Calculating Financial Inclusion

The overall score is implicitly weighed towards banking and savings related products which are considered as the key component among the overall financial products and services from the perspective of financial inclusion. Further to categorize respondent as financially included or excluded, following criteria should be fulfilled:

▪ Minimum Score of 8 out of 22
▪ Minimum Score of 2 i.e. Respondent should currently hold at least one saving's related banking product
  – Saving Bank Account / No Frill Account (either with Commercial or Cooperative Bank) OR
  – Recurring Deposit OR
  – Fixed Deposit

- ■ Minimum Score of 6 from non-banking products & Services (i.e. 6 Out of 14)
  - – Other Savings related Products (PPF, Post Office Savings Scheme, NSC / KVP)
  - – Insurance Products
  - – Capital Market Products
  - – Pension related Products
  - – Commodity Futures Products

Within the category of the population which is financially included, further segregation could be made based on their level of involvement. Individual with score of 8-15 points could be termed as Moderately Included while person with score of 15+ could be termed as Highly Included. For the person to be considered as banking included, he/she should currently hold at least one savings related banking product. However for individual products other than banking products, if the respondent is able to score 2 marks out of 3, then the respondent is considered included from the perspective of that product.

6.3 | Financial Inclusion – India

Financial Inclusion Score – India

Category	Savings related Banking Products6 (>=2 Points)	Non-Banking Products & Services7 (>=6 Points)	Financially Included (>=8 Points)	FI in Non – Banking Products & Services independently				
				Other Savings Related Products (>=2 Points)	Insurance Related Products (>=2 Points)	Capital Market (>=2 Points)	Pension Related Products (>=2 Points)	Commodity Related Products (>=2 Points)
INDIA	**72%**	**11%**	**11%**	**10%**	**42.9%**	**3.6%**	**11.9%**	**0.8%**
LOCATION-WISE								
Urban	77%	15%	15%	12%	50.7%	5.8%	15.5%	1.1%
Rural	67%	6%	6%	8%	35.7%	1.6%	8.6%	0.6%
GENDER-WISE								
MALE	78%	14%	14%	11%	49.5%	4.9%	15.5%	1.1%
FEMALE	64%	6%	6%	8%	34.3%	1.9%	7.3%	0.4%
AGE-WISE								
18-24 Years	65%	5%	5%	5%	35.7%	1.8%	5.1%	0.5%
25-49 Years	75%	12%	12%	11%	47.0%	4.1%	13.3%	1.0%
50-65 Years	73%	13%	13%	12%	42.1%	3.9%	15.0%	0.7%
66-80 Years	64%	8%	8%	10%	28.3%	3.9%	11.7%	0.3%
CATEGORY-WISE								
General	76%	14%	14%	12%	49.6%	5.3%	13.0%	1.0%
Scheduled Caste (SC)	64%	7%	7%	8%	35.0%	1.9%	9.1%	0.6%
Scheduled Tribe (ST)	66%	7%	7%	6%	25.9%	1.2%	15.0%	0.8%
Other Backward Caste (OBC)	70%	8%	8%	8%	41.8%	2.2%	9.4%	0.5%
EDUCATION-WISE								
Illiterate	44%	1%	1%	3%	17.6%	0.3%	2.6%	0.2%
Primary (Up to Class V)	60%	3%	3%	5%	27.4%	0.6%	4.9%	0.2%
Upper Primary (Class VI-VIII)	65%	4%	4%	6%	33.8%	0.9%	6.2%	0.5%
Secondary (Class IX-X)	74%	7%	7%	9%	42.9%	1.9%	9.7%	0.6%
Senior Secondary (Class XI-XII)	76%	9%	9%	9%	45.0%	2.4%	10.9%	0.8%
Diploma	85%	22%	22%	16%	58.6%	7.7%	21.6%	1.3%
Graduate & Above	89%	25%	25%	17%	64.4%	9.8%	24.2%	1.6%

6 Savings related banking products include Savings Bank Account, Recurring Deposit and Fixed Deposit.

7 Non-Banking Products and services include Public Provident Fund, Post Office Savings Account, NSC / KVP, Insurance Products, Capital Market Products, Pension related Products and Commodity Futures Products.

| Category | Savings related Banking Products6 (>=2 Points) | Non-Banking Products & Services7 (>=6 Points) | Financially Included (>=8 Points) | FI in Non – Banking Products & Services independently | | | | |
				Other Savings Related Products (>=2 Points)	Insurance Related Products (>=2 Points)	Capital Market (>=2 Points)	Pension Related Products (>=2 Points)	Commodity Related Products (>=2 Points)
INDIA	**72%**	**11%**	**11%**	**10%**	**42.9%**	**3.6%**	**11.9%**	**0.8%**
INCOME-WISE (PER ANNUM)								
No Income	61%	2%	2%	6%	31.7%	1.0%	0.9%	0.2%
< INR 10,000	62%	5%	5%	5%	27.8%	1.0%	6.7%	0.4%
INR 10,0001-50,000	72%	8%	8%	8%	38.2%	2.5%	11.6%	0.7%
INR 50,001-200,000	84%	16%	16%	12%	56.2%	4.8%	19.0%	1.1%
INR 200,001-500,000	93%	40%	40%	23%	73.4%	12.5%	42.3%	2.7%
> INR 500,000	95%	53%	53%	35%	81.2%	27.0%	46.1%	4.4%
OCCUPATION-WISE								
Self Employed (Agriculture)	71%	4%	4%	7%	40.2%	1.9%	1.8%	1.2%
Agriculture Labourer	54%	1%	1%	5%	25.0%	0.6%	1.3%	0.4%
Self Employed (Non-Agriculture)	82%	8%	8%	12%	56.2%	6.2%	1.4%	1.5%
Casual Labourer	61%	2%	2%	5%	31.8%	0.9%	1.2%	0.3%
Salaried (Private)	89%	28%	28%	15%	59.6%	7.4%	32.0%	1.4%
Salaried (Government)	100%	57%	57%	27%	71.9%	9.5%	100.0%	2.2%
Student	68%	2%	2%	4%	36.0%	1.4%	0.4%	0.4%
Housewife/Homemaker	58%	3%	3%	7%	30.1%	1.1%	1.1%	0.2%
Retired Person	79%	16%	16%	15%	40.6%	6.6%	21.8%	0.4%
Others	63%	3%	3%	5%	33.8%	1.3%	1.9%	0.6%

- The Urban respondents are more financially included than rural respondents.
- Male respondents are more financially included than female respondents.
- The 50-65 age groups are leading in financial inclusion and are followed by 25-49 age groups.
- General category respondents have shown higher financial inclusion vis-à-vis OBC, ST and SC.
- Higher the income level higher is the financial inclusion.
- 57% respondents in the govt. employee category are found financially included.

6.4   **Socio-Economic categories & Financial Inclusion**

The survey findings about financial inclusion under various socio-economic categories that have been able to fulfil minimum criterion has been depicted as graph hereunder.
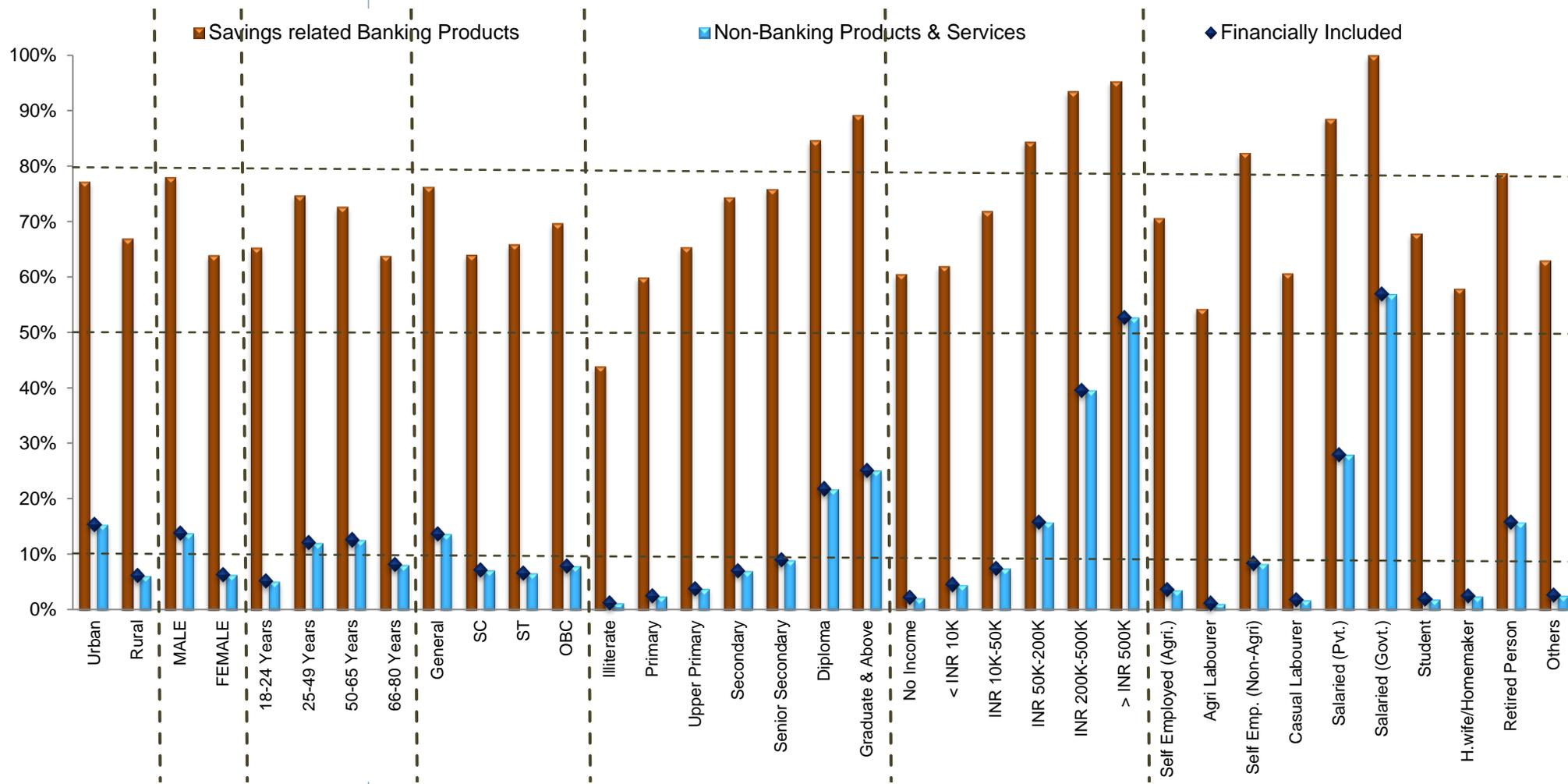
6.5   Socio – Economic Categories and FI in Non-banking Products Independently

1. **Other Savings related Products**
2. **Insurance products**
3. **Capital Market products**
4. **Pension related products**
5. Commodity products

The survey findings and analysis on inclusion of respondents in various Non-banking products independently is graphically shown below. The same has been evaluated by considering awareness and holding at least one of the products.

6.5.1   Other Savings related Products
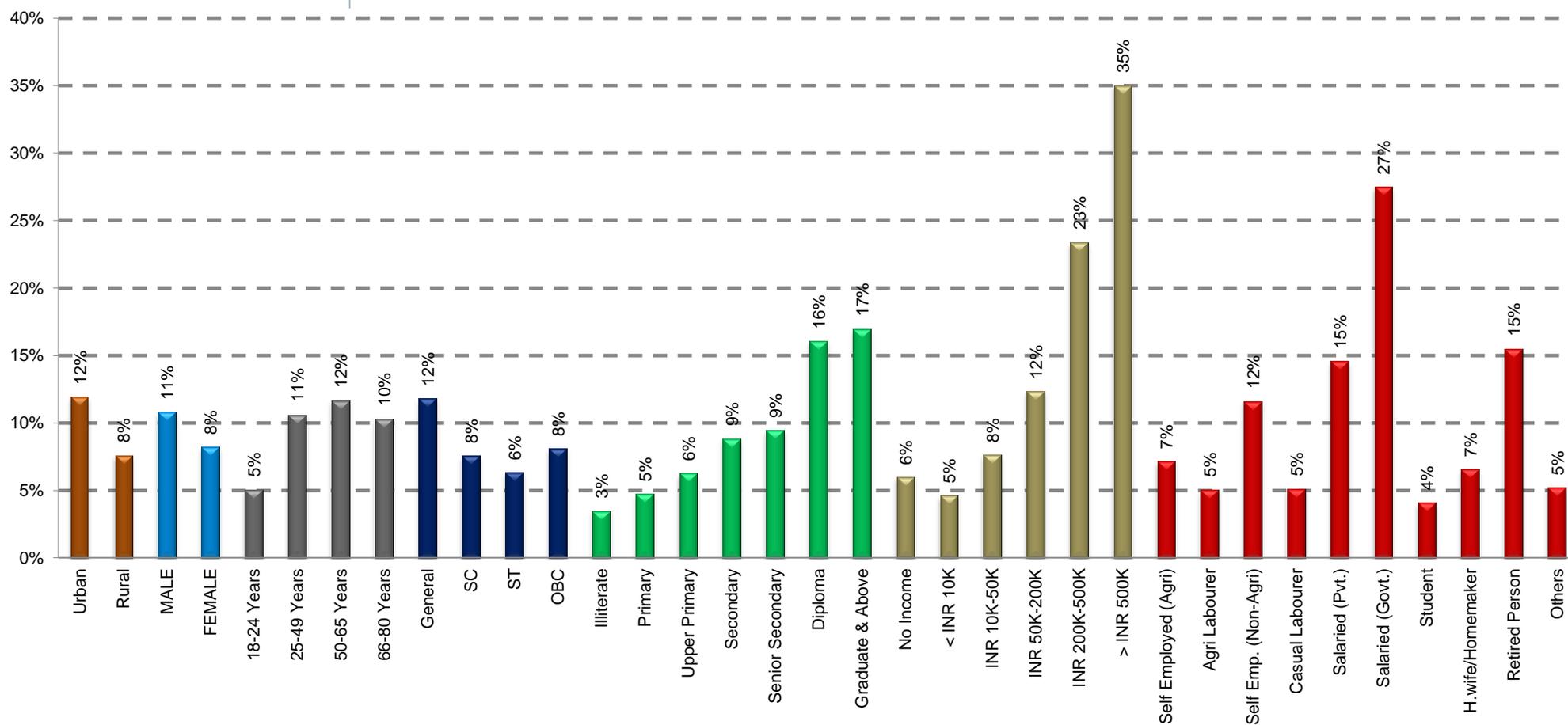
6.5.2 | **Insurance and Pension related Products**
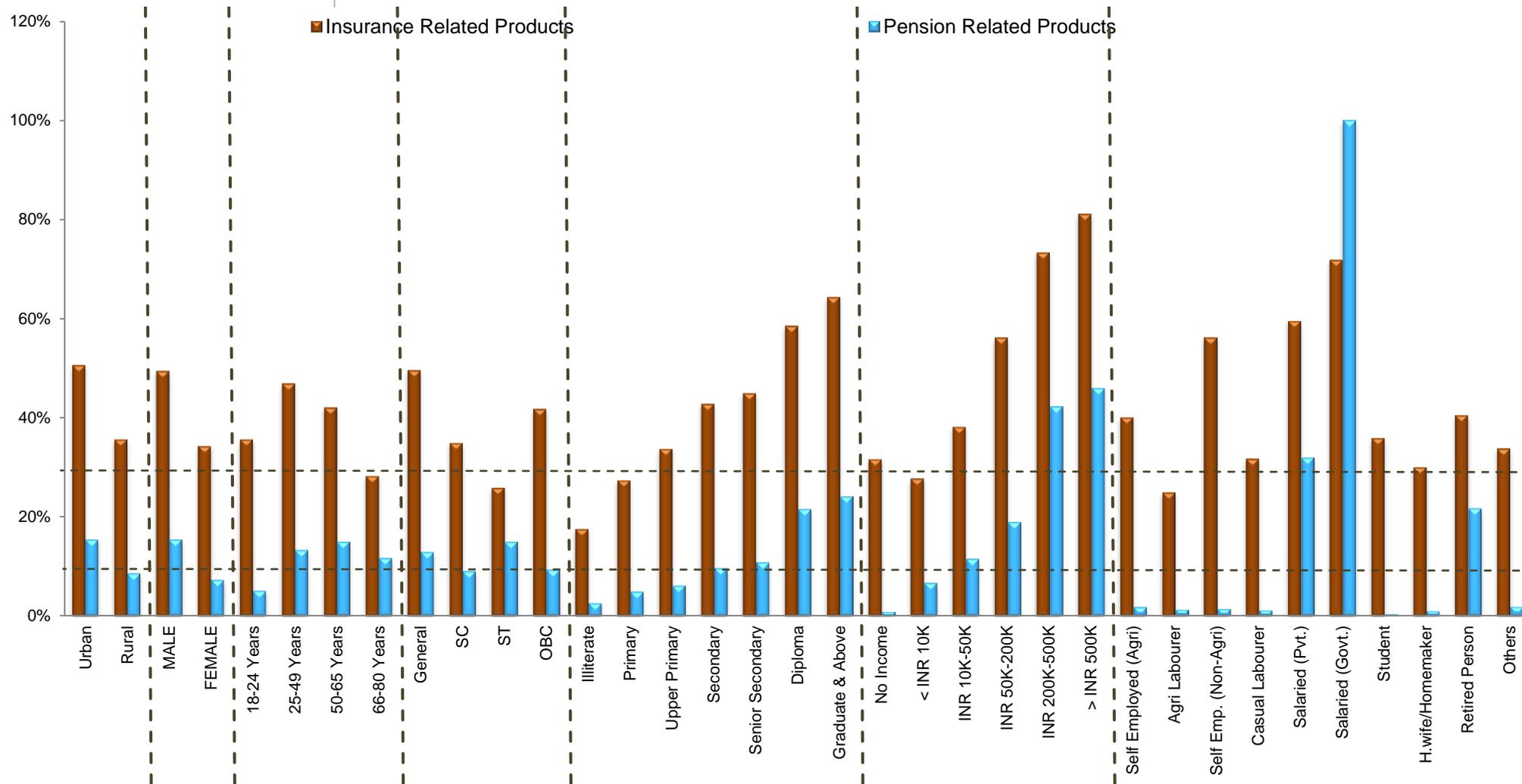
6.5.3 Capital Market and Commodity related Products
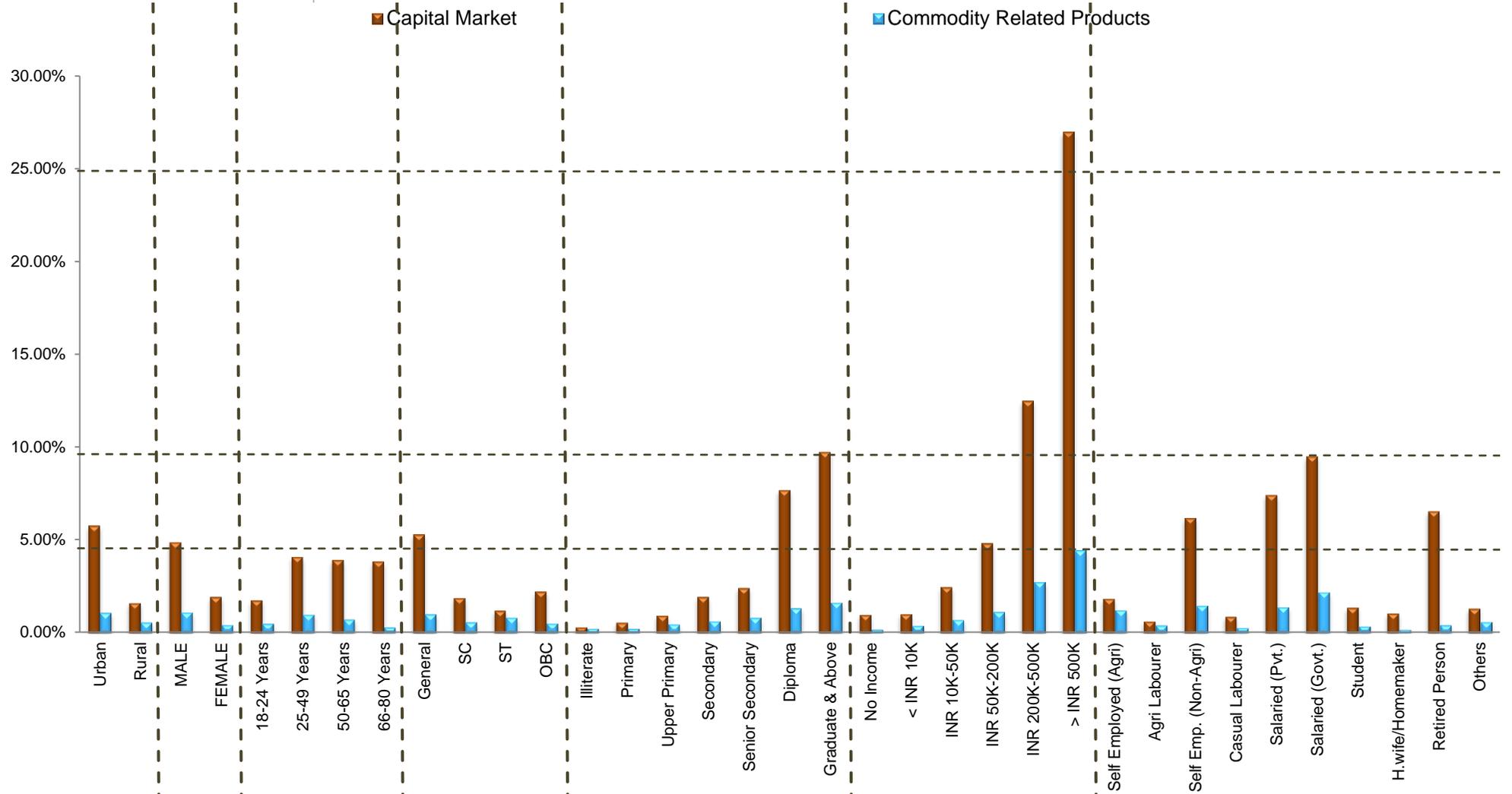
Appendices

Appendix A. Questionnaire Framing

Based on methodology described and various deliberations with stakeholders the questionnaire was framed in following manner.

Sr.	Question	Category	Question Type	Option Selection
1	Age of Respondent:	Socio-Economic Variable	-	18-24 Yrs. 25-49 Yrs. 50-64 Yrs. 65-80 Yrs.
2	Gender of Respondent	Socio-Economic Variable	-	Male Female
3	Category of Respondent	Socio-Economic Variable	-	General Schedule Caste (SC) Schedule Tribe (ST) Other Backward Class (OBC)
4(A)	Household Structure of Respondent (Guests should not be considered as criteria for joint family)	Socio-Economic Variable	-	Nuclear Family Nuclear Family with Elders Joint Family Single Persons/Siblings Others
4(B)	Any Person with Disability in your household?	Socio-Economic Variable	-	Yes No
5	Education of Respondent	Socio-Economic Variable	-	Illiterate Primary (Up to Class V) Upper Primary (Class VI-VIII) Secondary (Class IX to X) Senior Secondary (Class XI-XII) Diploma Graduate and Above
6	Working Status of Respondent (Unemployed, Housewives/Homemakers, Students and Retired persons should be considered as Not Working)	Socio-Economic Variable	-	Working (Part Time – working 4 Hrs or less per Day) Working (Full Time – working more than 4 Hrs./Day) Not Working
7	Occupation of the Respondent	Socio-Economic Variable	-	Self Employed (Agriculture) Agricultural Labourer Self Employed (Non-Agriculture) Casual Labour Salaried (Private) Salaried (Govt.) Student Housewife/ Homemaker Retired Person Others _____
8	Annual Income of Respondent	Socio-Economic	-	< INR 10000

Sr.	Question	Category	Question Type	Option Selection
		Variable		INR 10001-50000
				INR 50001-200000
				INR 200001-500000
				INR 500001-1000000
				> INR 1000000
				No Income
9	Frequency of Income of Respondent	Socio-Economic Variable	-	Daily
				Weekly
				Monthly
				Irregular
				Others
10	Please provide your personal opinion on the statement - I tend to live for today and let tomorrow take care of itself	Financial Attitude	Scaled Response on 5 Point Likert Scale	Strongly Agree
11	Please provide your personal opinion on the statement - I find it more satisfying to spend money, than to save it for the long term	Financial Attitude		Agree
				Neutral
				Disagree
12	Please provide your personal opinion on the statement - Money is there to be spent	Financial Attitude		Strongly Disagree
13	Does your Household have a Budget?	Financial Behaviour	Derived Variable Created out of two questions on "Money Management" of two different question types	Yes
				No
14	Who is responsible for Financial & Money Management in your household?	Financial Behaviour		Yourself
				Yourself & Your Spouse
				Yourself & Other Member
				Another Family Member
				Others_____
15	In the last 12 months have you encountered a situation wherein your income does not cover for your living costs?	Financial Behaviour		Yes
				No
				Not Applicable
16	If Yes in previous question, what did you do to meet your living cost?	Financial Behaviour	Derived Variable Created out of two questions on "Borrowings to make ends meet" of two different question type	Borrowed from Family Member/Relative
				Borrowed from Employer
				Earned Extra Money
				Drew Money out of savings/Investments
				Sold Items
				Availed Loan/ Finance/Mortgage
				Missed Payments
				Others
17	BANKING & SAVINGS RELATED	Financial Knowledge/Fina	Yes/No Question	Yes
				No

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Sr.	Question	Category	Question Type	Option Selection
	Are you aware of any of these types of financial products?	ncial Inclusion		
	If 17(A) is yes, whether you currently hold any of these types of products (personally or jointly)			
	If 17(B) is yes, have you made any transaction related to the product in last two years (Personally or jointly)			
18	What are the reasons for not opening the Bank Account (Mark Multiple Options)	Financial Inclusion	Multiple Choice Question	No Need for Bank Account Not Enough Money Someone Else in Family having A/c Banks are Too Far Away Do not Have Necessary Documents/KYC Do not Trust Bank Complicated/Difficult Procedure Religious Reason(V) Others
19	Which of the following banking facilities / Services you have availed? (Mark Multiple Options)	Financial Inclusion	Multiple Choice Question	Debit Card/ATM Internet Banking Remittances (RTGS/NEFT/ECS/other) Mobile Banking Direct Benefit Transfer (DBT) Others
20 (A)	What are the reasons as to why you have not availed remittance facility of banks? (Mark Multiple Options)	Financial Inclusion	Multiple Choice Question	Not Enough Money Banks are Too Far Away Lack of Knowledge Involves High Cost Procedures are difficult to understand No Requirement of Remittance Others
20 (B)	What are the reasons as to why you have not availed credit or loan facility (Mark Multiple Options)	Financial Inclusion	Multiple Choice Question	No Need of Credit/Loan Banks are Too Far Away Lack of Knowledge Involves High Cost & Interest Procedures are difficult to understand Availed Credit from Other Unregulated Sources Do not have Necessary Documents Others
21	Whether any Banking	Financial	Yes/No Question	Yes

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Sr.	Question	Category	Question Type	Option Selection
	Correspondent (BC) is available in your area for delivery of banking services?	Inclusion		No Not Aware
22	If Yes, have you availed of banking services through BCs?	Financial Inclusion	Yes/No Question	Yes No
23	If No, reasons for not availing banking services through BCs?	Financial Inclusion	Multiple Choice Question	Do Not Trust BC BC not functioning / Card not Given Only limited services are available through BC BC not available on all days Others
24	Did you avail any loan from sources other than Banks (Mark Multiple Options)	Financial Inclusion	Multiple Choice Question	Money Lender Friends/Family Self Help Groups (SHG) Micro Finance Institutions (MFI) Not Availed Departmental Loan Others
25	INSURANCE RELATED PRODUCTS Are you aware of any of these types of financial products? If 25(A) is yes, whether you currently hold any of these types of products (personally or jointly) If 25(B) is yes, have you made any transaction related to the product in last two years (Personally or jointly)	Financial Knowledge/Financial Inclusion	Yes/No Question	Yes No
26	What are the reasons, you do not have an Insurance (Mark Multiple Options)	Financial Inclusion	Multiple Choice Question	Lack of Knowledge about Insurance Not Enough Earning/Money Do not Have Necessary Documents Religious Reason (V) Covered In Someone Else's Policy Do not Trust Insurance Company Insurance are Costly I am Healthy Physically/ Financially Do not Have Access to Insurance Companies Confused about Choices No Need Felt Others
27	Have you ever made any claim under the following policies? (Mark Multiple Options)	Financial Inclusion	Multiple Choice Question	Health Insurance Property (Factory/office/ Industry) Insurance

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Sr.	Question	Category	Question Type	Option Selection
				Motor Insurance
				Agriculture/Crop Insurance
				Personal Accident Insurance
				Home Insurance
				Cattle/Livestock Insurance
				Others
28	CAPITAL MARKET RELATED PRODUCTS Are you aware of any of these types of financial products? If 28(A) is yes, have you ever bought any of these types of products (personally or jointly) If 28(B) is yes, have you made any transaction related to the product in last two years (Personally or jointly)	Financial Knowledge/Financial Inclusion	Yes/No Question	Yes No
29	What are the reasons why you do not invest in shares/ stocks, bonds and mutual funds? (Mark Multiple Options)	Financial Inclusion	Multiple Choice Question	Lack of knowledge about Stock Market Not enough earning/money Complicated & difficult procedure Religious reason(V) Demands Lot of Time Do not find it trustworthy Do not generate sufficient returns Fear of losing money Lack of ethics in market place Not Required/ No Need Felt Others
30	PENSION RELATED PRODUCTS Are you aware of any of these types of financial products? If 30(A) is yes, whether you currently hold any of these types of products (personally or jointly) If 30(B) is yes, have you made any transaction related to the product in last two years (Personally or jointly)	Financial Inclusion/Financial Knowledge	Yes/No Question	Yes No
31	What are the reasons that you do not have a pension account? (Mark Multiple Options)	Financial Inclusion	Multiple Choice Question	I am too young to think about retirement Not Enough Earning/Money Have invested in other financial Products (V) Children would support

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Sr.	Question	Category	Question Type	Option Selection
				Product and Services are not available
				Not Required/ No Need felt
				Religious Reason (V)
				Others
32	COMMODITY FUTURES MARKET Are you aware of any of these types of financial products? If 32(A) is yes, have you used the knowledge or price discovery/ risk management whether or not you have participated in actual trading (personally or jointly) If 32(A) is yes, have you made any transaction related to the product in last two years (Personally or jointly)	Financial Inclusion/Financial Knowledge	Yes/No Question	Yes No
33	What are the reasons that you do not invest in Commodity Derivatives? (Mark Multiple Options)	Financial Inclusion	Multiple Choice Question	Lack of Knowledge about Commodity Derivatives Not Enough Earning/Money (V) Do not Have Necessary Documents Religious Reason (V) Demands Lot of Time Do not Find it Trustworthy Do not Generate Sufficient Returns Not Required/ No Need Felt (V) Others
34	In case you are not satisfied with services provided by banks or insurance companies or any other financial service providers, are you aware that you can lodge complaint with Financial Sector Regulators?	Financial Inclusion		Yes No
35	Please match the following with respect to Lodging of Complaint regarding various financial products and services with respective Financial Sector Regulators?	Financial Inclusion	Multiple Choice Question	Correct Incorrect Don't Know/Can't Say
36	Which of the following statements best describes how did you last chose or evaluated any of the financial products/ services you availed?	Financial Behaviour	Derived Variable Created out of two questions on "Choosing Financial Products" of two different question type	You Considered/Evaluated Several Products/ You Considered/Evaluated Several Products/Services from same company before making the decision You Did Not Consider/Evaluate Any Other Products/ Services before

Sr.	Question	Category	Question Type	Option Selection
				making the decision
				There were no other products/ Services to Consider/Evaluate
				Not Applicable
37	Which Sources of Information most influenced your decision while selecting your financial products/ services (Rank Your Choice of Top Three Source of Information)	Financial Behaviour		Information from Company Website/Staff/Branch
				Advertisement (Television/Newspaper/Radio)
				Friend's/Relatives/Employer's Advice
				Past Personal Experience
				Financial Advisor's / Expert's Recommendation (Personally or From Newspaper/Magazine/TV)
				Financial Literacy/Awareness Camps
				Information on Internet
				Not Applicable
				Others
38	In the past 12 months have you [personally] been saving money in any of the following ways, whether or not you still have the money?	Financial Behaviour	Multiple Choice Question	Saving cash at home
				Putting money into Bank account
				Buying Financial Products
				Investing in Gold/Silver
				Investing in Property
				Investing in Chit Funds
				Investing in Collective Deposit Schemes
				Saving Informally
				Giving Money to Family/Friends
				No Savings
				Others_____
39	Please Rate I set long term financial goals and strive to achieve them	Financial Behaviour	Scaled Response on 5 Point Likert Scale	Strongly Agree
				Agree
				Neutral
				Disagree
				Strongly Disagree
40	Imagine a father leaves behind INR 100,000 for his 2 children. If these 2 children have to share the money equally how much does each child get	Financial Knowledge	Multiple Choice Questions Yes/No Question	More than INR 50,000
				Exactly INR 50,000
				Less than INR 50,000
				Don't Know/Can't Say
41	Now imagine that these children have to wait for one year to get their share of the INR 50,000 and inflation stays at 5 percent. In one year's time will they be able to buy fewer things than	Financial Knowledge	Multiple Choice Questions Yes/No Question	Yes
				No
				Don't Know/Can't Say

Sr.	Question	Category	Question Type	Option Selection
	they can do it today.			
42	You lend INR 50,000 to your brother one evening and he gives you INR 50,000 back the next day. Did he pay any interest on this loan?	Financial Knowledge	Multiple Choice Questions Yes/No Question	Yes No Don't Know/Can't Say
43	Please Rate - I keep a close personal watch on my financial affairs	Financial Behaviour	Scaled Response on 5 Point Likert Scale	Strongly Agree Agree Neutral Disagree Strongly Disagree
44	Suppose you put INR 1000 into a deposit account with a guaranteed simple interest rate of 10% per year. You don't make any further payments into this account and you don't withdraw any money. How much would there be in the account at the end of the first year, including interest?	Financial Knowledge	Multiple Choice Question	More than INR 1,100 Exactly INR 1,100 Less than INR 1,100 Don't Know/Can't Say
45	Suppose you put INR 1000 into a deposit account with a guaranteed compound interest rate of 10% per year. You don't make any further payments into this account and you don't withdraw any money. How much would there be in the account at the end of the fifth year, including interest?	Financial Knowledge		More than INR 1,500 Exactly INR 1,500 Less than INR 1,500 Don't Know/Can't Say
46	Please Rate - I pay my bills on time	Financial Behaviour	Scaled Response on 5 Point Likert Scale	Strongly Agree Agree Neutral Disagree Strongly Disagree
47	An investment with a high return is likely to be of high risk	Financial Knowledge	True/False Question	TRUE FALSE Don't Know/Can't Say
48	It is better to invest your money in more than 1 Financial Product for safety	Financial Knowledge		TRUE FALSE Don't Know/Can't Say
49	High inflation means that the cost of living increases	Financial Knowledge		TRUE FALSE Don't Know/Can't Say
50	Please Rate - I only buy things which I can afford	Financial Behaviour	Scaled Response on 5 Point Likert Scale	Strongly Agree Agree Neutral Disagree Strongly Disagree

Appendix B.   Definitions

B.1   Socio Economic Profile

Term	Source
Rural	Census 2011
Urban	Census 2011
Scheduled Caste (SC) Scheduled Tribe (ST)	The Constitution (Scheduled Castes) Order, 1950
Other Backward Class (OBC)	Other Backward Class (OBC) is a collective term used by the Government of India to classify castes which are educationally and socially disadvantaged.
General Category	General Category refers to open category or non-reserved category. Thus if a person does not belong to SC, ST or OBC category, then he/she belongs to the General Category.
Person with Disability	As per Census 2011
Working Part Time	4 Hours or less per Day
Working Full Time	More than 4 Hours a Day

B.2   Financial Inclusion

Term	Definition
Overdraft Facility	An overdraft facility is the facility wherein the bank account holder can overdraw/withdraw more than the available balance in the account. Generally the limit that can be overdrawn is decided by the banks based on the capacity of the account holder. The interest charged on the overdrawn amount is charged normally.
Kisan Credit Card	The Kisan Credit Card has emerged as an innovative credit delivery mechanism to meet the production credit requirements of the farmers in a timely and hassle-free manner. The scheme shall cover credit needs of customers in rural and semi urban areas. The scheme is under implementation in the entire country by the vast institutional credit framework involving Commercial Banks, RRBs and Cooperatives and has received wide acceptability amongst bankers and farmers. Eligibility – ¡ All Farmers – Individuals / Joint borrowers who are owner cultivators ¡ Tenant Farmers, Oral Lessees & Share Croppers ¡ SHGs or Joint Liability Groups of Farmers including tenant farmers, share croppers etc.
General Credit Card	Non-farm Entrepreneurial credit extended to individuals by banks with maximum limit of INR 25,000/- per individual household. The scheme shall cover general credit needs of customers in rural and semi urban areas. The objective of the GCC is to provide hassle free credit for any purpose to the customers based on the assessment of income / cash flow of the household without insisting for purpose & ensuring end use of the fund & without insisting collaterals etc. Rate of interest will be aligned with those in the Agriculture Sector. The credit facility extended under the scheme will be in the nature of revolving credit and the GCC holders will be entitled to draw cash from the branch of the Bank up to the limit sanctioned. Any individual household having regular income from salary, business, profession and any other economic activities (Farm and Non-Farm activities) like agriculture, pisciculture, dairy, poultry, piggery, duckery, transport operating, craftsmanship, artisanship, small business etc. All Credit Card (e.g. Artisan Credit Card, Laghu Udyami Card, Swarojgar Credit Card, and Weaver's Card etc.) catering to the non-farm entrepreneurial credit needs of individuals are covered by General Credit Card Scheme.
Any other Bank Loans	For e.g. Home Loan, Personal Loan, Education Loan, Automobile Loan, etc.
Credit Card	A credit card is a payment card issued to users as a system of payment. It allows the cardholder to pay for goods and services based on the holder's promise to pay for

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Term	Definition
	them. The issuer of the card (Bank) creates a revolving account and grants a line of credit to the consumer (or the user) from which the user can borrow money for payment to a merchant or as a cash advance to the user.
Any other General Insurance	Any Insurance cover apart from those listed above shall come under this category for example, marine insurance, etc.
Employee Provident Fund	A retirement plan for the private and public sectors, intended to help employees save a portion of their salary in the event of retirement, disability, sickness or unemployment. Employee Provident Fund is a very important tool of retirement planning. The compounded tax free interest and the maturity ensure a good growth of your money. There are two elements in EPF- Provident Fund and EPS or Employee Pension Scheme introduced in 1995. The entire contribution of subscriber (12% of basic +DA) goes towards provident fund but from the employer contribution of 12%, 8.33% goes towards EPS (subject to max. Rs 541) and rest added to your provident fund account. The pension on retirement is linked to the number of years in service and the average salary drawn in the year before retirement.
Commodity Derivative Products	A contractual agreement, generally made on the trading floor of a futures exchange, to buy or sell a particular commodity or financial instrument at a pre-determined price in the future.
Agri Futures	Agri futures is a future contract made to buy or sell any agricultural commodity (Corn, Wheat, Cotton, Soybean, etc) at a pre-determined price in the future.
Bullion Futures	Bullion Futures is a contract made to buy & sell Gold & Silver at a pre-determined price in the future.
Metal Futures	Metal Futures is a contract made to buy & sell any Metal items (Copper, Platinum, palladium, Steel, Nickel, etc)
Energy Futures	Energy Futures is a contract made to buy Energy futures (Oil, Brent Crude, Natural gas, RBOB Gas, Uranium, Diesel, Coal, etc) at a pre-determined price in the future.
Others	It includes Index futures, Interest rate Futures, Currency futures, etc.