Distributional Financial Accounts of Indian Households-

A Pilot Study

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The upcoming System of National Accounts (SNA 2025) emphasizes the need for integrating distributional perspectives into macroeconomic statistics for the household sector, thus underscoring the development of Distributional Accounts as a priority to better capture household-level heterogeneity in wealth, income, and consumption. Advanced economies, including the U.S., Euro Area, and key member countries, have already operationalized this approach. This paper constitutes the first attempt to construct the DFAs for India by mapping the household level data from the All-India Debt and Investment Surveys (AIDIS) with the balance sheets constructed from the Reserve Bank of India's Household Financial Savings data. We also examine the methodological limitations of the AIDIS and the macroeconomic balance sheets, outlining how addressing these gaps is essential for developing fully coherent and policy-relevant distributional accounts for India.

Distributional Accounts represent a critical advancement in macroeconomic statistics, offering the ability to integrate household-level heterogeneity in wealth, income, and consumption directly into national accounting frameworks. These accounts blend the granular detail of survey-level data with the consistency and comprehensiveness of macroeconomic balance sheets, providing policymakers with a nuanced understanding of how economic shocks and policy interventions affect different segments of the population. By moving beyond aggregate measures, distributional accounts enable more targeted and effective policy responses, particularly during periods of economic uncertainty.

The upcoming System of National Accounts (SNA 2025) (United Nations et al. 2025) emphasizes the need for integrating distributional information into macroeconomic statistics to better understand and capture household-level heterogeneity in wealth, income, and consumption. It advances the concept of embedding distributional information directly into national accounting frameworks, emphasizing well-being, inclusivity, and comparability across economies when it comes to statistical reporting.

Internationally, several advanced economies have successfully implemented these frameworks. The United States, Euro Area, Germany, and Italy have constructed comprehensive Distributional Accounts that demonstrate the practical feasibility and policy value of these statistical innovations. The FED publishes quarterly Distributional Financial Accounts (DFAs), while the ECB, Bundesbank, and Banca d'Italia publish quarterly Distributional Wealth Accounts (DWAs), reconciling household surveys with macro balance sheets. These distributional accounts, when updated timely have the potential to provide policymakers with a real-time understanding of how the macroeconomics shocks and policies affect different segments of the population.

For India, the DFAs have the potential to offer several advantages: First, they can provide better representation of household distress in India. DFAs can break down the country's financial

accounts across wealth groups, expenditure groups, income groups, age groups, gender groups, community groups, and so on, thus enabling to better observe and measure the household distress in India. They can go beyond aggregates to reveal how shocks, policy responses, and recovery efforts impact the bottom 50%, specific age cohorts, regions, and other vulnerable subpopulations, thereby enabling more timely and targeted interventions.

Second, DFAs can guide policy through granular distributional metrics. Policy effectiveness, such as those of monetary policies, can be gauged effectively if we can disaggregate financial data across key dimensions. This includes examining outcomes by wealth and income percentiles to determine who is truly benefiting or being left behind, and by expenditure levels to evaluate consumption vulnerability at different cut-off points. Similarly, disaggregation by age group, gender, and region is essential to identify and address structural disadvantages, particularly those faced by women and marginalized castes. State-wise, region-wise, and rural-urban distributions can further highlight key areas of focus enabling targeted interventions. Without regular detailed DFAs, policymakers lack both the evidence base to tailor interventions and the feedback mechanism to course-correct rapidly.

Third, the upcoming System of National Accounts (SNA 2025) underscores the international priority of embedding distributional information directly into national accounts statistics (ISWGNA 2025, 926). It explicitly seeks to add distributional accounts for household income, consumption, and wealth, for measuring well-being of households. Aligning Indian statistical practice with these objectives not only meets emerging international standards but also supports better domestic policy by making explicit the consequences of growth, macro policies, and external shocks for every segment of society.

Fourth, regular and timely Distributional Financial Accounts (DFAs), released on a quarterly or yearly basis, can offer rapid feedback, allowing policymakers, central banks, and state governments to quickly assess the impact of tax measures, subsidies, interest rate changes, or welfare reforms on different income and asset groups. Moreover, high-frequency, distributionally disaggregated data can support countercyclical and targeted policies**,** facilitating more granular fiscal and monetary responses, especially during periods of economic uncertainty or volatility. Regular DFAs also enhance international comparability, enabling India to benchmark its progress against advanced economies like the United States, which already produce quarterly distributional accounts.

In summary, timely and detailed DFAs can transform India's ability to monitor household health, ensure equitable growth, reduce inequality, and achieve the well-being and sustainability focus envisioned by global statistical standards and national priorities.

To construct the DFAs for India, we adopt a multi-step approach. First, we extract and harmonize household-level information on assets and liabilities from the four rounds of the AIDIS (1992, 2003, 2013, and 2019). This involves creating consistent categories for financial assets, real estate, and institutional liabilities across all survey waves, ensuring comparability over time. Second, we generate distributions of the Assets and Liabilities among Wealth and Expenditure groups. Third, we compile the Macroeconomic Balance Sheets from RBI's Household Financial Savings data by using the perpetual inventory method (PIM), which

involves iteratively adding annual flows to a chosen base year stock — in our case, 1970 — to derive consistent time-series estimates of household sector aggregates. Fourth, we harmonize the Macro Balance sheets to be consistent with our survey components. Fifth, we try matching our survey totals to the Macro Totals. Sixth, we interpolate the survey distributions across the whole period, and then map the survey distributions onto the Macro aggregates to construct the annual Distributional Financial Accounts (DFAs) for India from 1992 to 2023[1]. In constructing the DFAs, we found that the top quartile of Indian households consistently holds the majority share of all asset and liability categories, both when households are grouped by wealth and when they are grouped by expenditure, across all years.

The steps discussed above are marred by several limitations, mainly related to the survey such as decennial frequency of AIDIS, block-wise sub-sampling which reduces the final sample size[2], under-coverage of the wealthiest households, lack of proper imputations of non-responses or missing values, improper weighing methods. Also, the definitions of households in the surveys and RBI data are inconsistent[3]. Along with that, the RBI data excludes key asset components such that Real Estate, which constitutes over 90% of household assets, as will be seen later. Addressing these challenges will be key to developing robust DFAs and Distributional Accounts (DAs) in general such as Distributional National Accounts (DNAs) and Distributional Wealth Accounts (DWAs).

The remainder of this paper is structured as follows: Section I reviews the international experience with Distributional Accounts, focusing on methodologies adopted by the United States, Euro Area, Germany, and Italy. Section II reviews some of the existing household surveys in India. Section III details the data preparation process, including the harmonization of categories and construction of gross wealth and liabilities, and the use of survey weights, while Section IV presents the derivation of macroeconomic household balance sheets. Section V discusses the reconciliation approach between survey and macro data, and examines key patterns in the resulting distributions. Section VI evaluates the limitations of current data sources, and Section VII concludes with recommendations for building a robust Distributional Financial Accounts for India.

[1] The present annual DFAs can easily be converted to quarterly (and timely) DFAs once RBI adds shares and debentures instead of just mutual funds in its stock balance sheet of households. Also, some categories like Provident and Pension funds have a mismatch of definitions between the Financial Savings data and the Stock Balance Sheet for households. Because of these reasons, we for our current analysis, used only the Financial Savings data as it starts from 1970 and covers the whole survey periods, whereas the RBI stock Household Balance Sheet starts from 2018.

[2] This also stops us from carrying out other granular level distributions such as those of states, regions, gender, age, communities, as the final sample size is very small and under-representative.

[3] RBI's definition of households also includes non-profits, whereas the AIDIS definition of households is closer to the SNA definition.

I. International Experience with Distributional Accounts

Several advanced economies have developed Distributional Accounts, integrating household survey data with national accounts aggregates. Some are presented in the table below:

Table I.1: Select Countries/ Regions with Distributional Accounts

Country/Region	Institution	Account Type	Frequency	Data Sources	Time series
United States	Federal Reserve Board of Governors	DFAs	Quarterly	Financial Accounts+ Survey of Consumer Finances (SCF)	1989 Q3 – Present
Euro Area	European System of Central Banks (ESCB)	DWAs	Quarterly	Household Finance and Consumption Survey (HFCS) + Quarterly Sectoral Accounts (QSA)	2009 - Present
Germany	Deutsche Bundesbank	DWAs	Quarterly	Panel on Household Finances (PHF) + National Accounts Statistics	2009 - Present
Italy	Banca d'Italia	DWAs	Quarterly	HFCS+ Aggregate Balance Sheets	2010 – Present

Sources: (Batty et al. 2019; Blatnik et al. 2024; Neri, Spuri, and Vercelli 2024; Deutsche Bundesbank 2024)

Across these initiatives, several common methodological principles emerge that are crucial for the development of robust Distributional Accounts**.**

First, they emphasize on the integration of micro-level data with macroeconomic aggregates. Household surveys provide rich information on the distribution of assets, liabilities, and incomes across households but are infrequent. Macro aggregates on the other hand, are more frequent but lack the distributional information. When properly combined together, they lead to robust Distributional Accounts (DAs) which can provide rich distributional information in the frequency of the macro aggregates.

Second, a defining characteristic of these initiatives is their regular updating, typically on a quarterly or annual basis. Such high-frequency updates allow these accounts to capture evolving economic conditions and makes these distributional accounts particularly valuable for policymakers, enabling them to track the immediate and medium-term effects of fiscal and monetary measures on different segments of the population.

Third, these programs place a strong emphasis on transparency and methodological clarity. Detailed documentation of data sources, assumptions, and estimation techniques is often made publicly available. This enhances the credibility and reproducibility of the accounts.

These experiences provide valuable insights for constructing Distributional Financial Accounts for India, highlighting the feasibility and policy relevance of such accounts.

II. Some Existing Household Surveys in India

Table II.1: Some existing Household Surveys in India

Survey	Conducting Agency	Frequency	Survey Type	Purpose
All India Debt and Investment Survey (AIDIS)	NSO	~ decennial (latest: 2019)	Repeated Cross-Section	Collects detailed data on assets and liabilities of Indian households
Household Consumption Expenditure Survey (HCES)	NSO	varied (latest: 2023–24)	Repeated Cross-Section	Captures household expenditure patterns across key categories (food, housing, health, education)
India Human Development Survey (IHDS)	NCAER + University of Maryland	Two waves (2004–05, 2011–12)	Longitudinal Panel (same households over time)	Tracks India's socio-economic transformation over time, enabling longitudinal analysis of health, education, employment, gender, and family dynamics.
Consumer Pyramids Household Survey (CPHS)	CMIE	Continuous (3 rounds per year)	High-Frequency Longitudinal Panel	Provides high-frequency, real-time data on employment, consumption, income, and assets at household and individual levels

Sources: (MoSPI 2024; CMIE 2025; Desai, Vanneman, and NCAER 2011–12; MoSPI 2021)

These major household surveys play complementary roles in India's statistical system.

AIDIS best captures the essence of our study, as it closely aligns with our compiled Macroeconomics Household Balance Sheet from the RBI's Financial Savings data.

III. Data Cleaning and Analysis of AIDIS datasets

We considered the All India Debt and Investment Survey (AIDIS) datasets for the years 1992, 2003, 2013, and 2019. Across these four surveys, our primary focus was on constructing the distribution of gross wealth and expenditure groups. For expenditure, we used the Monthly Consumption Expenditure (MCE) variable of each household, while household wealth was constructed by aggregating information from various blocks of the survey. The blocks are: household characteristics**,** investments in shares and related instruments**,** financial assets other than shares and related instruments**,** land holdings (rural, urban, or both), buildings owned, and household liabilities.

One limitation of the existing AIDIS surveys is that they adopt block-wise subsampling**,** meaning that out of the total surveyed households, only certain subsets are surveyed for specific blocks. For our study, we focused on the blocks mentioned in above paragraph. Typically, they amount to around six to eight blocks for each survey. However, this construction significantly reduces the final sample size to only those households that are common across all selected blocks[4], compared to the overall number of households surveyed. Furthermore, within these blocks, we restricted our analysis to only the items outlined in the previous section and detailed in Table III.2 of this Section**.**

The counts of households in the final samples for each year are presented below:

Table III.1: Counts of households in the final sample

Year	Household count in the overall survey	Household count in the final sample	per cent of Households present in final sample
1992	57031	2749	4.82%
2003	139041	5406	3.89%
2013	110800	2286	2.06%
2019	116461	1004	0.86%

Sources: Authors' estimates and the AIDIS surveys

Thus, we can easily observe the stark reduction in the household count each year in our final sample. This highlights one of the survey limitations.

In constructing our measures, we have defined real estate owned by a household as the sum of land holdings and buildings owned. Similarly, total financial assets were calculated as the sum of financial assets (excluding shares) and shares and debentures owned by the household. Finally, gross wealth was computed as the total of financial assets and real estate holdings. It is important to note that the MCE variable was absent in the 2013 dataset, and household-level weights were not provided in the 1992 dataset.

Based on this framework, we carried out four variants of distributional analysis. First, we constructed unweighted wealth group distributions using all four survey rounds (1992, 2003, 2013, and 2019). Second, we created weighted wealth group distributions using only three rounds (2003, 2013, and 2019), as weights were unavailable for 1992. Third, we analysed unweighted expenditure group distributions for 1992, 2003, and 2019, excluding 2013 due to the absence of MCE data. Finally, we constructed weighted expenditure group distributions for

[4] For land, if there are different blocks for rural and urban land holdings, we consider households which have either of them.

only 2003 and 2019, as weights and expenditure data were not available for 1992 and 2013, respectively.

Note that we could not do Income grouping since the survey lacked it. And the survey was considered not dense enough for state-wise, age-wise, or demography-wise groupings.

For consistency across surveys, we categorized household assets into nine groups: currency, deposits, life insurance funds, provident and pension funds, claims on government, shares and debentures, total financial assets, real estate, and gross wealth. Similarly, household liabilities were classified into three groups: bank advances, non-banking loans and advances, and total institutional liabilities. These standardized categories enable comparability across survey rounds.

Table III.2: Standardization of categories across surveys

<table>
<tr><td colspan="2">Assets</td><td>Liabilities</td></tr>
<tr><td>Financial Assets</td><td>Real Estate</td><td>Institutional Liabilities</td></tr>
<tr><td>1. Currency

2. Deposits
• deposits in commercial bank, cooperative society/bank, NBFCs

3. Life Insurance fund[5]

4. Provident and Pension fund

5. Claims on Government
• deposits in post office savings bank, NSC, KVP, bonds, other small savings schemes, etc.

6. Shares and Debentures

7. Total Financial Assets (1+2+3+4+5+6)</td><td>1. Real Estate
• Total value of land owned
• Total value of buildings owned</td><td>1. Bank advances
• scheduled commercial bank
• regional rural bank
• co-operative society
• co-operative bank

2. Non-banking loans and advances
• insurance companies
• provident fund
• financial corporation/institution
• NBFCs

3. Total Institutional Liabilities (1+2)</td></tr>
<tr><td colspan="2">Gross Wealth (Total Financial Assets + Real Estate)</td><td></td></tr>
</table>

Sources: Authors' estimates

Weights in the AIDIS Survey

To produce population estimates from the AIDIS survey, household-level weights correct for disproportionate sampling and ensure national representativeness. Sum of weights should

[5] For 1992, and 2003, the surveys asked about the insurance premium, whereas for 2013 and 2019, they asked about the total sum assured. While they are different, we assume that their distribution would be same as higher premium would correlate with higher total sum assured, and we are interested more in the distributions across gross wealth and expenditure groups.

ideally be approximate to the total population of the country, and sum of weighted assets and liabilities categories should also approximate near to their actual macro totals.

However, final usable samples constitute only a fraction of the overall survey, as shown below:

Table III.3: AIDIS Survey Coverage

Year	Sum of Household Weights (Full Survey)	Sum of Household Weights (Final Sample)	per cent	Estimated Household Count
1992	-	-	-	16,22,68,353
2003	20,34,119	80,862	4.0%	20,47,54,813
2013	23,98,63,609	42,39,144	1.8%	25,41,83,401
2019	13,00,27,863	10,23,381	0.8%	26,83,70,850

Sources: Authors' estimates and AIDIS surveys

Table III.4: Summary of AIDIS Survey weights

Statistic	1992	2003	2013	2019
Final Sample Households	-	5,406	2,286	1,004
Mean of weights	-	15.0	1,854.4	1,019.3
Standard deviation of weights	-	18.2	2,793.3	1,566.0
Min of weights	-	0.0	4.17	6.3
Median of weights	-	8.2	1,038.7	450.0
Max of weights	-	255.9	45,360.0	23,437.8

Sources: Authors' estimates and AIDIS surveys

These discrepancy of survey weights for 2003 along with the fact that even the full survey weights for 2003, and 2019 do not match closely to the Estimated Household Counts in India for those years imply that final sample weights alone cannot ensure consistency with macro-level household balance sheet estimates, as will be discussed later.

IV. Getting the Macro Totals

For macro totals, we utilized the annual Household Balance Sheet (HBS) flow series from the RBI's Database on the Indian Economy (DBIE). These flow data were converted into stock estimates using the perpetual inventory method (PIM), which involves iteratively adding annual flows to a chosen base year stock — in our case, 1970 — to derive consistent time-series estimates of household sector aggregates.

The resulting macro totals align closely with both the Household Stock Data published by the RBI and the household sector estimates reported in the National Accounts Statistics (NAS).

Table IV.1: Standardization of Macro Totals

Macro Totals	
1. Total Financial Assets (a) Currency (b) Deposits i. Bank deposits ii. Non-banking deposits iii. Trade debt (Net) (c) Shares and Debentures5 (d) Claims on Government (e) Life Insurance fund (f) Provident and pension fund	**2. Total Institutional Liabilities** (a) Bank advances (b) Non-banking loans and advances i. Loans and advances from other financial institutions ii. Loans and advances from Government iii. Loans and advances from co-operative non-credit societies

Sources: Authors estimates and (RBI 2025)

Thus, we limit our DFA analysis only to the financial components, i.e., the components present in the Macro Totals.

V. Reconciliation of Macro and Survey data

In this section, we attempt to match our survey totals to our macro totals by appropriately scaling the survey sample counts of households to match the estimated households count in India.

Table V.1: Scale factors

Year	1992	2003	2013	2019
Final Sample Household Count	2,749	5,406	2,286	1,004
Final Sample population representation (Sum of weights)	-	80,862	42,39,144	10,23,381
Estimated Household Count in India	16,22,68,353	20,47,54,813	25,41,83,401	26,83,70,850
Scale factor (unweighted)	59,028	37,875	1,11,191	2,67,302
Scale factor (weighted)	-	2,532	60	262

Sources: Authors' estimates

Table V.2: Scaled weighted totals (in per cent of Macro Totals)

Year	1992	2003	2013	2019
Bank advances	-	286.8	332.9	270.6
Claims on Government	-	17.8	27.4	35.1
Currency	-	10.4	-	9.9
Deposits	-	9.2	17.5	34.2
Life Insurance fund	-	60.4	79.9	475.1
Non-banking loans and advances	-	250.4	282.0	96.9
Provident and Pension fund	-	67.2	129.1	143.8
Shares and Debentures	-	60.2	161.8	213.3
Total Financial Assets	-	30.1	47.6	137.5
Total Institutional Liabilities	-	280.8	329.2	241.0

Sources: Authors' estimates

Table V.3: Scaled unweighted totals (in per cent of Macro Totals)

Year	1992	2003	2013	2019
Bank advances	300.7	327.7	384.2	319.8
Claims on Government	90.7	28.9	34.7	36.4
Currency	21.3	12.4	-	13.4
Deposits	29.0	14.0	21.1	58.4
Life Insurance fund	202.8	102.5	69.5	569.7
Non-banking loans and advances	471.7	316.8	322.2	150.2
Provident and Pension fund	138.7	95.9	115.8	129.7
Shares and Debentures	216.0	85.0	197.5	525.4
Total Financial Assets	87.4	45.3	47.6	179.4
Total Institutional Liabilities	328.8	325.9	379.8	290.9

Sources: Authors' estimates

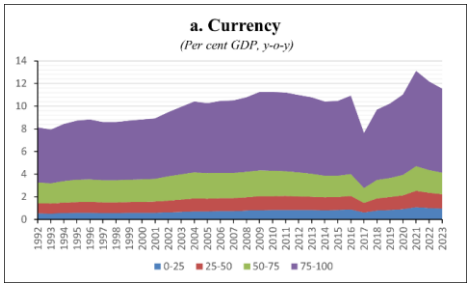
As can be seen clearly, some items are being consistently overestimated, while others are being consistently underestimated. The Liabilities appear to be over-reported than the Assets, and are more stable in the 240-400 range. Whereas, the Assets appear to be either under-reported than Liabilities like in Currency, or are extremely volatile as in Life Insurance fund. This renders our Survey estimates and Totals to be non-credible.

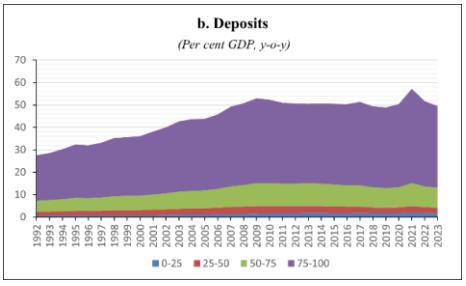
Therefore, in Interpolation-Extrapolation exercises for our Distributional Financial Accounts, we refrain from methods like Chow-Lin, Fernandez, or Bayesian benchmarking which will treat the survey totals as benchmarks.

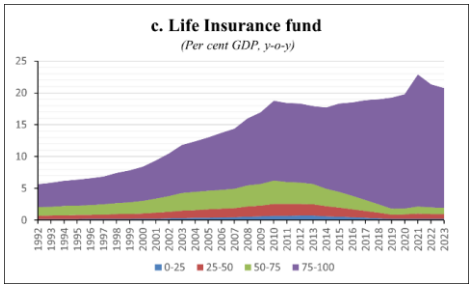
Instead, we resort to the simplest Linear Interpolation which will treat our Macro Totals as Benchmarks and will linearly join the Wealth and Expenditure distributions from the surveys. For the period of 1992 to 2003, since weights are not present, we assume the same distribution as in year 2003.

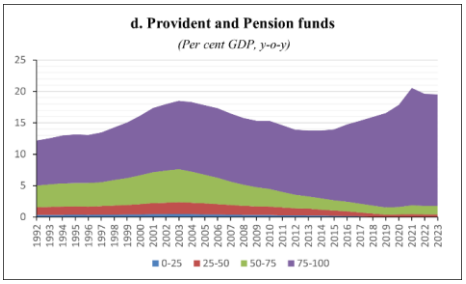
We first de-scale our Macro Totals by dividing with the Nominal GDP of that year, which expresses the Macro Totals as per cent of GDP. Next, we apply linear interpolation to our survey distribution to generate distribution estimates for the period 1992-2023. (Graphs attached next).

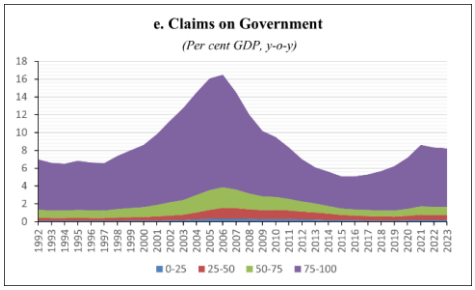
Chart V.1: Assets: Wealth Group Weighted

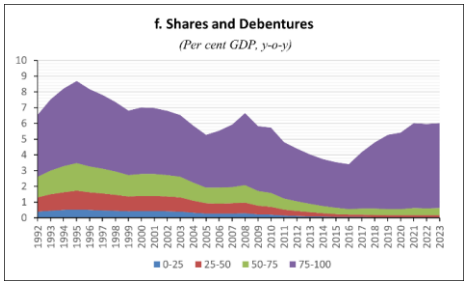


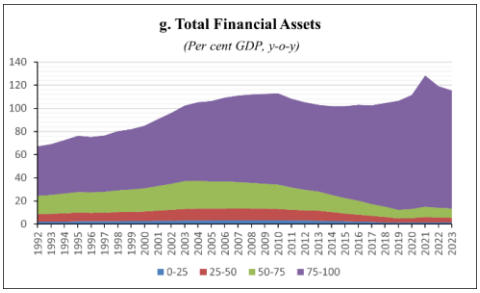






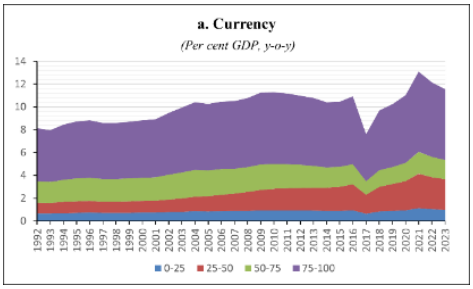


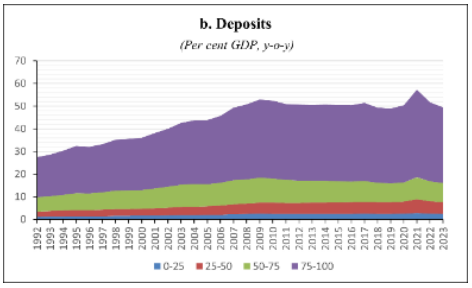


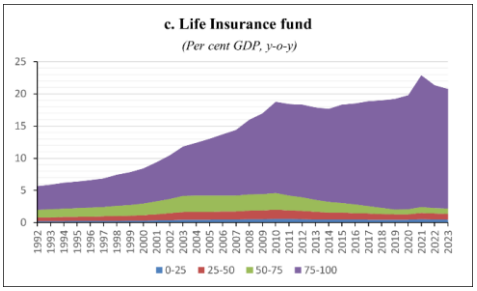


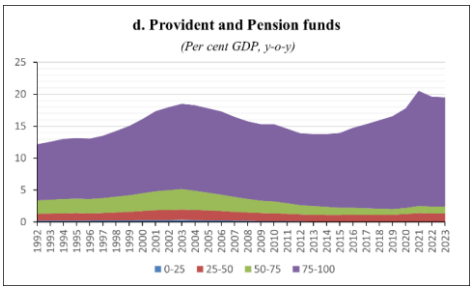
Source: Authors' estimates

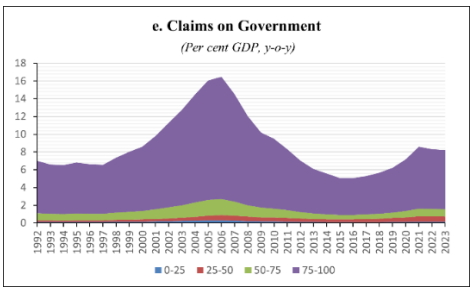
Chart V.2: Assets: Expenditure Group Weighted

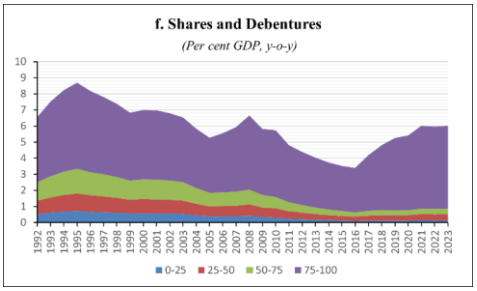


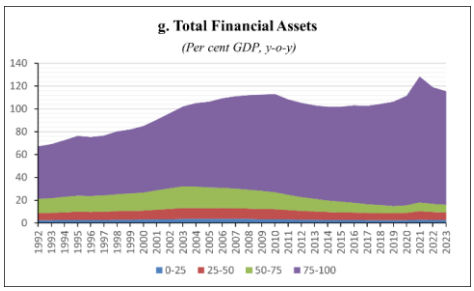






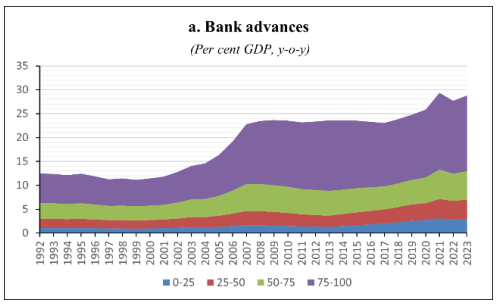


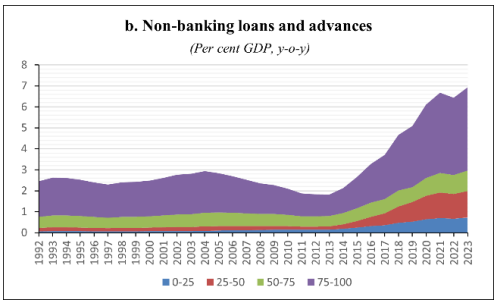


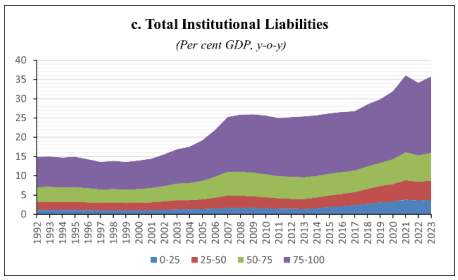


Source: Authors' estimates

Chart V.3: Liabilities: Wealth Group Weighted

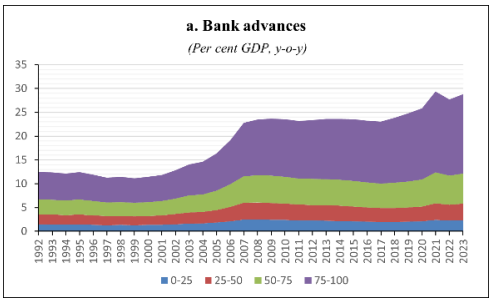


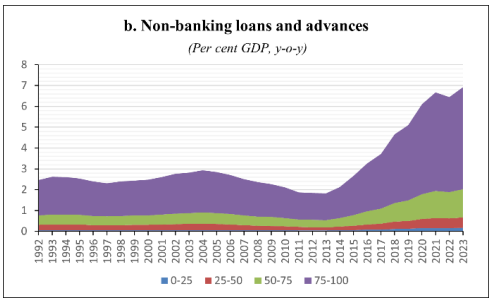


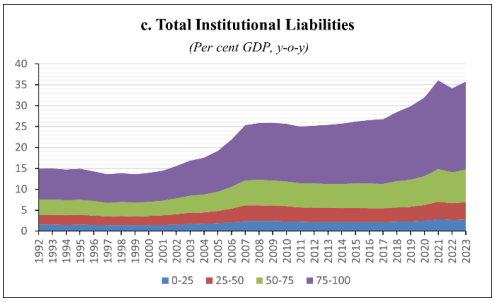


Sources: Authors' estimates

Chart V.4: Liabilities: Expenditure Group Weighted







Sources: Authors' estimates

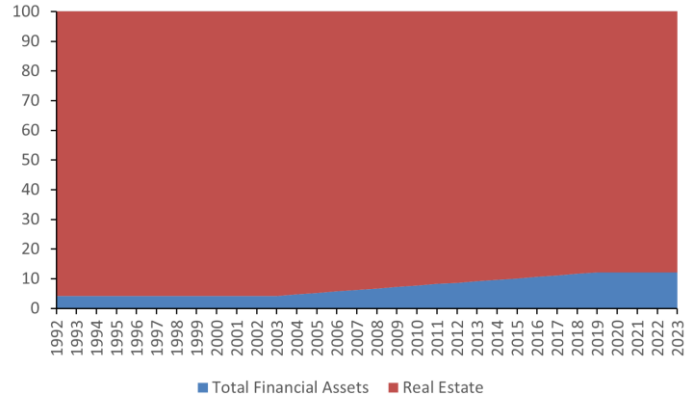
VI. A study of our final samples across the surveys

Share of Financial Assets and Real Estate in Gross Wealth

The following graph shows the composition of Gross Wealth between Financial Assets and Real Estate in our final sample.

Chart VI.1: Composition of Gross Wealth

(Per cent GDP, y-o-y)



Source: Authors' estimates

It can be seen clearly that Real Estate is the most dominant form of Asset across all groups and time periods with more than 90% share in Gross wealth (for most of the years). Total Financial Assets constitute less than 10% in Gross wealth/ Total Assets. This emphasizes for a proper study on the estimation of Real Estate wealth in Indian households.

Reporting in surveys (final samples)

Table VI.1: Per cent of households reporting by category

Category Name	1992	2003	2013	2019
Bank advances	88.7	92.8	94.7	94.6
Claims on Government	20.9	12.1	23.3	22.1
Currency	95.1	96.4	-	99.5
Deposits	37.7	41.6	88.5	99.9
Gross wealth	100.0	100.0	100.0	100.0
Life Insurance fund	24.6	30.3	49.0	45.9
Non-banking loans and advances	19.2	12.5	11.5	12.9
Provident and Pension fund	24.6	21.0	19.3	18.3
Real Estate	100.0	100.0	100.0	100.0
Shares and Debentures	100.0	100.0	100.0	100.0
Total Financial Assets	100.0	100.0	100.0	100.0
Total Institutional Liabilities	100.0	100.0	100.0	100.0
Total financial assets (other than shares and related instruments)	100.0	100.0	100.0	100.0

Sources: Authors' estimates

It can be seen clearly that Claims on Government, Provident and Pension fund, Non-banking loans and advances continue to be under-reported by households across all surveys. Reporting of deposits has clearly improved, and while reporting of Life Insurance fund has improved, it is still under-reported.

This highlights that under-reporting is still an issue to tackle while analysing the surveys.

Table VI.2: Category means

Category Name	1992	2003	2013	2019
Bank advances	19,182	60,518	3,75,081	5,89,278
Claims on Government	13,767	36,998	35,504	72,200
Currency	827	1,554	-	9,768
Deposits	9,582	17,495	47,175	2,01,392
Gross wealth	3,42,948	7,33,909	45,87,252	74,52,129
Life Insurance fund	21,182	48,563	99,365	16,80,338
Non-banking loans and advances	27,263	86,698	2,00,636	4,16,512
Provident and Pension fund	31,130	1,03,088	3,22,454	8,24,579
Real Estate	3,16,412	6,77,532	43,94,975	61,08,051
Shares and Debentures	6,413	6,755	31,179	1,94,535
Total Financial Assets	26,536	56,377	1,92,277	13,44,077
Total Institutional Liabilities	22,261	66,966	3,78,146	6,11,514
Total financial assets (other than shares and related instruments)	20,123	49,622	1,61,098	11,49,542

Sources: Authors' estimates

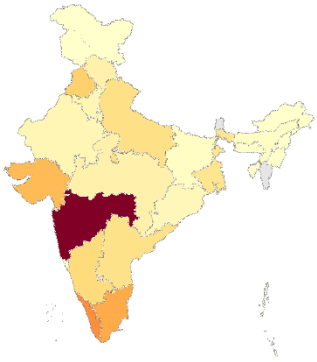
The following chart shows the State-wise concentration of our final sample households across the surveys.

State-wise Concentration of final sample Households

Chart VI.1: Concentration of final sample households among states

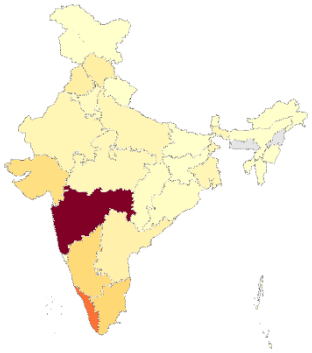
a. 1992

(Per cent concentration)



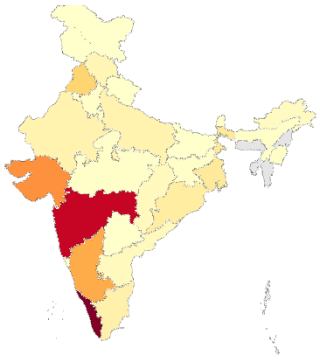
b. 2003

(Per cent concentration)



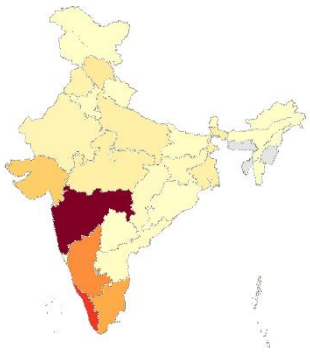
c. 2013

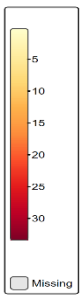
(Per cent concentration)



d. 2019

(Per cent concentration)





Sources: Authors' estimates

It can be seen clearly that majority of households in our final sample across surveys, seem to be concentrated in the states of Maharashtra, Kerela, Gujarat, Karnataka, and Tamil Nadu, and Punjab. Thus, there is not adequate state-wise representation in the final samples.

VII. Conclusion

From the above discussions, it is clear that the existing AIDIS surveys are not sufficient for constructing robust Distributional Financial Accounts (DFAs) for India. Several challenges hinder their effectiveness, including their decennial frequency, uneven coverage across states with final samples concentrated largely in Maharashtra, Kerala, Karnataka, and Gujarat, leaving other regions underrepresented. Additionally, block-wise sub-sampling of households is conducted without appropriate block-level weight adjustments, while issues of non-response and missing values remain inadequately addressed, requiring proper imputation and weight adjustments. Another significant limitation is the under-sampling of extremely wealthy households.

To address these issues, we suggest a specialized survey for the Indian Households which takes place at least every 5 years, surveys also the extremely wealthy households of India, and uses proper imputations and weighing methods to best facilitate the research work (for example, survey totals should be near to the Macro Totals). Also, for richer analysis and construction of DFAs by other metrics such as age groups, income percentiles, gender, the survey needs to have proper representation and the questions must cover all bases. We also suggest that the RBI prepares a separate balance sheet exclusively for households, excluding non-profits, along with inclusion of real estate, consumer durables, and other relevant variables would provide a more comprehensive picture of the financial health and economic conditions of Indian households.

Overall, this paper calls for a significant attention to a rigorous study of the Wealth of Indian households.

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