

# An AIDIS Comparison

Physical and Financial Assets Portfolio

1993 vs 2003 and 2003 vs 2013

# Agenda of the Analysis

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- How have household financial portfolios changed between 1993 and 2003, and between 2003 and 2013, as per successive rounds of [NSSO All India Debt and Investment Survey \(AIDIS\)](#)
- Splits of interest:
  - 1993 vs 2003
  - 2003 vs 2013
  - Physical vs Financial Assets
  - Comparison across quintiles
  - Rural Households

# Note on Quintile Construction

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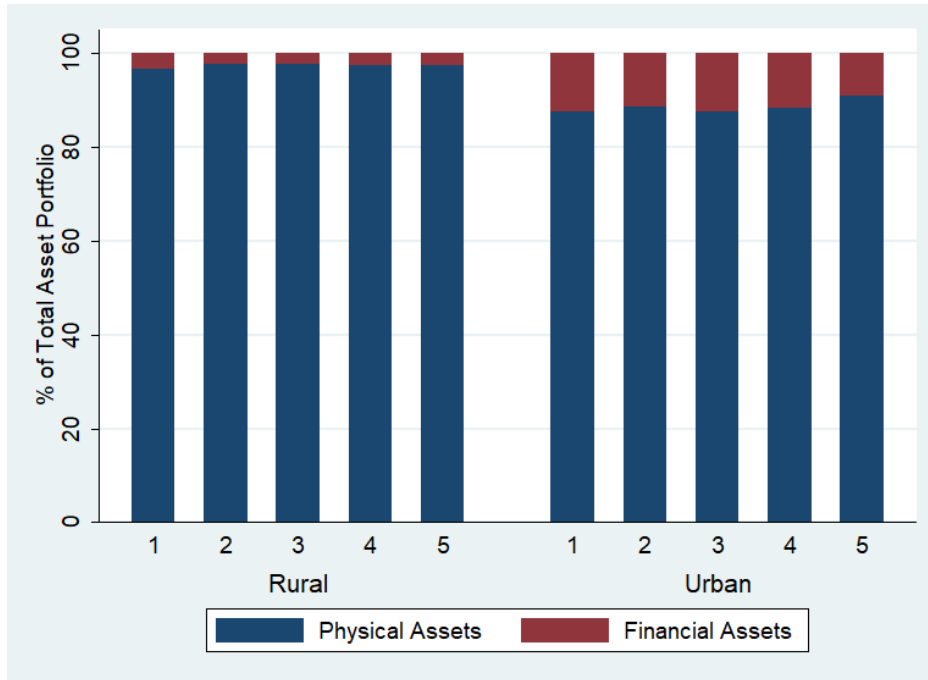
- Monthly per-capita expenditure data was available only in the 2003 round and income data was not available in either of the rounds
- Quintiles were therefore constructed using wealth – wealth being calculated as total assets owned by the household.
- Households were arranged in ascending order of wealth and were then weighted using the frequency weights provided by NSSO.
- The total households (now representative of the population of India), were then divided into 5 equal buckets, each containing 20% of the households.
- Q1 represents the poorest 20% of households.

# Some caveats to keep in mind about the 1993 AIDIS sample

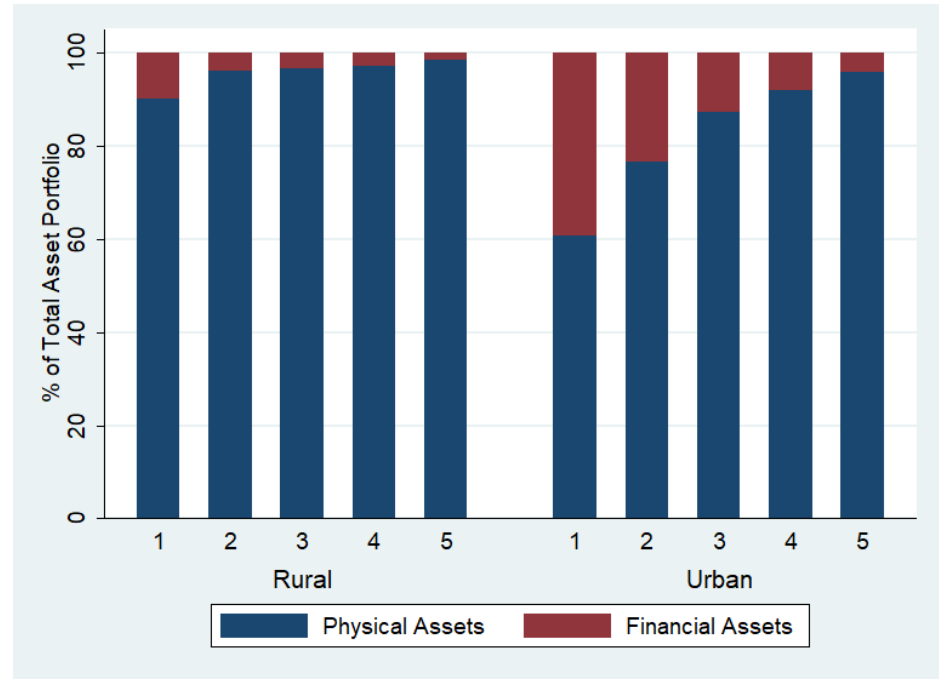
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- There are no weights given for the 1993 round of the survey, which means the 1993 numbers in the charts below are not strictly comparable to those for the 2003 or 2013 rounds
- Weights are needed to go from the sample to the population, so only the 2003 and 2013 numbers were population numbers
- The 1993 AIDIS sample itself is much smaller than 2003 and 2013 samples, both of which have similarly sized samples. This means we have little confidence that NSSO surveyed a largely identical group of households between 1993 and the other two later rounds

# How do HHs allocate wealth across all assets?



2003



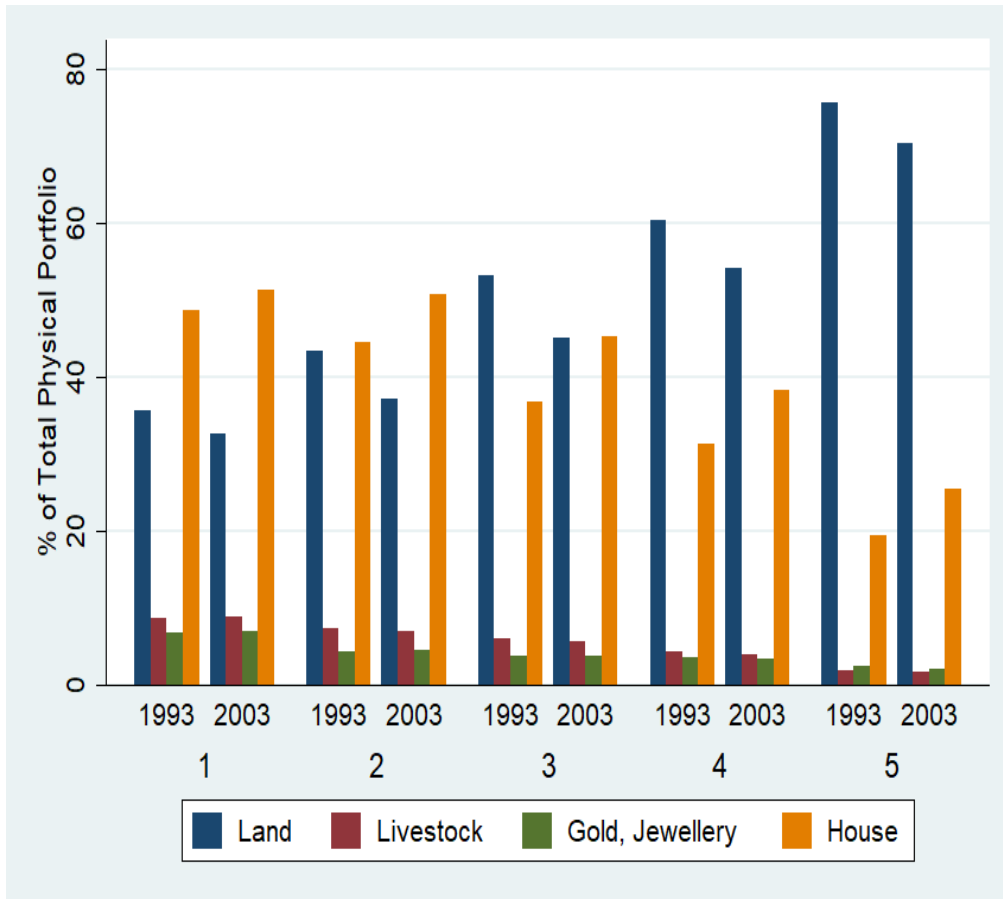
2013

# Overall assets: Key Takeaways

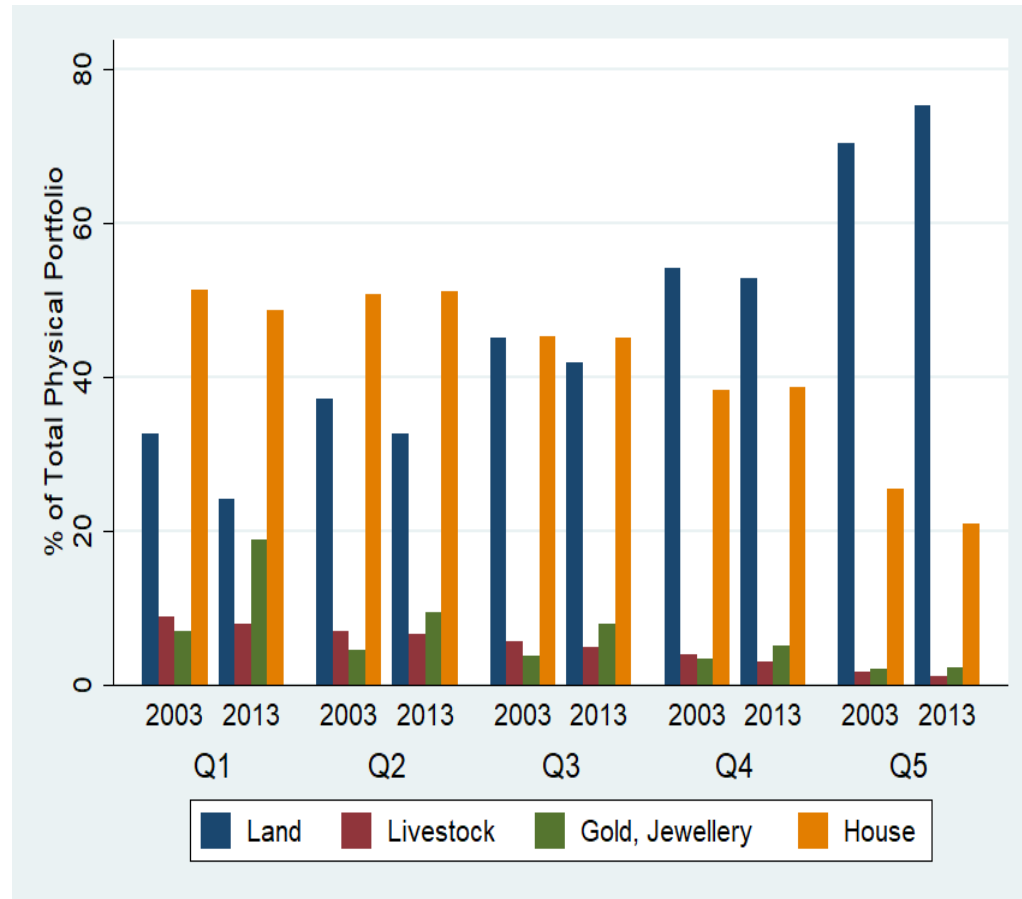
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- Share of financial assets in total asset portfolio is higher in urban households than in rural households, both in 2003 and 2013
- Households in lower wealth quintiles hold a higher share of their wealth in financial assets than households in higher wealth quintiles, both in rural and urban areas. While the differences between quintiles are marginal in 2003, they are considerable in 2013
- Share of financial assets has grown substantially for bottom 20% households both in rural and urban areas, from 2003 to 2013

# How do rural households allocate across physical assets? (1993 vs 2003 vs 2013)



Rural Physical Assets – 1993 vs 2003



Rural Physical Assets – 2003 vs 2013

# Rural Physical Assets Portfolio: Key takeaways (1993 vs 2003)

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- Share of land and residential housing in physical assets portfolio grew comparably across all wealth quintiles; land and housing occupy higher share of physical assets portfolio among wealthier quintiles
- Share of livestock in physical assets portfolio grew marginally for the poorest quintile while declining marginally for all other quintiles; poorer quintiles have higher share of livestock in their physical assets portfolio than wealthier quintiles
- Share of gold and jewellery in physical assets portfolio grew marginally for poorer quintiles and declined marginally for the wealthier; poorer quintiles have higher share of gold and jewellery in their asset portfolio than wealthier quintiles
- See Appendix I for detailed information on change in both quantum and percentage of all physical asset classes from 1993 to 2003

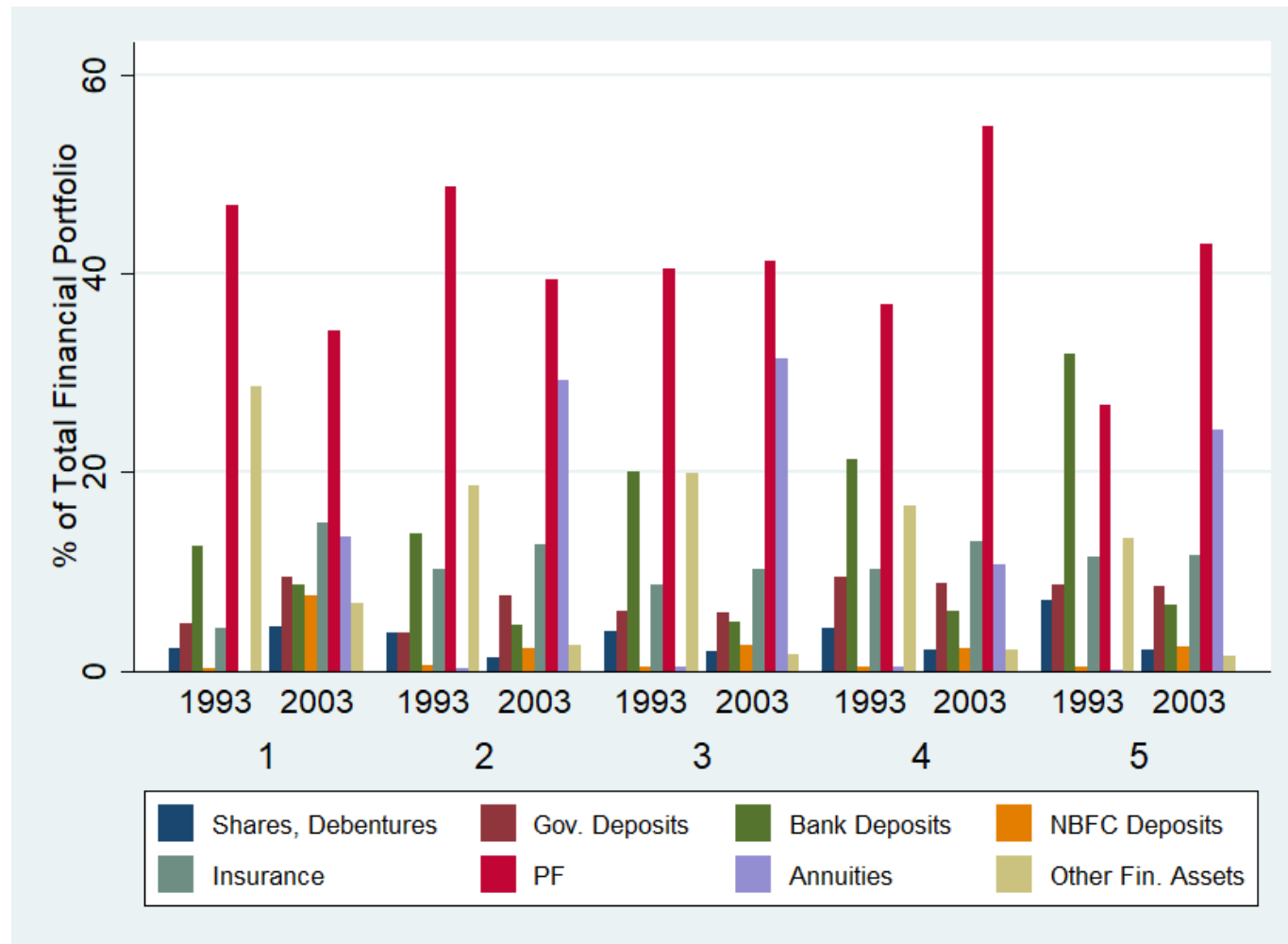


# Rural Physical Assets Portfolio: Key takeaways (2003 vs 2013)

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- Only the wealthiest quintile shows growth in share of land in their physical assets portfolio
- Share of livestock in asset portfolio dips across all quintiles from 2003 to 2013; poorer quintiles have higher share of livestock in their asset portfolio than wealthier quintiles
- Share of gold and jewellery in asset portfolio has grown across all quintiles; poorer quintiles have higher share of gold and jewellery in their asset portfolio than wealthier quintiles
- Share of residential house in physical assets declines as we move from poorer to wealthier quintiles; its share hasn't changed much from 2003 to 2013 in any of the quintiles
- See Appendix II for detailed information on change in both quantum and percentage of all physical asset classes

# How do rural households allocate across financial assets? (1993 vs 2003)



# Rural Financial Assets Portfolio: Key Takeaways – 1/2 (1993 vs 2003)

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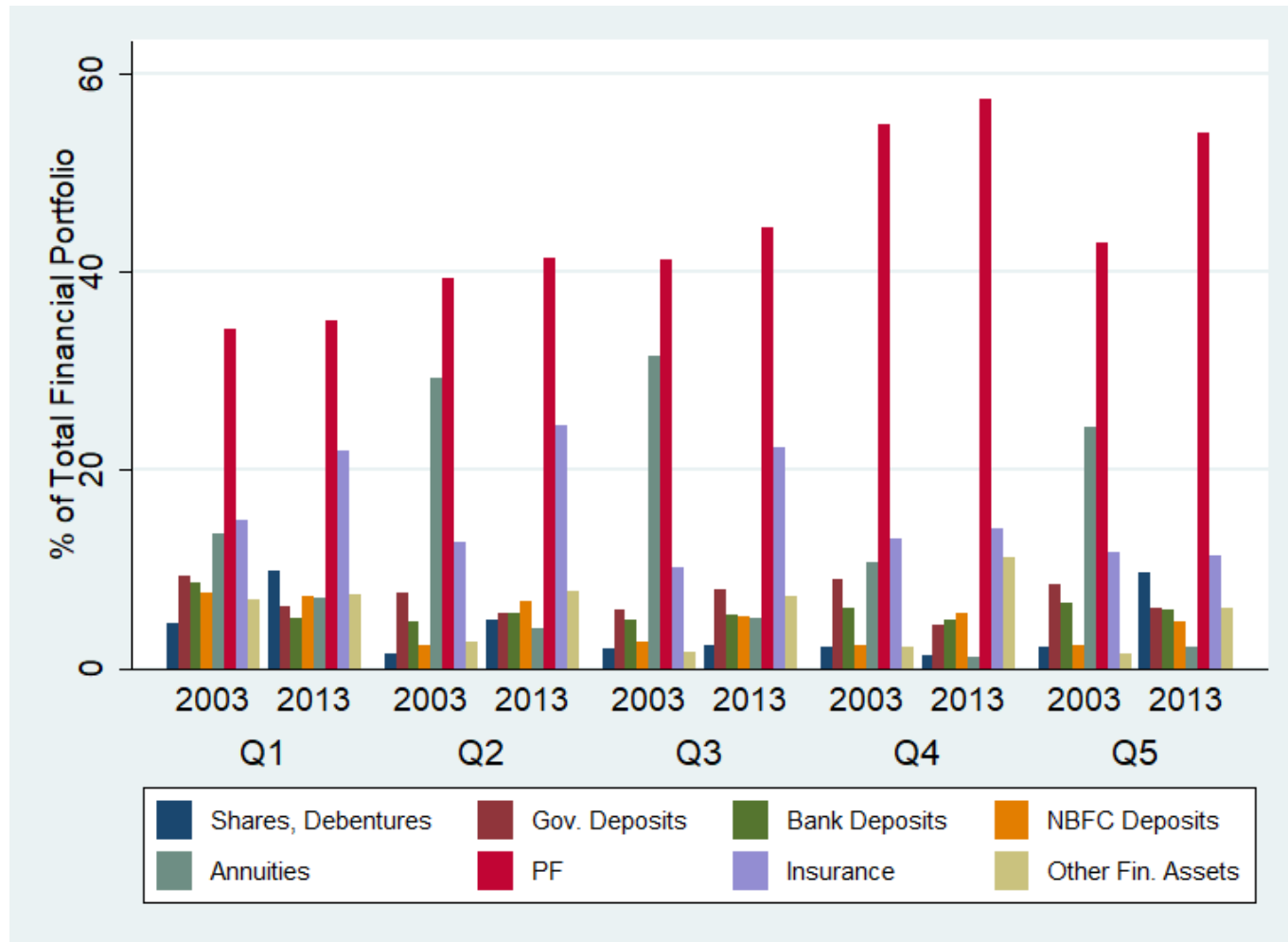
- **Shares and debentures:** Share of shares and debentures grew for only the poorest quintile and dipped for all other quintiles
- **Government Deposits:** Share of government deposits grew for the two poorest quintiles but dipped marginally for the three wealthier quintiles
- **Bank deposits:** Share of bank deposits dipped sharply for all quintiles, especially for the wealthier quintiles (this can also be because of change in the definition of what types of institutions were considered banks, between the two rounds)
- **NBFC deposits:** Share of NBFC deposits grew for all quintiles and especially sharply for the two poorest quintiles
- **Annuities:** Share of annuities grew sharply for all quintiles and especially sharply for Q2, Q3 and Q5

# Rural Financial Assets Portfolio: Key Takeaways – 2/2 (1993 vs 2003)

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- **PF:** Share of PF in financial assets portfolio dipped for the poorest two quintiles and grew for the wealthiest three quintiles, and sharply for the two wealthiest quintiles
- **Insurance:** Share of insurance grew for all quintiles and sharply for the poorest quintile
- **Other Financial Assets:** This category is not well defined and its share dips across all quintiles
- See Appendix III for detail on change in absolute amount versus change in percentage share.

# How do rural households allocate across financial assets? (2003 vs 2013)



# Rural Financial Assets Portfolio: Key Takeaways – 1/2 (2003 vs 2013)

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- **Shares and debentures:** Share of shares and debentures grew from 2003 to 2013 for Q1, Q4 and Q5, while it shrunk for Q2 and Q3 during the same period; Wealthiest quintile witnessed the steepest growth in its share
- **Government Deposits:** Share of government deposits shrunk from 2003 to 2013 for all quintiles, but for Q3
- **Bank deposits:** Share of bank deposits dipped from 2003 to 2013 for all quintiles, but for Q2 and Q3
- **NBFC deposits:** Share of NBFC deposits grew from 2003 to 2013 for all quintiles but dipped for the poorest quintile
- **Annuities:** Share of annuities dipped from 2003 to 2013 for all quintiles, and by very large margins for some quintiles

# Rural Financial Assets Portfolio: Key Takeaways – 2/2 (2003 vs 2013)

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- **PF:** Share of PF is highest across all quintiles both in 2003 and 2013; it has grown almost uniformly across all quintiles from 2003 to 2013, with its share increasing as we move from poorer to wealthier quintiles (however, share in Q5 < Q4)
- **Insurance:** Share of insurance grew from 2003 to 2013 for the bottom 3 quintiles, grew marginally for Q4 and dipped marginally for the wealthiest quintile
- **Other Financial Assets:** This category is not well defined, and includes informal financial investments such as depositing money with an individual. Chit fund contributions appear as part of this category in 2013 but not in 2003
- See Appendix IV for detail on change in absolute amount versus change in percentage share.

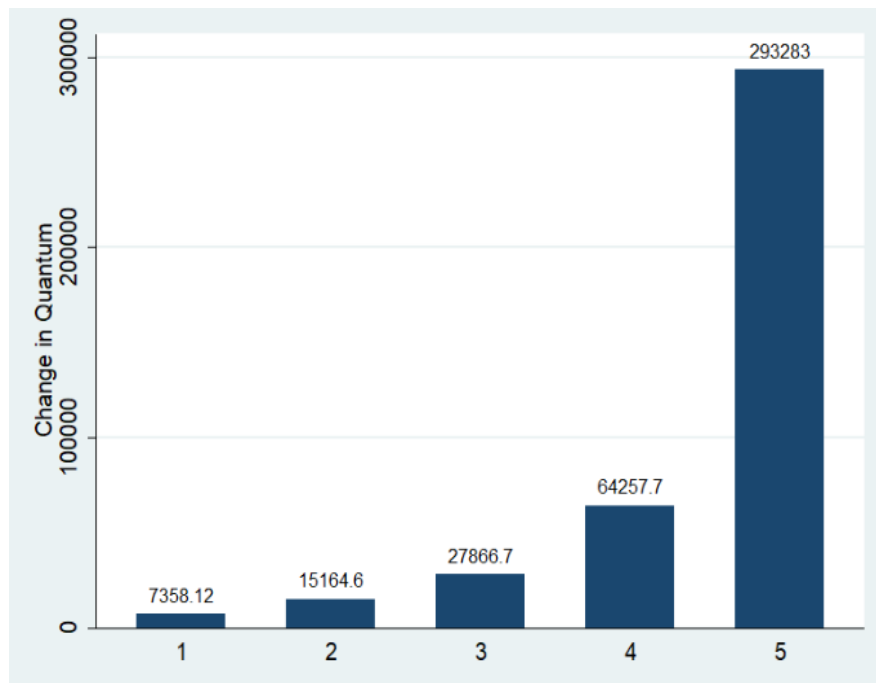
# Appendix I – Physical Investment Behaviors of Rural Households

1993 vs 2003

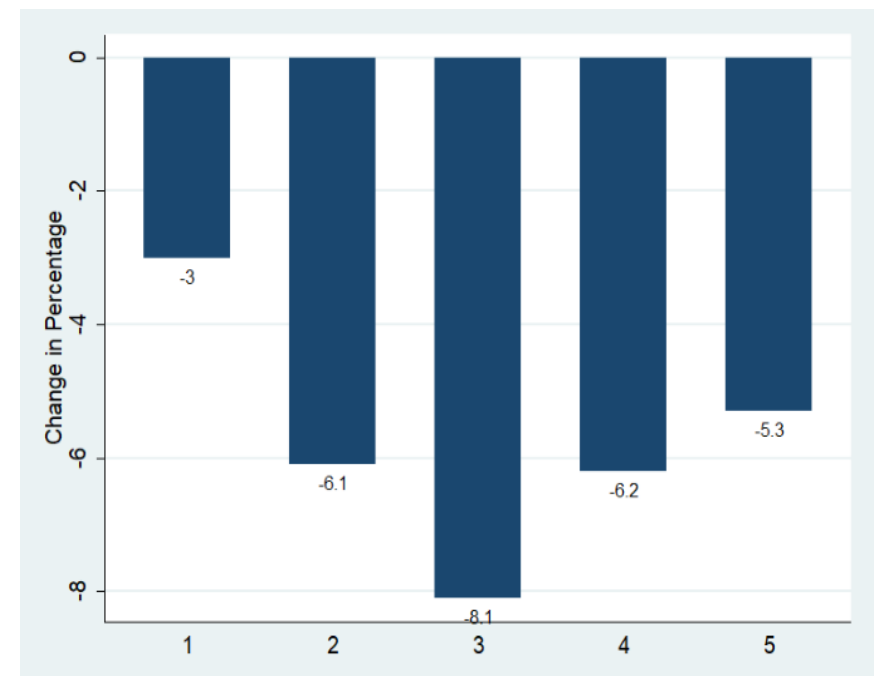


# Changes in allocations towards land

Change in quantum between 1993 and 2003

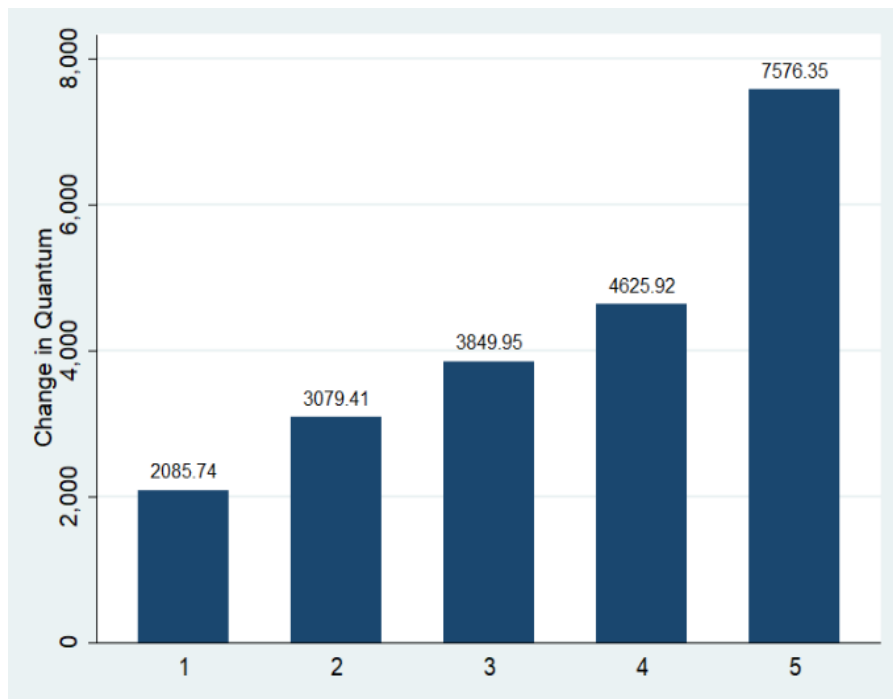


Change in percentage share between 1993 and 2003

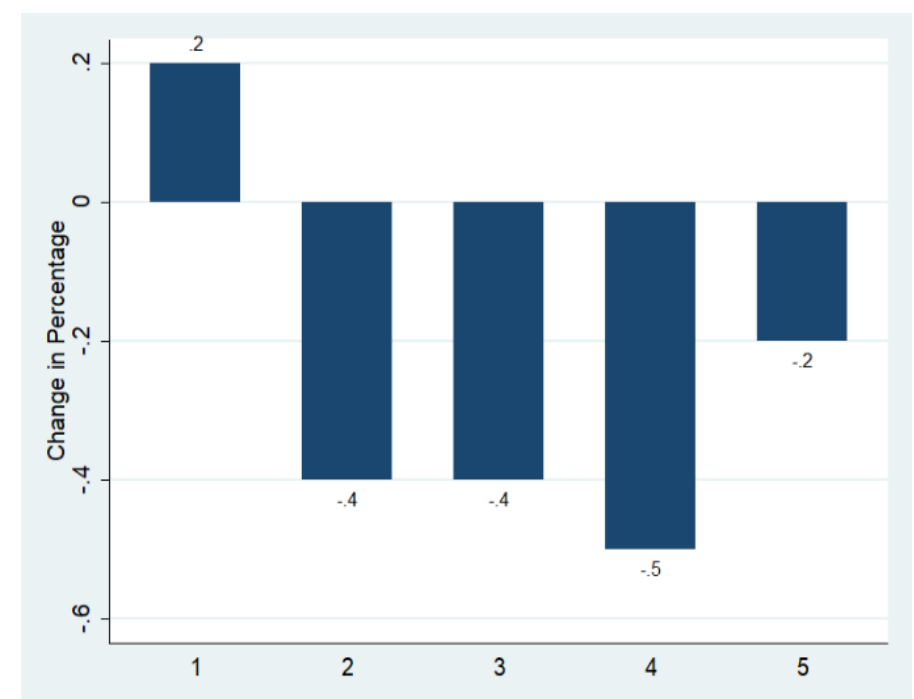


# Changes in allocations towards livestock

Change in quantum between 1993 and 2003

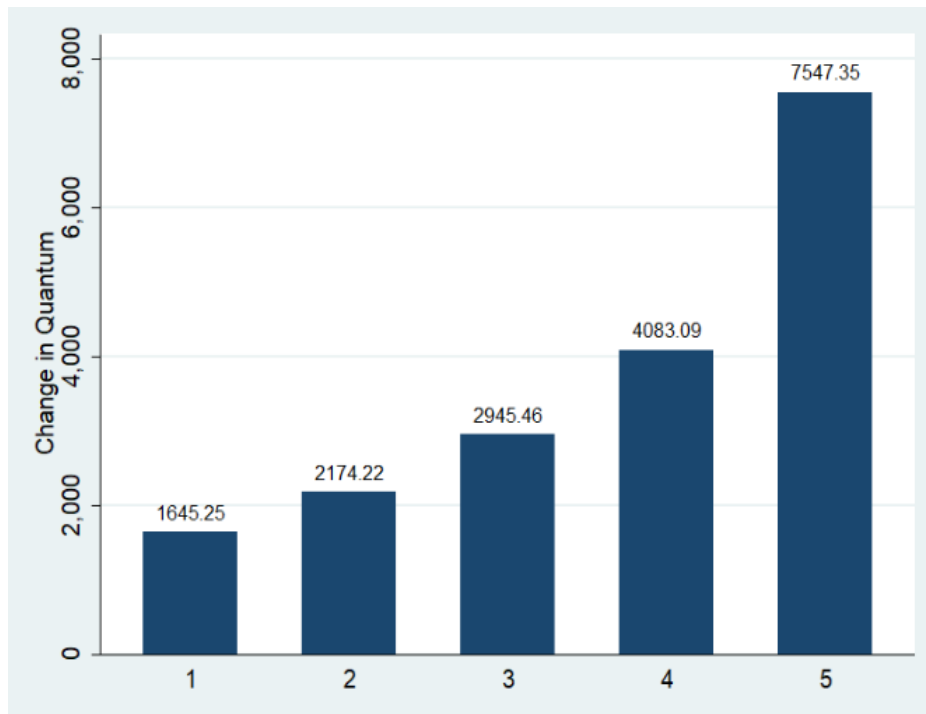


Change in percentage share between 1993 and 2003

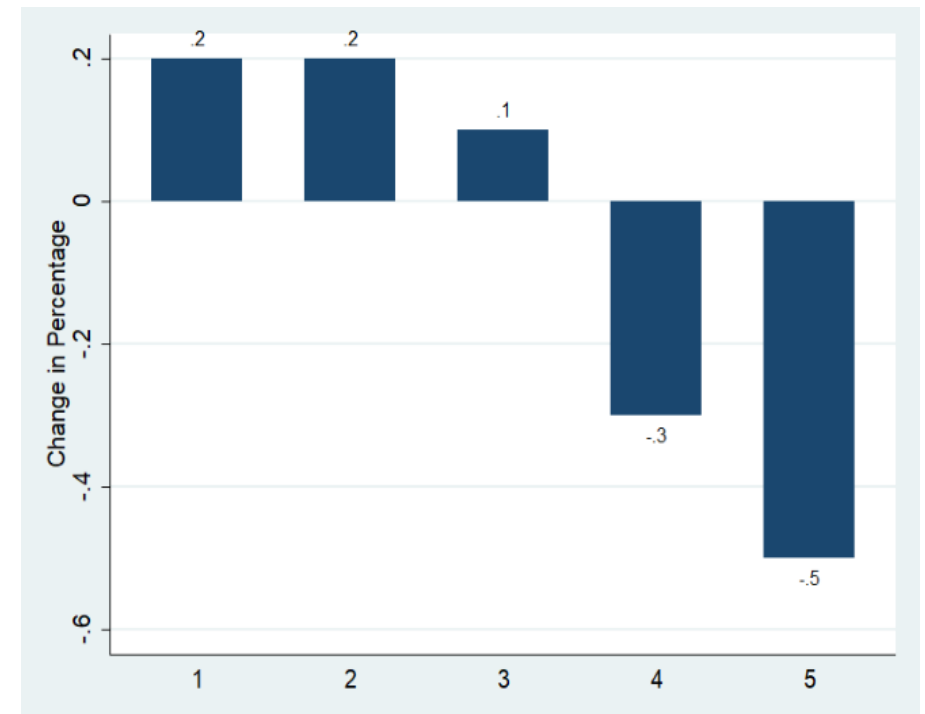


# Changes in allocations towards gold and jewellery

Change in quantum between 1993 and 2003

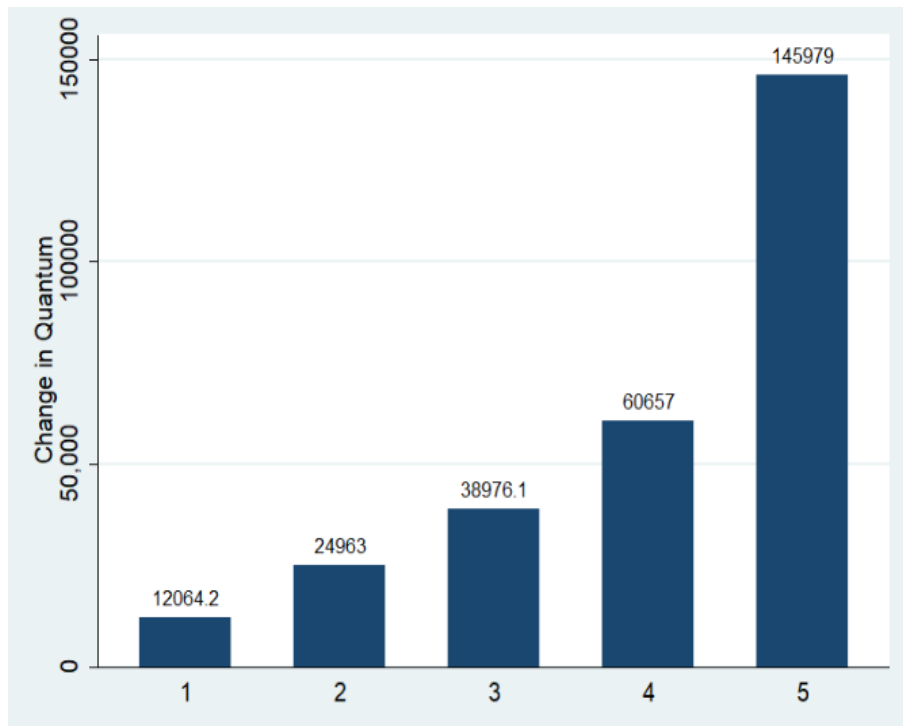


Change in percentage share between 1993 and 2003

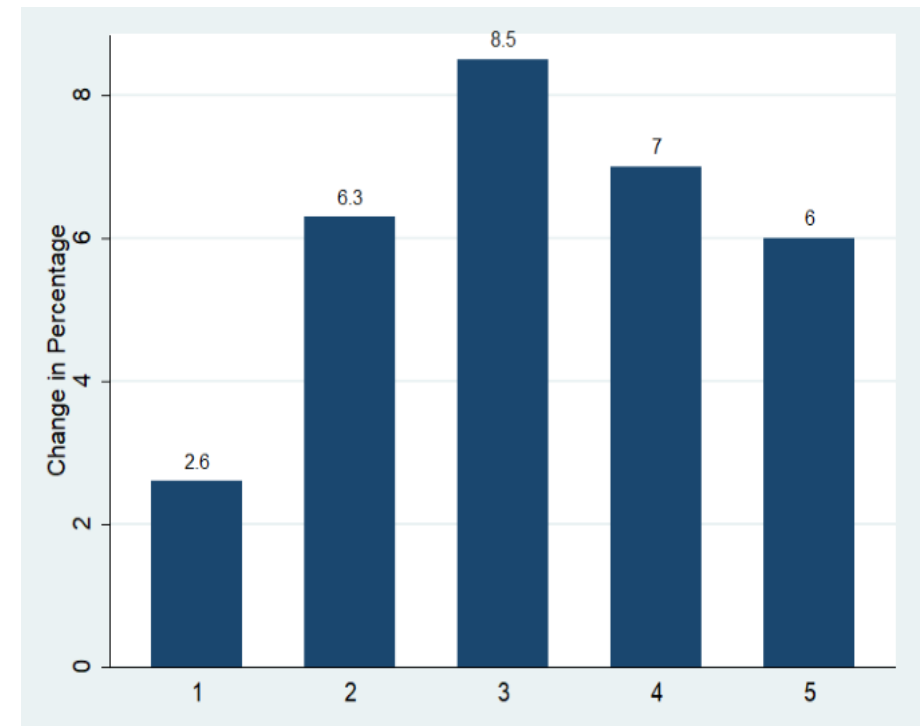


# Changes in allocations towards house

Change in quantum between 1993 and 2003



Change in percentage share between 1993 and 2003

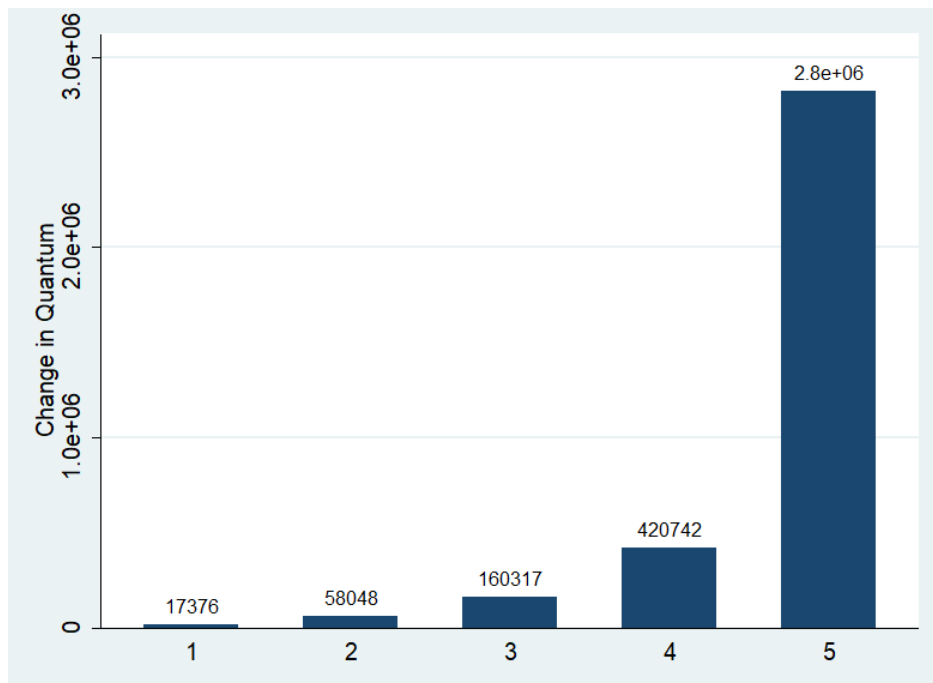


# Appendix II – Physical Investment Behaviors of Rural Households

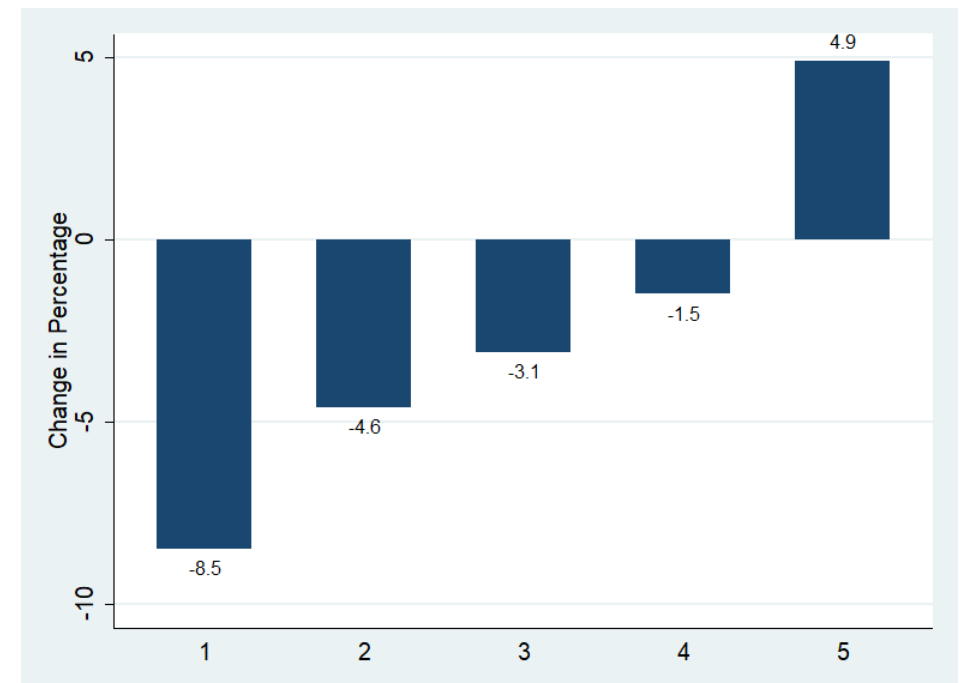
2003 vs 2013

# Changes in allocations towards land

Change in quantum between 2003 and 2013

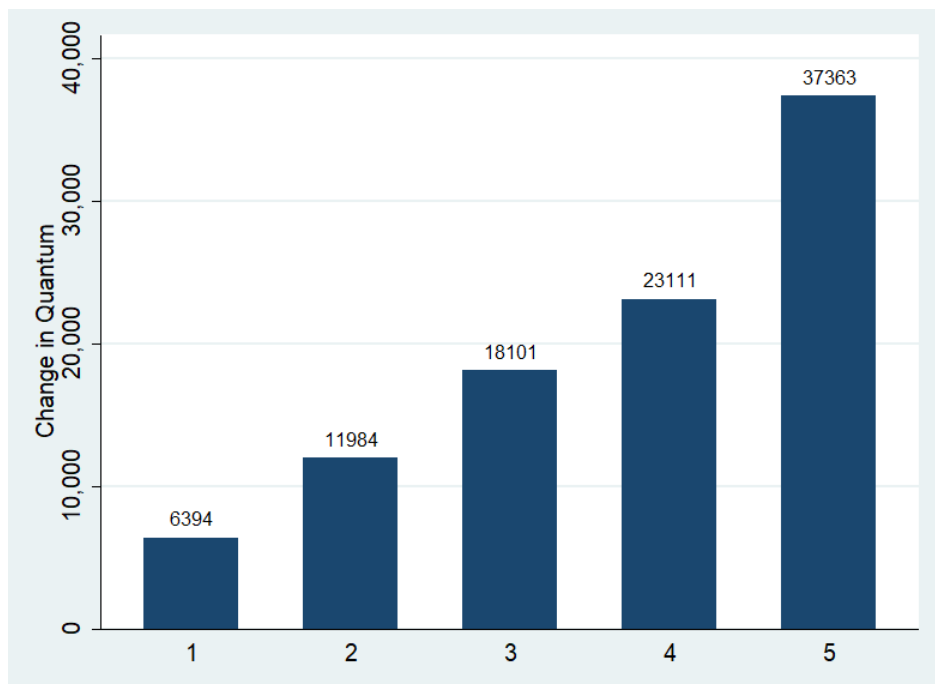


Change in percentage share between 2003 and 2013

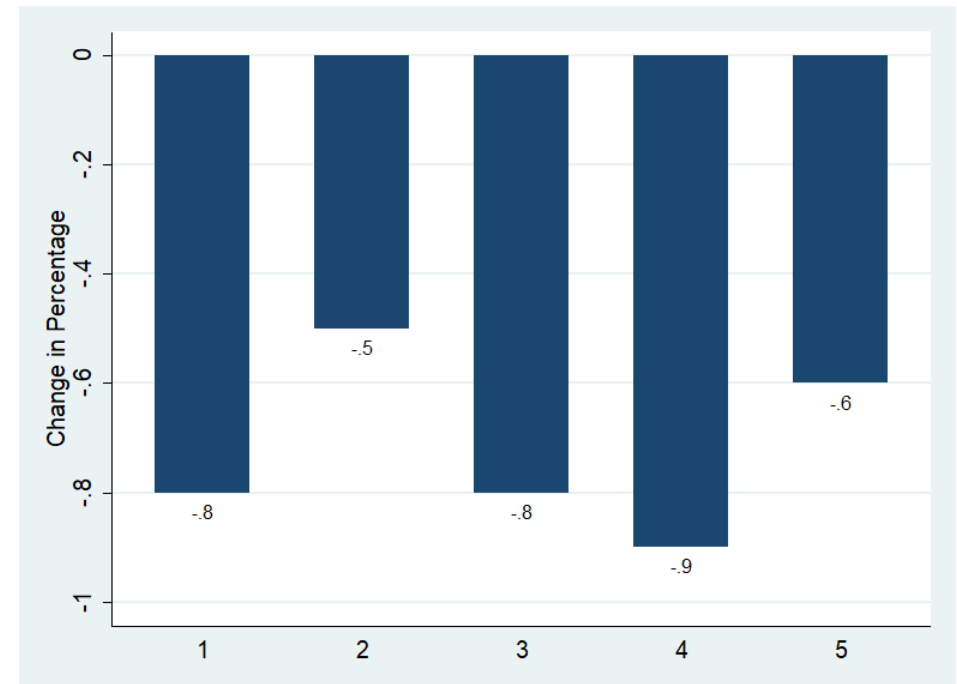


# Changes in allocations towards livestock

Change in quantum between 2003 and 2013

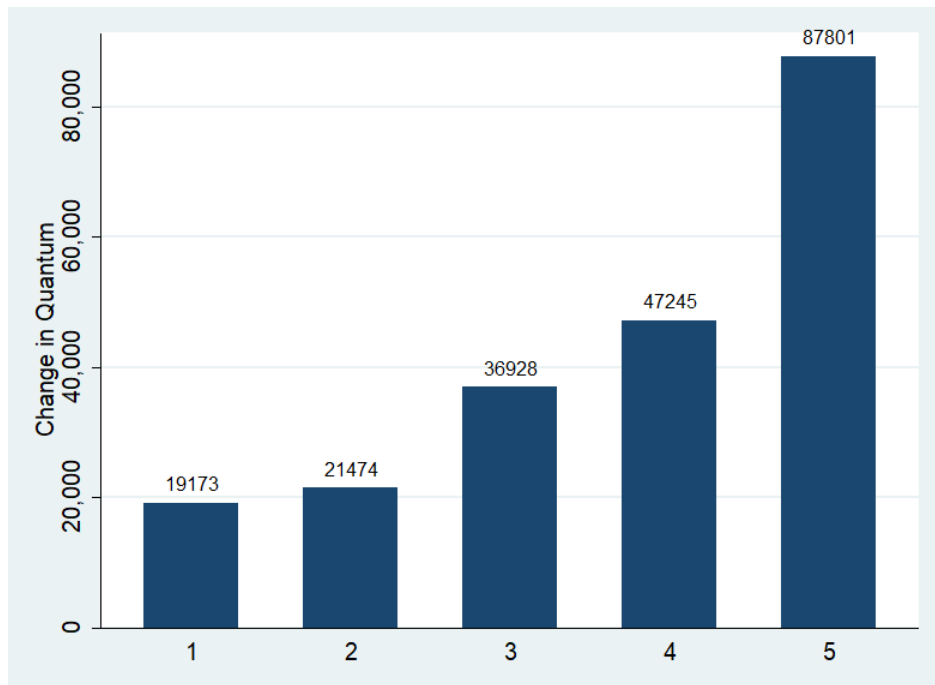


Change in percentage share between 2003 and 2013

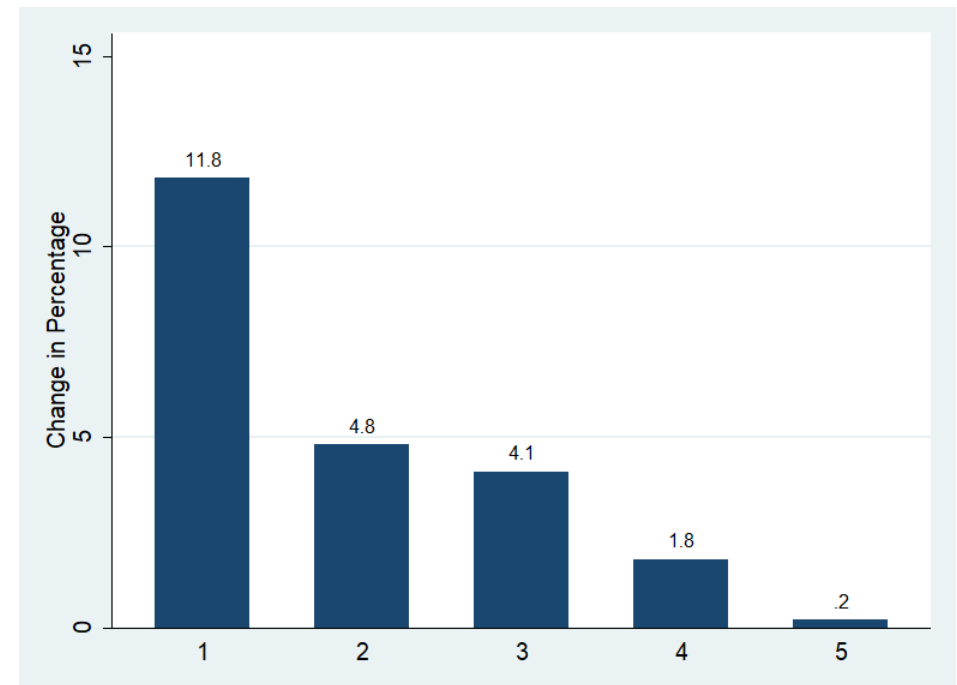


# Changes in allocations towards gold and jewellery

Change in quantum between 2003 and 2013



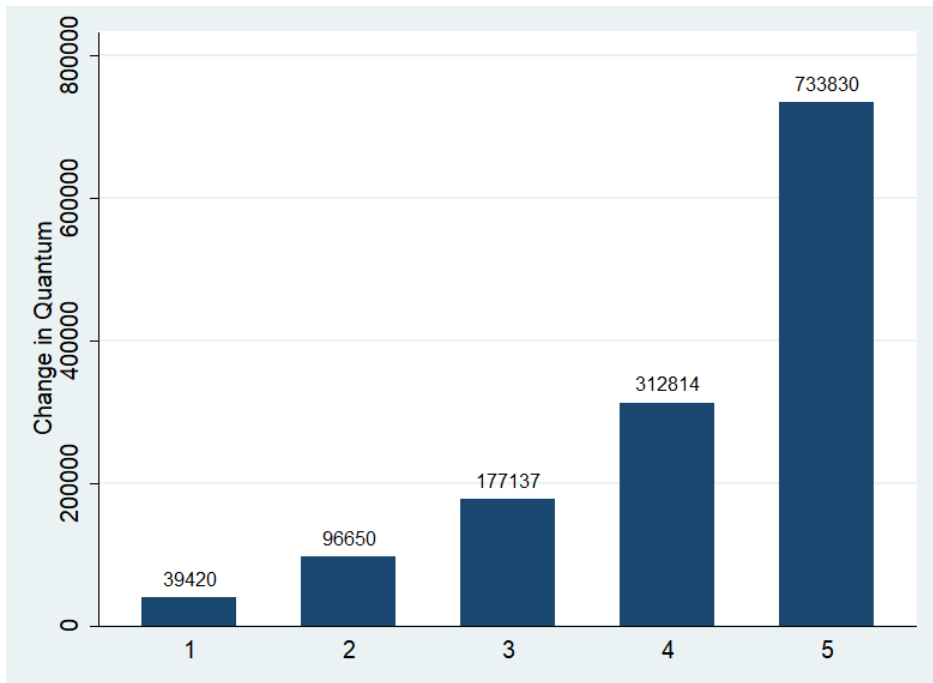
Change in percentage share between 2003 and 2013



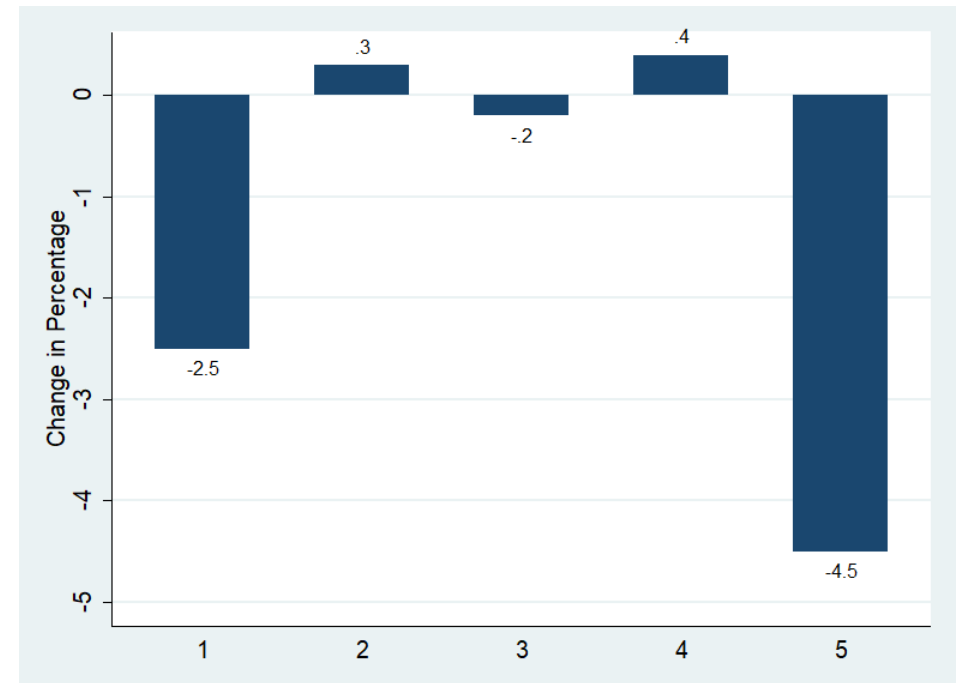


# Changes in allocations towards house

Change in quantum between 2003 and 2013



Change in percentage share between 2003 and 2013

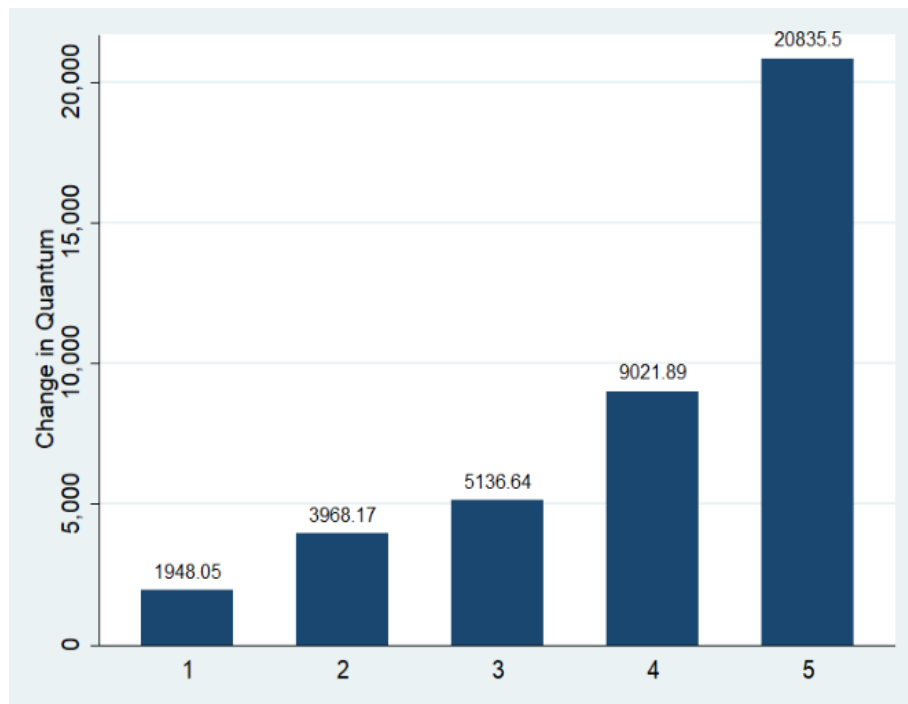


# Appendix III – Financial Investment Behaviors of Rural Households

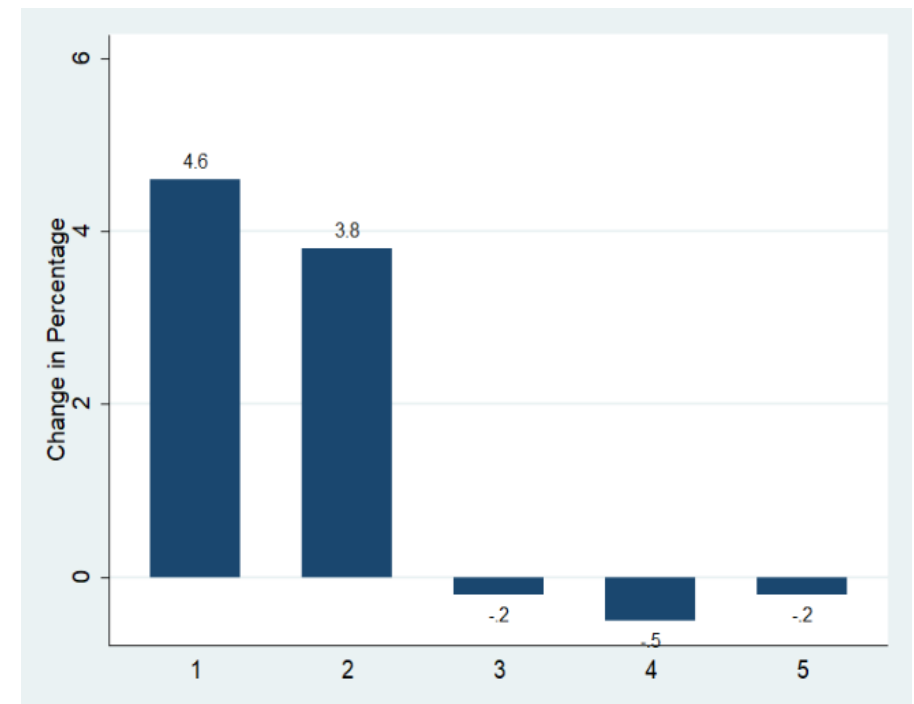
(1993 vs 2003)

# Changes in allocations towards government deposits

Change in quantum between 1993 and 2003

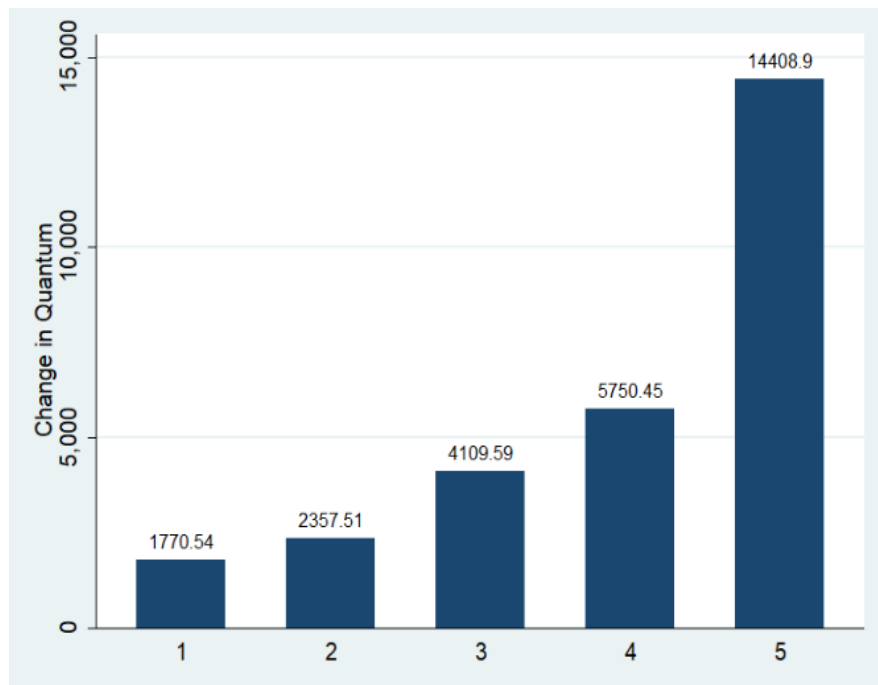


Change in percentage share between 1993 and 2003

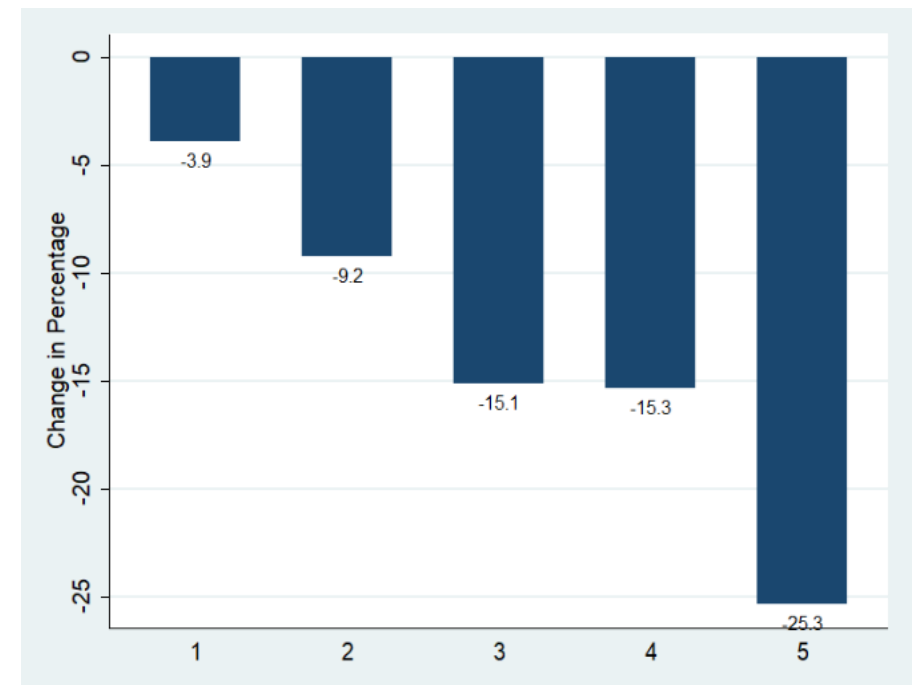


# Changes in allocations towards bank deposits

Change in quantum between 1993 and 2003

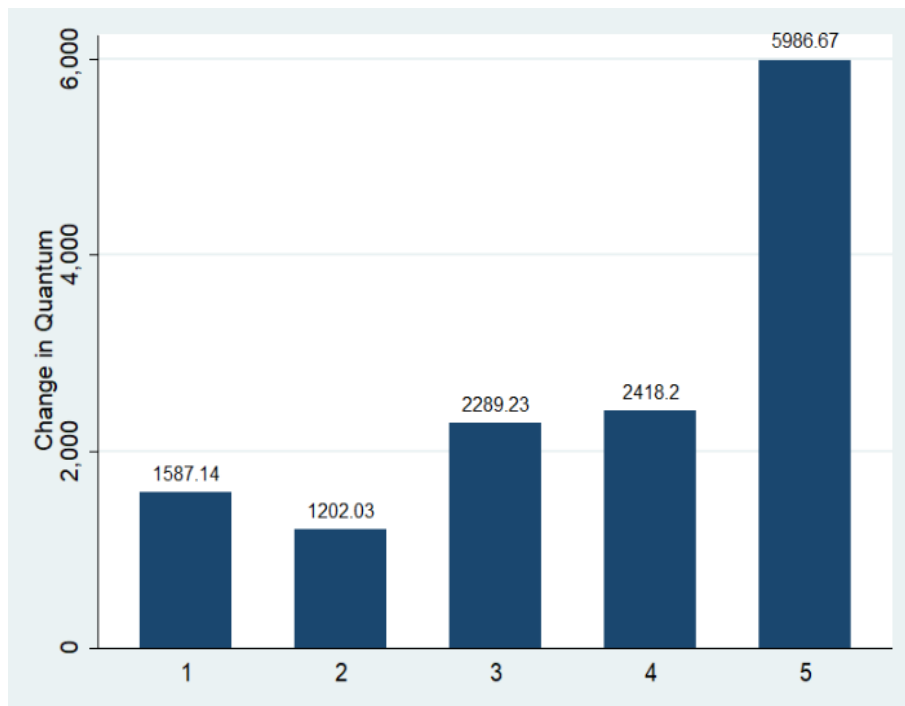


Change in percentage share between 1993 and 2003

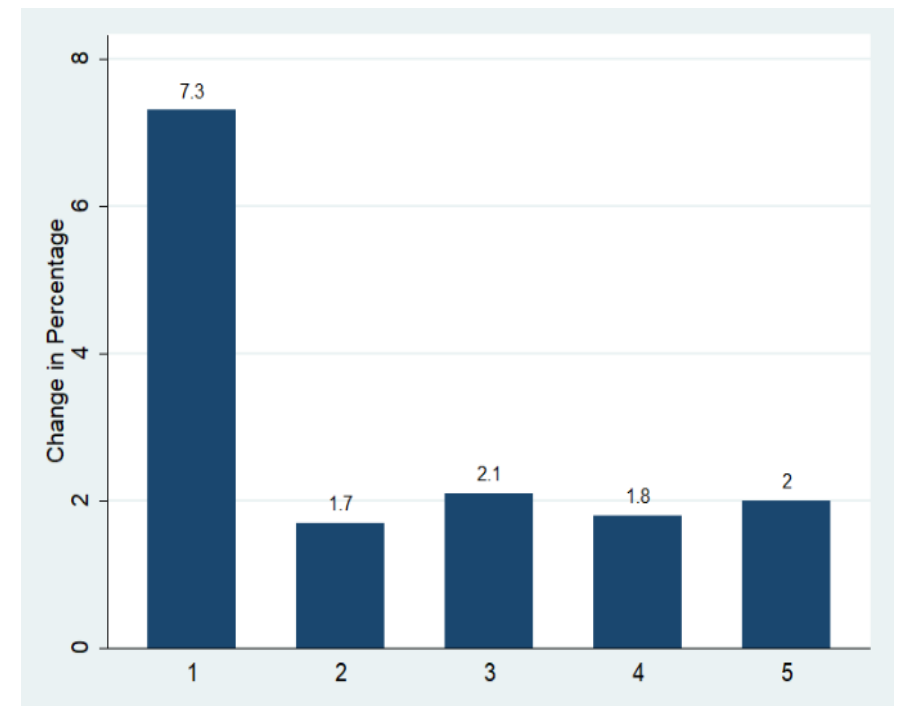


# Changes in allocations towards NBFC deposits

Change in quantum between 1993 and 2003

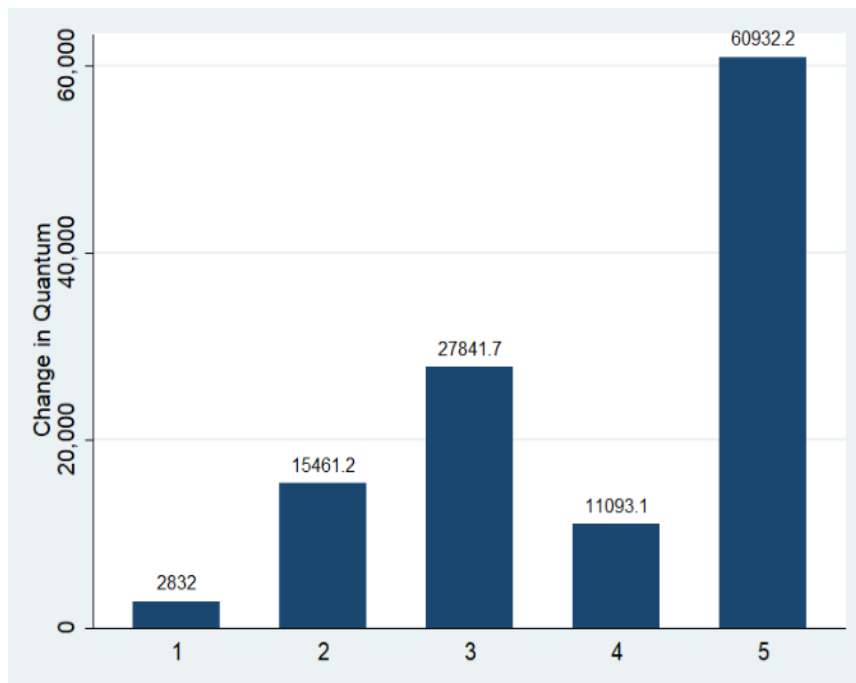


Change in percentage share between 2003 and 2013

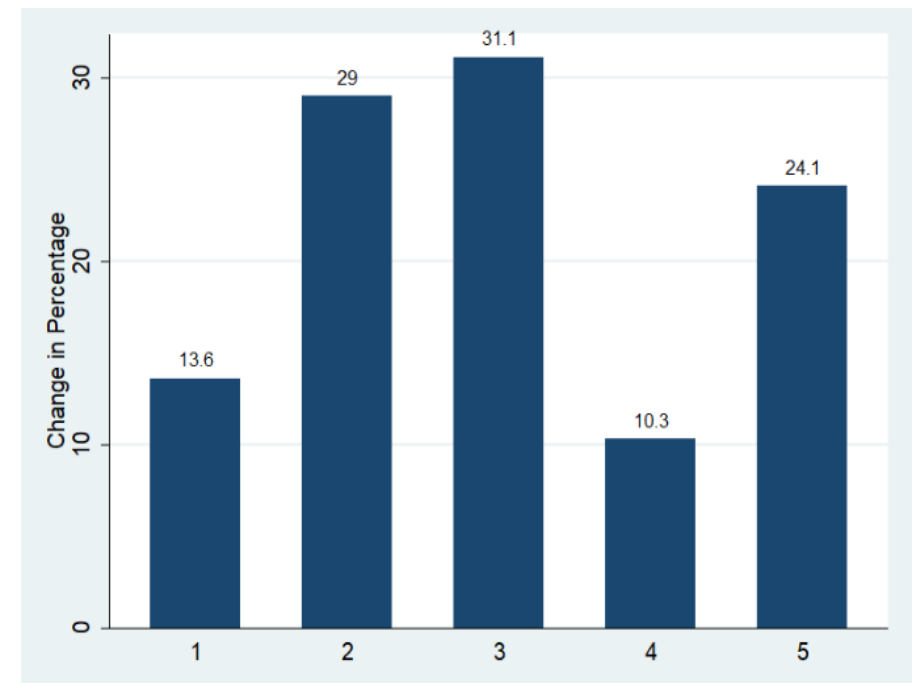


# Changes in allocations towards annuities

Change in quantum between 1993 and 2003

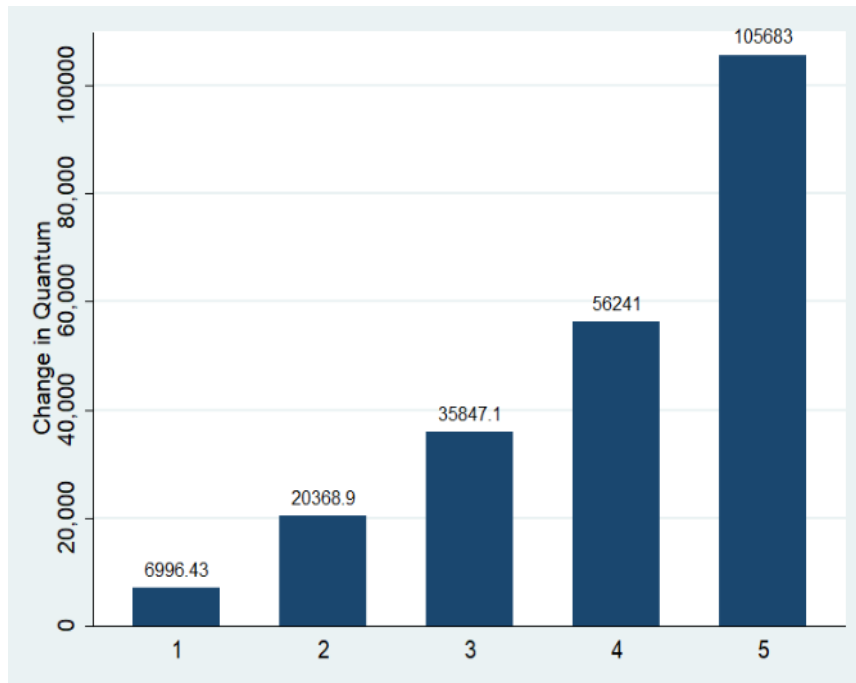


Change in percentage share between 1993 and 2003

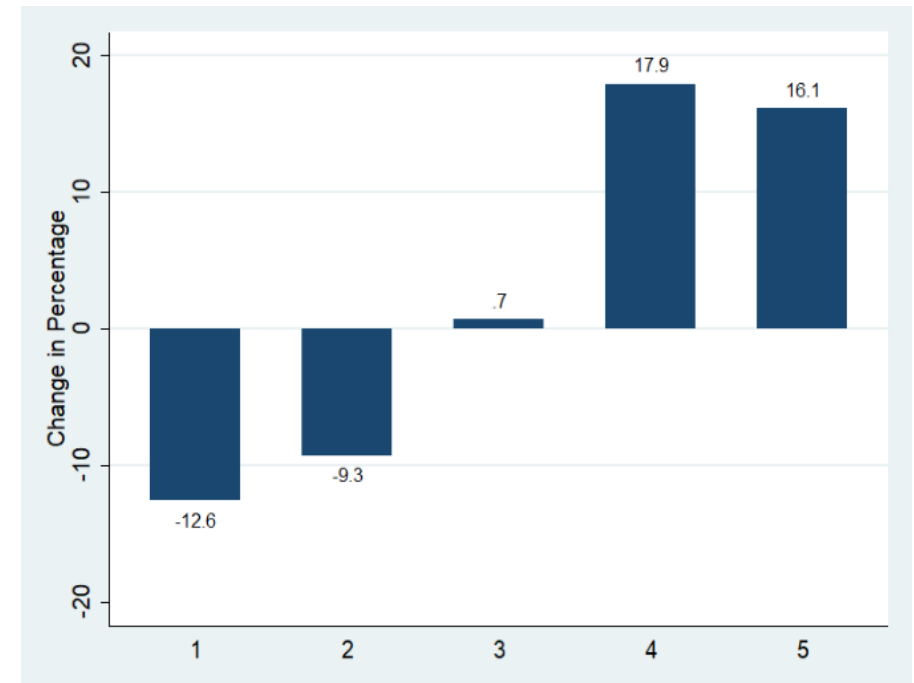


# Changes in allocations towards PF

Change in quantum between 1993 and 2003

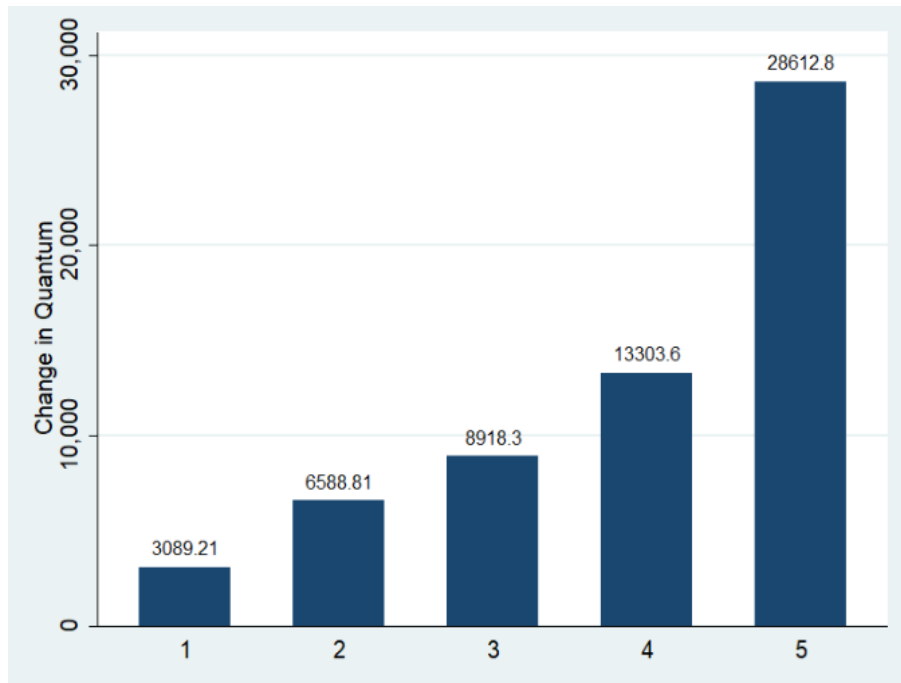


Change in percentage share between 1993 and 2003

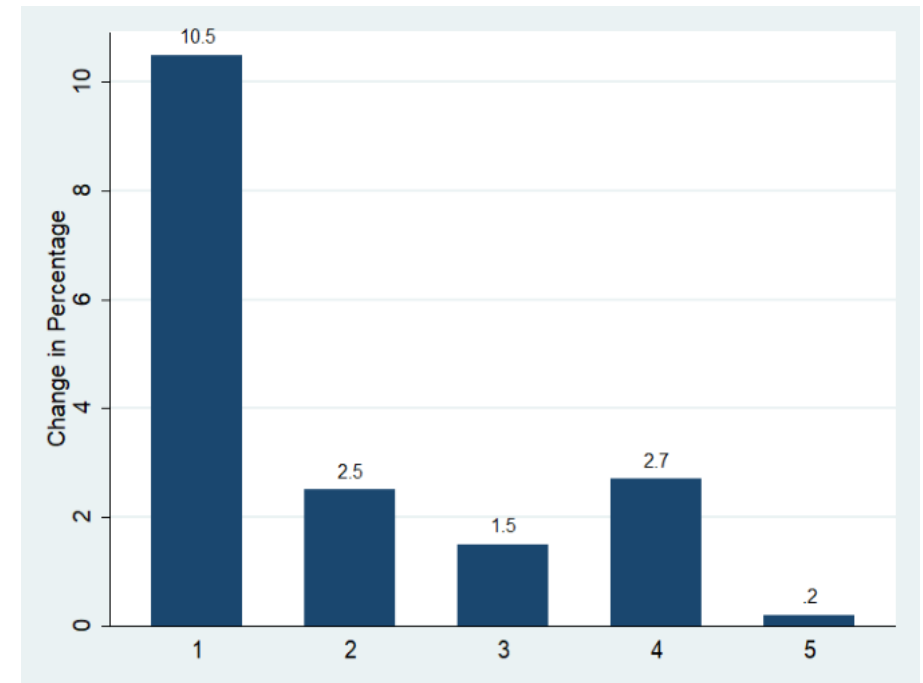


# Changes in allocations towards insurance

Change in quantum between 1993 and 2003



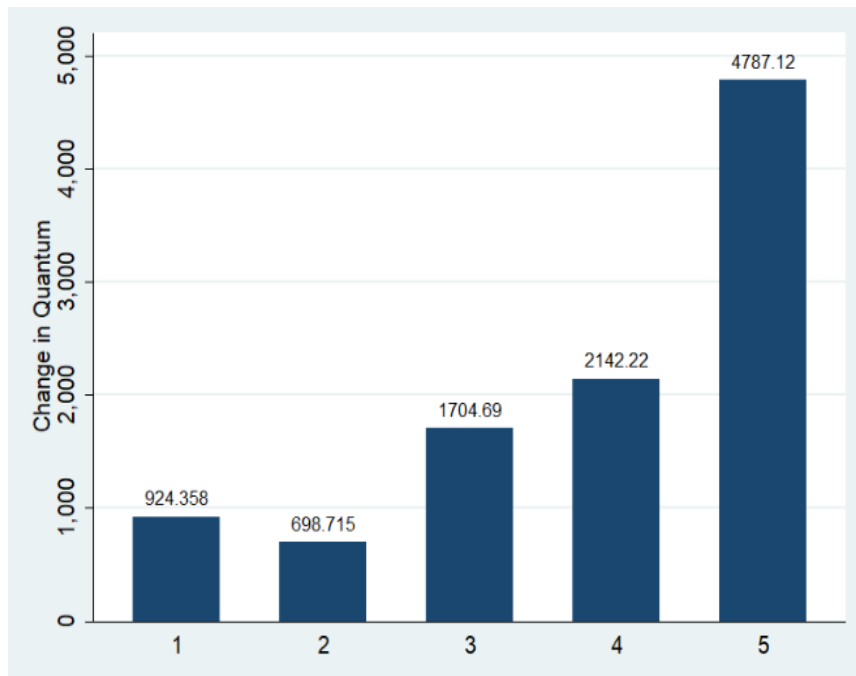
Change in percentage share between 1993 and 2003



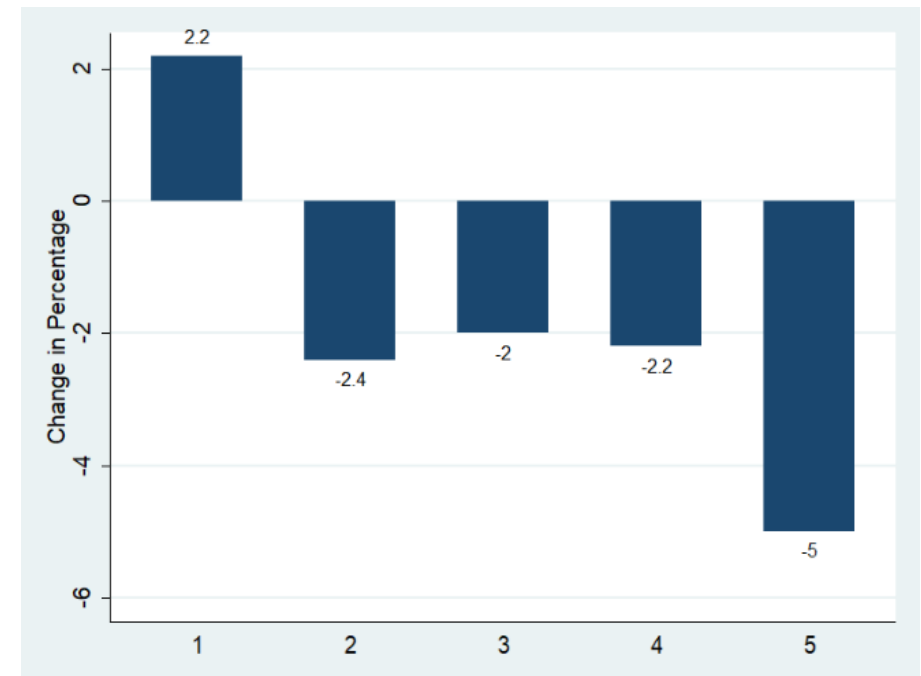


# Changes in allocations towards shares and debentures

Change in quantum between 1993 and 2003

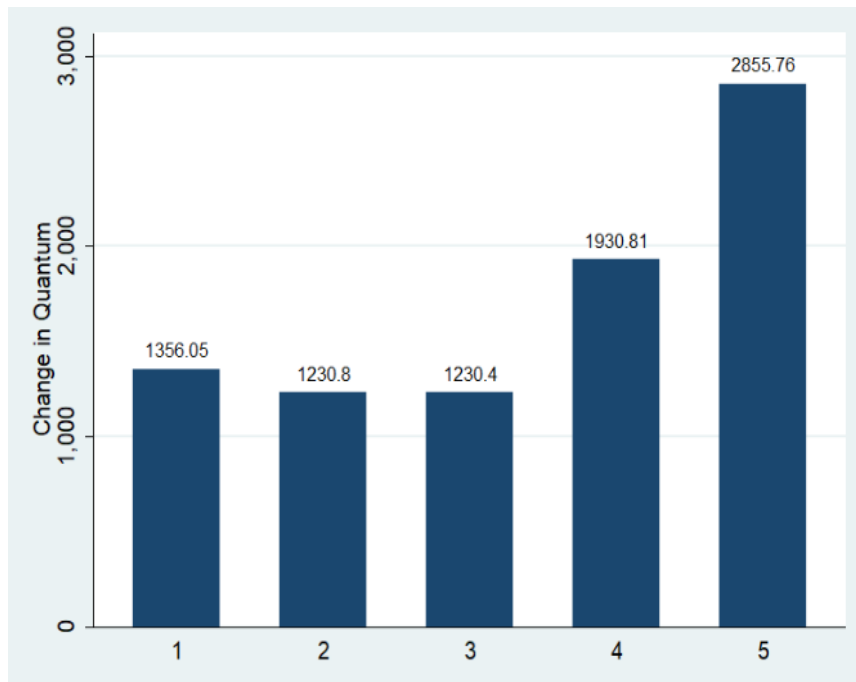


Change in percentage share between 1993 and 2003

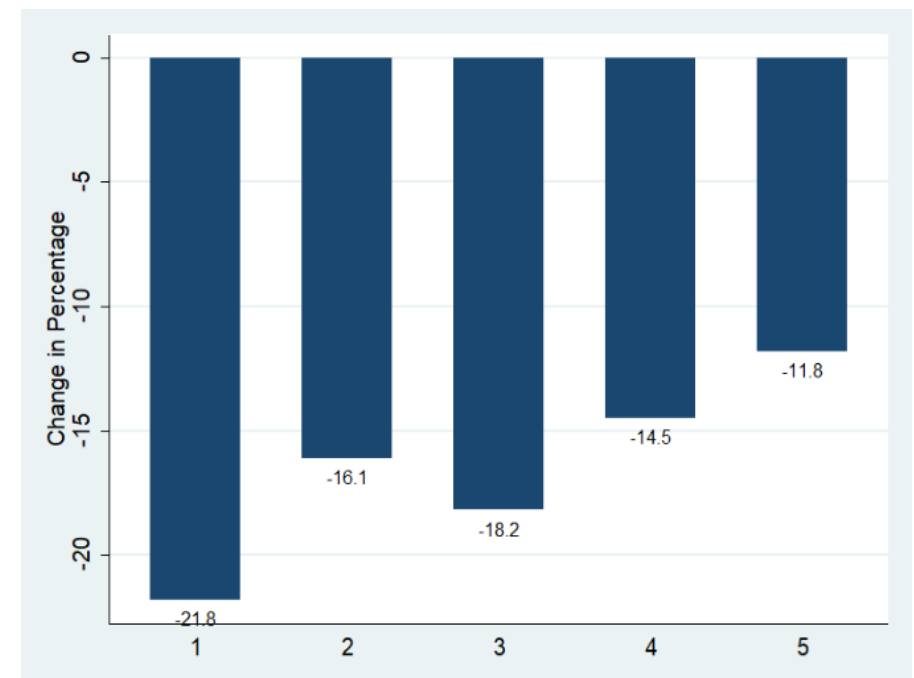


# Changes in allocations towards other financial assets

Change in quantum between 1993 and 2003



Change in percentage share between 1993 and 2003

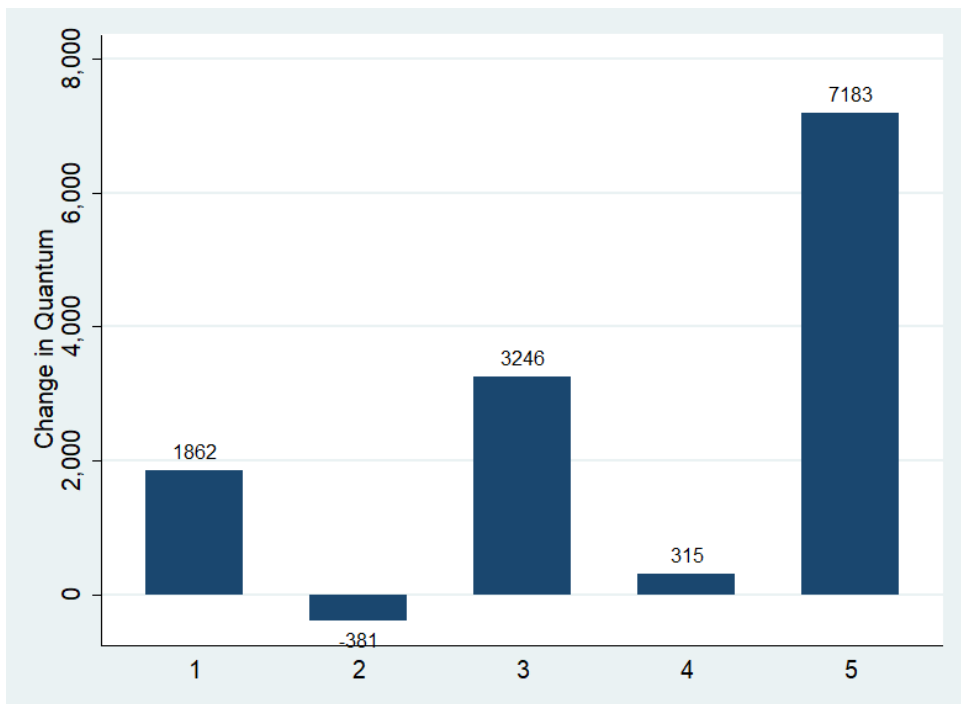


# Appendix IV – Financial Investment Behaviors of Rural Households

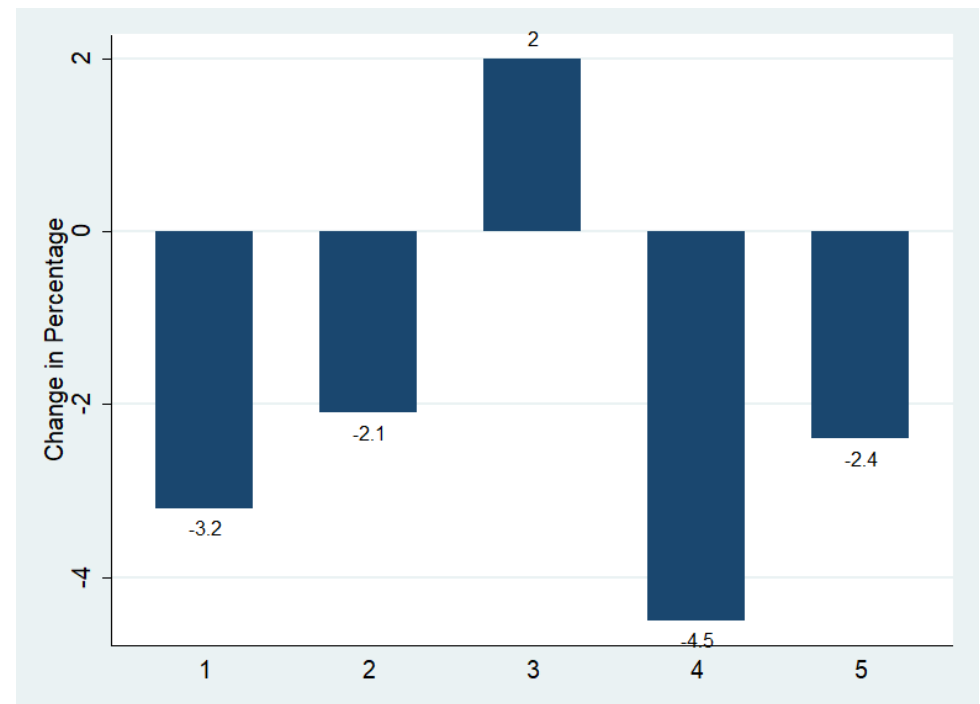
(2003 vs 2013)

# Changes in allocations towards government deposits

Change in quantum between 2003 and 2013

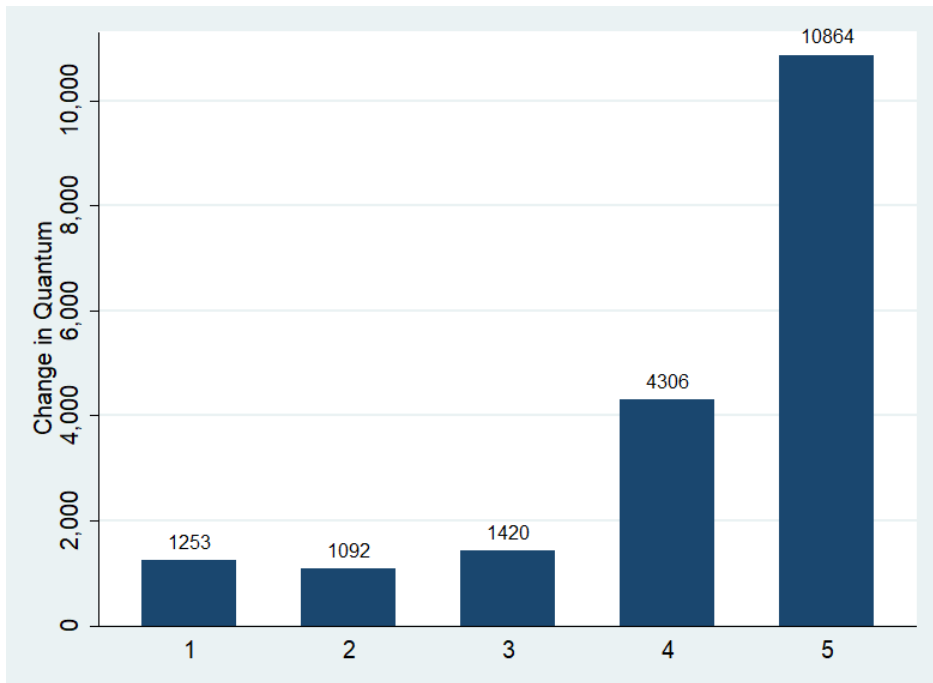


Change in percentage share between 2003 and 2013

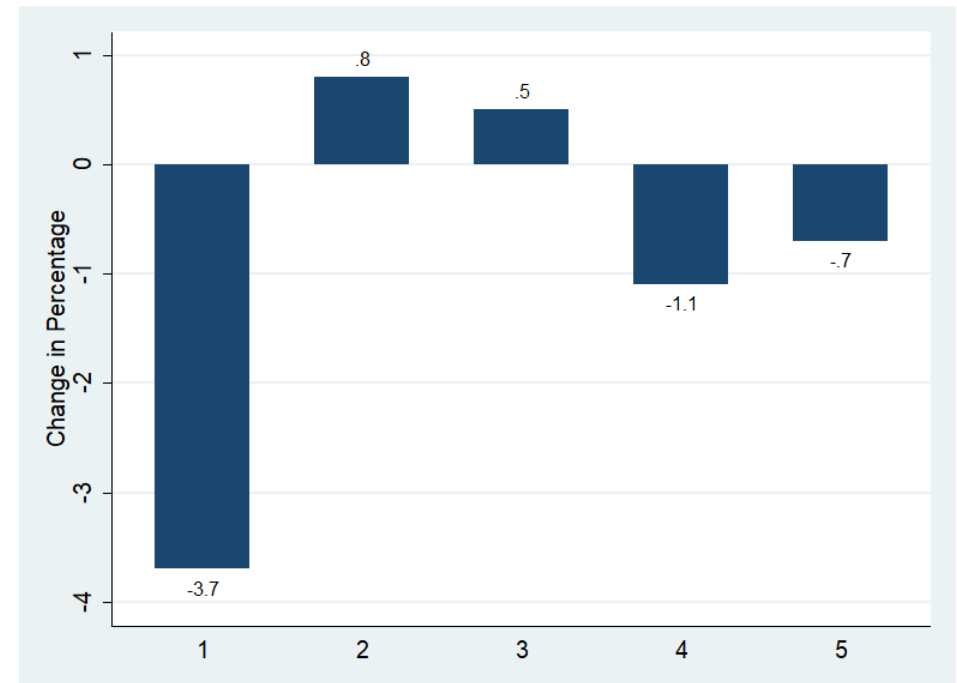


# Changes in allocations towards bank deposits

Change in quantum between 2003 and 2013

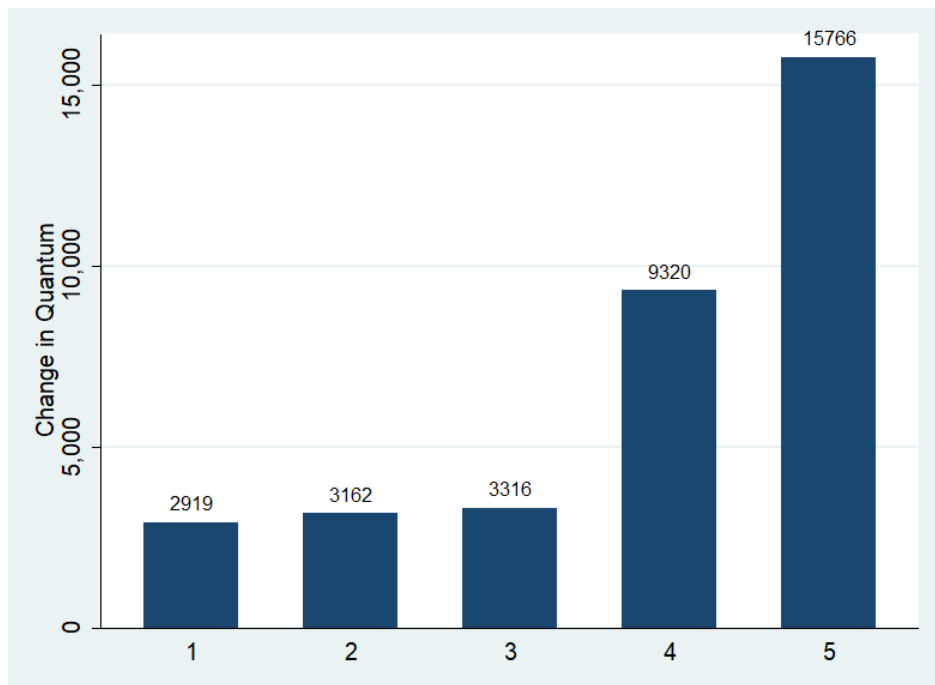


Change in percentage share between 2003 and 2013

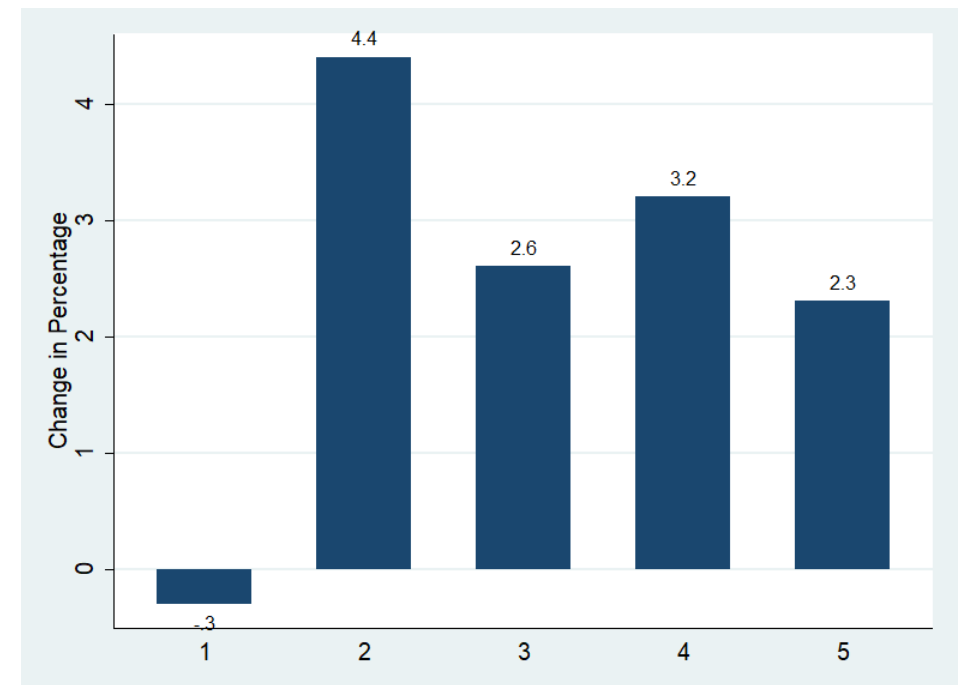


# Changes in allocations towards NBFC deposits

Change in quantum between 2003 and 2013

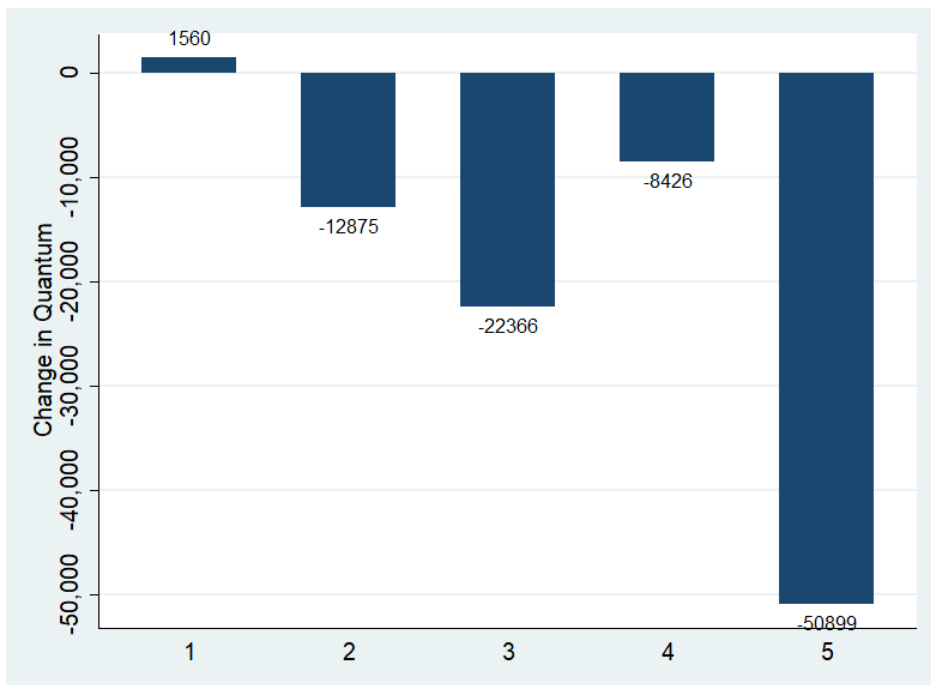


Change in percentage share between 2003 and 2013

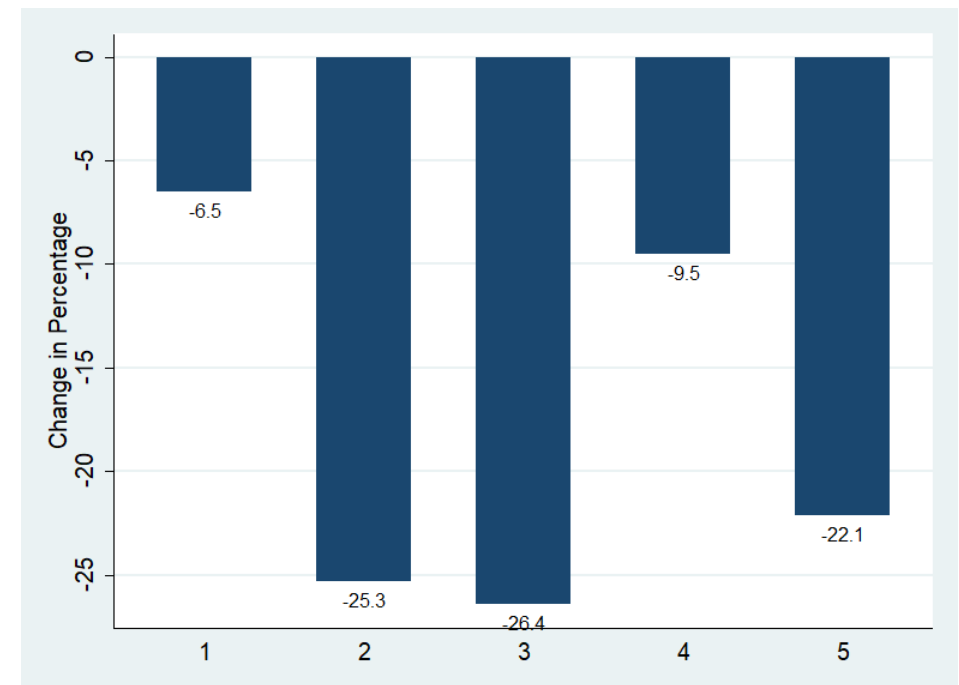


# Changes in allocations towards annuities

Change in quantum between 2003 and 2013

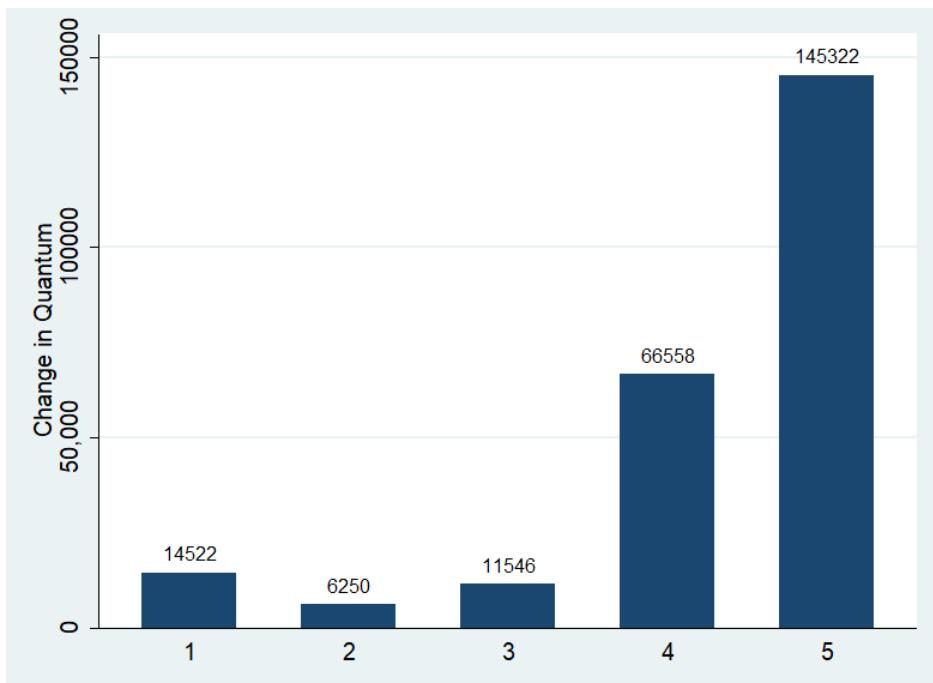


Change in percentage share between 2003 and 2013

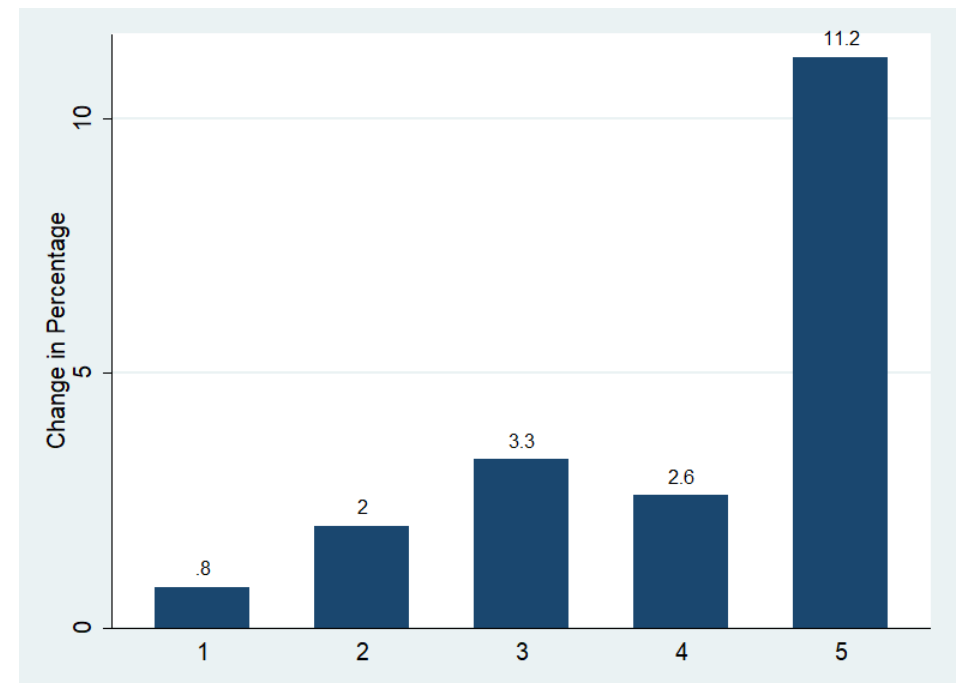


# Changes in allocations towards PF

Change in quantum between 2003 and 2013



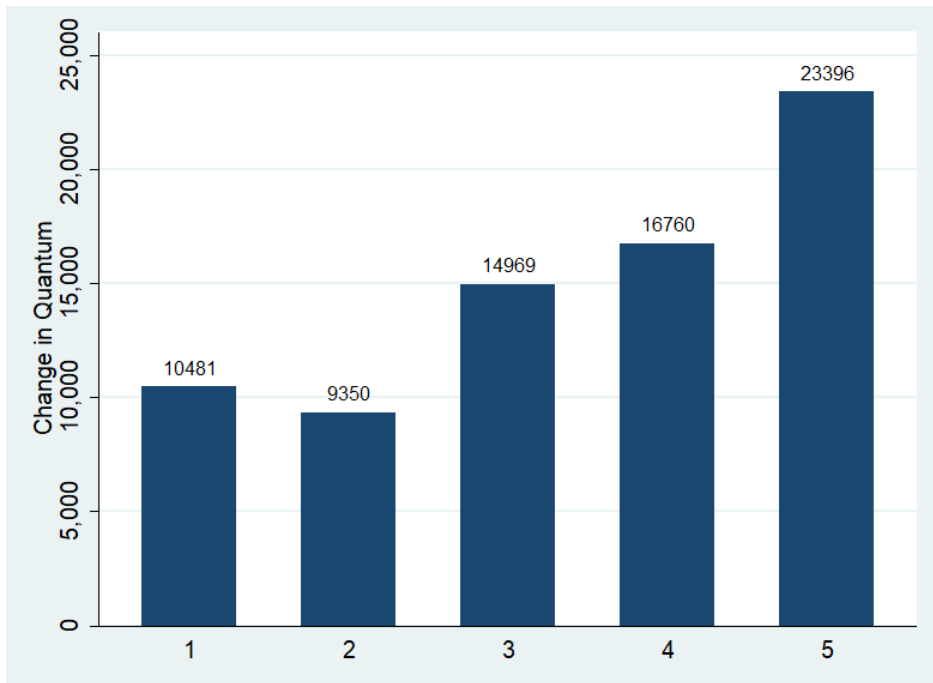
Change in percentage share between 2003 and 2013



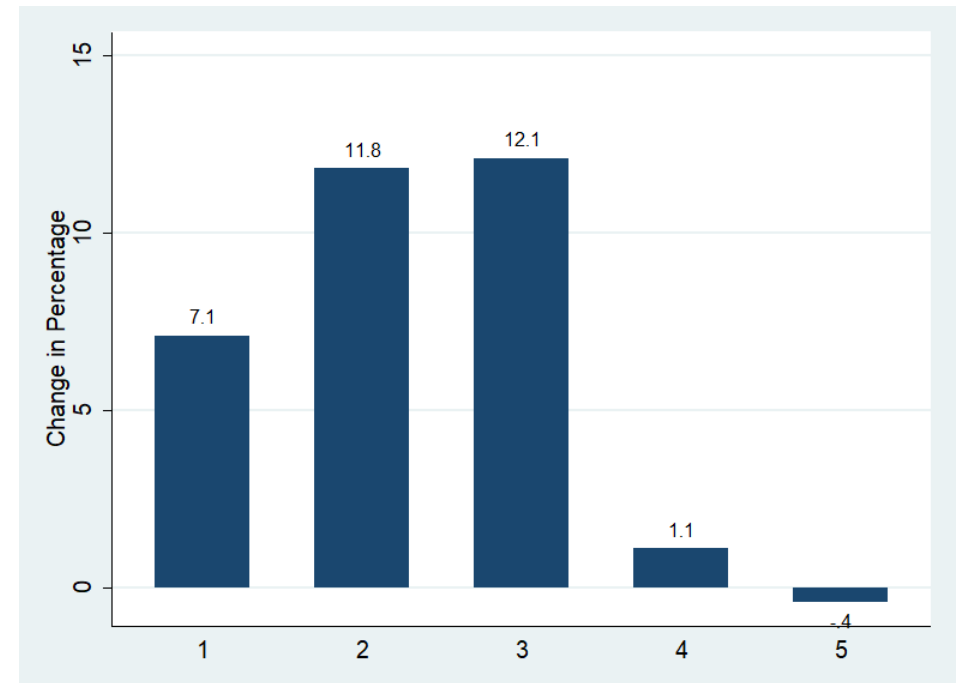


# Changes in allocations towards insurance

Change in quantum between 2003 and 2013

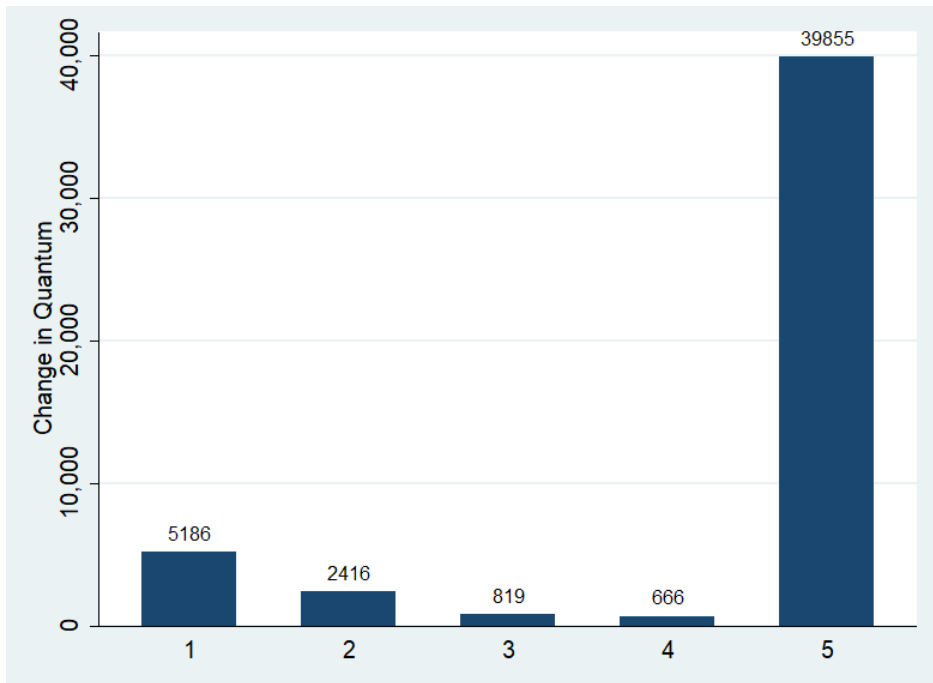


Change in percentage share between 2003 and 2013

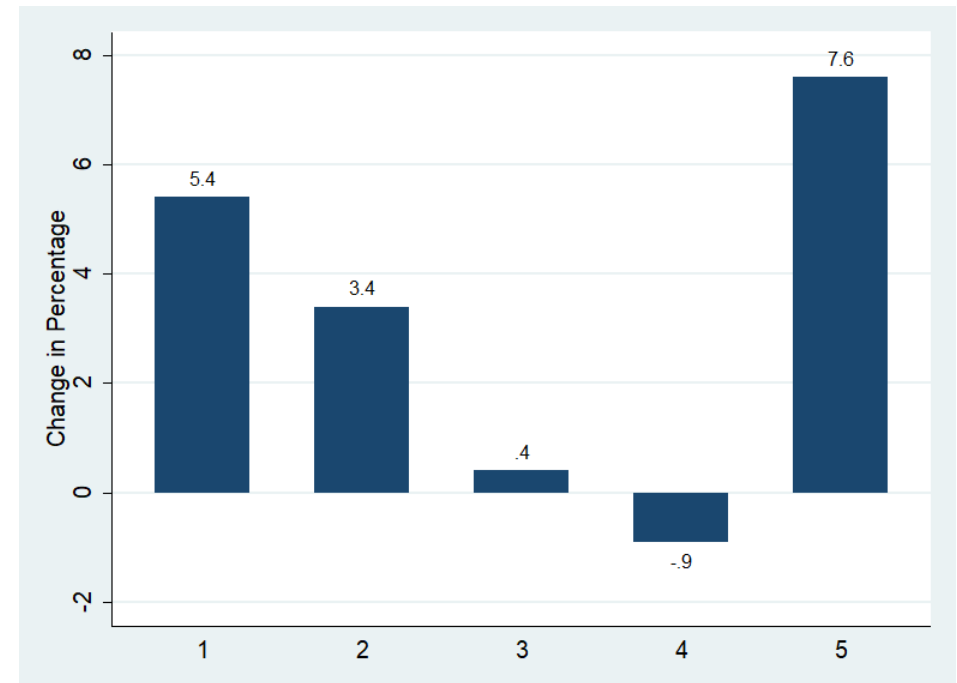


# Changes in allocations towards shares and debentures

Change in quantum between 2003 and 2013

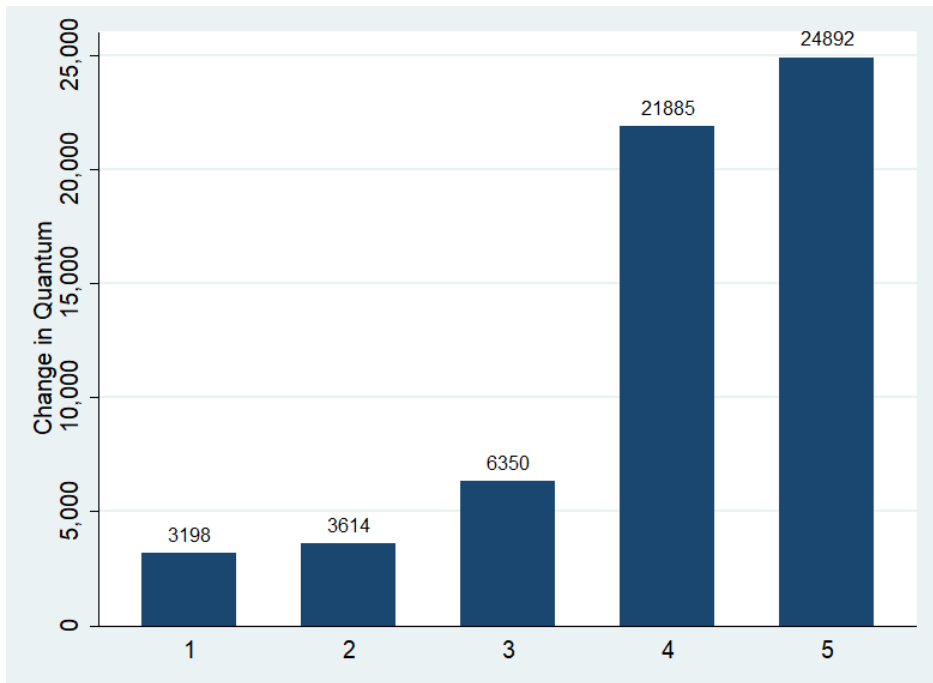


Change in percentage share between 2003 and 2013



# Changes in allocations towards other financial assets

Change in quantum between 2003 and 2013



Change in percentage share between 2003 and 2013

