

# Are single-earner families more worried than others?

Single-earner families are slightly less optimistic about the future than others, the ICE 360° survey shows



BY PRAMIT BHATTACHARYA  
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NEW DELHI

**F**our out of 10 households in India have more than one earning member. The proportion of double or multiple-earner households is higher among the poor than among the rich, the survey shows. Single-earner families dominate the richer income classes and metro-dwellers. Only a third of the households in the top quintile have more than one earning member while nearly half of the households in the bottom quintile have more than one earning member. Similarly, in metros, a little over a third of the households have more than one earning member. The proportion of such households is significantly higher in underdeveloped rural areas at 42%.

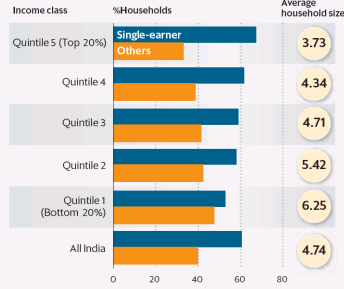
Households with more than one earning member include households where both spouses work, as well as joint families in which relatives stay together, and the household has several earning members. Given that the survey has been completed recently, the data on families with both spouses working is not available separately yet. Nonetheless, the broad trends on multiple earners seem to suggest that the female workforce participation rate in India has not changed much over the years.

The National Sample Survey Office (NSSO) report on employment in 2011-12 had shown that the proportion of working women is very low in the country. The female labour force participation rate had fallen 7 percentage points between 2004-05 and 2011-12 to 22.5%, placing India 10th from the bottom among countries ranked according to their female labour force participation rates. The high numbers of single-earner households reported in the ICE 360° survey suggests that there may not have been any big change over the past few years. However, we have to wait for detailed gender-wise break-up of the data to arrive at the exact proportion of working women in 2016.

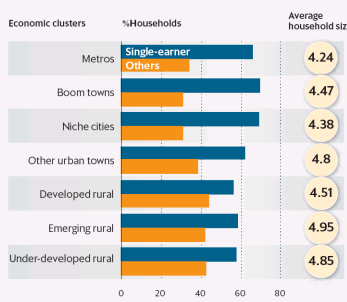
The ICE 360° survey was conducted by the independent not-for-profit organization, People Research on India's Consumer Economy (PRICE), headed by two of India's best-known consumer economy experts, Rama Bijapurkar and Rajesh Shukla. The survey is among the largest consumer economy surveys in the country. The urban sample of the survey is comparable to that of the National Sample Survey Office (NSSO) consumer expenditure survey conducted in 2011-12. While the NSSO surveyed 10 lakh households of which 4,96,68 (41.3%) were urban households, the ICE 360° survey covered

## Working members in the family

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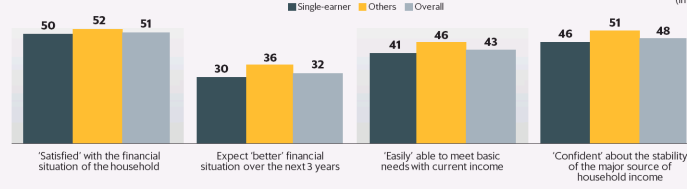


The proportion of households in under-developed rural areas having more than one earning member is significantly higher than in metros



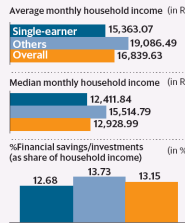
## Financial optimism

Families with more than one earner are slightly more confident about the stability of their household income and are more optimistic about the future

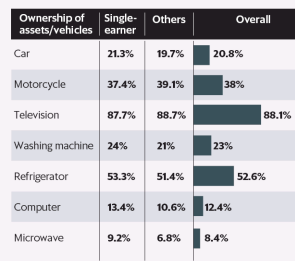


## Income and assets

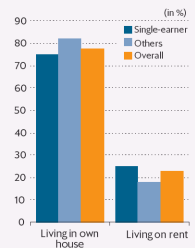
Households with multiple earners earn more on an average compared to single-earners but the proportion of income that is saved or invested is only slightly lower for single-earners



The ownership of assets is similar in households with single earners and those with multiple earners



The proportion of families living on rent is higher for single-earner households



## mint ICE 360° Part 14

erred 61,000 households of which 36,000 (59%) are urban households. The rural sample of the ICE 360° survey is less than half of the NSSO sample. Nonetheless, all the estimates of each region have been derived by adjusting for the respective population of those regions.

A notable feature of the ICE 360° survey is that it is representative at the level of economic clusters. Urban India has been divided into four clusters: metros (population more than 5 million), boom towns (2.5 to 5 million), niche cities (1 to 2.5 million) and other urban towns (less than 1 million). Based on a district development index, rural India has been sub-divided into three different clusters: 'developed rural', 'emerging rural', and 'underdeveloped rural'. The first category includes districts such as Bathinda (Punjab) and Kangra (Himachal Pradesh). The second category includes districts such as Latur (Maharashtra) and Kamrup (Assam) while the last category includes districts such as Kalahandi (Odisha) and Bastar (Chhattisgarh).

The survey shows that the proportion of single-earner families is high-

est in boom towns and niche cities, and it is lowest in developed rural areas. The survey also shows that households with multiple earners earn more on average compared to single-earners but the proportion of income that is saved or invested is similar for both groups as expenses are relatively higher for households with more earning members. The ownership of assets is also similar among single-earner households and others.

In two key respects, single-earner households differ from the rest. First, they are more likely to rent a house than own one, the survey shows. And second, they are less

likely to be optimistic about finances or satisfied with the stability of their earnings. They are also more likely to be worried about being able to meet the basic needs of the household with the current source of income, the survey shows.

*Tadit Kanda in Mumbai contributed to this story.*  
*This is the fourteenth of a 16-part data journalism series on how India lives, thinks, earns and spends, based on the latest results from the ICE 360° survey (www.ice360.in) conducted by the People Research on India's Consumer Economy (PRICE) in 2016. The next part will examine the differences between Rich India and Middle India.*

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# Arun Jaitley urged to make budget full of 'out-of-the-box ideas'

BY ASIT RANJAN MISHRA  
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NEW DELHI

**E**conomists and bankers on Tuesday urged finance minister Arun Jaitley to make next year's annual budget 'full of out-of-the-box ideas' and announce immediate measures to help labour segments like vegetable growers and brick kiln workers, who have been hit the hardest by demonetization. Their calls came in meetings that took place in the finance ministry offices as part of the customary pre-budget consultation process. The government has advanced the budget-making exercise, in keeping with plans to present the budget on February so that projects can be implemented at the earliest possible.

According to a finance ministry statement issued after the meeting, bankers said while the overall mood on demonetization in rural areas including among the farmers is largely positive, four sectors needed special attention. These are vegetable growers, who depend on cash for their day-to-day dealings and can't store their crop for long; brick kiln workers, who used to be paid in cash; transport industry in rural India; and plantation in South India.

According to the statement, economists, who attended the meetings said that this time the Union budget should not be a conventional one as these were not the normal times.

"Rather the government should make best use of the opportunity arising from demonetization to present a Budget full of out-of-the-box ideas," it said, quoting the economists.

Participants suggested that provisions should be made in the budget to ensure that black money is generation curbed. Some also expressed the need for transparency on the government's part and wanted it to come out with a statement in the budget detailing what costs have been incurred due to demonetization, including the cost of printing new notes and last tallies.

Commenting on demonetization, some economists said that while it can temporarily curb black money, it can't check the generation of black money in the future. "So, next tasks should be to stop generation of black money in future. For this, the government should incentivize people to move from informal to formal system and maximize use of e-payments," they said.

Given that demonetization may lead to a decline in saving rates as liquidity in banks has improved, bankers present in the meeting urged the finance minister to safeguard savings of senior citizens as they are the most vulnerable. "So, some sort of exemption needs to be given to them under the Income Tax Act so that they have added income through their deposits," they said.

They said the fiscal deficit should remain at 3% of gross domestic product.

## Solution to note ban woes remains elusive even after 40 days: AP CM

**Vijayawada:** After coming out in support of demonetization initially, Andhra Pradesh chief minister Chandrababu Naidu on Tuesday appeared to do a volte-face saying that this is not what they wished for and said the solution to problems arising out of the note ban still remained elusive even 40 days after the step.

"Demonetization was not our wish but it happened. More than 40 days after demonetization, there are still a lot of problems but yet there appears to be no solution," Chandrababu said. **PTI**

## Grace period for farm loan interest repayment extended by 60 days

**New Delhi:** In a step aimed at providing relief to farmers hit by demonetization, the centre on Tuesday extended grace period of 60 days for prompt repayment incentive at 3% of those farmers, whose farm loan dues are falling between 1 November and 31 December of this year. Under the interest subvention scheme, farmers get the short-term crop loan of up to Rs3 lakh for one year at an interest rate of 7%. Those repaying on time get the loan at 4%. **PTI**

## Sri Lanka probes 'plot' by man who tried to assassinate Rajiv Gandhi

**Colombo:** Sri Lanka said Tuesday it was investigating a former navy sailor Vithanaran Rohana de Silva, convicted of attempting to assassinate former prime minister of India Rajiv Gandhi 25 years ago, on suspicion of involvement in an alleged plot to kill Sri Lanka President Maithripala Sirisena. Sri Lanka's information and parliamentary affairs ministry secretary Nimali Bopage told reporters, "This man claims to be an astrologer and he is predicting that the president will be killed by 26 January." **AFP**

## Fresh case filed in SC challenging restriction on deposits of old notes

**New Delhi:** A fresh case was filed in the Supreme Court on Tuesday challenging the government's decision to restrict deposits of old Rs500 and Rs1,000 notes. Sangam Lal Pandey, the first petitioner to challenge the validity of the 8 November notification that withdrew Rs500 and Rs1,000 notes, moved the court against the restrictions on deposit of such notes.

"It is very unfortunate that even after the Supreme Court directed the government to be sensitive to the problems of citizens, notifications are being issued every day," the petitioner said. **PURVA VISHWANATH**

## CBI trying to intimidate me due to stand against note ban: Mamata

**Kolkata:** West Bengal chief minister Mamata Banerjee on Tuesday alleged on Twitter that the Central Bureau of Investigation (CBI) was trying to intimidate her because of her strong opposition to demonetization. Banerjee said the CBI had called one of her Trinamool Congress party's Lok Sabha members thrice, without naming the person. But she said such tactic would have no bearing on her ongoing movement against demonetization. **ANKANJYOTI DUTTA MAJUMDAR**

# EPFO moves to boost membership via amnesty plan for employers

BY GIREESH CHANDRA PRASAD  
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NEW DELHI

**E**mployees' Provident Fund Organisation (EPFO) has proposed an amnesty for employers who have failed to get workers to sign up for the tax-exempt employee's provident fund (EPF) scheme that aims to bring more workers under the social security net.

According to the 'Enrolment and Establishment coverage campaign, 2017,' proposed by EPFO at its apex body meeting in Bengaluru on Monday, employers can get workers signed up now with nominal penalty of Rel per year of delay. The penalty otherwise applicable is 5-25% of the shortfall in contribution, depending on the period of delay.

The move gives an opportunity to all principal employers such as large state-run and private companies that hire con-

tractors for specific projects to ensure that workers who are indirectly employed also get social security benefits.

Any worker who should have joined the scheme between 1 April 2009 and the end of this year, is eligible to join EPF now during a three-month window starting January 2017, said an EPFO statement. In such cases, the employer has to pay his contribution with interest and the prescribed nominal damage of Rel per year of delay.

## Move allows firms to ensure temporary workers social security perks

Under normal circumstances, employers who default on their obligation to make EPF contributions are liable to be jailed for up to three years.

According to Sonu Iyer, tax partner and people advisory services leader, EY, failure to make EPF contributions attracts imprisonment for a minimum of six months to up to three years, and a fine of Rs5,000. The EPFO statement on the amnesty scheme was silent on prosecution but implied that only the prescribed nominal damage is applicable for employers who avail of the scheme.

"This campaign will be suitably staffed and resourced so

that employers who come forth to extend social security to their employees receive all possible assistance from EPFO. The action will meet the twin objectives of increasing the enrolment, extending social security benefits to all workers and reducing litigation," said the EPFO statement.

According to Amarpal Chadha, tax partner, EY, the amnesty proposal has to be approved by the government to come into force.