

Reasons and Attitudes to Using Cash in India

IBGC Working Paper 14-03

Rama Bijapurkar, Rajesh Shukla and Mridusmita
Bordoloi

October 2014

THE INSTITUTE FOR
BUSINESS IN THE
GLOBAL CONTEXT



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People Research on India's Consumer Economy (PRICE)

REASONS AND ATTITUDES TO USING CASH IN INDIA

RAMA BIJAPURKAR
RAJESH SHUKLA
MRIDUSMITA BORDOLOI

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MARCH 2014

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EXECUTIVE SUMMARY

CASH VERSUS CASH LESS: IT'S NOT A WALKOVER

1. Cash is the default option in a 'long tail' market

Conversion from cash to cashless is not just about consumer preferences. It requires the entire ecosystem of suppliers, big and small, in a market to also be ready, willing and able to convert.

India is the land of Lilliput: the market is composed of lots of small consumers and small suppliers.. The economy, though large, is made up of numerous consumers spending in small amounts along with a relatively smaller population with larger expenditures. For instance, bottom 60% Indian households account for 30% of national income (NI) and about 40% of private final consumption expenditure (PFCE). However, the top 40% households in India have 72% of income and almost 90% of surplus income (NI – PFCE). Despite the flip sides to this expenditures pattern it cannot be denied that economic liberalisation and financial inclusion have benefited the masses. But these, so far, are disproportionately skewed in favour of the top of the income pyramid. For example, the top 20% households are seen gaining the most, from 37% share in total income in 1993-94 to 55% in 2014-15. However, the sharper decline is noted among middle than bottom, the share of bottom 20% is 7% in 1993-94 to 6% in 2014-15.

Generally, large marketers, retailers and service providers prefer to focus on the top of the income pyramid (20% rich households). The margins here are razor thin given the cost structure of most large companies. Therefore, with very few exceptions, most large companies prefer to avoid or to opportunistically serve the rest of the consumer base. As a result, a large part of India's consumer market is serviced by small suppliers with low cost bases, usually in the unorganized sector which usually involves earning, spending and buying in cash. Supporting statistics illustrate this point: there are over 13 million retail outlets in India to cater to almost 250 million families spread out over 600,000 villages, 468 large towns and a long tail of 7,500 micro towns. Even large cities have big and small suppliers and both the rich and the modest income consumers shop from those retail outlets.

2. It is card AND cash by choice

Results from PRICE Cash Survey-2014 shows that even card users in the most affluent part of India's megapolis transact 73% of their expenditure in cash and only 17% by card.

In large urban centres with more ATM facilities, consumers withdraw cash more often and in smaller amounts as compared to rural centres, thereby avoiding the risk of loss of money or interest.

The organized formal sector retailers / suppliers usually offer card based transaction facilities and the smaller ones usually don't (don't want a paper trail of revenue earned / I don't want to pay a transaction fee). However many of those suppliers who have card transaction facility often encourage consumers to pay in cash without a receipt by offering lower prices if they do so. Sales tax is thereby avoided through recordless, receiptless transactions , (or service tax in the case of the numerous micro service providers). This is the benefit they pass on to consumers, keeping for themselves the benefit of not paying a tax on their profit.

Is a cash-heavy economy inconvenient to consumers? The seller offers the facility of escorting consumers to a nearby ATM so that they do not have to carry large amounts of cash with them.

The more ubiquitous the ATM (and India has a large and fast growing ATM network), the more convenient this arrangement is. Customers can however choose to transact by card, should they want a receipt and a record of their purchase. Therefore, suppliers and customers choose when they want to transact in cash and when by card.

3. In the world of consumers in India, cash has its advantages and card benefits awareness is low.

Cash is seen to be a means of control and discipline over spending, it is more convenient and it is often a better weapon to bargain with. In addition it offers a fast way to transact in uncomfortable and crowded market places.

The benefits offered by credit cards are also very low among non credit card users, thus tilting the balance further in favour of cash, as far as many consumers are concerned.

4. Credit card marketing is also to blame and has a large role to play in shaping consumer perceptions about cards.

PRICE Cash Survey-2014 findings reveal that credit card marketers in India target the affluent, educated, salaried individuals that are typically employed in the formal sector. These form a miniscule proportion of even the top quintile of households by income. Fewer than 10% Indian workers are employed in the formal sector, and even in the top income earning quintile of urban households only 55% of chief wage earners have a regular salary (30% in rural households).

The mainstream Indian consumer is far from the segment that credit card companies focus on – he has a modest income, no college degree, is self-employed or works in the informal sector. Advertising imagery/popularly used for cards reinforces the “not meant for me” perception. It is lifestyle lead advertising, typically showing the employed executive and his family, which encourages the “why wait to have money, spend now” orientation. It does not talk about the financial or other utilitarian aspects of cards but emphasizes instant gratification and not pragmatism or good sense.

5. Creating the Future

The idea that as a society modernizes, it will automatically gravitate away from 'cumbersome' and 'costly' cash and move to so called 'more modern', 'more convenient' and 'less expensive' cashless options needs to be re-examined. Working with this paradigm leads to a very slow pace of change for the reasons of facts, perceptions and the difficulty in building an ecosystem that covers the consumer and supplier base comprehensively.

PRICE Cash Survey-2014 shows that the use of card based transactions is highest for e-commerce and online shopping, which is growing at a very fast pace in both big and small town India. However even here, e-commerce suppliers are offering cash on delivery options for consumers who would prefer to pay that way.

Card-based or other forms of cash-less transactions can be accelerated if transaction fees are lowered to incentivize the millions of small suppliers to offer the facility. Perhaps the pricing model needs to change in order to provide a win-win solution for all stakeholders.

The most ubiquitous gadget in Indian households and with small Indian businesses is the mobile phone. Given this, as well as the difficulty in increasing the card POS machines and credit cards ecosystem in a market with a long tail, it is most likely that India will leap frog to mobile payments.

However this will take time given that serious building of an ecosystem for mobile payments, approved by the regulator, is yet to begin in earnest. Aspen Institute lists some of these issues as safety and security of these transactions are yet to be demonstrated to users, the technology must cater to heterogeneous platforms that users are on, the network operators are large while service providers are small in size and network connectivity is still poor.

There are other mobile based solutions however that is possible. Low cost technology exists in India, and is used for branchless banking in remote rural areas where the banking correspondent is not on the bank's payroll and under its direct control, for card swiping gadgets to be attached to smart phones making each smart phone a POS credit card terminal. Therefore ramping up the card ecosystem, enabling every small and micro supplier to accept cards is possible and perhaps easier to use in tandem with prepaid cards in consumer hands, than building a new ecosystem with mobile wallets.

Some combination of this and ATMs loading prepaid cards is perhaps one way to accelerate the movement away from cash, while mimicking the benefits of cash. Prepaid cards, which are used extensively by mobile phone companies and their consumers, also have the benefit of lesser liability in case of loss or fraud, especially if used in the on-line space.

PRICE Cash Survey-2014 also points to the fact that there is no technology or modernity adoption barrier to moving away from cash – in fact these are far less than imagery barriers. Indians, even uneducated and poor have proven comfort with technology.

The **Cash Report 2011 from G4S** cash solutions of The Netherlands / Belgium carries on interesting quotation that says “In a cashless society with the current electronic solutions, you couldn’t even send your children to buy bread”. If there were a prepaid low value set of cards in a household, and the neighbourhood grocers could take his money from it and you received an instant message on your phone certifying that he has not cheated you, then perhaps we could have the best of both worlds-not fight cash, but have cashless mimic cash!

INTRODUCTION

Most developed economies with high degrees of financial inclusion are characterized by low usage of cash as a medium of exchange. Higher income and education levels, allows for households to use alternative mediums of exchange other than cash. In these economies, plastic money (credit, debit and prepaid cards) and other mediums of exchange such as online transfers are widely used as mediums of exchange. Greater usage of these alternative mediums of exchange, not only reduces the costs associated with transacting in cash, but significantly reduces the opportunity costs associated with the traditional forms of banking. On the other hand, most developing and underdeveloped economies are characterized by low levels of financial inclusion. This limited penetration of the formal financial system in turn implies limited scope of shifting to alternate forms of payment. In such countries, where a large section of society is excluded from the formal financial system, cash serves as the principal medium of exchange. Although, the rapid dissemination of technology platforms over the past decades has significantly aided in a movement away from cash, it is primarily limited to a particular section of highly educated, higher income earning sections of society.

In a developing economy like India, where 40 percent of the population is excluded from the formal financial system, where the penetration of alternative mediums of exchange is limited, cash plays a crucial role as a medium of exchange. It is often observed that even among those who regularly engage with the formal financial system, use of cash as a medium of exchange dominates over the use of alternative forms of exchange such as plastic money and internet banking. While transactions of higher value may be routed through the banking system, those undertaken on a daily basis are to a large extent carried out through cash.

A lot of the studies around the cost of cash assume that people don't move away from cash to card or other non-cash means because (i) they don't know the cost there is to dealing in cash and (ii) they don't have access or education about non-cash options. The assumption also is that when governments, central banks etc. learn about the total system cost of cash (from printing or minting it all the way to being spent by), they will push harder to eliminate cash from the system through enabling regulation/policies to incentivize non cash etc. However there are a lot of reasons why cash is king, despite its cost. In India, the cost of non-cash transactions for modest income or small ticket users is not insignificant. Yet the cost of non-cash rarely gets computed by researchers, even though consumers compute it quite accurately. Further, because of poor network connectivity, a patchy ecosystem for non-cash use and other inconveniences (including the "big brother is watching" taxman's trail), there is a preference for cash and a barrier to non cash that exists in India (some people, some occasions).

In this context, it is important to map where and why people use cash and their attitudes to cash and non cash to provide a framework for creation of new non-cash products that can compete well with cash. In addition to this mapping, a set of attitudes to measure barriers to non-cash and perceived problems with cash will be valuable information. These can aid future directions for accelerating non-cash usage—either by way of interventions or by way of communication.

SURVEY APPROACH AND METHODOLOGY

In January 2014, the People Research on India's Consumer Economy (PRICE), a Delhi based think tank, conducted Cash Survey of 1,005 respondents representing various age groups, gender, education levels to study the reasons and attitude of cash usage in India. The major focus of the study was to understand the drivers behind the usage of cash over non-cash/plastic money; to identify and explore triggers for, and barriers to, the usage of non-cash/plastic money; and to understand regarding people's cash-handling behavior, particularly regarding day-to-day purchases of goods and services, including routine bill payments and work-related activities.

The respondents were drawn from three purposively selected locations, all within India's northern region.

- I. New Delhi city, the richest of all the megacities in India and with a diverse population along socio economic and occupational lines.
- II. A small town called Meerut in the state of Uttar Pradesh, with a population of 0.35 million. A city strong in manufacturing, the city is rapidly developing and Morgan Stanley in 2011 ranked it as 2nd on the vibrancy Index of Indian cities, based on measures like financial services penetration, (ATMs, bank & branches etc.) and on consumption.
- III. Five villages around Meerut, which we classify in India as "rurban", i.e. Where the urban-rural divide starts to blur, and it is a little bit of each. Rurban is showing a very high growth rate for consumer goods. This corresponds loosely to peri-urban areas in American geography jargon.

A two stage stratified sampling design was used in drawing a probability sample (households and then individuals) using a ready-made frame for the first stage i.e. Census urban blocks and a sampling frame (list of individuals over 20 years of age) was developed for the second stage. The ultimate respondents were done to represent diverse SEC categories including demographics. A summary of sample size and its allocation is provided in **Table 1**.

TABLE 1: SAMPLE SIZE AND ITS DISTRIBUTION

STATES	SAMPLE BLOCKS /VILLAGES	SAMPLING FRAME- INDIVIDUALS	SAMPLE RESPONDENTS
Delhi Urban	25	2,500	497
Delhi Rural	5	500	104
Meerut Urban	15	1,500	300
Meerut Rural	5	5,00	104
Total	50	4,500	1,005

This questionnaire-based approach was adopted to collect primary information through face-to-face interview method. The survey schedule was pre-tested with a small number of respondents and accordingly desired changes were made in the content, wording as well as ordering of questions. Locally recruited graduate interviewers were engaged for the collection of primary data through the conduction of face-to-face interviews of the respondents.

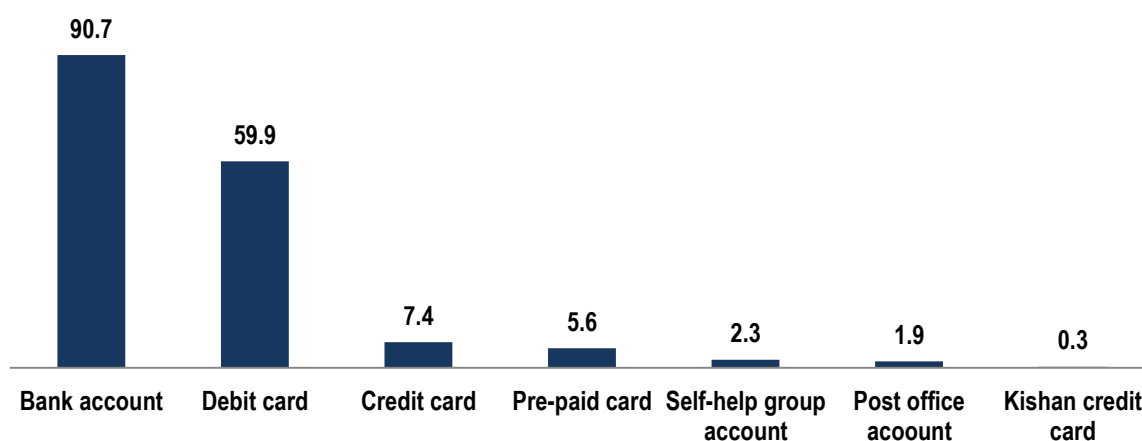
The interviewed sample information collected through the individual questionnaires was weighted to match the state's demographic parameters (such as sex, age, location, etc.). These parameters came from the Census, 2011. Weights were trimmed to prevent individual interviews from exerting too much influence on the final results. The use of these weights in statistical analysis ensures that the demographic characteristics of the sample closely approximate the demographic characteristics of the state population.

RESULTS AND DISCUSSIONS

Financial Inclusion

- The survey revealed a satisfactory level of penetration of banking system in all the surveyed locations in Delhi as well as Meerut (**Figure 1**). Majority of the surveyed population (91 percent) have a bank account. In comparison, there is much less ownership of debit cards among the respondents (60 percent).
- While 7 percent respondents in Delhi owned pre-paid cards, the same for Meerut was almost negligible at less than 1 percent. Again, a negligible section of people (around 2 percent) were found to be maintaining accounts in either post offices or as part of any self-help group. Similarly, “Kishan Credit Cards”, or cards for farmers, are almost non-existent in both Delhi and Meerut (less than 1 percent).

FIGURE 1: OWNERSHIP OF FINANCIAL INSTRUMENTS (% RESPONDENTS)



Source: PRICE Cash Survey-2014

It is evident that bank accounts, debit cards and credit cards are three financial instruments that have found some level or penetration, high or low, into the markets of Delhi and Meerut. Let us have a look at the penetration level of these three financial instruments across different population groups.

a. Bank Account Ownership

While bank account ownership was similar among males and females in Meerut, it was less among females as compared to males in case of Delhi (**Annexure Table 1**). It was clearly evident from the survey that having a bank account is directly proportional to the level of education attainment in Delhi. However, in case of Meerut there was more than 90 percent coverage across all education levels including illiterates. The age of a person is not found to have any role in likelihood of having a bank account in both Delhi as well as Meerut. In case of Delhi more than 95 percent of those respondents who are either working on a regular basis as salaried earners or having a business of their own, had a bank account. However, among those individuals who were engaged in unpaid household activities (mostly females) in Delhi, only 78 percent had bank accounts. On the contrary, there is more than 95 percent penetration of banks among people in Meerut irrespective of their occupation.

b. Debit Card Ownership

The gender gap in debit card ownership is considerably higher in Delhi as compared to that in Meerut (**Annexure Table 2**). Of the total surveyed males in Delhi 69 percent had a debit card, which was 17 percentage points higher than proportion of females with a debit card. In comparison, proportion of males in Meerut who had a debit card was higher by 5 percentage points than proportion of females who hold debit cards. Higher the education level more is the ownership of debit cards. Even though overall ownership of debit cards was higher in Delhi as compared to Meerut, ownership among graduates and post-graduates were relatively higher in Meerut. For instance, while 76 percent graduates in Delhi had a debit card, the same for Meerut was 84 percent. On the contrary, a higher proportion of illiterates in Delhi (40 per cent) had a debit card that those in Meerut (15 percent). The survey also revealed that debit card ownership is much higher among younger age-groups. In terms of occupation, highest debit card ownership is observed among the regular salaried people, followed by the businessmen. However, debit card penetration is much lower among those who are involved in unpaid housework.

c. Credit Card Ownership

Male respondents had a much higher rate of credit-card ownership than females. (**Annexure Table 3**). A much higher share of 12 percent males had a credit card in Delhi as compared to 5 percent females. Even in Meerut where overall credit card ownership is very low, difference between males and females is visible. Compared to almost negligible credit card ownership of 0.5 percent among females, the same was 2.3 percent among males in Meerut. The survey revealed that till secondary level of education, credit card penetration is almost non-existent. People tend to start using or owning credit cards only when they have completed at least higher secondary or diploma levels of education. It is important to mention that even though overall credit card penetration in Delhi is only 9 percent, as high as 21 percent graduates and 47 post graduates reported of owning credit cards. In case of Meerut also, as compared to overall penetration of 2 percent, a much higher share of 11 percent graduates owned a credit card.

ATTITUDES TOWARDS USAGE OF CASH

Cash still dominates most of the financial transactions across consumers from all strata of society (**Table 2**). A little higher than one third of the surveyed population uses only cash for all kinds of financial transactions, while 55 percent uses both cash as well as debit cards. The remaining 7 percent who own credit cards use them either occasionally or frequently.

TABLE 2: DISTRIBUTION OF CASH AND CARD USERS ACROSS SURVEYED LOCATIONS (% RESPONDENTS)

Consumer category	Delhi-1 (Top 20%)	Delhi-2 (Middle 60%)	Delhi-3 (Bottom 20%)	Meerut City	Meerut Rural	All
Credit card users	25.8	5.4	2.5	1.9	2.1	7.4
Cash+ Debit card users	48.8	59.4	47.8	72.9	45.3	54.5
Only cash users	25.4	35.3	49.7	25.3	52.6	38.1
Total	100.0	100.0	100.0	100.0	100.0	100.0

Source: PRICE Cash Survey-2014

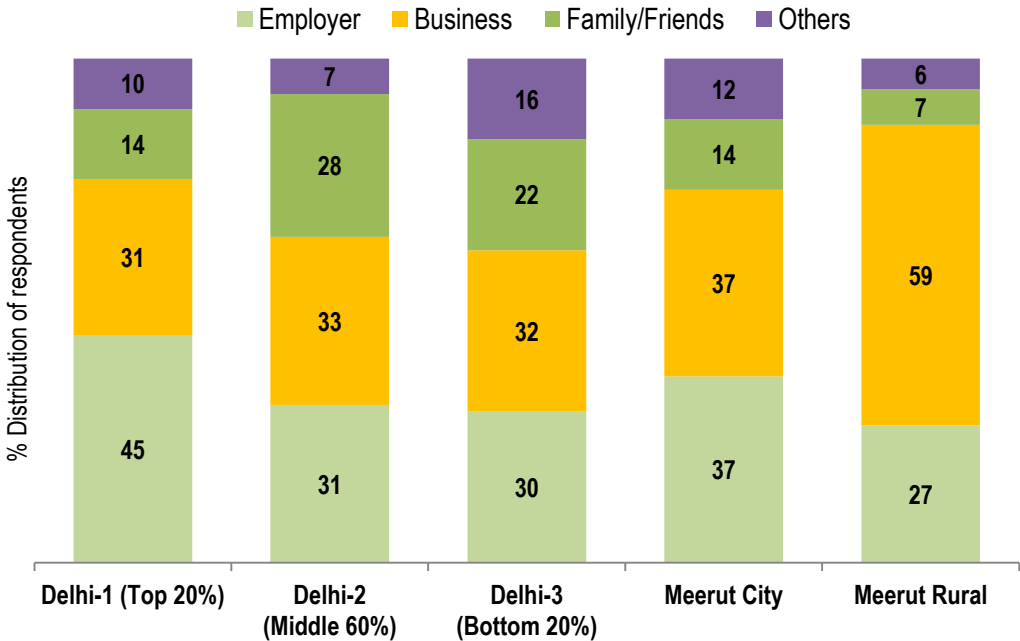
The following sub-sections look into the attitude of consumers towards using cash and answer some pertinent questions:

- Where do people get most of their cash?
- Where and how frequently consumers withdraw cash?
- What is the minimum cash that consumers try to keep in hand?
- What amount of cash is considered too large to handle?
- How people manage large volumes of cash?
- How people manage urgent large-scale cash requirement?

a. Sources of Cash

- The preferred sources of cash for the rich and the poor are very different from the rest of the consumers (**Figure 2**). Among the surveyed locations, consumers in the middle 60 percent and bottom 20 percent of Delhi and those from Meerut city are similar in their behaviour in accessing different sources for cash. On the contrary, top 20 percent in Delhi and those from Meerut rural are considerably different from the rest. For the majority (45 percent) of the rich 20 percent respondents in Delhi, income earned from employment seems to be the source for most of their cash. For the respondents from middle 60%, bottom 20%, and Meerut city both employment and business are equally important sources for cash. However, in case of rural areas of Meerut more than half (59 percent) of the respondents get their cash from their businesses. Except the rich, a significant proportion of respondents in rest of Delhi also stated family & friends to be one of the important sources of cash.

FIGURE 2: DISTRIBUTION OF RESPONDENTS ACROSS SOURCE FOR MOST OF THEIR CASH (%)



Source: PRICE Cash Survey-2014

- Overall, a smaller proportion of 9 percent respondents reported that they get most of their cash from other sources such as professional fees, remittances, post-offices, and cash-back services from retail or grocery shops.
- If we look into sources for availing cash across gender, it is observed that the two most preferred sources by males are employers and businesses. On the contrary, around half of the females reported that family or friends are their key source of availing cash.

b. Cash Withdrawal

The survey tried to study how individuals with bank accounts utilise the banking facility for withdrawal of cash and the frequency of such financial transactions.

- Usage of ATMs only for cash withdrawal is more of a large city phenomenon than a small city or rural one (**Table 3**). ATMs are observed to be much more popular in all three parts of Delhi than in Meerut. Around two third of the respondents (66 percent) reported that they only use ATMs for withdrawal of cash in Delhi. On the contrary, proportion of people who only use ATMs is only 11 percent in Meerut city and 6 percent in rural Meerut.

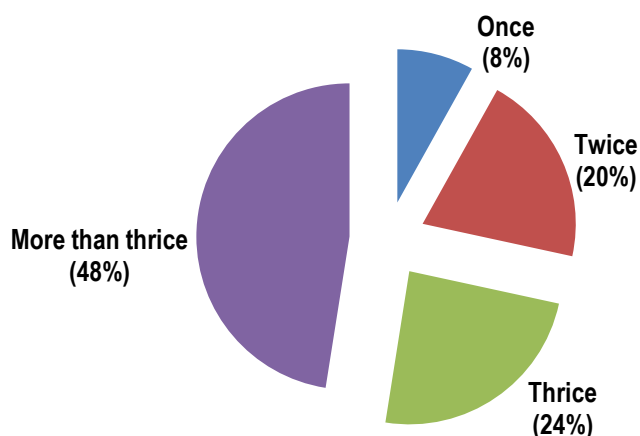
TABLE 3: USAGE OF BANKING FACILITY FOR CASH WITHDRAWAL (% DISTRIBUTION OF ACCOUNT HOLDERS)

Bank	Delhi-1 (Top 20%)	Delhi-2 (Middle 60%)	Delhi-3 (Bottom 20%)	Meerut City	Meerut Rural	All
Branch only	17.6	24.4	33.3	21.1	52.1	28.8
ATM only	75.2	65.1	60.2	10.8	6.1	53.4
Both Branch & ATM	5.2	7.3	3.3	68.1	41.9	15.4
No response	2.0	3.3	3.3	0.0	0.0	2.3
Total	100.0	100.0	100.0	100.0	100.0	100.0

Source: PRICE Cash Survey-2014

- Use of bank branches only for cash withdrawal is still popular among the economically poorer sections of the society. One third of the respondents from bottom 20% households in Delhi and half of the respondents from rural parts of Meerut still use only bank branches for cash withdrawal.
- It is interesting to note that among all bank account holders in Meerut, the proportion that uses both bank branches as well as ATMs for withdrawing cash was considerably high at 68 percent in city and 42 percent in rural. In comparison, only 6 percent account holders in Delhi reported using both the banking infrastructures for cash withdrawal.

FIGURE 3: FREQUENCY OF CASH WITHDRAWAL FROM ATMS (% DISTRIBUTION OF ALL RESPONDENTS)



Source: PRICE Cash Survey-2014

- People, who use ATMs for withdrawal of cash, visit them quite frequently irrespective of location or economic status (**Figure 3**). Overall, 48 percent of the surveyed population reported that they visited ATMs greater than 3 times a month. In case of Delhi where ATMs are commonly used for withdrawal of cash, around 29 percent account holders reported that they visit them 5 times or more in a month, followed by 18 percent who visit ATMs 4 times a month. A similar scenario is observed in Meerut as well. While around half of respondents who used ATMs for cash withdrawal visited them at least four times in a month, only 8 percent visited ATMs once in a month.
- Those who use bank branches for withdrawal of cash do not seem to visit them very often in urban and semi-urban locations whether it is Delhi or Meerut city (**Table 4**). However, the scenario is totally different in rural Meerut. In rural areas of Meerut, while more than one third (36 percent) of the account holders visited them thrice a month, another 32 percent visited branches more than 3 times a month.

TABLE 4: FREQUENCY OF CASH WITHDRAWAL FROM BANK BRANCH (% DISTRIBUTION of Account Holders)

Frequency	Delhi-1 (Top 20%)	Delhi-2 (Middle 60%)	Delhi-3 (Bottom 20%)	Meerut City	Meerut Rural	All
Once	31.6	41.7	44.7	36.8	3.7	27.3
2 times	36.8	28.1	31.7	33.7	28.0	29.9
3 times	22.8	21.1	20.5	24.0	36.1	26.8
More than 3 times	8.8	9.1	3.1	5.5	32.2	16.1
Total	100	100	100	100	100	100

Source: PRICE Cash Survey-2014

c. Cash in Hand: Minimum and Maximum Amount

In order to understand the amount of money that people generally tend to carry with them in cash form, the respondents were inquired about minimum amount of cash that they generally try to keep in hand.

- People in large cities, where ATM usage is more popular and frequency of visiting ATMs is quite high, tend to keep less cash in hand as compared to those in small towns or rural areas. The survey revealed that minimum cash that people tend to keep in hand is considerably higher in Meerut as compared to that in Delhi (**Table 5**).

TABLE 5: MINIMUM CASH PREFER TO KEEP IN HAND (% DISTRIBUTION OF RESPONDENTS)

Minimum Cash	Delhi-1 (Top 20%)	Delhi-2 (Middle 60%)	Delhi-3 (Bottom 20%)	Meerut City	Meerut Rural	All
Less than equal Rs. 500	17.9	37.2	50.3	13.9	8.0	31.2
Rs. 500 to Rs. 1000	27.7	33.6	31.1	23.2	19.5	29.6
Rs. 1000 to Rs. 2000	37.5	20.0	13.1	22.2	26.2	22.7
Greater than Rs. 2000	16.8	9.2	1.6	40.6	46.3	16.5
Total	100	100	100	100	100	100
Average minimum cash (Rs.)	1,709	1,231	790	2,949	3,182	1,624

Source: PRICE Cash Survey-2014

- Because of similar reasons the average value of cash that people consider to be too large to handle is found to be much higher in Meerut city than Delhi (**Table 6**). In rural areas of Meerut even though minimum cash that consumers keep in hand is highest, the maximum cash is much lower than Meerut city. This might be because consumers in rural Meerut tend to visit bank branches much more frequently than others.

TABLE 6: CASH PERCEIVED TO BE TOO LARGE TO HANDLE (% DISTRIBUTION OF RESPONDENTS)

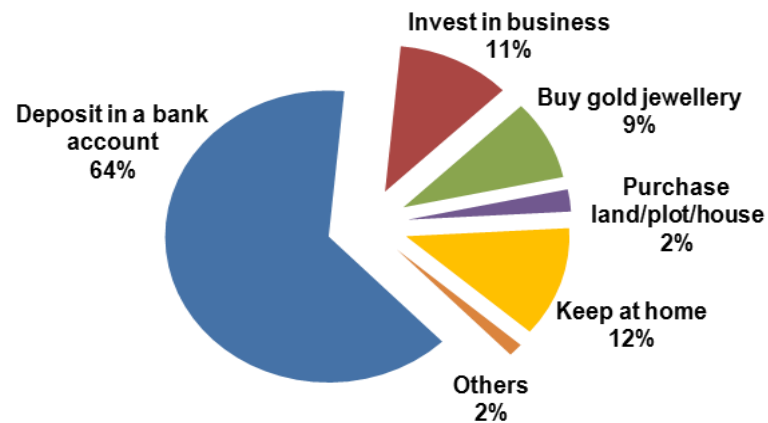
MAXIMUM CASH	DELHI-1 (TOP 20%)	DELHI-2 (MIDDLE 60%)	DELHI-3 (BOTTOM 20%)	MEERUT CITY	MEERUT RURAL	ALL
Up to Rs. 1,500	10	19	32	3	8	17
Rs. 1,500 to Rs. 4,000	23	29	40	8	28	29
Rs. 4,000 to Rs. 5,000	21	25	12	17	27	22
Rs. 5,000 to Rs. 10,000	29	16	11	28	29	20
Greater than Rs. 10,000	18	11	5	43	8	12
Total	100	100	100	100	100	100
Average maximum cash (Rs.)	9,679	5,777	4,066	18,418	6,656	6,924

Source: PRICE Cash Survey-2014

- Females tend to keep less cash in hand than males (**Annexure Table 4**). Education of an individual directly impacts the amount of cash they generally carry in hand. Higher the education level more is the amount of minimum cash they carry and the amount of cash they perceive to be too large to handle. Among occupations, businessmen tend keep more cash in hand than the others. On the contrary, cash in hand is much lower for housewives and those engaged in unpaid housework.

- A significantly large proportion of the respondents (more than 70 percent) across all the surveyed locations reported that they have at some point of time received cash that they consider too large to handle. The most preferred location to keep such money is banks (64 percent) (**Figure 4**). Keeping at home, investing in business and buying gold jewellery are three other options to keep such large amounts of money.

FIGURE 4: MOST PREFERRED PLACE TO KEEP CASH TOO LARGE TO HANDLE (% DISTRIBUTION OF RESPONDENTS WHO EVER RECEIVED LARGE CASH)

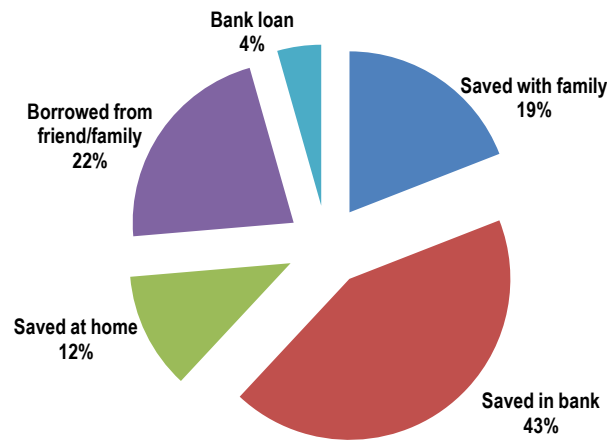


Source: PRICE Cash Survey-2014

d. Management of Large and Urgent Cash Requirement

- Some of the most cited occasions when consumers experience create urgent need for large amounts of cash are setting up or expansion of businesses, higher studies for children, marriage of children, health treatment, construction of house, and purchase of land. It is observed that in most of these occasions cash payment is still preferred partly because of the mindset that there is no risk is involved in the liability to make future payment. This is partly because cards are not accepted in many of these activities wherever the informal sector stakeholders are involved.
- A large section of consumers get money for such urgent requirement either from their own saving in banks (43 percent) or from savings with family (19 percent) and home (12 percent) (**Figure 5**). However, around 22 percent of the consumers resort to borrowing to manage these expenses.
- People borrow in large amounts to manage urgent cash requirement across all economic groups. While one third of the respondents (33 percent) borrowed in the range of Rs. 40,000 to Rs. 150,000, another 25 percent borrowed between Rs. 150,000 to 300,000 to meet such large urgent expenses.

FIGURE 5: DISTRIBUTION OF PEOPLE ACROSS SOURCE OF MONEY TO ADDRESS REGENT NON-ROUTINE/EMERGENCY EXPENDITURE (%)



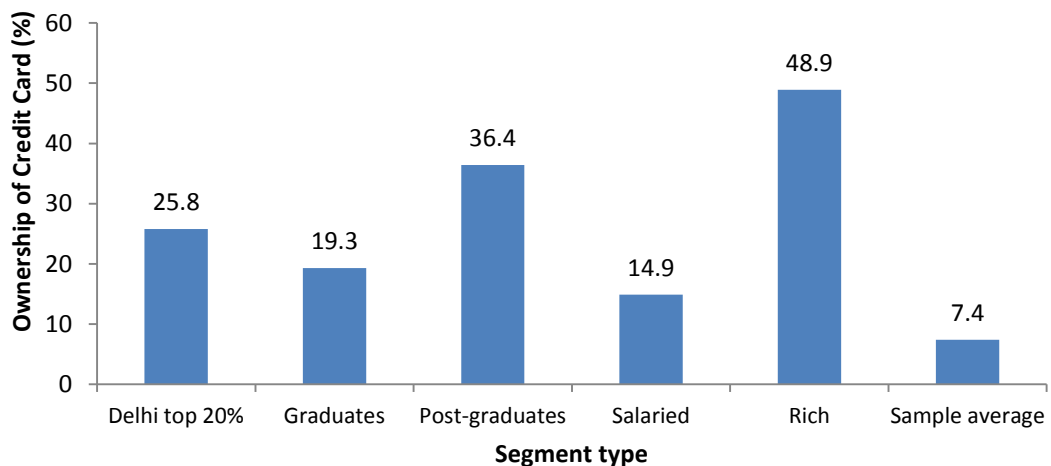
Source: PRICE Cash Survey-2014

CASH VS. CARD

a. State of the credit card market: setting the context

Credit cards have penetrated only a small segment of progressives i.e. affluent, educated, salaried people; Cash and Debit Card (usage for ATMs mostly) is the mainstream majority, and cash holds sway among rural, lower income, less educated, and those not traditionally employed—especially women and housewives. Age does not play a very major role in credit card adoption (**Figure 6** and **Tables 7 & 8**).

FIGURE 6: HIGH PENETRATION POCKETS (SIZE) OF SEGMENT AS % OF THE TOTAL



Source: PRICE Cash Survey-2014

TABLE 7: PROFILE OF CASH VS. CARD USERS

Parameters	Credit card	Cash+ Debit card	Only cash	Total
% Consumers	7	55	38	100
% Male/Female	79/21	66/34	53/47	62/38
% Having bank account	100	100	76	91
Household income (Rs. lakh)	4.2	2.8	2.3	2.7
Share of expenditure to income (%)	75	77	75	77
Age Distribution (%)				
21 to 30 years	23	24	16	21
31 to 40 years	32	34	34	34
41 to 50 years	35	30	37	33
51 to 60 years	10	12	14	12
Occupation Distribution (%)				
Salaried	57	34	15	29
Self employed	34	32	30	31
Casual labour	-	5	12	7
Others	9	30	43	33
Highest education (%)				
Illiterate	2	9	25	14
Higher secondary	25	25	15	21
Graduate & above	65	23	10	21

Source: PRICE Cash Survey-2014

TABLE 8: HIGHER/LOWER THAN SAMPLE AVERAGE

	Credit card	Cash+ Debit card	Only cash
Gender			
Male	16%	4%	-9%
Female	-16%	-4%	9%
Age			
21 to 30 years	3%	3%	-5%
31 to 40 years	-2%	0%	0%
41 to 50 years	2%	-3%	4%
51 to 60 years	-2%	-1%	1%
Occupation			
Salaried	29%	6%	-14%
Self employed	3%	1%	-1%
Casual labour	-7%	-3%	5%
Education level			
Illiterate/Below Primary	-13%	-6%	11%
Primary	-12%	-2%	5%
Secondary	-13%	3%	-1%
Higher secondary/Diploma	4%	4%	-6%
Graduate	27%	2%	-8%
Post graduate/Professional/Higher research	16%	0%	-3%

- At the aggregate level, the penetration of credit cards was found to be very low (7.4%) except in Delhi rich consumers where 25.8% respondents reported that they had a credit card (**Table 9 and Annexure Table 5**). Debit card penetration is much higher but it is used mainly for the ATM withdrawals (and is given compulsorily and automatically with bank account opening).

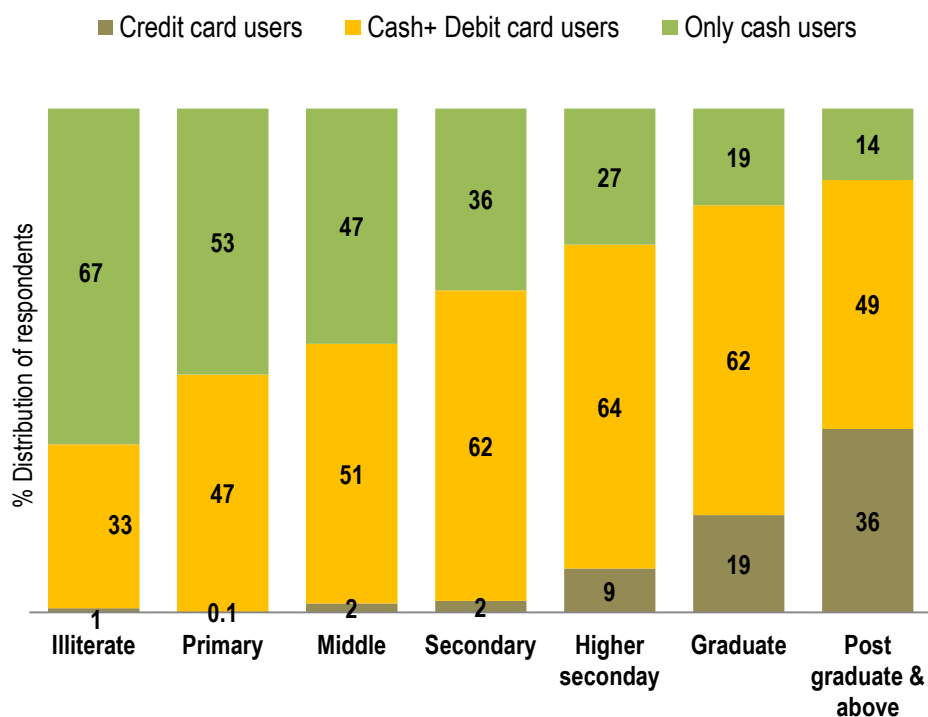
TABLE 9: MARKET STRUCTURE OF SURVEYED UNIVERSE

Segments	% of respondents in each segment			
	Credit Card	Cash + Debit Card	Cash Only	Total
Rich Delhi (Top 20%)	25.8	48.8	25.4	100.0
Middle Delhi (Next 60%)	5.4	59.4	35.3	100.0
Poor Delhi (Bottom 20%)	2.5	47.8	49.7	100.0
Meerut City	1.9	72.9	25.3	100.0
Meerut Rural	2.1	45.3	52.6	100.0
All Sample	7.4	54.5	38.1	100.0

Source: PRICE Cash Survey-2014

- Education is the biggest differentiator while age surprisingly does not make much of a difference. Affluence is the next biggest differentiator. There is a significant increase in the ownership of credit card users with level of education. For instance 36 percent of all post-graduates use credit cards against less than 2 percent among primary school educated (**Figure 7**).

FIGURE 7: DISTRIBUTION OF RESPONDENTS IN EACH EDUCATION LEVEL ACROSS CASH VS. CARD USAGE (%)



Source: PRICE Cash Survey-2014

- More than half of the credit card users are regular salaried workers, followed by one third being businessmen. On the other hand, more than half (55 percent) of those who use cash alone are either women engaged in unpaid household work and casual laborers who do not have any regular source of income. The average income earned by the credit card users is found to be double the amount earned the cash users (Table 9).
- Credit card market is dominated by males with 79 percent male users. On the contrary cash-only users are equally distributed between males and females.
- While all credit and debit card users own bank account (which is a technical requirement to own a card), one fourth of the cash-only users still do not have a bank account.
- Among household assets, while television, cable connection, two-wheelers and refrigerators have penetrated across all types of consumer categories, assets such as cars, air conditioners, laptops and internet have penetrated mostly among credit card owners and least among cash-only users (Table 10). This is a clear indication that credit cards have penetrated mostly among the affluent classes of the society.

TABLE 10: ASSET OF OWNERSHIP (% HOUSEHOLDS)

Assets	Credit card users	Cash+ Debit card users	Only cash users	Total
Car	59	15	7	16
Motor Cycle/ Scooter	79	70	52	64
Water Purifier	89	52	36	48
LCD\LED\Plasma TV	94	98	97	97
Air Conditioner	69	16	11	18
Refrigerator	98	97	93	95
Laptop	75	25	12	24
Cable\Dish TV	98	98	98	98
Internet	67	20	9	19

Source: PRICE Cash Survey-2014

- All categories of consumers strongly believe in some of the benefits of using cash for their day-to-day transactions (Tables 11 and 12). Majority of the credit card users (90 percent) agree that usage of cash for day-to-day transactions allows negotiation, while 82 percent card users believe that cash is the fastest mode of transaction.

TABLE 11: ARGUMENTS IN FAVOUR OF CASH (% RESPONDENTS WHO ARE IN AGREEMENT)- CONSUMER SEGMENTS

Arguments	Credit card users	Cash+ Debit card users	Only cash users	Total
Allows negotiation	90	97	96	96
Control over spending	75	78	80	78
Fastest transaction method	82	87	82	85
Assurance of exact payment	61	65	66	65

Source: PRICE Cash Survey-2014

TABLE 12: ARGUMENTS IN FAVOUR OF CASH (% RESPONDENTS WHO ARE IN AGREEMENT)- LOCATION

Arguments	Delhi	Meerut City	Meerut Rural	Total
Allows negotiation	96	91	99	96
Control over spending	78	75	81	78
Fastest transaction method	88	76	71	85
Assurance of exact payment	65	62	68	65

Source: PRICE Cash Survey-2014

b. Financial Optimism

Majority of the credit card users consider themselves to be economically better off; they are financially optimistic, and confident about stability of their income. In comparison, most of the cash-only users perceive themselves to be in the lower middle or middle class of the society. They are much less confident about the stability of their income source. The non credit card users feel that they would take a much longer period of time to find an equivalent source of household income if it is lost and many were even unsure about it.

- The survey attempted to understand the self-perception of respondents in terms of their economic status. It is observed that 29 percent of the credit card users consider themselves as rich, followed by another 61 percent who consider themselves as middle class (**Table 13**). Cash users are equally distributed between perceived lower middle class” and middle class”. Around 9 percent of the cash users also perceive their economic status to be poor.

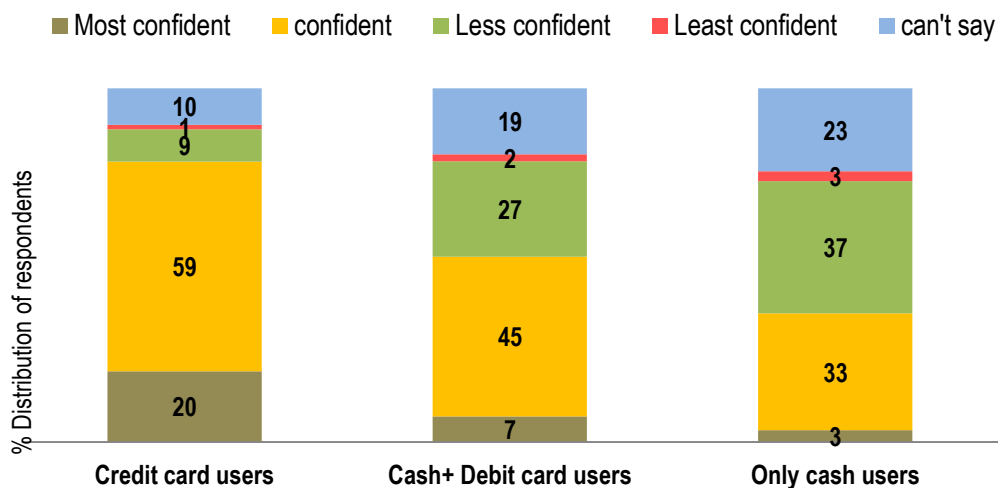
TABLE 13: DISTRIBUTION OF RESPONDENTS ACROSS PERCEIVED ECONOMIC STATUS (%)

Perceived economic status	Credit card users	Cash+ Debit card users	Only cash users	Total
Poor	0.0	3.0	8.7	4.9
Lower middle	10.3	35.5	46.9	38.0
Middle	61.0	58.4	43.0	52.7
Rich	28.7	3.1	1.5	4.4
Total	100.0	100.0	100.0	100.0

Source: PRICE Cash Survey-2014

- In terms of stability in the major source of household income the confidence level was very high among the credit card users, followed by “debit card + cash” users and then the “Only Cash” users (**Figure 8**). While more than three fourth (79 percent) credit card users are confident, around half of the “debit + cash” users and 36 percent of the pure cash users reported that they were confident about the stability of their household income.

FIGURE 8: CONFIDENCE REGARDING STABILITY IN THE MAJOR SOURCE OF HOUSEHOLD INCOME (% RESPONDENTS)



Source: PRICE Cash Survey-2014

- The survey also attempted to understand the time that a household would take to find an equivalent source of income if their major source of income is lost (Table 14). It is observed that proportion of respondents who feel that they would be able to find an equivalent income source within six months is much higher among credit card users as compared to cash users. On the other hand as compared to 12 percent credit cards users who feel that they would take around two years to find an equivalent source to income, the same for only cash users is as high as 40 percent.

TABLE 14: TIME TAKEN TO FIND AN EQUIVALENT IF MAJOR SOURCE OF HOUSEHOLD INCOME IF LOST (% RESPONDENTS)

Level of confidence	Credit card users	Cash+ Debit card users	Only cash users	Total
Less than 6 months	31.1	20.1	16.5	19.5
One year	20.6	10.0	13.4	12.1
Two years	11.7	28.5	39.7	31.5
Can't say	32.9	30.5	23.9	28.2
Others	3.6	10.9	6.4	8.7
Total	100.0	100.0	100.0	100.0

Source: PRICE Cash Survey-2014

c. Cash Usage Behavior and Attitudes

The survey tried to analyse how much people spend on some of the major goods and services and their preferred mode of payment for each of those expenditures (Tables 15 and 16).

- The survey confirmed that majority of the consumers use cash more extensively than cards across different categories of expenditures. One of the characteristics of cash is that it contains memory and provides a regular signal into the extent of expenses and the remaining budget. With a large cash share of expenditures, it is evident the quality of the signal is more valuable among majority of the consumers.
- Cards are not widely accepted everywhere as we can see from the survey findings, especially when half of the consumer market in informal and unorganized. A significant

proportion of consumers (72 percent) use cards on in case of online shopping. Around one fourth consumers (23 percent) use cards also for paying their internet bills.

TABLE 15: PREFERRED MODE OF PAYMENT ACROSS EXPENDITURE ITEMS (% OF HOUSEHOLDS)

Expenditure items	Households that reported some expenditure (%)	Average annual household expenditure (Rs.)	Preferred Mode of Payment (%)	
			Cash	Card
Food and beverages at local market	100	40,274	97	3
Groceries at store	90	27,495	94	6
Clothes & footwear	99	10,207	93	7
Rent bills	9	36,045	100	0
Water bills	69	5,916	98	2
Electricity bills	98	16,395	97	3
Fuel for vehicle	65	17,524	99	1
Cell phone bills	92	5,082	98	2
Internet charges	17	6,732	77	23
Online shopping	6	8,704	39	61
Recreation (cinema etc)	46	3,339	98	2
Restaurants or readymade food	81	5,149	95	5
Tour & travel (railway, hotel etc)	70	7,007	93	7
Durables goods; furniture, appliances, electronics	69	22,121	96	4

Source: PRICE Cash Survey-2014

TABLE 16: CASH REIGNS SUPREME EVEN AMONG CREDIT CARD USERS (% OF HOUSEHOLD EXPENDITURE PAID IN CASH)

Expenditure heads	Credit card users	Cash+ Debit card users	Only cash users	Total
Food and beverages at local market	95	96	99	97
Groceries at store	76	88	96	90
Clothes & footwear	75	90	96	90
Rent bills	100	100	100	100
Water bills	96	98	100	98
Electricity bills	86	94	98	95
Fuel for vehicle	91	100	100	99
Cell phone bills	90	97	99	97
Internet charges	77	75	87	78
Online shopping	15	34	27	22
Recreation (cinema etc)	94	96	99	96
Restaurants or readymade food	70	92	97	91
Tour & travel (railway, hotel etc)	62	87	98	86
Durables goods; furniture, appliances, electronics	77	89	97	90

d. Cash in Hand

As discussed in the previous section there is great level of comfort in keeping moderate to significant levels of cash in hand, especially in small towns and traditional rural areas.

- **Cash reigns supreme even among credit card users.** The survey revealed that even the credit card users keep significant amounts of cash in hand (**Tables 17** and **18**). For instance, proportion of respondents who keep more than Rs. 2000 as minimum cash in hand is 29 percent in case of credit card users, as compared to 12 percent in case of “Only cash” users.

TABLE 17: QUANTUM OF CASH KEPT

	Credit card users	Cash+ Debit card users	Only cash users	Total
Minimum (Rs.)	2,171	1,679	1,439	1,624
Maximum (Rs.)	9,775	7,794	5,126	6,924
% of expenses in cash	83.2%	93.2%	97.9%	93.4%

- The average amount of minimum cash carried by “Only Cash” users or “Cash + Debit Card” users is observed to be relatively lower than the amount carried by credit card users. The proportion of respondents who carry minimum cash in the range of Rs. 100 to Rs. 500 is 13 percent among credit card users, as compared to 27 percent among the cash users.

TABLE 18: MINIMUM CASH PEOPLE PREFER TO KEEP IN HAND (% DISTRIBUTION OF RESPONDENTS)

Minimum Cash	Credit card	Cash+ Debit card	Only cash	Total
Less than equal Rs. 100	2	4	7	5
Greater than 100 to Rs. 500	13	27	27	26
Greater than 500 to Rs. 1000	27	30	30	30
Greater than 1000 to Rs. 2000	28	21	24	23
Greater than Rs. 2000	29	18	12	16
Total	100	100	100	100
Average minimum cash (Rs.)	2,171	1,679	1,439	1,624

Source: PRICE Cash Survey-2014

- Similarly, average amount of cash considered too large to handle by the respondents is observed to be much higher for credit card users than debit card or cash users (**Table 19**). As compared to 21 percent credit card users who perceive cash higher than Rs. 10,000 to be large enough to carry, the same in case cash users is only 6 percent.

TABLE 19: CASH PERCEIVED TO BE TOO LARGE TO HANDLE (% DISTRIBUTION OF RESPONDENTS)

Maximum Cash	Credit card users	Cash+ Debit card users	Only cash users	Total
Up to Rs. 1,500	9.3	14.6	21.5	16.8
Rs. 1,500 to Rs. 4,000	24.4	27.7	31.4	28.9
Rs. 4,000 to Rs. 5,000	15.5	22.7	22.6	22.1
Rs. 5,000 to Rs. 10,000	29.7	19.9	18.1	19.9
More than Rs. 10,000	21.2	15.1	6.5	12.2
Total	100	100	100	100
Average maximum cash (Rs.)	9,775	7,794	5,126	6,924

Source: PRICE Cash Survey-2014

d. Awareness about Benefits of Credit Card

- The functional knowledge of a credit card is very low among the cash users, especially “Only Cash” users (**Tables 20** and **21**). Neither are many of the credit card users are aware of all the facilities and benefits provided by credit cards.
- The fact that you get a 30 day zero interest credit period before actual payment, facility to pay in EMIs without any paperwork, and that you earn reward points in each transaction are hardly known to non-credit card users. Even among credit card users only 61 percent were aware about the feature of earning reward points in each time a credit card is used for purchase.
- This is an indication of how cards have not been marketed at the functional level. Not only pure cash users, even a significant proportion of debit card users are not aware of the different functionalities of credit card.

TABLE 20: AWARENESS ABOUT THE BENEFITS OF USING CARD (% RESPONDENTS WHO ARE AWARE)

Benefits of card	Credit card users	Cash+ Debit card users	Only cash users	Total
Allows purchase irrespective of having cash or not	100	82	50	71
Financial transaction anytime anywhere	99	87	48	73
Provides additional proof of purchase	89	51	17	41
Receive SMS if card is swiped	97	80	34	64
Gives a credit period of 30 days with zero interest	80	30	7	25
Hassle free and fast payment	94	55	20	44
Facility to pay in EMIs without any paperwork	81	25	7	22
Reward points earned on all expenses	61	22	8	20

Source: PRICE Cash Survey-2014

TABLE 21: AWARENESS ABOUT THE BENEFITS OF USING CARD (% RESPONDENTS WHO ARE AWARE) BY CITY

	Delhi	Meerut city	Meerut rural	Total
Allows purchase irrespective of having cash or not	68	83	83	71
Financial transaction anytime anywhere	70	84	85	73
Provides additional proof of purchase	39	60	42	41
Receive SMS if card is swiped	68	69	38	64
Gives a credit period of 30 days with zero interest	30	14	5	25
Hassle free and fast payment	44	64	37	44
Facility to pay in EMI without any paperwork	26	14	3	22
Reward points earned on all expenses	21	19	12	20

Source: PRICE Cash Survey-2014

CONCLUSION

Cash reigns supreme even among credit card users. Cash coexists with cards for a variety of reasons, not just for tax avoidance but also because cards are not widely accepted everywhere, as we can see from our data

Credit cards penetration is very low except in pockets of high affluence and education which constitute a small portion of the total sample. Debit card penetration is much higher but it is used mainly for with the ATM (and is given compulsorily and automatically with bank account opening). ATMS optimize cash usage and make it more convenient form of transaction.

The functional knowledge of what a credit card does is very low among non credit card users – another indicator of how cards have not been marketed at the functional level (even to debit card users).

To drive usage of credit cards the logical target is the cash + debit card user. Indian consumers are comfortable with technology, is 8 times the number of credit card users. Even debit cards are not being used for many purposes outside of withdrawing cash.

Therefore, the task on hand is not to convert the cash user but to expand the scope and use of the debit card; and also to “morally purify” and broad base the image of the credit card –making it a sensible productivity and business enabling tools and techniques.

ANNEXURE TABLES

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ANNEXURE TABLE 1: DEMOGRAPHIC PROFILE OF SAMPLE UNIVERSE (%)

Individual characteristics	Delhi	Meerut city	Meerut rural
Gender			
Male	57	65	89
Female	43	35	11
Total	100	100	100
Education level			
Illiterate/Below Primary	14	13	20
Primary	12	8	13
Middle	12	13	15
Secondary	20	17	16
Higher secondary/Diploma	21	20	18
Graduate	16	18	13
Post graduate/Professional/Higher research	4	10	3
Total	100	100	100
Age group			
21 to 30 years	20	19	26
31 to 40 years	34	34	34
41 to 50 years	32	35	34
51 to 60 years	14	12	7
Total	100	100	100
Primary occupation			
Regular salary/wage earner	31	31	13
Self employed in non-agriculture	26	27	27
Self employed in agriculture	3	1	17
Unpaid housework	35	28	12
Casual labour	4	11	25
Others	2	1	7
Total	100	100	100

Source: PRICE Cash Survey-2014

ANNEXURE TABLE 2: Bank Account Ownership (% Respondents)

Individual characteristics	Delhi	Meerut
Gender		
Male	95.1	97.5
Female	80.8	96.5
Education level		
Illiterate/Below Primary	72.3	93.3
Primary	86.1	92.1
Middle	81.4	97.2
Secondary	89.9	99.5
Higher secondary/Diploma	93.9	100.0
Graduate	99.1	100.0
Post graduate/Professional/Higher research	100.0	100.0
Age group		
21 to 30 years	91.4	98.6
31 to 40 years	86.4	97.6
41 to 50 years	88.7	97.8
51 to 60 years	92.4	90.0
Primary occupation		
Regular salary/wage earner	98.4	99.5
Self employed in non-agriculture	96.0	99.0
Unpaid housework	78.5	96.2
Total	89.0	97.4

Source: PRICE Cash Survey-2014

ANNEXURE TABLE 3: DEBIT CARD OWNERSHIP (% RESPONDENTS)

Individual characteristics	Delhi	Meerut
Gender		
Male	68.6	55.4
Female	51.6	50.1
Education level		
Illiterate/Below Primary	39.7	14.8
Primary	47.5	46.2
Middle	54.1	51.1
Secondary	66.0	49.6
Higher secondary/Diploma	69.9	69.6
Graduate	75.7	84.0
Post graduate/Professional/Higher research	63.2	98.5
Age group		
21 to 30 years	70.5	62.9
31 to 40 years	60.9	57.5
41 to 50 years	57.0	49.7
51 to 60 years	58.6	36.3
Primary occupation		
Regular salary/wage earner	74.8	80.7
Self employed in non-agriculture	66.7	69.4
Unpaid housework	49.7	42.4
Total	61.3	54.5

Source: PRICE Cash Survey-2014

ANNEXURE TABLE 4: AVERAGE AMOUNTS OF CASH IN HAND: MINIMUM VS. MAXIMUM

Individual characteristics	Delhi		Meerut	
	Average Minimum cash (Rs.)	Average Maximum cash (Rs.)	Average Minimum cash (Rs.)	Average Maximum cash (Rs.)
Gender				
Male	1,425	7,675	3,203	9,401
Female	989	4,271	2,730	11,152
Education level				
Illiterate/Below Primary	693	3,773	1,911	4,541
Primary	832	4,471	2,511	7,504
Middle	818	5,275	3,253	9,955
Secondary	1,130	6,121	2,909	10,089
Higher secondary/Diploma	1,566	6,274	4,148	10,993
Graduate	1,784	9,673	3,711	11,513
Post graduate & above	1,873	7,248	3,574	21,187
Primary occupation				
Regular salary/wage earner	1,302	5,786	3,250	13,167
Self employed in non-agriculture	1,669	10,267	4,830	14,861
Unpaid housework	949	4,212	2,593	9,439
Total	1,237	6,207	3,122	9,702

Source: PRICE Cash Survey-2014

ANNEXURE TABLE 5: CREDIT CARD OWNERSHIP (% RESPONDENTS)

Individual characteristics	Delhi	Meerut
Gender		
Male	12.0	2.3
Female	4.6	0.5
Education level		
Illiterate/Below Primary	1.1	0.0
Primary	0.0	0.6
Middle	2.5	0.0
Secondary	2.8	0.0
Higher secondary/Diploma	10.6	0.4
Graduate	21.1	11.1
Post graduate/Professional/Higher research	46.7	5.0
Age group		
21 to 30 years	9.7	4.0
31 to 40 years	8.1	2.5
41 to 50 years	9.8	0.4
51 to 60 years	6.9	1.1
Primary occupation		
Regular salary/wage earner	15.6	10.3
Self employed in non-agriculture	12.3	0.3
Unpaid housework	2.5	0.5
Total	8.8	2.0

Source: PRICE Cash Survey-2014

ANNEXURE TABLE 6: SAMPLE CHARACTERISTICS, 2011

Place	Total population (In Millions)	Total households (In Millions)	Sex ratio (Females per thousand males)	Literacy rate (%)
Delhi				
Rural	0.4	0.1	847	82.7
Urban	16.3	3.3	867	86.4
Total	16.8	3.3	866	86.3
Meerut				
Rural	1.7	0.3	879	72.8
Urban	1.8	0.3	890	76.7
Total	3.4	0.6	885	74.8
All India	1,210	247	940	74.0

Source: Census of India, 2011

ANNEXURE TABLE 7: ASSET OWNERSHIP BY HOUSEHOLDS, 2011

Place	% Households						
	Availing Banking Services	Having TV	Having Laptop with Internet	Having Laptop without Internet	Having Mobile Phone	Having Scooter/ Motor Cycle	Having Car/Jeep/ Van
Delhi							
Rural	73.5	83.0	4.4	9.0	73.0	38.5	10.8
Urban	77.8	88.1	18.0	11.6	68.1	38.9	21.0
Total	77.7	88.0	17.6	11.5	68.2	38.9	20.7
Meerut							
Rural	71.5	48.8	1.0	5.5	66.8	23.9	3.6
Urban	65.4	74.3	7.0	10.3	67.7	40.7	10.9
Total	68.3	62.3	4.2	8.0	67.3	32.8	7.5
All India							
Total	55.2	45.3	3.0	6.1	50.0	19.8	4.4

Source: Census of India, 2011

ANNEXURE TABLE 8: AGE DISTRIBUTION (% OF POPULATION)

Age group	Delhi	Meerut rural	Meerut city
Less than equal 10 years	17.9	22.9	23.7
11 to 20 years	20.8	29.3	23.3
21 to 30 year	20.7	15.4	17.1
31 to 40 year	17.2	11.1	14.5
41 to 50 year	11.1	9.0	11.1
51 to 60 year	6.8	6.6	5.7
Above 60 years	5.5	5.8	4.7
Total	100.0	100.0	100.0

Source: NSSO Employment Survey, 68th round, 2011-12

ANNEXURE TABLE 9: EDUCATION DISTRIBUTION (% OF POPULATION)

Education level completed	Delhi	Meerut rural	Meerut city
Illiterate	15.8	32.7	26.6
Literate below primary	15.7	18.0	18.2
Primary	12.4	13.6	12.3
Middle	10.5	16.4	13.0
Secondary	12.5	10.0	7.9
Higher Secondary/Diploma	13.3	6.3	8.9
Graduate	15.6	2.2	10.6
Post graduate & above	4.2	0.7	2.5
Total	100.0	100.0	100.0

Source: NSSO Employment Survey, 68th round, 2011-12

ANNEXURE TABLE 10: OCCUPATION DISTRIBUTION (% OF POPULATION)

Primary occupation	Delhi	Meerut rural	Meerut city
Self-employed	9.9	15.7	11.5
Unpaid helper in household enterprise	1.4	4.7	3.2
Regular salaried/wage earner	21.1	1.4	10.8
Casual labour in public works	1.1	13.1	4.1
Unemployed	1.4	0.0	0.0
Student	31.6	36.3	33.4
Attending domestic duties	22.9	17.4	23.4
Renters/Pensioners/Remittance recipients	3.0	0.0	1.0
Others	7.7	11.4	12.6
Total	100.0	100.0	100.0

Source: NSSO Employment Survey, 68th round, 2011-12