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## **Analysing Trends in the Financial Portfolio of Indian Households**

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### **Summary:**

In this brief, we look at how the financial portfolios of Indian households have changed over time, specifically between 2014 to 2020, using the Consumer Pyramid Household Survey collected and maintained by the Centre for Monitoring Indian Economy. Throughout the analysis, we look for well-defined inflection points that may have led to changes in the Indian household portfolios. We look for variations in the data to study the changes in ownership of assets, savings, and borrowings of Indian households, hoping to identify areas of improvement in the Government's financial inclusion policies. This analysis could hence be used to gauge and evaluate the progress of participation and use of formal finance by households in India. This study also highlights significant gaps in the access to financial services among low-income households over time.

### **About Household Finance Research Initiative:**

Dvara Research's Household Finance Research initiative aims to rigorously understand the financial choices and decisions of low-income or excluded individuals and households, and their relation to achieving households' objectives. It has been our consistent endeavour to study financial inclusion as a gateway to a suite of appropriate financial services eventually enabling well-rounded household balance sheets and consumer financial well-being.

We believe that careful research and a comprehensive body of evidence can powerfully inform market practices and the design of financial sector policy to deliver comprehensive financial services for all individuals, households, and enterprises, and eventually serve to create a safe environment in which formerly excluded populations may fully experience the benefits of financial inclusion. This research initiative seeks to significantly expand the scope of India-specific and policy-focused household finance research that is timely and relevant to current financial sector development.

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## 1. Introduction

In the [first post](#), we picturised the portfolios of Indian households as of 2019. We articulated our position on financial inclusion being much more than just bank account ownership and in fact relating to access to a wide range of financial services and products. We also articulated the need for formal financial services by households to fulfil life-cycle goals, such as managing risks, smoothing consumption, and investing in growth opportunities. The themes that emerged from our analysis were - the need for greater formalisation of financial services among Indian households, visibly large scope for diversification in households' financial portfolios, and the urgent need for active use of risk mitigating and long-term savings products.

In the [second post](#), we reviewed the spread of assets and liabilities of households across various states of India and found uneven rates of participation across various financial instruments. We found some of the northern and north-eastern states to lag severely behind the southern states in terms of participation across various formal financial products. We also found a positive correlation between the economic growth of states and household participation in formal financial services, barring a few outliers. This analysis allowed us to identify states with lower rates of participation in formal products and higher rates of participation in informal products of finance.

In this brief, we look at how the financial portfolios of Indian households have changed over time, specifically between 2014 to 2020. Throughout the analysis, we look for well-defined inflection points that may have led to changes in the Indian household portfolios. For instance, demonetisation (2016) is one such inflection point, which led to a huge shift in the way low-income households borrowed (Sane and Shah, 2020). The COVID-19 crisis also lay bare the structural problem with India's financial landscape, amid exhausted policy tools (World Bank, 2020). We look for such variations in the data to study the changes in ownership of assets, savings, and borrowings of Indian households, hoping to identify areas of improvement in the Government's financial inclusion policies. This analysis could hence be used to gauge and evaluate the progress of participation and use of formal finance by households in India. This study also highlights significant gaps in the access to financial services among low-income households over time.

This research brief is divided as follows: Section 2 explores the data and methodology used to consolidate the dataset. Sections 3 and 4 discuss the participation rates across assets and liabilities, respectively. Section 5 discusses the key takeaways and concludes.

## 2. Data and Methodology

We use the Consumer Pyramid Household Survey (CPHS) dataset collected and maintained by the Centre for Monitoring Indian Economy (CMIE) for our analysis. CPHS is a large-scale longitudinal survey of sample households surveyed repeatedly over time. Household weights are assigned to make the sample representative at the population level. For the purpose of this analysis, we use data from January 2014 to December 2020 to answer our key research question, which is, how have the portfolios of Indian households changed over time?

The CMIE-CPHS data contains information on the participation rates<sup>2</sup> of households in different financial and non-financial instruments.<sup>3</sup> It does not, however, capture the amount invested or borrowed. Participation rates are studied for both urban and rural regions. Aside from the overall calculation, we also report participation rates for different income groups. Households are categorised into different income quintiles.<sup>4</sup> This helps us compare the portfolio of households in different income brackets by examining their participation rates across financial and non-financial instruments.

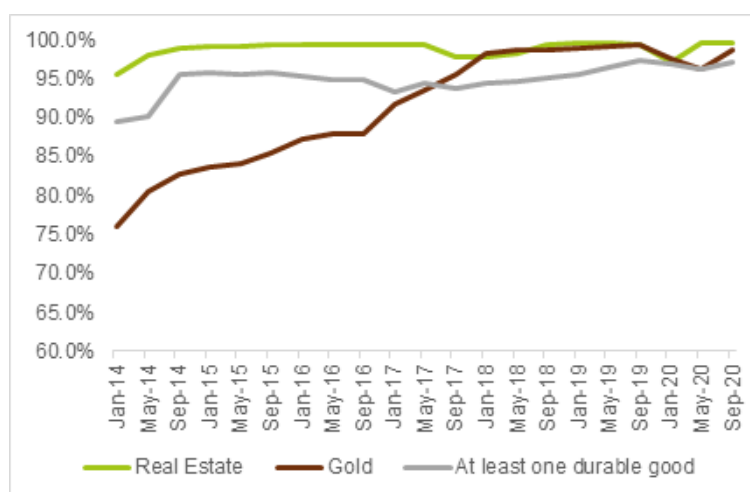
### 3. A Tale of Transition: Assets

#### 3.1. Physical assets

An average Indian household has 84% of its wealth in real estate and other tangible assets, 11% in gold, and the remaining 5% in financial assets, as per a 2017 report from RBI’s Household Finance Committee.<sup>5</sup> Other major economies in the world have only 5% of its household wealth in formal financial assets, which makes the Indian financial landscape quite unique.

We start our analysis by looking at participation rates in physical or tangible assets. Households’ participation across physical assets have remained consistently high over the years. Figure 1 shows the participation rates of households in real estate, gold<sup>6</sup> and durable goods throughout the 2014-2020 period.

**Figure 1: Percentage of households with outstanding investments in physical assets- 2014-2020**



<sup>2</sup>Participation rates in this context refers to percentage of households with a given financial/physical asset or a formal/informal loan product.

<sup>3</sup>The assets and liabilities data for households is available as a binary variable. For example, the borrowing data specifies whether the household is marked ‘yes’ or ‘no’ for having any outstanding borrowing from a specific source. CPHS does not have data on the amount of assets and liabilities.

<sup>4</sup>The total households are divided into 5 equal buckets based on their income, each containing approximately 20% of the households.

<sup>5</sup>The first quintile represents the poorest 20% of the households, while the fifth quintile represents the richest 20% of the households. RBI committee on household finance, “Report of the Household Finance Committee”, July 2017.

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<sup>6</sup>Savings in gold could be in the form of gold assets or gold funds. This also includes gold in any form - gold bars, ornaments or jewelry. It also includes investments in gold funds such as the Gold Exchange Traded Funds or gold loans.

In 2014, 95.5%<sup>7</sup> of households had outstanding investments in real estate. Among these, rural households registered 97.3% participation in real estate while urban households registered 91.5%. This figure has been on a steady rise over the years, with a slight fall after demonetisation in September 2017, followed by another rise. It stood at 99.7% of households in September 2020.

Savings in durable goods and gold have also followed a similar increasing trend.<sup>8</sup> Outstanding investments in gold have consistently increased, given the unique attention that gold captures in the lives of Indian households, backed by a thriving financial market for gold-based savings and credit products. Traditionally, the gold loan industry has been a pillar of support for small businesses and low-income households that are in need of short-term assistance. In the organised gold loan sector, which comprises 35% of the gold loan market,<sup>9</sup> gold loans can be secured either through banks, NBFCs or Nidhi companies. In the last 4 years, the gold loan business has been transformed by new age fin-tech and online gold loan companies. After demonetisation, we see that there is a spike in participation rates in gold, from 88% of households in September 2016 to almost 92% in January 2017. The participation rate in gold has consistently increased since then and currently stands at 98%.

### 3.2. The Financialisation of Savings

As illustrated in the previous section, households' participation across physical assets has been consistently high throughout the last seven years. While it is important to hold physical assets, the 'financialisation of savings' has been a recurring theme of discussion amongst policymakers. Financial assets such as fixed deposits, debt securities, bank deposits, mutual funds, insurance and pension funds, and equity, not only provide more liquidity to the households, but also adequately diversify their portfolio and aid them in achieving their life-cycle goals. They act as safe and secure ways of savings, especially for low-income households who often rely on informal modes due to lack of access to formal financial instruments. This section explores the trends in financialisation of wealth/savings among Indian households.

#### 3.2.1. Banking the Unbanked

To improve access to financial instruments, the natural first step is to provide access to bank accounts. To this effect, in August 2014, the Government launched Pradhan Mantri Jan Dhan Yojana (PMJDY) to facilitate universal banking services to unbanked households. The PMJDY implementation has been highly impactful in increasing bank account ownership among Indian individuals and households. Within three months of implementation, 7.5 crore bank accounts were opened in India (Brookings India, 2015). As per our data, we see that the overall percentage of banked households stood at 90.1% in January 2014 and had increased to 97.4% households in the last quarter of 2015.

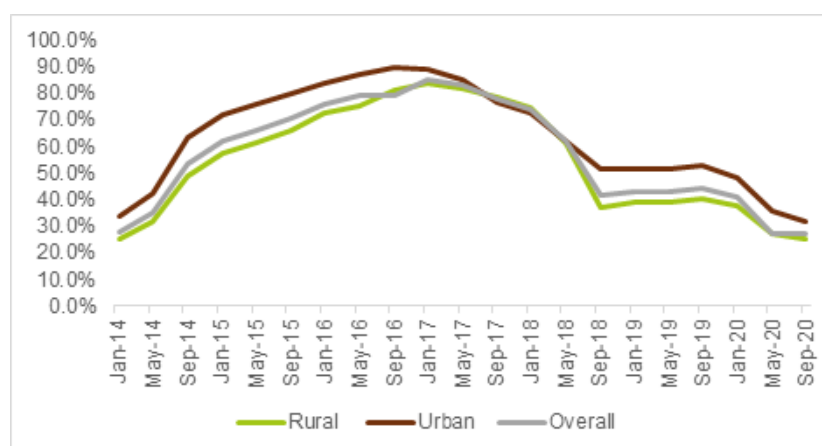
<sup>7</sup>All percentages reflect the percentage of households with outstanding investments in a particular financial or non-financial instrument. Even if one member of the household has investments, the household is marked as 'Yes'. Hence, 95.5% means that in 95.5% of households in India, at least one member has an outstanding investment in that financial or non-financial instrument.

<sup>8</sup>The 'durable goods' variable represents the percentage of households with at least one durable good. Durable goods included in this calculation are television, refrigerator, Air conditioner, cooler, washing machine, computer, two-wheeler, tractor, inverter, and cattle.

<sup>9</sup>KPMG, 2020. Retrieved from <https://assets.kpmg/content/dam/kpmg/in/pdf/2020/01/return-of-gold-financiers-in-organised-lending-market.pdf>

We also explore the participation in fixed deposits among households. The overall percentage of households with outstanding investments in fixed deposits rose from 28.1% in January 2014 to 61.8% in the first quarter of 2015, representative of the potential positive effects of the PMJDY implementation. However, the participation in fixed deposits started falling post-January 2017 and fell to 41.4% in September 2018. It stabilised for some time, only to sharply drop again post the months of COVID-19 lockdown, indicating that fewer households could invest in fixed deposits in May 2020 compared to January 2020. Figure 2 shows the time series of the percentage of households with outstanding investments in fixed deposits, disaggregated by the urban and rural region type.

**Figure 2: Percentage of households with outstanding investments in fixed deposits - 2014- 2020**



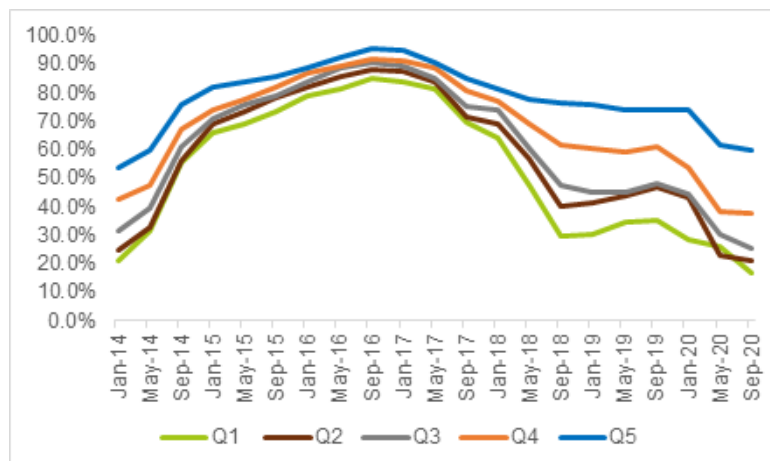
The first quarter of 2017 registered the highest participation rate of 85.2% households in fixed deposits in the 2014-2020 period. The participation rate of rural households was 83.4%, while, it was 89.1% among urban households in 2017. Large deposits accrued in Banks pursuant to the announcement of demonetisation. This could explain the surge in the participation rate of fixed deposits.

However, coupled with the aftermath of demonetisation and the consequent inflation in 2018 and 2019, FD interest rates and bank deposit rates declined steadily (Forbes India, 2020). This has contracted fixed deposit participation rates to 41.4% in the final quarter of 2018, and a further sharp dip to 27.3% during the COVID-19 pandemic, i.e., 31.9% among urban households and 25.1% of rural households. The falling fixed deposit rates are understood to be part of a global trend where interest rates are low, thereby disincentivising savings. (Forbes India, 2020). Some studies show that the uncertainties and the aftermath of COVID-19 had also resulted in a flight towards currency holdings.

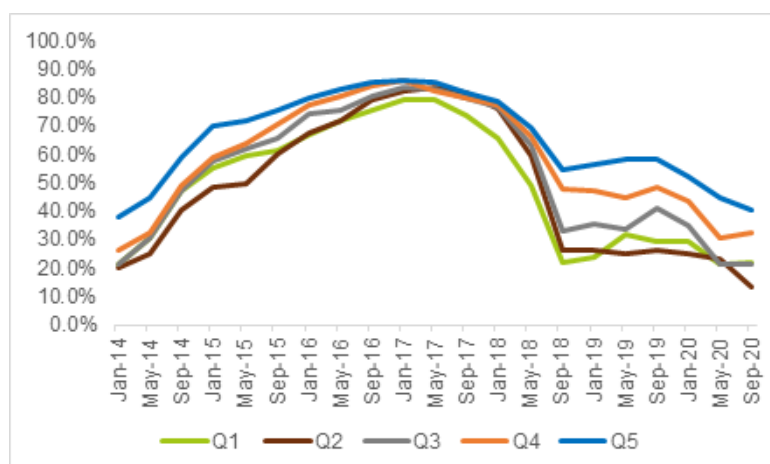
In addition to analysing overall participation rates in FDs, we also analyse the portfolio of households based on different income quintiles to understand if financial policies benefit only certain income groups. Moreover, this helps to highlight significant gaps in participation across different financial instruments for different income groups. Figure 3A and 3B show the percentage of households with outstanding investments in fixed deposits, across different income groups.<sup>10</sup>

<sup>10</sup>Figures are expressed as a percentage of households in the respective income quintile.

**Figure 3A: Percentage of urban households with outstanding investments in fixed deposits**



**Figure 3B: Percentage of rural households with outstanding investments in fixed deposits**



As expected, the percentage of households with investments in fixed deposits are lower in lower-income households. We can also see that after demonetisation, participation rates of the first income quintile in fixed deposits shrank to pre-PMJDY levels, followed by a slow uptick in 2019 and then a fall post-COVID-19.

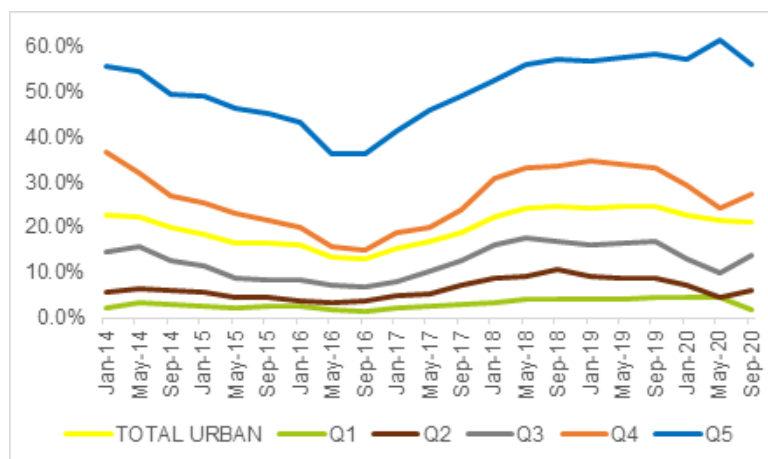
Further, the trends in financial assets in terms of select instruments such as post-office savings (POS), national savings certificates (NSCs) and insurance also provide some interesting insights. The percentage of households with post office savings increased from 7.4% in January 2014 to 25% in September 2019 at its highest, followed by a drastic fall after the COVID-19 lockdown to 10% in September 2020 (Table A5.a). In an analysis by Brookings India in 2015, data revealed that Indian households have better access to post offices, measured in terms of physical distance, compared to other formal financial institutions, especially banks. This means that financial inclusion policies could leverage these existing post office networks to expand financialisation (Brookings India, 2015).

### 3.2.2. Provident Fund

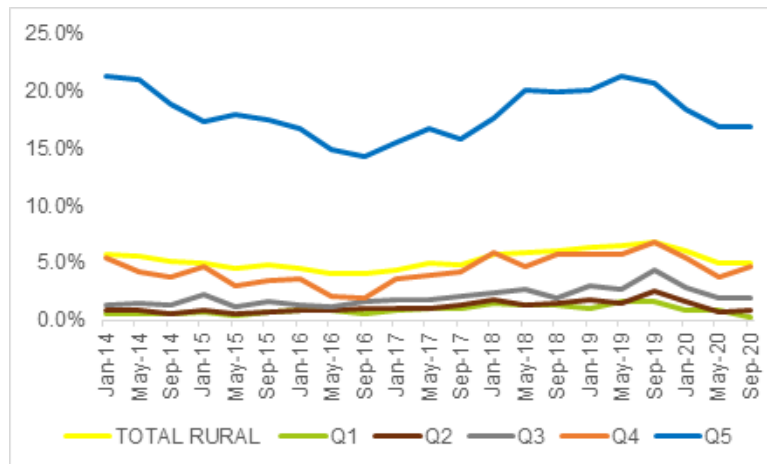
Provident fund (PF) is an important long-term savings instrument mainly available to formal sector employees. There has been significant volatility in the participation rates across PF over the last seven years. In the first quarter of 2014, 11.1% of households reported outstanding investments in PF, with a slight decline to 9.8% in the next year. However, in the months of May-August 2016, it substantially contracted to 7.1% of total households. The decline in PF subscriptions in 2016-17 can also be attributed to the loss of jobs and labour participation after demonetisation in India (Vyas, 2018). However, in the later waves, participation rates in PF picked up again, reaching 12.5% in the last quarter of 2019, but declining again to an all-time low of 5% during May 2020, reflecting the negative impact of COVID-19 on household savings and investments. This could have manifested in two ways- households dipping into their savings by withdrawing funds from their PF accounts or fewer individuals getting employed during the pandemic induced lockdown, thereby reducing the overall percentage of households with a PF account. Overall, PF participation rates seem to be consistent with fluctuations in the formal sector workforce.

A deeper look into provident fund rates for different income quintiles shows that much of the provident fund figures have only been propelled by the top two income quintiles, especially in urban households. Figures 4A and 4B show the percentage of households with investments in provident fund among urban and rural households, respectively. In January 2014, 22.5% of urban households registered as having PF investments, while the figure stood at only 5.8% for rural households. The highest PF percentages were in the May-Aug 2020 period, where 61.5% of urban households in the highest income quintile (Q5) confirmed having an outstanding PF investment.

**Figure 4A: Percentage of urban households with outstanding investments in provident fund**



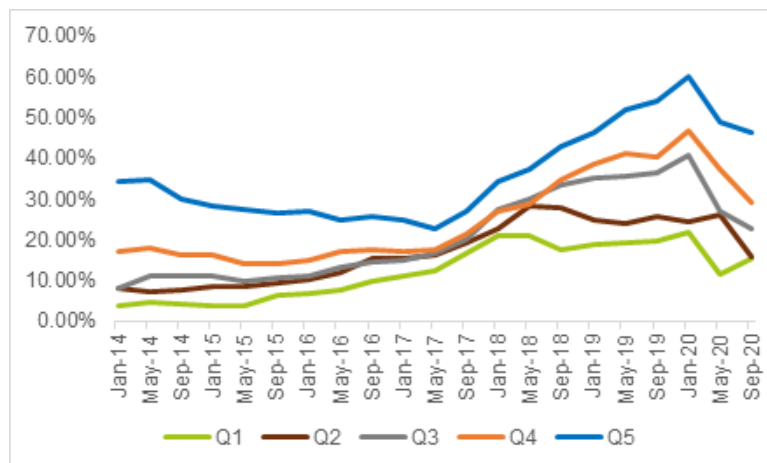
**Figure 4B: Percentage of rural households with outstanding investments in provident fund**



The evidence is clearly suggestive of low PF penetration among rural and lower-income households. Despite the boom in formal employment in rural India during the 2019-2020 period (Employee Provident Fund Organisation, 2019), PF investments have not permeated to households in the bottom three income quintiles. This is expected, considering that the bottom three quintiles are more likely to work in the informal sector, without the option of default EPF accounts.

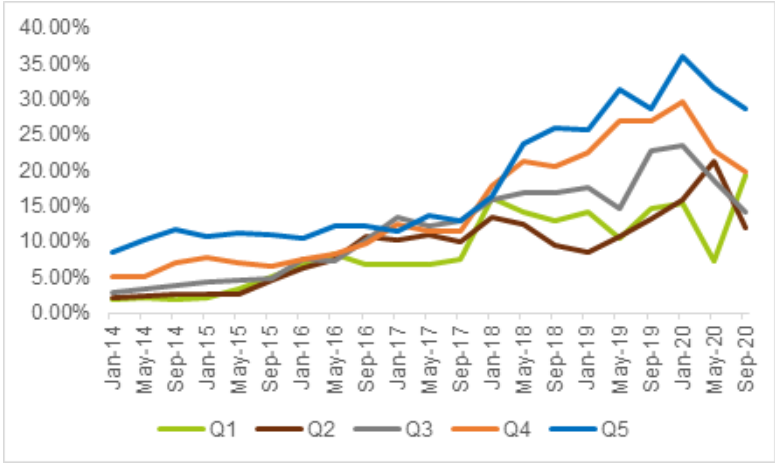
### 3.2.3. Insurance and other investments

**Figure 5A: Percentage of urban households with outstanding investments in health insurance**

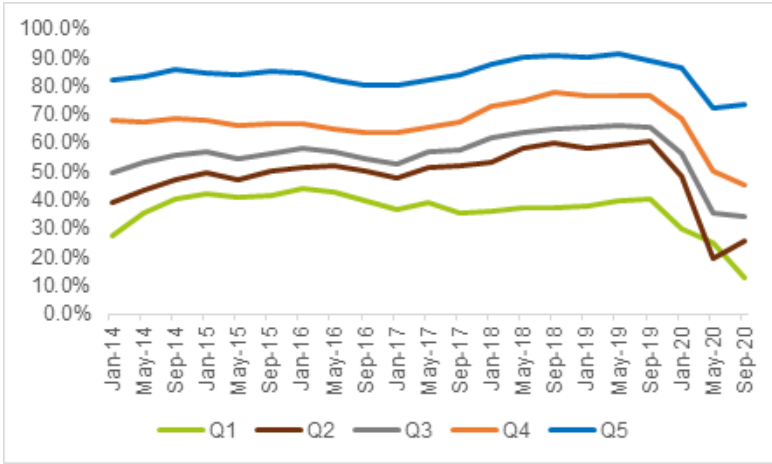




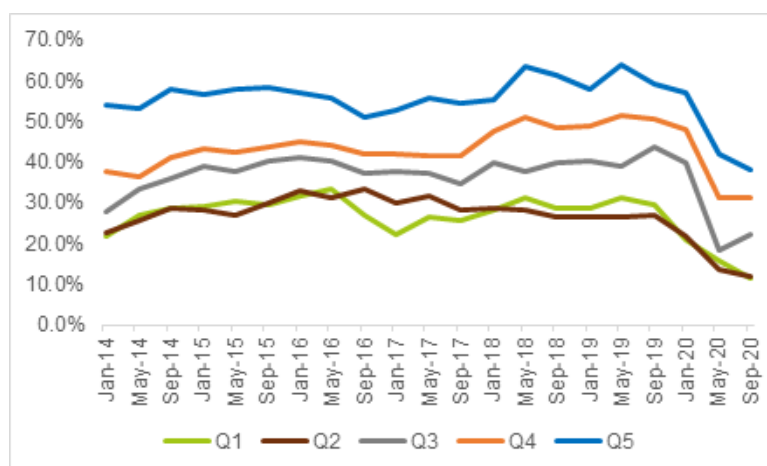
**Figure 5B: Percentage of rural households with outstanding investments in health insurance**



**Figure 5C: Percentage of urban households with outstanding investments in life insurance by income quintile**



**Figure 5D: Percentage of rural households with outstanding investments in life insurance by income quintile**



Insurance is a critical instrument for financial inclusion of the poor. Though it has not received prominence in policy measures, it remains important in ensuring a ‘safety net’ against shocks. Hence, participation in health insurance and life insurance is a very important indicator of financial inclusion. Table A5.A shows that the percentage of households investing in life insurance has gradually risen over the years, from 38.9% in January 2014 to its highest at 50.2% in September 2019. Further, it fell to 44.9% during the first quarter of 2020 and saw a sharp decline in May and September 2020, with only 24% and 27% of households, respectively, reported having an outstanding investment in life insurance. Moreover, the percentage of households having at least one member with health insurance has risen sharply from 7.8% in January 2014 to 27.8% in January 2020, only to fall back to 24% in May 2020 and 21% in September 2020 (Table A7). The drop in numbers in May and September 2020 could be attributed to fewer percentage of households being able to renew (old) or buy (new) insurance policies, due to the loss of income and livelihoods faced during this period. According to reports, the life insurance industry also saw major degrowth in April 2020 following the lockdown.<sup>11</sup>

According to the RBI Household Finance Committee’s Report of 2017, there is also a negative correlation between Indian households’ participation in insurance and the incidence of non-institutional debt. This means that Indian households are using high-cost borrowing to handle risks ex-post, instead of making ex-ante investments in insurance. It is important to correct this in the long-term and bring all households under the umbrella of formal insurance, as the COVID-19 episode has reemphasised the need for households to be well-protected against all types of shocks.

Overall, we find that there are definite signs of financialisation over the last few years, with increasing insurance, post office savings and bank deposit accounts. However, COVID-19 has severely dented the progress in this regard, as fewer households seem to be making short and long-term savings and investment, buying insurance, and a greater number of households seem to be drawing down on their retirement savings. Regardless of the impact COVID-19 has had on the portfolios of households, access to formal finance is yet to permeate to the bottom-most groups in the income quintile across both rural and urban geographies. In the next section, we will look at whether this is also true for the borrowings side of the story.

<sup>11</sup><https://www.businesstoday.in/current/corporate/life-insurance-firms-record-45-percent-degrowth-in-april-but-post-covid-future-bright/story/404917.html>

## 4. Beyond Banks: The Borrowings Story

### 4.1. Formal Borrowings

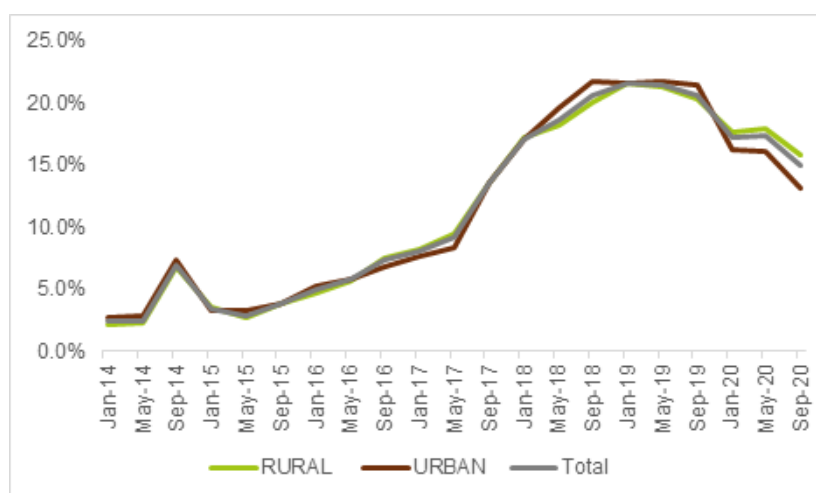
In 2017, RBI’s Household Finance Committee, chaired by Tarun Ramadorai, in its report,<sup>12</sup> mentioned that the Indian household finance landscape is distinctive due to the high levels of informal unsecured<sup>13</sup> debt and low levels of insurance penetration. This sets the context for our analysis of the Indian households’ borrowings/liability landscape.

Our analysis of the CPHS data for borrowings shows a continuous growth in participation rates of households in both formal and informal borrowings for the period 2014-2020. The percentage of households with outstanding debt increased from 8% in January 2014 to an all-time high of 53% in September 2019 and declining post covid to 41% in September 2020.

Participation rates for formal loans stood at a mere 2.4% of all households in January 2014 and has grown to 14.9% in September 2020, with a CAGR of 35.5%. A significant jump occurred in 2017, where 8.1% of households had outstanding formal loans. This is also congruent with the Global Findex Database 2017,<sup>14</sup> in which it is reported that the percentage of the population above 15 that borrowed from a financial institution or used a credit card stood at 8.1% in 2017.<sup>15</sup>

In Figure 6, we look at the time series of the percentage of households that borrowed from formal sources, disaggregated by the region type into urban and rural households. Our findings suggest that while formal borrowings have uniformly increased over the period 2014-2020, rural households have outdone urban households in terms of loans from formal lending institutions, with the formal loan participation increasing at a CAGR of 38.5% in rural households versus 29.4% among urban households. In both rural and urban households, the participation percentages have been similar over the years.

**Figure 6: Percentage of households with outstanding formal loans - 2014-2020**



<sup>12</sup>RBI committee on household finance, “Report of the Household Finance Committee”, July 2017.

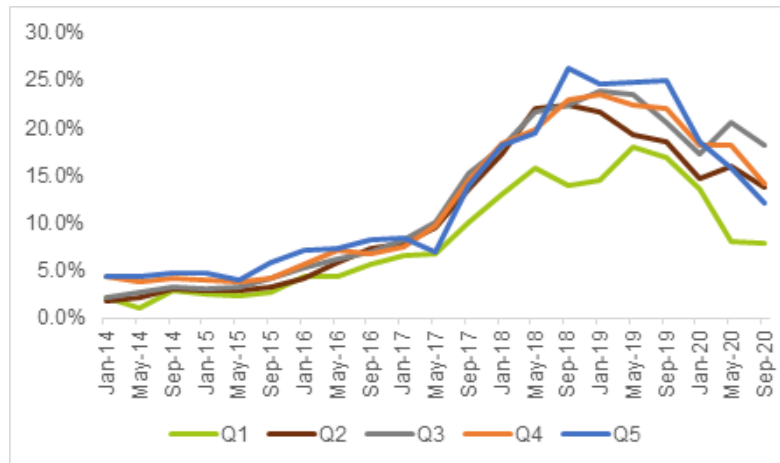
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<sup>13</sup>This refers to debt that is not backed by collateral, often taken from non-institutional sources such as friends, relatives or moneylenders

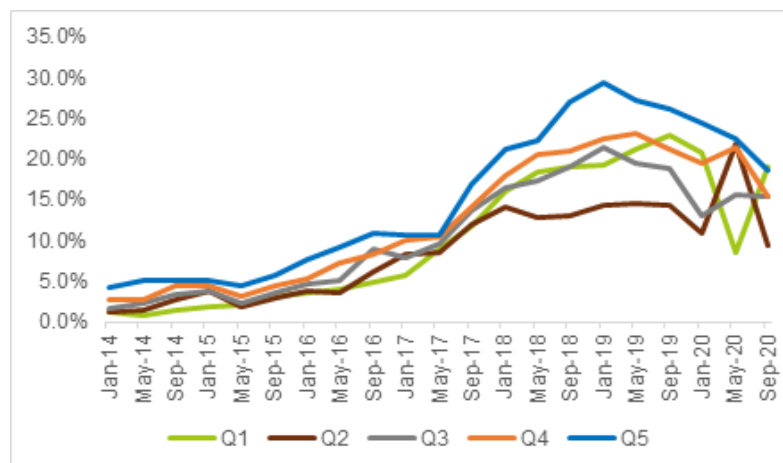
<sup>14</sup>World Bank Group, The Global Findex Database 2017 (Washington, D.C.: World Bank Group, 2018).

<sup>15</sup>Formal borrowing refers to credit from Banks, NBFCs, MFIs, SHGs, Credit Cards, and Chit Funds. Informal borrowing includes credit from Moneylenders, Shops, Relatives and Friends, Employers, and any other informal sources.

**Figure 7A: Percentage of urban households with outstanding formal borrowings**



**Figure 7B: Percentage of rural households with outstanding formal borrowings**



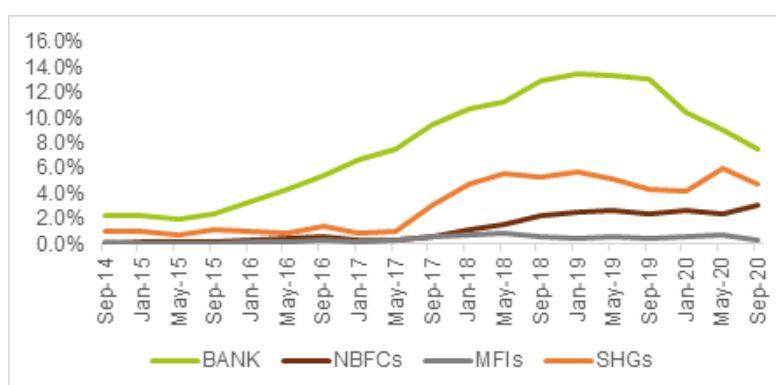
One of the most important indicators of formal borrowings is bank loans. Our data shows that the percentage of households with bank loans have grown at a CAGR of 20.8%. The highest participation was registered towards the end of 2019, where 13% of households had outstanding borrowings in banks.

However, a trend which is a cause for concern is the declining percentage of households borrowing from banks in the post-lockdown period. In 2020, reliance on bank borrowings has seen a decline, reflecting a slowdown due to COVID-19. The reason for this decline could be three-fold. One, there was a sharp lockdown-induced drop in consumption and other productive activities, and households put a halt to all secondary consumption. Two, as we saw in the previous section, financial assets also saw a decrease during the COVID-19 period, which means that households dipped into their savings to cope with the loss of livelihood and fall in income. Three, there was an increase in informal borrowings, as households found it hassle-free and easier to borrow from familiar sources such as friends and relatives. This will be discussed in detail in a later section.

The percentage of total household borrowings from banks decreased from 13.4% in January 2019 to 10.4% in January 2020, and further dipped to 7.5% at the end of 2020. The fall was greater amongst urban households, with participation rates in bank borrowings falling to 6.2%. With bank borrowings, some factors still seem to hamper the extension of credit. Singh and Naik (2017) write that some of the main factors that hinder bank borrowings are the lack of awareness of government initiatives that prioritise lending among rural households, distance from the bank, and the long-term relationship that borrowers have with money lenders.

Apart from bank credit, households have also relied on other channels of formal credit such as loans from NBFCs, MFIs and SHGs. While the participation across loans from MFIs has remained stagnant over the last few years, remaining below 1%, loans from NBFCs and SHGs have seen a steady rise. Percentage of households taking loans from NBFCs has increased from less than 1% in September 2014 to 3% in September 2020. Further, it is encouraging to see that households’ participation in SHG loans has increased from less than 1% in September 2014 to over 5% in September 2020. While all channels of formal loans have remained either stagnant or even declined during the times of COVID-19, SHG loans are one channel that seems to have provided households with the liquidity they needed to smooth consumption and manage uncertainties, at a time when they needed credit the most.

**Figure 8: Percentage of households with outstanding borrowings from Banks, NBFCs, MFIs and SHGs - 2014-2020**

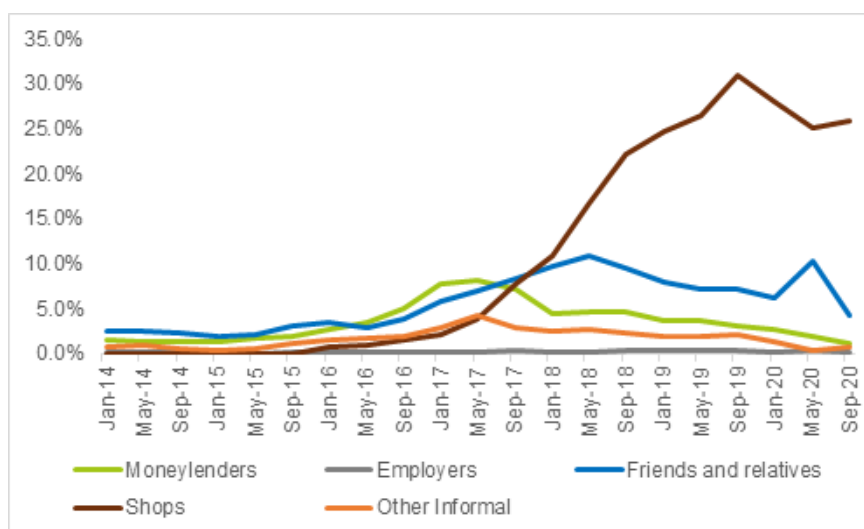


#### 4.2. Informal Borrowings

A perceptible trend in the Indian household borrowing portfolio has been the persistent rise in informal debt. Participation rates of households in informal loans have grown at an accelerated pace, rising from 4.7% in 2014 to 30.3% of overall households in 2020. In Figure 9 we illustrate the rise in the total percentage of households that borrow from different types of informal lending instruments - moneylenders, friends and relatives, shops, employers, and other informal institutions.<sup>16</sup>

<sup>16</sup>Borrowing from shops in CPHS data is available only from the January 2016 wave.

**Figure 9: Percentage of households with outstanding informal borrowings: 2014-2020**

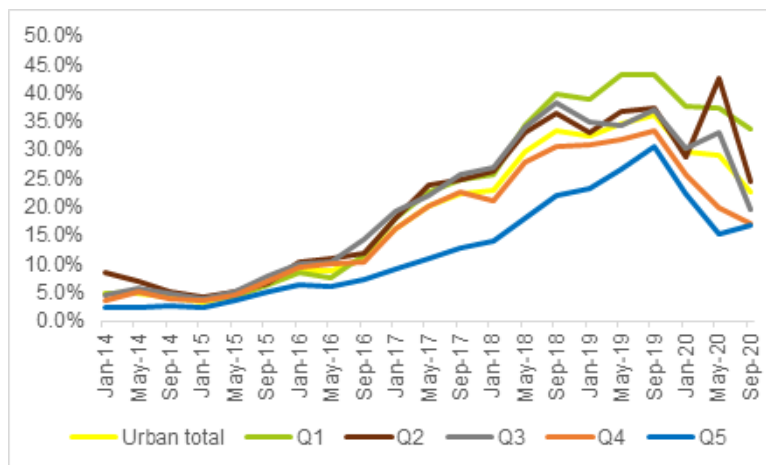


The graph shows an increase in participation in informal borrowing in India; showing that households continue to rely heavily on borrowing methods such as friends, relatives, moneylenders, and shopkeepers. Starting with a gradual increase, the percentage of households with informal borrowings also seem to have spiked during the 2017-2018 period, following demonetisation. Studies (Wadhwa, 2019; Chakraborty and Sane, 2019) find that demonetisation led to a drop in the household durable and non-durable consumption in the initial months immediately after demonetisation, given liquidity constraints in the short-term. Despite this, informal borrowings seem to have persisted for households to smoothen day-to-day consumption. Wadhwa (2019) writes that relatively poorer households relied more on informal borrowings to maintain their consumption expenditure, as they potentially had a higher cost of reducing their consumption. Wadhwa (2019) also writes that demonetisation in a way could have strengthened informal networks in the country, as people turned to the informal sector to deal with the shock. Sane and Shah (2020) similarly write that “in difficult times, it was not banks, but money lenders, and employers that mattered.”

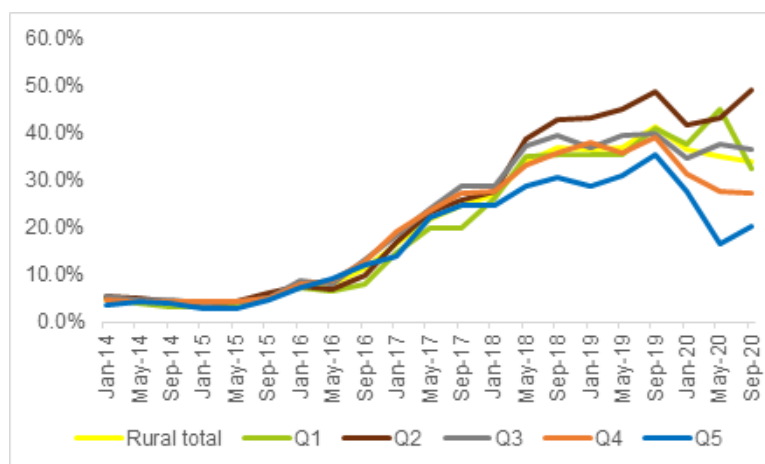
Other than moneylenders, shops have also remained an integral part of informal borrowing in India and have seen rising participation. The percentage of households borrowed from shops rose from 10.9% at the start of 2018 to 24.7% in 2019 (25.3% among rural households and 23.5% among urban households). It slightly dipped at the start of COVID-19, perhaps on account of shops being closed during the lockdown. In May 2020, 25.2% of households still borrowed from shops, while 10.3% of households borrowed from friends or relatives.

Next, we examine informal borrowing rates across different income groups. During COVID-19, lower-income households smoothened their consumption using informal borrowings (Sane and Shah, 2020). Our analysis shows that as the economic shock of COVID-19 struck, households turned to more familiar borrowing methods such as from friends and relatives. Figure 10A and 10B show the participation rates among different income quintiles in informal borrowings from 2014-2020.

**Figure 10A: Percentage of urban households with outstanding informal borrowings**



**Figure 10B: Percentage of rural households with outstanding informal borrowings**



Evidence from these graphs during the COVID-19 period suggests similar findings as that of Wadhwa (2019) for demonetisation. Richer households (Q5 and Q4) have reduced borrowings from informal sources post COVID-19 lockdown, while for the poorer households, percentages in informal borrowings have increased initially, and then fallen towards September 2020. This is potentially because richer households could easily cut down on their consumption of durable goods during the lockdown. Since poorer households have more day-to-day consumption needs which are non-durable in nature, borrowing levels have spiked post-COVID-19. Interestingly, despite greater penetration of formal financial institutions in urban areas, the rate of informal borrowing among urban households remains considerably high and, in fact, has been consistently increasing over the last few years.

In addition to this, the CPHS data also sheds light on the purpose of these borrowings. In May-Aug 2019, 59.8% of rural households borrowed for consumption purposes, while this figure rose to 65.7% in May-Aug 2020. Borrowings for the purpose of housing among urban households dwindled from 9.7% in 2019 to 4.7% in 2020. This is also indicative of the idea that households in recent times after COVID-19 are borrowing more for day-to-day consumption rather than long-term goals.

## 5. Conclusion

Overall, our analysis finds that the financial portfolio of Indian households has moved towards greater participation in formal financial instruments over the last seven years. However, there is substantial volatility in participation rates across products, especially with regard to financial assets. For products such as fixed deposit, post-office savings, and life insurance, the participation rates at the household level increased considerably during the period 2014 to 2018, post which it has been gradually falling and came to an all-time low during 2020, undoing the gains that were made over the last seven years. In spite of the positive trend in the uptake of health insurance over the last seven years, only 1 in 5 households has a health insurance account, as of September 2020. Provident fund, on the other hand, which is a useful instrument for long-term savings, has not seen any increase in the last seven years and hovers around 10%. Credit from banks and other organised financial institutions has improved substantially, however, it is yet to penetrate the bottom three income quintiles. Moneylenders and shops continue to remain an important source of borrowings, especially in rural households.

Tracking the trends in the uptake of formal financial instruments at the household level is a useful indication of the effectiveness of financial inclusion policies. The data is also useful to understand the overall impact of periods of economic distress such as demonetisation or the COVID-19 induced lockdown on the financial portfolios of Indian households and the demand for formal financial products. Tracking these trends can help identify gaps across products and regions, thereby enabling strategic policymaking towards universal access to finance.



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## Appendix

**Table A1: Percentage of households with outstanding borrowings in different categories**

| Months | Formal loan | Informal loan | All loans | BANK  | NBFCs   | MFIs    | SHGs    | Credit Cards |
|--------|-------------|---------------|-----------|-------|---------|---------|---------|--------------|
| Jan-14 | 2.4%        | 4.7%          | 8.2%      | 2.4%  | NO DATA | NO DATA | NO DATA | NO DATA      |
| May-14 | 2.5%        | 4.5%          | 8.0%      | 2.5%  | NO DATA | NO DATA | NO DATA | NO DATA      |
| Sep-14 | 7.0%        | 4.0%          | 7.0%      | 2.3%  | 0.1%    | 0.2%    | 1.0%    | 0.0%         |
| Jan-15 | 3.5%        | 3.4%          | 6.5%      | 2.3%  | 0.2%    | 0.1%    | 1.0%    | 0.0%         |
| May-15 | 2.9%        | 4.0%          | 6.5%      | 2.0%  | 0.2%    | 0.1%    | 0.7%    | 0.0%         |
| Sep-15 | 3.9%        | 5.8%          | 9.1%      | 2.4%  | 0.1%    | 0.1%    | 1.2%    | 0.1%         |
| Jan-16 | 4.9%        | 7.9%          | 11.5%     | 3.4%  | 0.3%    | 0.1%    | 1.0%    | 0.1%         |
| May-16 | 5.8%        | 8.2%          | 12.5%     | 4.3%  | 0.5%    | 0.1%    | 0.9%    | 0.1%         |
| Sep-16 | 7.4%        | 11.2%         | 16.4%     | 5.4%  | 0.6%    | 0.4%    | 1.4%    | 0.2%         |
| Jan-17 | 8.1%        | 16.5%         | 22.9%     | 6.6%  | 0.3%    | 0.2%    | 0.9%    | 0.1%         |
| May-17 | 9.1%        | 21.1%         | 28.4%     | 7.5%  | 0.3%    | 0.3%    | 1.1%    | 0.0%         |
| Sep-17 | 13.6%       | 24.0%         | 34.0%     | 9.5%  | 0.6%    | 0.7%    | 3.0%    | 0.1%         |
| Jan-18 | 17.1%       | 25.6%         | 38.6%     | 10.8% | 1.2%    | 0.7%    | 4.8%    | 0.3%         |
| May-18 | 18.6%       | 32.6%         | 45.8%     | 11.2% | 1.6%    | 0.9%    | 5.6%    | 0.3%         |
| Sep-18 | 20.6%       | 35.8%         | 50.2%     | 12.9% | 2.2%    | 0.6%    | 5.3%    | 0.4%         |
| Jan-19 | 21.6%       | 35.2%         | 49.8%     | 13.4% | 2.6%    | 0.5%    | 5.7%    | 0.4%         |
| May-19 | 21.5%       | 36.2%         | 50.7%     | 13.3% | 2.7%    | 0.6%    | 5.2%    | 0.4%         |
| Sep-19 | 20.7%       | 39.6%         | 53.3%     | 13.0% | 2.4%    | 0.5%    | 4.4%    | 0.3%         |
| Jan-20 | 17.2%       | 34.4%         | 46.3%     | 10.4% | 2.6%    | 0.6%    | 4.3%    | 0.3%         |
| May-20 | 17.3%       | 33.1%         | 45.2%     | 9.0%  | 2.5%    | 0.8%    | 6.1%    | 0.1%         |
| Sep-20 | 14.9%       | 30.3%         | 41.0%     | 7.5%  | 3.1%    | 0.3%    | 4.8%    | 0.1%         |

**Table A2: Percentage of households with outstanding borrowings in different informal borrowing categories**

| Months | Moneylenders | Employers | Friends and relatives | Shops   | Chit Funds | Other Informal |
|--------|--------------|-----------|-----------------------|---------|------------|----------------|
| Jan-14 | 1.5%         | 0.2%      | 2.6%                  | NO DATA | NO DATA    | 0.8%           |
| May-14 | 1.4%         | 0.1%      | 2.5%                  | NO DATA | NO DATA    | 0.9%           |
| Sep-14 | 1.4%         | 0.1%      | 2.3%                  | NO DATA | 0.1%       | 0.6%           |
| Jan-15 | 1.3%         | 0.1%      | 1.9%                  | NO DATA | 0.1%       | 0.3%           |
| May-15 | 1.8%         | 0.1%      | 2.1%                  | NO DATA | 0.1%       | 0.6%           |

|        |      |      |       |         |      |      |
|--------|------|------|-------|---------|------|------|
| Sep-15 | 1.9% | 0.1% | 3.0%  | NO DATA | 0.3% | 1.1% |
| Jan-16 | 2.6% | 0.2% | 3.5%  | 0.8%    | 0.5% | 1.5% |
| May-16 | 3.5% | 0.2% | 2.9%  | 0.9%    | 0.3% | 1.8% |
| Sep-16 | 5.0% | 0.3% | 3.9%  | 1.5%    | 0.4% | 2.0% |
| Jan-17 | 7.8% | 0.1% | 5.8%  | 2.2%    | 0.2% | 2.8% |
| May-17 | 8.3% | 0.2% | 6.9%  | 3.8%    | 0.2% | 4.3% |
| Sep-17 | 7.3% | 0.3% | 8.4%  | 7.8%    | 0.3% | 2.9% |
| Jan-18 | 4.5% | 0.2% | 9.7%  | 10.9%   | 0.4% | 2.4% |
| May-18 | 4.6% | 0.3% | 10.8% | 16.8%   | 0.4% | 2.8% |
| Sep-18 | 4.7% | 0.4% | 9.5%  | 22.2%   | 1.1% | 2.3% |
| Jan-19 | 3.6% | 0.4% | 7.9%  | 24.7%   | 1.0% | 1.8% |
| May-19 | 3.6% | 0.4% | 7.2%  | 26.6%   | 1.2% | 1.8% |
| Sep-19 | 3.2% | 0.4% | 7.1%  | 30.9%   | 1.5% | 2.1% |
| Jan-20 | 2.7% | 0.2% | 6.2%  | 27.9%   | 0.8% | 1.3% |
| May-20 | 1.9% | 0.3% | 10.3% | 25.2%   | 0.3% | 0.3% |
| Sep-20 | 1.1% | 0.2% | 4.2%  | 25.9%   | 0.7% | 0.9% |

**Table A3.a: Percentage of households with outstanding borrowings across different categories – Urban**

| Months | Formal loan | Informal loans | All loans | BANK  | NBFCs   | MFIs    | SHGs    | Credit Cards |
|--------|-------------|----------------|-----------|-------|---------|---------|---------|--------------|
| Jan-14 | 2.8%        | 4.7%           | 7.8%      | 2.8%  | NO DATA | NO DATA | NO DATA | NO DATA      |
| May-14 | 2.8%        | 4.8%           | 7.9%      | 2.8%  | NO DATA | NO DATA | NO DATA | NO DATA      |
| Sep-14 | 7.4%        | 4.3%           | 7.4%      | 2.9%  | 0.1%    | 0.2%    | 0.4%    | 0.0%         |
| Jan-15 | 3.3%        | 3.4%           | 6.3%      | 2.7%  | 0.1%    | 0.1%    | 0.4%    | 0.0%         |
| May-15 | 3.3%        | 4.4%           | 7.2%      | 2.5%  | 0.2%    | 0.1%    | 0.5%    | 0.0%         |
| Sep-15 | 3.9%        | 6.5%           | 9.9%      | 2.8%  | 0.1%    | 0.1%    | 0.7%    | 0.0%         |
| Jan-16 | 5.3%        | 8.8%           | 12.6%     | 4.0%  | 0.4%    | 0.2%    | 0.6%    | 0.1%         |
| May-16 | 5.9%        | 8.8%           | 13.3%     | 4.6%  | 0.5%    | 0.2%    | 0.6%    | 0.1%         |
| Sep-16 | 6.9%        | 11.0%          | 16.4%     | 5.0%  | 0.5%    | 0.2%    | 1.1%    | 0.0%         |
| Jan-17 | 7.7%        | 16.3%          | 22.3%     | 6.4%  | 0.3%    | 0.1%    | 0.8%    | 0.0%         |
| May-17 | 8.3%        | 20.2%          | 26.8%     | 6.6%  | 0.5%    | 0.2%    | 1.1%    | 0.0%         |
| Sep-17 | 13.5%       | 22.3%          | 32.1%     | 10.0% | 0.6%    | 0.6%    | 2.6%    | 0.1%         |
| Jan-18 | 17.1%       | 23.0%          | 36.0%     | 10.6% | 1.9%    | 0.7%    | 4.1%    | 0.2%         |

|        |       |       |       |       |      |      |      |      |
|--------|-------|-------|-------|-------|------|------|------|------|
| May-18 | 19.6% | 29.7% | 43.5% | 11.8% | 2.7% | 1.0% | 4.8% | 0.2% |
| Sep-18 | 21.7% | 33.4% | 48.3% | 12.7% | 3.7% | 0.7% | 4.6% | 0.5% |
| Jan-19 | 21.5% | 32.3% | 47.2% | 12.6% | 3.9% | 0.5% | 4.0% | 0.7% |
| May-19 | 21.7% | 34.7% | 49.8% | 12.6% | 3.8% | 0.7% | 3.9% | 0.7% |
| Sep-19 | 21.4% | 36.2% | 51.5% | 12.5% | 3.3% | 0.5% | 3.1% | 0.6% |
| Jan-20 | 16.2% | 29.6% | 42.0% | 8.9%  | 3.0% | 0.7% | 3.2% | 0.7% |
| May-20 | 16.1% | 29.2% | 41.0% | 6.2%  | 3.7% | 1.2% | 5.0% | 0.3% |
| Sep-20 | 13.1% | 22.5% | 33.0% | 4.6%  | 3.8% | 0.3% | 3.9% | 0.2% |

**Table A3.b: Percentage of households with outstanding borrowings in different informal borrowing categories - Urban**

| Months | Moneylenders | Employers | Friends and relatives | Shops   | Chit Funds | Other Informal |
|--------|--------------|-----------|-----------------------|---------|------------|----------------|
| Jan-14 | 2.1%         | 0.3%      | 2.1%                  | NO DATA | NO DATA    | 0.5%           |
| May-14 | 1.4%         | 0.2%      | 2.6%                  | NO DATA | NO DATA    | 1.0%           |
| Sep-14 | 1.4%         | 0.2%      | 2.5%                  | NO DATA | 0.1%       | 0.6%           |
| Jan-15 | 1.4%         | 0.1%      | 1.8%                  | NO DATA | 0.0%       | 0.4%           |
| May-15 | 1.8%         | 0.1%      | 2.5%                  | NO DATA | 0.0%       | 0.5%           |
| Sep-15 | 1.8%         | 0.2%      | 3.8%                  | NO DATA | 0.3%       | 1.1%           |
| Jan-16 | 2.6%         | 0.3%      | 4.5%                  | 0.6%    | 0.5%       | 1.7%           |
| May-16 | 4.6%         | 0.2%      | 3.0%                  | 0.9%    | 0.3%       | 2.0%           |
| Sep-16 | 5.4%         | 0.2%      | 3.3%                  | 1.7%    | 0.2%       | 2.0%           |
| Jan-17 | 8.1%         | 0.1%      | 5.0%                  | 2.6%    | 0.1%       | 3.5%           |
| May-17 | 8.4%         | 0.1%      | 4.9%                  | 4.7%    | 0.1%       | 4.9%           |
| Sep-17 | 7.2%         | 0.3%      | 7.1%                  | 7.3%    | 0.3%       | 2.8%           |
| Jan-18 | 3.6%         | 0.2%      | 8.6%                  | 10.1%   | 0.6%       | 2.7%           |
| May-18 | 4.1%         | 0.5%      | 9.1%                  | 15.8%   | 0.6%       | 2.8%           |
| Sep-18 | 4.7%         | 0.8%      | 8.7%                  | 21.0%   | 1.5%       | 2.3%           |
| Jan-19 | 3.1%         | 0.6%      | 6.7%                  | 23.5%   | 1.4%       | 3.2%           |
| May-19 | 3.5%         | 0.7%      | 6.7%                  | 25.7%   | 1.6%       | 2.9%           |
| Sep-19 | 2.9%         | 0.5%      | 6.6%                  | 28.4%   | 2.5%       | 2.5%           |
| Jan-20 | 1.9%         | 0.2%      | 4.9%                  | 24.3%   | 0.9%       | 2.0%           |
| May-20 | 1.4%         | 0.4%      | 11.1%                 | 20.7%   | 0.3%       | 0.3%           |
| Sep-20 | 0.7%         | 0.2%      | 3.8%                  | 18.4%   | 1.2%       | 1.5%           |

**Table A4.a: Percentage of households with outstanding borrowings across different categories - Rural**

| Months | Formal loan | Informal loans | All loans | BANK  | NBFCs   | MFIs    | SHGs    | Credit Cards |
|--------|-------------|----------------|-----------|-------|---------|---------|---------|--------------|
| Jan-14 | 2.2%        | 4.7%           | 8.4%      | 2.2%  | NO DATA | NO DATA | NO DATA | NO DATA      |
| May-14 | 2.4%        | 4.3%           | 8.0%      | 2.4%  | NO DATA | NO DATA | NO DATA | NO DATA      |
| Sep-14 | 6.8%        | 3.9%           | 6.8%      | 2.0%  | 0.1%    | 0.2%    | 1.3%    | 0.0%         |
| Jan-15 | 3.6%        | 3.4%           | 6.6%      | 2.1%  | 0.2%    | 0.1%    | 1.2%    | 0.0%         |
| May-15 | 2.8%        | 3.8%           | 6.1%      | 1.7%  | 0.2%    | 0.1%    | 0.8%    | 0.0%         |
| Sep-15 | 3.9%        | 5.5%           | 8.8%      | 2.2%  | 0.2%    | 0.1%    | 1.4%    | 0.1%         |
| Jan-16 | 4.8%        | 7.4%           | 11.1%     | 3.2%  | 0.3%    | 0.1%    | 1.1%    | 0.1%         |
| May-16 | 5.8%        | 7.8%           | 12.0%     | 4.2%  | 0.5%    | 0.1%    | 1.0%    | 0.1%         |
| Sep-16 | 7.6%        | 11.3%          | 16.4%     | 5.6%  | 0.7%    | 0.4%    | 1.5%    | 0.2%         |
| Jan-17 | 8.3%        | 16.5%          | 23.2%     | 6.7%  | 0.3%    | 0.2%    | 0.9%    | 0.1%         |
| May-17 | 9.5%        | 21.6%          | 29.2%     | 7.9%  | 0.2%    | 0.3%    | 1.0%    | 0.0%         |
| Sep-17 | 13.6%       | 24.7%          | 34.8%     | 9.2%  | 0.5%    | 0.7%    | 3.3%    | 0.1%         |
| Jan-18 | 17.2%       | 26.8%          | 39.9%     | 10.8% | 0.8%    | 0.7%    | 5.1%    | 0.3%         |
| May-18 | 18.2%       | 33.9%          | 46.9%     | 11.0% | 1.1%    | 0.9%    | 6.0%    | 0.3%         |
| Sep-18 | 20.0%       | 37.0%          | 51.0%     | 12.9% | 1.6%    | 0.6%    | 5.7%    | 0.3%         |
| Jan-19 | 21.6%       | 36.5%          | 51.1%     | 13.8% | 1.9%    | 0.4%    | 6.5%    | 0.2%         |
| May-19 | 21.3%       | 36.9%          | 51.1%     | 13.6% | 2.2%    | 0.6%    | 5.8%    | 0.3%         |
| Sep-19 | 20.3%       | 41.3%          | 54.1%     | 13.3% | 2.0%    | 0.4%    | 5.0%    | 0.2%         |
| Jan-20 | 17.6%       | 36.7%          | 48.3%     | 11.1% | 2.5%    | 0.5%    | 4.8%    | 0.1%         |
| May-20 | 17.9%       | 35.0%          | 47.3%     | 10.4% | 1.9%    | 0.6%    | 6.5%    | 0.0%         |
| Sep-20 | 15.8%       | 34.0%          | 44.8%     | 8.9%  | 2.7%    | 0.3%    | 5.2%    | 0.1%         |

**Table A4.b: Percentage of households with outstanding borrowings in different informal borrowing categories - Rural**

| Months | Moneylenders | Employers | Friends and relatives | Shops   | Chit Funds | Other Informal |
|--------|--------------|-----------|-----------------------|---------|------------|----------------|
| Jan-14 | 1.2%         | 0.2%      | 2.8%                  | NO DATA | NO DATA    | 1.0%           |
| May-14 | 1.3%         | 0.1%      | 2.5%                  | NO DATA | NO DATA    | 0.8%           |
| Sep-14 | 1.4%         | 0.1%      | 2.3%                  | NO DATA | 0.1%       | 0.6%           |
| Jan-15 | 1.3%         | 0.1%      | 1.9%                  | NO DATA | 0.1%       | 0.3%           |
| May-15 | 1.7%         | 0.1%      | 1.9%                  | NO DATA | 0.1%       | 0.6%           |
| Sep-15 | 2.0%         | 0.1%      | 2.6%                  | NO DATA | 0.3%       | 1.0%           |
| Jan-16 | 2.7%         | 0.1%      | 3.1%                  | 0.8%    | 0.4%       | 1.4%           |
| May-16 | 2.9%         | 0.1%      | 2.9%                  | 0.9%    | 0.3%       | 1.7%           |
| Sep-16 | 4.8%         | 0.3%      | 4.2%                  | 1.4%    | 0.5%       | 2.1%           |
| Jan-17 | 7.6%         | 0.1%      | 6.2%                  | 2.0%    | 0.2%       | 2.5%           |
| May-17 | 8.2%         | 0.2%      | 7.9%                  | 3.4%    | 0.2%       | 4.0%           |
| Sep-17 | 7.3%         | 0.3%      | 9.0%                  | 8.1%    | 0.3%       | 2.9%           |
| Jan-18 | 4.9%         | 0.1%      | 10.3%                 | 11.3%   | 0.3%       | 2.3%           |
| May-18 | 4.8%         | 0.1%      | 11.6%                 | 17.3%   | 0.3%       | 2.8%           |
| Sep-18 | 4.7%         | 0.2%      | 9.8%                  | 22.8%   | 0.8%       | 2.3%           |
| Jan-19 | 3.8%         | 0.4%      | 8.4%                  | 25.3%   | 0.7%       | 1.2%           |
| May-19 | 3.6%         | 0.3%      | 7.4%                  | 26.9%   | 1.0%       | 1.3%           |
| Sep-19 | 3.3%         | 0.3%      | 7.4%                  | 32.1%   | 1.1%       | 1.8%           |
| Jan-20 | 3.1%         | 0.1%      | 6.8%                  | 29.7%   | 0.7%       | 0.9%           |
| May-20 | 2.2%         | 0.3%      | 10.0%                 | 27.3%   | 0.3%       | 0.3%           |
| Sep-20 | 1.3%         | 0.2%      | 4.4%                  | 29.4%   | 0.4%       | 0.5%           |

**Table A5.a: Percentage of households with outstanding savings/investments in formal financial assets**

| Months | Fixed Deposits | Post Office Savings | National Savings Certificate | Kisan Vikas Patra | Provident Fund | Life Insurance | Mutual Funds |
|--------|----------------|---------------------|------------------------------|-------------------|----------------|----------------|--------------|
| Jan-14 | 28.1%          | 7.4%                | 0.5%                         | 0.2%              | 11.1%          | 38.9%          | 0.3%         |
| May-14 | 35.1%          | 8.2%                | 0.4%                         | 0.2%              | 10.9%          | 41.6%          | 0.2%         |
| Sep-14 | 53.3%          | 8.0%                | 0.2%                         | 0.1%              | 9.8%           | 44.9%          | 0.2%         |

|        |       |       |      |      |       |       |      |
|--------|-------|-------|------|------|-------|-------|------|
| Jan-15 | 61.8% | 7.6%  | 0.1% | 0.1% | 9.3%  | 44.5% | 0.2% |
| May-15 | 65.7% | 7.3%  | 0.0% | 0.1% | 8.3%  | 44.8% | 0.1% |
| Sep-15 | 70.3% | 7.8%  | 0.1% | 0.1% | 8.5%  | 46.0% | 0.2% |
| Jan-16 | 75.8% | 9.3%  | 0.3% | 0.2% | 8.2%  | 47.1% | 0.2% |
| May-16 | 78.9% | 9.5%  | 0.5% | 0.2% | 7.1%  | 46.3% | 0.2% |
| Sep-16 | 78.9% | 9.5%  | 0.5% | 0.2% | 7.1%  | 46.3% | 0.2% |
| Jan-17 | 85.2% | 9.3%  | 0.5% | 0.2% | 7.8%  | 42.6% | 0.3% |
| May-17 | 82.9% | 11.9% | 0.6% | 0.3% | 8.7%  | 44.4% | 0.4% |
| Sep-17 | 77.8% | 14.8% | 0.8% | 0.3% | 9.3%  | 43.8% | 0.4% |
| Jan-18 | 74.0% | 18.4% | 0.7% | 0.3% | 11.0% | 46.9% | 0.5% |
| May-18 | 61.7% | 19.0% | 0.6% | 0.4% | 11.7% | 48.8% | 0.8% |
| Sep-18 | 41.4% | 20.2% | 0.8% | 0.4% | 11.9% | 49.0% | 0.9% |
| Jan-19 | 42.8% | 22.6% | 0.7% | 0.4% | 12.0% | 48.5% | 1.0% |
| May-19 | 43.0% | 24.5% | 0.9% | 0.6% | 12.3% | 50.0% | 1.2% |
| Sep-19 | 44.2% | 25.0% | 1.2% | 0.7% | 12.5% | 50.2% | 1.6% |
| Jan-20 | 41.2% | 19.9% | 0.8% | 0.7% | 11.4% | 44.9% | 1.5% |
| May-20 | 27.1% | 9.8%  | 0.2% | 0.2% | 5.0%  | 24.4% | 0.3% |
| Sep-20 | 27.3% | 9.4%  | 0.1% | 0.1% | 10.1% | 27.8% | 0.7% |



**Table A5.b: Percentage of households with outstanding savings/investments in informal and physical assets**

| Months | Chit Funds | Other financial instruments | Real Estate | Gold  | At least one durable good |
|--------|------------|-----------------------------|-------------|-------|---------------------------|
| Jan-14 | NO DATA    | 3.9%                        | 95.5%       | 75.9% | 89.6%                     |
| May-14 | NO DATA    | 3.2%                        | 98.0%       | 80.6% | 90.1%                     |
| Sep-14 | NO DATA    | 1.7%                        | 98.9%       | 82.7% | 95.5%                     |
| Jan-15 | NO DATA    | 2.0%                        | 99.1%       | 83.7% | 95.7%                     |
| May-15 | NO DATA    | 2.2%                        | 99.1%       | 84.2% | 95.6%                     |
| Sep-15 | NO DATA    | 2.0%                        | 99.3%       | 85.5% | 95.7%                     |
| Jan-16 | 0.2%       | 2.0%                        | 99.3%       | 87.1% | 95.4%                     |
| May-16 | 0.6%       | 2.1%                        | 99.3%       | 88.0% | 94.9%                     |
| Sep-16 | 0.6%       | 2.1%                        | 99.3%       | 88.0% | 94.9%                     |
| Jan-17 | 0.9%       | 2.2%                        | 99.3%       | 91.8% | 93.4%                     |
| May-17 | 0.7%       | 1.9%                        | 99.3%       | 93.5% | 94.4%                     |
| Sep-17 | 2.2%       | 2.4%                        | 97.9%       | 95.7% | 93.7%                     |
| Jan-18 | 3.1%       | 4.6%                        | 97.8%       | 98.1% | 94.4%                     |
| May-18 | 3.6%       | 5.5%                        | 98.2%       | 98.8% | 94.6%                     |
| Sep-18 | 6.0%       | 6.8%                        | 99.3%       | 98.7% | 95.1%                     |
| Jan-19 | 7.7%       | 7.1%                        | 99.6%       | 98.9% | 95.5%                     |
| May-19 | 9.4%       | 7.5%                        | 99.7%       | 99.1% | 96.5%                     |
| Sep-19 | 10.1%      | 7.5%                        | 99.3%       | 99.3% | 97.4%                     |
| Jan-20 | 9.4%       | 5.8%                        | 97.1%       | 97.6% | 97.0%                     |
| May-20 | 7.0%       | 6.8%                        | 99.7%       | 96.2% | 96.2%                     |
| Sep-20 | 8.0%       | 5.1%                        | 99.7%       | 98.7% | 97.1%                     |

**Table A6.a: Percentage of households with outstanding savings/investments in formal financial assets – Urban**

| Months | Fixed Deposits | Post Office Savings | National Savings Certificate | Kisan Vikas Patra | Provident Fund | Life Insurance | Mutual Funds | Listed Shares |
|--------|----------------|---------------------|------------------------------|-------------------|----------------|----------------|--------------|---------------|
| Jan-14 | 33.61%         | 7.82%               | 0.88%                        | 0.07%             | 22.49%         | 52.55%         | 0.72%        | 0.59%         |
| May-14 | 42.22%         | 7.50%               | 0.84%                        | 0.09%             | 22.33%         | 56.59%         | 0.64%        | 0.45%         |
| Sep-14 | 63.12%         | 6.81%               | 0.34%                        | 0.06%             | 19.83%         | 59.53%         | 0.61%        | 0.32%         |
| Jan-15 | 71.81%         | 6.43%               | 0.20%                        | 0.04%             | 18.59%         | 59.66%         | 0.46%        | 0.21%         |
| May-15 | 75.49%         | 5.83%               | 0.10%                        | 0.03%             | 16.50%         | 58.05%         | 0.37%        | 0.16%         |
| Sep-15 | 79.48%         | 6.44%               | 0.18%                        | 0.04%             | 16.50%         | 59.49%         | 0.43%        | 0.19%         |
| Jan-16 | 83.55%         | 8.73%               | 0.45%                        | 0.12%             | 16.12%         | 60.95%         | 0.59%        | 0.17%         |
| May-16 | 86.78%         | 8.94%               | 0.76%                        | 0.07%             | 13.39%         | 59.42%         | 0.53%        | 0.23%         |
| Sep-16 | 89.68%         | 9.57%               | 0.82%                        | 0.15%             | 13.15%         | 57.82%         | 0.57%        | 0.34%         |
| Jan-17 | 89.14%         | 10.58%              | 0.82%                        | 0.18%             | 15.25%         | 56.40%         | 0.57%        | 0.27%         |
| May-17 | 85.13%         | 13.10%              | 0.95%                        | 0.34%             | 16.78%         | 58.40%         | 0.59%        | 0.25%         |
| Sep-17 | 76.39%         | 16.01%              | 1.22%                        | 0.38%             | 18.94%         | 59.08%         | 0.88%        | 0.41%         |
| Jan-18 | 72.81%         | 18.93%              | 1.10%                        | 0.29%             | 22.29%         | 62.33%         | 1.08%        | 0.40%         |
| May-18 | 62.05%         | 20.34%              | 1.13%                        | 0.32%             | 24.08%         | 64.50%         | 1.79%        | 0.65%         |
| Sep-18 | 51.36%         | 22.52%              | 1.28%                        | 0.33%             | 24.43%         | 66.02%         | 2.29%        | 1.03%         |
| Jan-19 | 51.36%         | 26.50%              | 1.34%                        | 0.28%             | 24.31%         | 65.61%         | 2.57%        | 1.19%         |
| May-19 | 51.37%         | 29.16%              | 1.48%                        | 0.32%             | 24.61%         | 66.28%         | 3.00%        | 1.52%         |
| Sep-19 | 52.80%         | 29.93%              | 1.57%                        | 0.27%             | 24.42%         | 66.53%         | 3.77%        | 1.99%         |
| Jan-20 | 48.38%         | 22.93%              | 1.36%                        | 0.21%             | 22.76%         | 59.46%         | 3.89%        | 1.94%         |
| May-20 | 35.80%         | 11.08%              | 1.62%                        | 0.12%             | 21.46%         | 40.76%         | 3.40%        | 1.70%         |
| Sep-20 | 31.90%         | 8.52%               | 0.26%                        | 0.04%             | 21.00%         | 38.40%         | 1.89%        | 0.73%         |

**Table A6.b: Percentage of households with outstanding savings/investments in informal and physical assets – Urban**

| Months | Chit Funds | Other financial instruments | Real Estate | Gold   | At least one durable good |
|--------|------------|-----------------------------|-------------|--------|---------------------------|
| Jan-14 | NO DATA    | 4.42%                       | 91.55%      | 82.64% | 96.80%                    |
| May-14 | NO DATA    | 3.52%                       | 95.51%      | 88.39% | 97.06%                    |
| Sep-14 | NO DATA    | 2.07%                       | 97.09%      | 90.15% | 98.79%                    |
| Jan-15 | NO DATA    | 2.27%                       | 97.53%      | 90.70% | 98.96%                    |
| May-15 | NO DATA    | 2.21%                       | 97.53%      | 89.81% | 98.95%                    |
| Sep-15 | NO DATA    | 2.07%                       | 98.04%      | 91.21% | 99.13%                    |
| Jan-16 | 0.37%      | 1.73%                       | 98.22%      | 92.16% | 99.08%                    |
| May-16 | 1.11%      | 2.15%                       | 98.24%      | 92.91% | 98.91%                    |

|        |        |       |        |        |        |
|--------|--------|-------|--------|--------|--------|
| Sep-16 | 1.54%  | 2.09% | 98.56% | 94.47% | 98.02% |
| Jan-17 | 1.40%  | 1.72% | 98.30% | 95.72% | 98.38% |
| May-17 | 1.27%  | 1.44% | 98.39% | 97.22% | 98.69% |
| Sep-17 | 2.60%  | 2.35% | 96.66% | 98.01% | 98.60% |
| Jan-18 | 4.32%  | 4.36% | 97.04% | 99.30% | 98.88% |
| May-18 | 4.91%  | 5.30% | 97.46% | 99.59% | 99.09% |
| Sep-18 | 8.12%  | 6.60% | 98.85% | 99.14% | 99.01% |
| Jan-19 | 10.18% | 6.74% | 99.22% | 99.17% | 98.97% |
| May-19 | 12.63% | 7.00% | 99.52% | 99.40% | 99.11% |
| Sep-19 | 13.49% | 6.99% | 99.33% | 99.69% | 99.22% |
| Jan-20 | 12.76% | 4.99% | 96.52% | 98.12% | 98.97% |
| May-20 | 10.90% | 4.69% | 99.18% | 98.77% | 99.07% |
| Sep-20 | 9.23%  | 4.63% | 99.46% | 99.38% | 98.91% |

**Table A6.c: Percentage of households with outstanding savings/investments in formal financial assets– Rural**

| Months | Fixed Deposits | Post Office Savings | National Savings Certificate | Kisan Vikas Patra | Provident Fund | Life Insurance | Mutual Funds | Listed Shares |
|--------|----------------|---------------------|------------------------------|-------------------|----------------|----------------|--------------|---------------|
| Jan-14 | 25.48%         | 7.17%               | 0.32%                        | 0.28%             | 5.79%          | 32.50%         | 0.04%        | 0.01%         |
| May-14 | 31.73%         | 8.54%               | 0.13%                        | 0.27%             | 5.60%          | 34.60%         | 0.04%        | 0.01%         |
| Sep-14 | 48.65%         | 8.50%               | 0.07%                        | 0.18%             | 5.06%          | 37.99%         | 0.05%        | 0.02%         |
| Jan-15 | 57.12%         | 8.16%               | 0.03%                        | 0.08%             | 5.00%          | 37.44%         | 0.02%        | 0.02%         |
| May-15 | 61.07%         | 8.05%               | 0.01%                        | 0.07%             | 4.52%          | 38.59%         | 0.04%        | 0.02%         |
| Sep-15 | 66.05%         | 8.48%               | 0.03%                        | 0.15%             | 4.78%          | 39.64%         | 0.04%        | 0.03%         |
| Jan-16 | 72.20%         | 9.56%               | 0.16%                        | 0.30%             | 4.52%          | 40.63%         | 0.06%        | 0.03%         |
| May-16 | 75.19%         | 9.77%               | 0.31%                        | 0.21%             | 4.12%          | 40.10%         | 0.11%        | 0.09%         |
| Sep-16 | 80.88%         | 9.08%               | 0.30%                        | 0.19%             | 3.99%          | 37.76%         | 0.16%        | 0.11%         |
| Jan-17 | 83.37%         | 8.62%               | 0.37%                        | 0.15%             | 4.33%          | 36.12%         | 0.17%        | 0.08%         |
| May-17 | 81.89%         | 11.30%              | 0.49%                        | 0.30%             | 4.94%          | 37.85%         | 0.24%        | 0.11%         |
| Sep-17 | 78.41%         | 14.20%              | 0.54%                        | 0.33%             | 4.88%          | 36.65%         | 0.19%        | 0.10%         |
| Jan-18 | 74.62%         | 18.12%              | 0.45%                        | 0.31%             | 5.81%          | 39.78%         | 0.20%        | 0.09%         |
| May-18 | 61.55%         | 18.42%              | 0.42%                        | 0.45%             | 5.96%          | 41.52%         | 0.34%        | 0.10%         |
| Sep-18 | 36.79%         | 19.06%              | 0.60%                        | 0.43%             | 6.09%          | 41.04%         | 0.33%        | 0.15%         |
| Jan-19 | 38.75%         | 20.71%              | 0.43%                        | 0.47%             | 6.30%          | 40.44%         | 0.32%        | 0.10%         |
| May-19 | 38.99%         | 22.36%              | 0.66%                        | 0.80%             | 6.48%          | 42.23%         | 0.38%        | 0.28%         |
| Sep-19 | 40.18%         | 22.69%              | 0.96%                        | 0.87%             | 6.86%          | 42.45%         | 0.58%        | 0.62%         |
| Jan-20 | 37.86%         | 18.54%              | 0.49%                        | 0.89%             | 5.98%          | 37.94%         | 0.30%        | 0.25%         |
| May-20 | 27.14%         | 9.82%               | 0.19%                        | 0.23%             | 5.01%          | 24.35%         | 0.34%        | 0.11%         |
| Sep-20 | 25.11%         | 9.79%               | 0.09%                        | 0.12%             | 4.92%          | 22.81%         | 0.18%        | 0.04%         |

**Table A6.d: Percentage of households with outstanding savings/investments in informal and physical assets – Rural**

| Months | Chit Funds | Other financial instruments | Real Estate | Gold   | At least one durable good |
|--------|------------|-----------------------------|-------------|--------|---------------------------|
| Jan-14 | NO DATA    | 3.65%                       | 97.29%      | 72.77% | 86.23%                    |
| May-14 | NO DATA    | 3.02%                       | 99.11%      | 76.92% | 86.91%                    |
| Sep-14 | NO DATA    | 1.56%                       | 99.81%      | 79.24% | 94.00%                    |
| Jan-15 | NO DATA    | 1.86%                       | 99.90%      | 80.41% | 94.20%                    |
| May-15 | NO DATA    | 2.26%                       | 99.86%      | 81.55% | 94.08%                    |
| Sep-15 | NO DATA    | 1.98%                       | 99.88%      | 82.75% | 94.11%                    |
| Jan-16 | 0.08%      | 2.18%                       | 99.82%      | 84.77% | 93.69%                    |
| May-16 | 0.31%      | 2.10%                       | 99.82%      | 85.68% | 92.96%                    |
| Sep-16 | 0.91%      | 2.58%                       | 99.51%      | 88.08% | 89.60%                    |
| Jan-17 | 0.70%      | 2.35%                       | 99.79%      | 89.95% | 91.00%                    |
| May-17 | 0.50%      | 2.11%                       | 99.73%      | 91.78% | 92.42%                    |
| Sep-17 | 1.98%      | 2.37%                       | 98.47%      | 94.57% | 91.48%                    |
| Jan-18 | 2.49%      | 4.64%                       | 98.13%      | 97.61% | 92.26%                    |
| May-18 | 2.99%      | 5.60%                       | 98.47%      | 98.39% | 92.59%                    |
| Sep-18 | 5.01%      | 6.95%                       | 99.51%      | 98.52% | 93.26%                    |
| Jan-19 | 6.57%      | 7.33%                       | 99.70%      | 98.78% | 93.90%                    |
| May-19 | 7.88%      | 7.77%                       | 99.74%      | 99.01% | 95.28%                    |
| Sep-19 | 8.52%      | 7.67%                       | 99.23%      | 99.13% | 96.59%                    |
| Jan-20 | 7.80%      | 6.14%                       | 97.39%      | 97.40% | 96.00%                    |
| May-20 | 7.00%      | 6.79%                       | 99.68%      | 96.22% | 96.18%                    |
| Sep-20 | 7.37%      | 5.31%                       | 99.79%      | 98.33% | 96.30%                    |

**Table A7: Percentage of households with account ownership among at least one member of the household in different categories**

| Months | Bank Account | Health Insurance | Credit Card | Kisan Credit Card | Demat Account |
|--------|--------------|------------------|-------------|-------------------|---------------|
| Jan-14 | 90.1%        | 7.7%             | 2.9%        | 8.7%              | 0.9%          |
| May-14 | 93.5%        | 8.1%             | 3.0%        | 8.8%              | 0.9%          |
| Sep-14 | 97.2%        | 8.3%             | 5.2%        | 8.8%              | 0.9%          |
| Jan-15 | 97.6%        | 7.9%             | 4.0%        | 8.6%              | 0.8%          |
| May-15 | 98.2%        | 8.1%             | 3.2%        | 8.4%              | 0.8%          |
| Sep-15 | 97.2%        | 9.0%             | 3.3%        | 8.3%              | 0.8%          |
| Jan-16 | 96.7%        | 10.0%            | 3.4%        | 8.5%              | 0.7%          |

|        |       |       |      |      |      |
|--------|-------|-------|------|------|------|
| May-16 | 97.7% | 10.8% | 3.7% | 8.3% | 0.7% |
| Sep-16 | 97.5% | 12.1% | 4.0% | 7.1% | 0.6% |
| Jan-17 | 93.7% | 12.8% | 3.2% | 6.4% | 0.4% |
| May-17 | 95.3% | 13.0% | 2.4% | 6.8% | 0.4% |
| Sep-17 | 86.3% | 14.1% | 2.9% | 7.2% | 0.4% |
| Jan-18 | 92.6% | 19.7% | 3.5% | 7.1% | 0.4% |
| May-18 | 89.8% | 21.1% | 3.4% | 7.1% | 0.4% |
| Sep-18 | 93.2% | 22.2% | 3.5% | 7.7% | 0.5% |
| Jan-19 | 89.1% | 22.8% | 3.5% | 7.3% | 0.5% |
| May-19 | 89.0% | 24.0% | 3.5% | 7.5% | 0.6% |
| Sep-19 | 95.4% | 25.7% | 3.9% | 7.7% | 0.7% |
| Jan-20 | 99.9% | 27.8% | 3.8% | 8.3% | 0.9% |
| May-20 | 99.8% | 23.6% | 2.3% | 6.8% | 0.6% |
| Sep-20 | 99.8% | 21.0% | 2.1% | 5.5% | 0.3% |

**Table A7.a: Percentage of households with account ownership among at least one member of the household in different categories - Urban**

| Months | Bank Account | Health Insurance | Life Insurance | Employee Provident Fund | Credit Card | Kisan Credit Card | Demat Account |
|--------|--------------|------------------|----------------|-------------------------|-------------|-------------------|---------------|
| Jan-14 | 92.13%       | 14.94%           | 60.37%         | 29.92%                  | 6.65%       | 0.50%             | 2.62%         |
| May-14 | 95.81%       | 15.94%           | 61.99%         | 29.77%                  | 6.72%       | 0.40%             | 2.50%         |
| Sep-14 | 97.86%       | 14.47%           | 62.68%         | 29.33%                  | 9.94%       | 0.53%             | 2.63%         |
| Jan-15 | 97.87%       | 13.67%           | 62.14%         | 28.37%                  | 8.18%       | 0.49%             | 2.28%         |
| May-15 | 98.22%       | 12.90%           | 60.08%         | 24.64%                  | 6.61%       | 0.52%             | 2.00%         |
| Sep-15 | 97.42%       | 13.93%           | 61.28%         | 24.37%                  | 6.95%       | 0.47%             | 2.06%         |
| Jan-16 | 96.47%       | 14.75%           | 61.42%         | 24.11%                  | 6.99%       | 0.48%             | 1.98%         |
| May-16 | 97.54%       | 15.64%           | 59.86%         | 22.55%                  | 7.31%       | 0.49%             | 1.74%         |
| Sep-16 | 97.33%       | 17.03%           | 59.42%         | 18.99%                  | 6.73%       | 1.56%             | 1.48%         |
| Jan-17 | 95.39%       | 17.53%           | 58.69%         | 17.66%                  | 5.42%       | 1.10%             | 1.01%         |
| May-17 | 94.09%       | 17.78%           | 59.89%         | 18.03%                  | 5.07%       | 1.11%             | 0.92%         |
| Sep-17 | 88.23%       | 20.66%           | 61.01%         | 21.40%                  | 6.54%       | 1.17%             | 1.02%         |
| Jan-18 | 94.39%       | 26.94%           | 63.89%         | 24.16%                  | 8.53%       | 0.90%             | 0.94%         |
| May-18 | 91.23%       | 29.06%           | 65.34%         | 24.80%                  | 8.79%       | 0.82%             | 1.07%         |

|        |        |        |        |        |       |       |       |
|--------|--------|--------|--------|--------|-------|-------|-------|
| Sep-18 | 91.97% | 31.36% | 66.65% | 24.69% | 8.78% | 0.74% | 1.32% |
| Jan-19 | 90.91% | 32.57% | 66.23% | 24.05% | 8.83% | 0.71% | 1.40% |
| May-19 | 93.83% | 34.22% | 66.40% | 23.79% | 8.91% | 0.63% | 1.57% |
| Sep-19 | 96.56% | 35.24% | 66.82% | 23.85% | 9.30% | 0.78% | 1.92% |
| Jan-20 | 99.90% | 37.40% | 63.54% | 23.66% | 9.23% | 0.73% | 2.51% |
| May-20 | 99.81% | 30.69% | 42.23% | 21.73% | 5.78% | 0.76% | 1.80% |
| Sep-20 | 99.78% | 25.54% | 39.88% | 21.09% | 5.73% | 0.45% | 0.95% |

**Table A7.b: Percentage of households with account ownership among at least one member of the household in different categories – Rural**

| Months | Bank Account | Health Insurance | Life Insurance | Employee Provident Fund | Credit Card | Kisan Credit Card | Demat Account |
|--------|--------------|------------------|----------------|-------------------------|-------------|-------------------|---------------|
| Jan-14 | 89.22%       | 4.39%            | 43.18%         | 8.89%                   | 1.13%       | 12.48%            | 0.09%         |
| May-14 | 92.47%       | 4.48%            | 43.28%         | 8.86%                   | 1.19%       | 12.69%            | 0.09%         |
| Sep-14 | 96.96%       | 5.48%            | 44.74%         | 8.97%                   | 3.00%       | 12.72%            | 0.15%         |
| Jan-15 | 97.41%       | 5.21%            | 43.64%         | 8.92%                   | 2.09%       | 12.34%            | 0.18%         |
| May-15 | 98.14%       | 5.78%            | 43.97%         | 7.84%                   | 1.56%       | 12.12%            | 0.19%         |
| Sep-15 | 97.02%       | 6.67%            | 44.64%         | 7.94%                   | 1.59%       | 12.04%            | 0.20%         |
| Jan-16 | 96.75%       | 7.74%            | 44.75%         | 7.76%                   | 1.67%       | 12.29%            | 0.16%         |
| May-16 | 97.72%       | 8.61%            | 43.61%         | 7.38%                   | 1.99%       | 12.01%            | 0.14%         |
| Sep-16 | 97.58%       | 9.83%            | 40.56%         | 6.30%                   | 2.67%       | 9.69%             | 0.20%         |
| Jan-17 | 92.90%       | 10.65%           | 39.76%         | 5.31%                   | 2.14%       | 8.90%             | 0.15%         |
| May-17 | 95.85%       | 10.72%           | 40.13%         | 5.22%                   | 1.12%       | 9.53%             | 0.21%         |
| Sep-17 | 85.36%       | 11.13%           | 39.46%         | 5.59%                   | 1.14%       | 9.93%             | 0.14%         |
| Jan-18 | 91.72%       | 16.29%           | 42.31%         | 6.38%                   | 1.19%       | 10.05%            | 0.14%         |
| May-18 | 89.19%       | 17.47%           | 43.45%         | 6.35%                   | 0.94%       | 10.02%            | 0.14%         |
| Sep-18 | 93.70%       | 17.92%           | 41.96%         | 6.42%                   | 1.00%       | 10.87%            | 0.12%         |
| Jan-19 | 88.24%       | 18.30%           | 41.53%         | 6.31%                   | 1.00%       | 10.37%            | 0.10%         |
| May-19 | 86.69%       | 19.11%           | 43.25%         | 6.37%                   | 0.97%       | 10.77%            | 0.14%         |
| Sep-19 | 94.86%       | 21.17%           | 43.65%         | 6.86%                   | 1.32%       | 10.92%            | 0.13%         |
| Jan-20 | 99.88%       | 23.26%           | 42.26%         | 6.71%                   | 1.30%       | 11.90%            | 0.13%         |
| May-20 | 99.77%       | 20.25%           | 26.04%         | 5.27%                   | 0.59%       | 9.65%             | 0.05%         |
| Sep-20 | 99.77%       | 18.78%           | 24.18%         | 4.96%                   | 0.38%       | 7.91%             | 0.06%         |

## **Cite this item**

### **APA**

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