

RESERVE BANK OF INDIA



FINANCIAL LITERACY IN
INDIA - DATA & POLICY



UMA SHANKAR
PRINCIPAL CHIEF GENERAL MANAGER
FINANCIAL INCLUSION & DEVELOPMENT
DEPARTMENT



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ALL INDIA SURVEY



Total Sample size of 20,000
29 States & Five Union territories

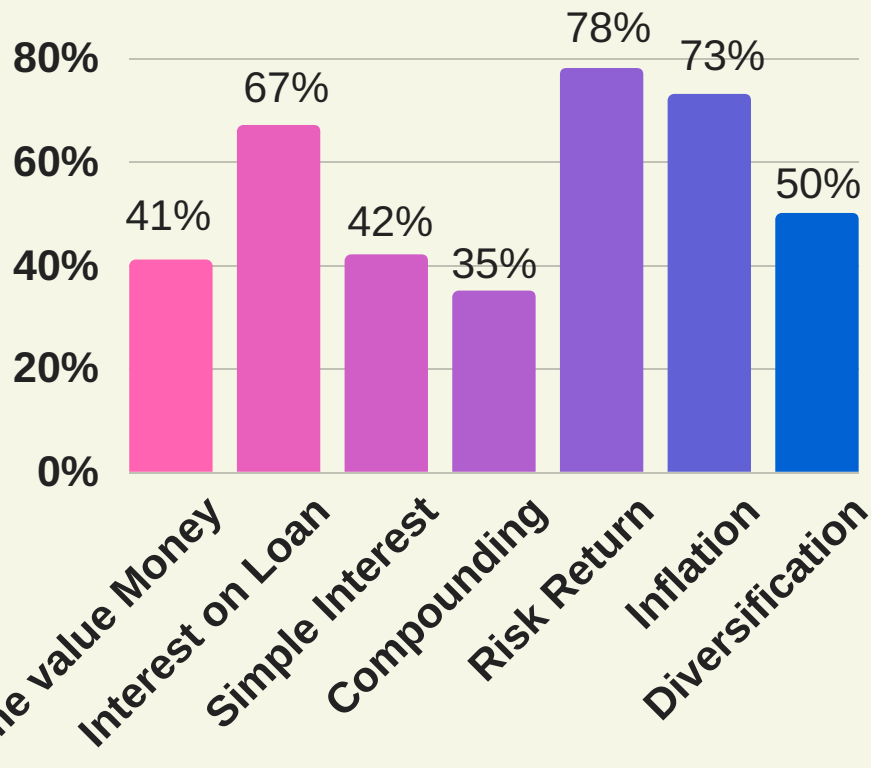


A total of 517 locations were covered across the country. Survey conducted as per the OECD/INFE 2015 Toolkit in 10 languages



Quotas were kept for age, gender and Socio-Economic classification (SEC) to have a representative sample

FINANCIAL KNOWLEDGE



1

Risk-return relationship (78%) and inflation (73%) are relatively better understood concepts

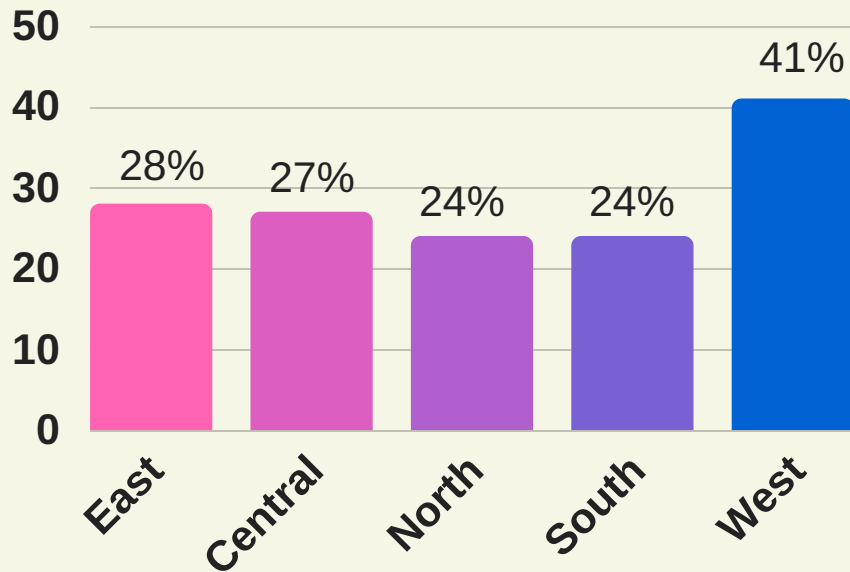
2

Time value money (41%), simple interest (42%) and compound interest (35%) are areas where there is scope for improvement

3

While 70% of people have rated their financial knowledge as average or above, only 56% actually cross the average score (Score either 4,5,6 or 7)

FINANCIAL ATTITUDE



1

The disposition of the respondent towards money is captured in financial attitude.

2

Response to three statements on spending, saving and planning money are captured in a scale of 1 (strongly agree) to 5 (strongly disagree)

3

While West zone demonstrates an inclination towards saving, the South & East zones are more disposed towards spending money

FINANCIAL BEHAVIOUR

58%

58% of people allow money to build up in their savings bank account resorting to passive saving

59%

59% of respondents have a monthly household budget

48%

48% of the respondents came across a situation in the past 12 months where their income didn't cover their living expenses with the proportion being lowest in the West zone [40%]

64%

More than 6 out of every 10 respondents agree on long term financial planning





FINANCIAL LITERACY IN INDIA

AVERAGE OVERALL SCORE - 11.9

TOTAL POSSIBLE SCORE - 21

FINANCIAL KNOWLEDGE

32% cleared the
threshold score of
5 out of 7

FINANCIAL ATTITUDE

28% cleared the
threshold score of
3 out of 5

FINANCIAL BEHAVIOUR

56% cleared the
threshold score of
6 out of 9

POLICY IMPLICATIONS & GUIDANCE

1. CONTINUED FOCUS ON FINANCIAL EDUCATION IN SCHOOLS

- Curriculum based education - Sustainable, Scalable & Cost Effective
- Financial competencies such as simple interest, compounding and time value of money are easier taught at schools
- NCFE's NFLAT serves as a survey as well as an impact assessment tool
- Teachers teach students and students teach parents

2. COMMUNITY LED OUTREACH MODELS AND MEDIA CAMPAIGNS

- RBI has initiated pilot project at block level with collaboration between banks and NGOs
- Hub and Spoke model of delivery
- Four broad objectives - Active Saving & good borrowing, financial planning & goal setting, going digital and consumer protection
- Media campaigns on both traditional and social media about key institution neutral financial awareness messages

**THANK
YOU**

