

In-Pro: Quarterly Dispatch on Financial Inclusion & Social Protection



IN FOCUS: HOUSEHOLD FINANCIAL HEALTH

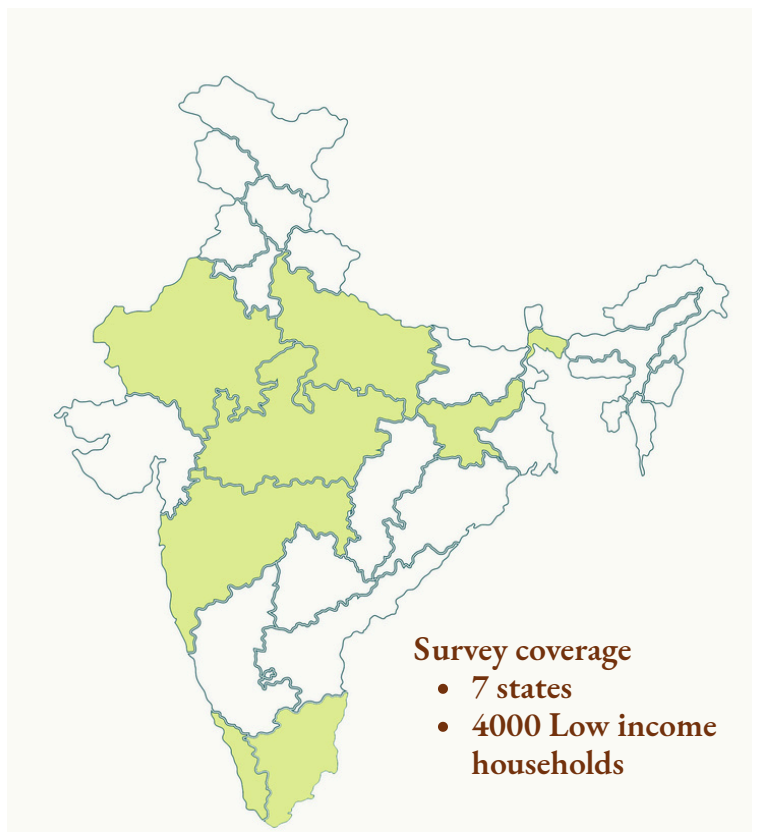
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Financial health is increasingly being recognised as a central outcome of financial inclusion efforts. Traditionally, the focus of financial inclusion has been on expanding access to financial products and encouraging their usage. However, there is now a growing realisation that access and usage alone are insufficient indicators of meaningful inclusion. The more important question is whether these financial services actually improve people's financial resilience and overall well-being.

To respond to this shift, Dvara Research in partnership with PricewaterhouseCoopers has developed and deployed a Financial Health Survey to assess the financial health of low-income households. The survey applies an input–output–outcome framework co-developed by Dvara Research and xKDR Forum to **(i) measure household financial health and (ii) identify gaps that remain unaddressed by existing financial products**. Furthermore, it also collects pertinent information on their context, like occupation type, assets, and other socio-economic characteristics enabling the contextualisation of the path from input to output to outcome.

The tool has been deployed across a sample of 4,000 low-income households spanning seven Indian states, with support from financial institutions, civil society organisations, and a professional survey agency. Designed as a concise 20-minute instrument, **the survey captures three key dimensions: ownership of a broad range of financial products (inputs), the frequency and depth of their usage (outputs), and a product-**

agnostic measure of financial health (outcomes).



Within this framework, financial health is defined as a household's ability to manage cash flows effectively and withstand financial shocks. By placing access, usage and financial health alongside contextual factors, the framework allows for a nuanced understanding of the financial lives of these low-income households. It helps identify gaps between access and usage, which may point to issues with suitability. It highlights discrepancies between usage and actual financial well-being, suggesting areas where existing financial services may be inadequate or where new solutions are required. Importantly, the framework enables stakeholders to understand how these dynamics vary across different contexts.

The insights generated through this approach have broad relevance. Financial service providers can use them for market reconnaissance and to identify unmet needs and opportunities. Regulators can draw on them to assess the effectiveness of financial inclusion initiatives. Implementation agencies, in turn, can deploy the tool as a targeted needs-assessment instrument. Ultimately, this framework seeks to create a feedback loop that connects access, usage, and impact, enabling the design of financial products and services that are truly meaningful for low-income households.

Related Readings:

- [Financial Health Transcending From Access To Impact](#)
- [Reflections On The Theory Of Impact For Mobile Instant Credit](#)



Low-income households often operate within informal systems that already shape how they manage money. The real question is not just whether they have access to formal finance or whether it meets pre-defined impact goals, but whether it meaningfully improves their financial well-being. The Financial Health Survey helps us understand this by examining access, usage, and outcomes together with their context. This enables a clearer understanding of where these households are on their financial inclusion journey, how relevant it has been to their financial lives, and the gaps in their financial health that point to opportunities for more thoughtfully designed financial products.



Priyadarshini Ganesan
Research Manager

Dvara Research's Grant Closing Conference - Āśvasta



On 12 February 2026, Dvara Research convened Āśvasta to mark the culmination of a Gates Foundation grant focused on Financial Customer Protection in India. The conference brought together financial services providers, industry associations, policymakers and regulators to share insights and advance dialogue on strengthening financial well-being among underserved communities.

Read more about the conference [here](#).

Publications from the Quarter

(January-March 2026)

Research Papers:

[India's Most Recent Microfinance Crisis: Theory, Empirics & Learnings](#)

[Understanding Low-Income Households From A Social Capital Perspective](#)

[Transformative Social Protection: Do We Understand What We Are Transforming?](#)

Research Report:

[Principles Of Responsible And Trustworthy AI In Digital Lending](#)

Blogs:

[Examining 'Gender Gap' In Financial Inclusion In India Using The Global Findex Database 2025](#)

[Mapping India's Informal Enterprises: A Descriptive View From ASUSE](#)

[Heterogeneity In India's Nano-Enterprises: A Heuristic For Delivery Of Suitable Credit](#)

Consultation Response:

[Comments To Draft Reserve Bank Of India \(Commercial Banks – Responsible Business Conduct\) Amendment Directions, 2026, Dated 11 February 2026](#)