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### **Rural Households' Monthly Income Rise By 57.6% In 5 Yrs: Survey**

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Financial savings also report a rise, with the average household saving Rs 13,209 annually in 2021-22, compared to Rs 9,104 five years earlier

A recent survey by the National Bank for Agriculture and Rural Development (Nabard) has revealed that the average monthly income of rural households grew by 57.6 per cent in five years. The second 'All India Rural Financial Inclusion Survey (Nafis) 2021-22 found that the average monthly income grew by 57.6 per cent, from Rs 8,059 in 2016-17 to Rs 12,698 in 2021-22.

"Average monthly income of households increased by 57.6 per cent during the five-year period from Rs 8,059 in 2016-17 to Rs 12,698 in 2021-22, suggesting a nominal compound annual growth rate (CAGR) of 9.5 per cent," said Nabard.

Financial savings also saw a rise, with the average household saving Rs 13,209 annually in 2021-22, compared to Rs 9,104 five years earlier. A significant 66 per cent of households reported saving in 2021-22, up from 50.6 per cent in 2016-17. However, the proportion of households with outstanding debt increased from 47.4 per cent to 52 per cent.

The survey also noted a remarkable increase in insurance coverage among rural households in India. It found that the proportion of households with at least one member insured surged from 25.5 per cent in 2016-17 to 80.3 per cent in 2021-22. This reflects the growing accessibility of financial services in rural areas post-covid.

The survey, which covered one lakh rural households, also highlighted improvements in household income. It also noted that in addition to rising incomes, household expenditures increased as well, with the average monthly spending going up from Rs 6,646 in 2016-17 to Rs 11,262 in 2021-22. Interestingly, the share of food in total consumption dropped from 51 per cent to 47 per cent, indicating a shift in spending patterns toward other needs.

The survey noted that the reliance on institutional loans grew, with 75.5 per cent of agricultural households borrowing from institutional sources in 2021-22, compared to 60.5 per cent in 2016-17. Non-institutional borrowing among agricultural households dropped from 30.3 per cent to 23.4 per cent.

The survey also highlighted the effectiveness of the Kisan Credit Card (KCC) in expanding financial inclusion among rural farmers. Pension coverage improved, rising from 18.9 per cent to 23.5 per cent of households.

Other notable findings include a rise in financial literacy and better financial behaviour among respondents, although the average size of landholding shrank from 1.08 hectare to 0.74 hectare over the five-year period. (ANI)

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