

Report of Data Collection

Summary of Primary Data Collection:

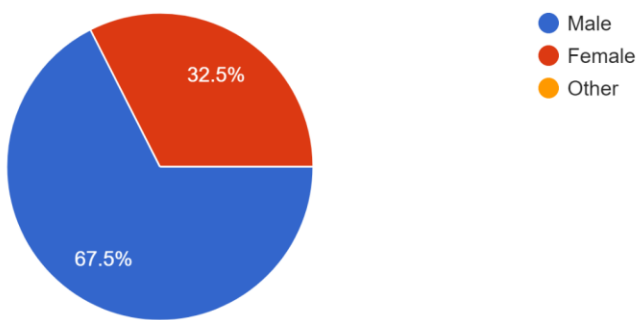
During the week-long survey, I gained valuable insights into the financial management practices among the workers of the informal sector and micro-entrepreneurs. Since the individuals work in unstructured sectors, they face unique challenges when handling their finances.

Findings from the survey are listed below:

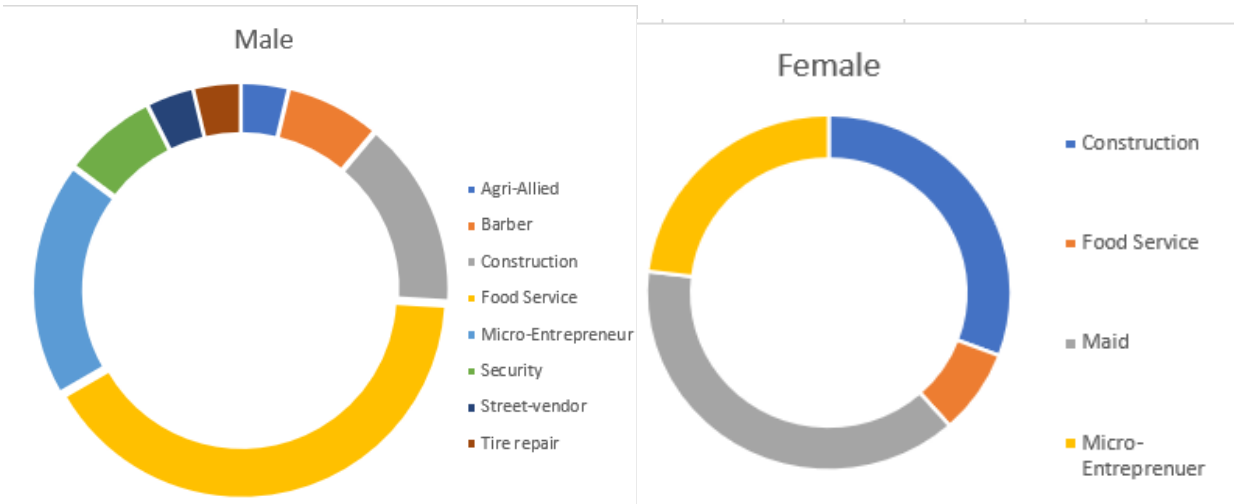
- We surveyed 40 respondents, out of which 27 were males, and 13 were females.

Gender

40 responses



- These respondents belonged to the following sectors/occupations:

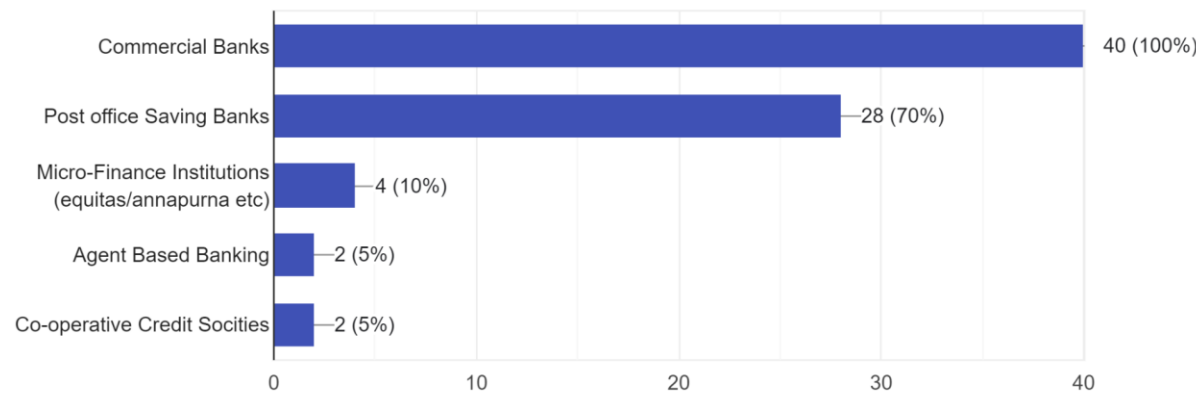


Knowledge of Financial Institutions and Instruments

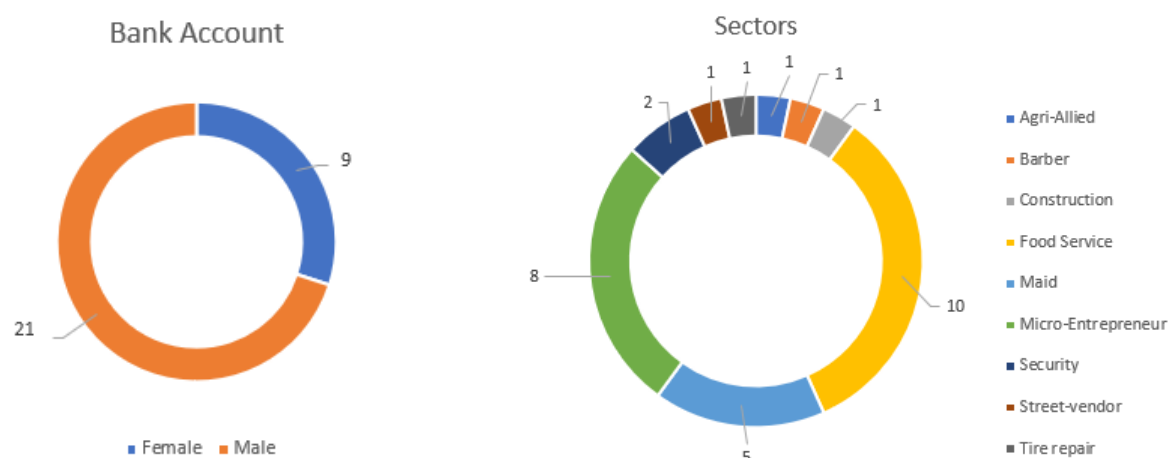
- When asked about their awareness concerning the various financial institutions, we witnessed that all respondents knew what a commercial bank is. The breakup of the respondent's awareness about financial institutions is as shown below:

What are the different types of financial institution are you aware off?

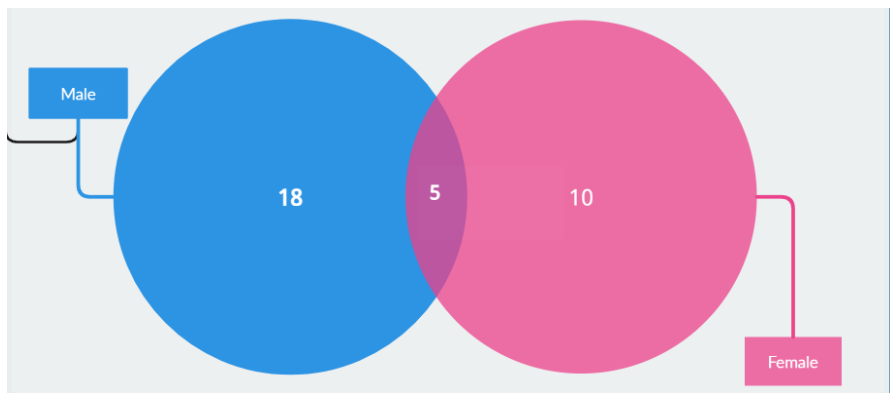
40 responses



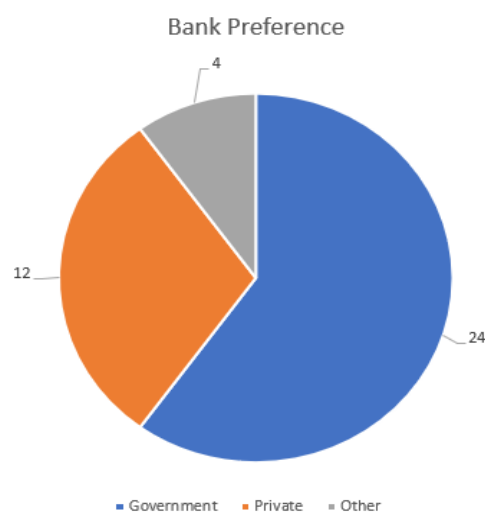
- However, only 30 respondents had a bank account.



- When asked whether the respondents were about a post office bank, only 28 respondents were aware of it. Of those 28 respondents, only five had an account in the post-office bank.

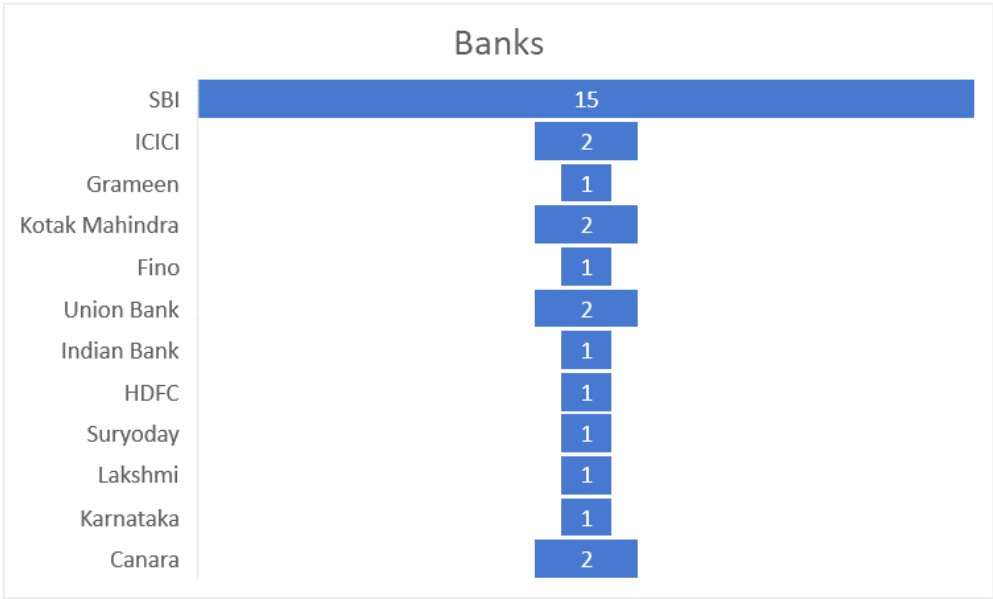


- Although some respondents knew what Micro-Finance Institutions, Agent-Based Banking, and Cooperative credit societies were, none of the respondents had an account in the same.
- Most respondents preferred government banks over others due to their claim of being more secure as the government backs them. However, those whom preferred private banks stated that they felt that the job got done quicker in private banks and was more professional in dealing with them.

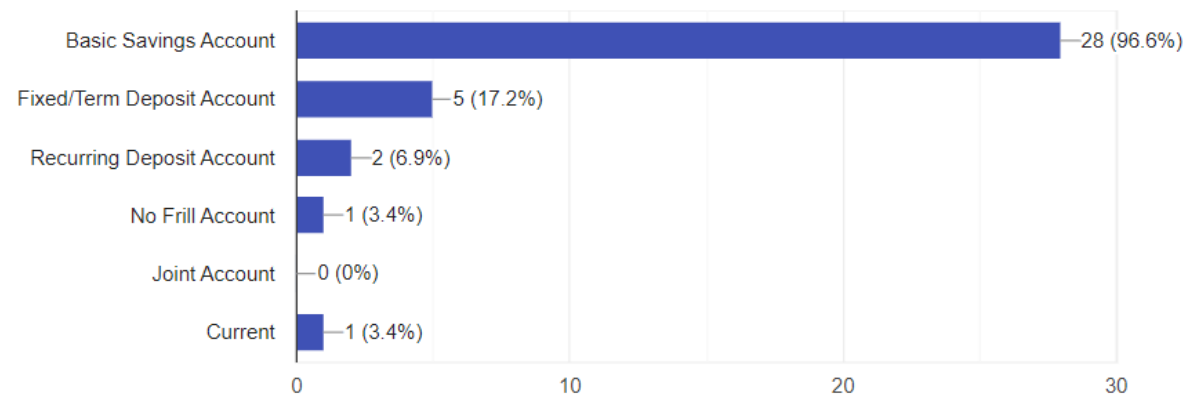


(Here, "others" are those individuals who do not have a bank account or have no preference between government or private banks)

- The respondents had their accounts open with the following banks:



- Most respondents have bank accounts with SBI and other government banks such as the Indian Bank, Union Bank, Karnataka Bank, Canara Bank, and Grameen Bank. Somerespondents keep their account in D-SIB such as ICICI with 2 and HDFC with 1.
- All the respondents who had a bank account preferred opening a basic savings account. However, only a few had or were aware of the different types of available bank accounts.



- ❖ When asking respondents why they did not have an FD or RD account, the majority stated that they needed to earn or have savings more to open an FD account in the bank.

FD and RD account	Sector
5	Micro-Entrepreneur
1	Security

- ❖ As we can see from the table above, FD and RD accounts were more common among the Micro-Entrepreneurs, as these individuals believed they had money to save as opposed to the daily-wage workers.
- When Analyzing the data, we can see that there are 5 Individuals who, although they have bank accounts, get their salary in hand. Some of the respondents below have their bank account in their home town and felt they don't earn enough to warrant opening up a bank account in their place of occupation.

	name text	sector text	source_of_salary text
1	Akash	Security	In-hand Cash
2	Arvind Ram	Food Service	In-hand Cash
3	Pintu	Agri-Allied	In-hand Cash
4	Sameer	Food Service	In-hand Cash
5	Shoeb	Barber	In-hand Cash

- Some respondents do not adhere to safe practices such as not sharing otp or checking their bank statements. As such, they are as follows:

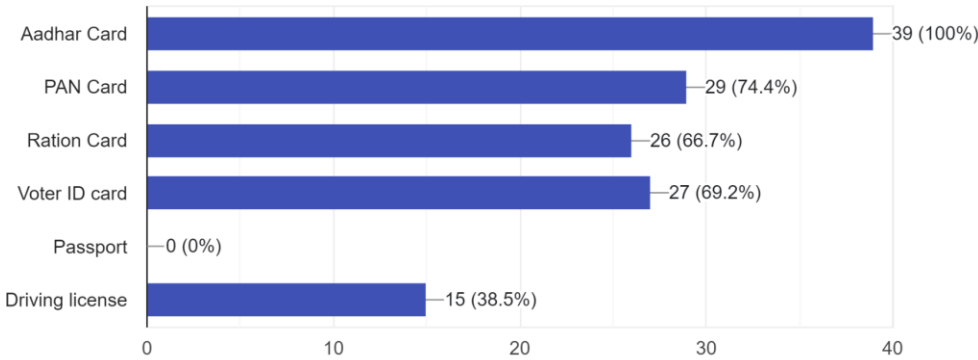
	respondents bigint	gender text	sector text
1	1	Female	Food Service
2	1	Female	Maid
3	1	Male	Agri-Allied
4	1	Male	Construction
5	2	Male	Food Service

❖ However, out of these individuals, only Arvind Ram, who works in the Food Service, has been subjected to a scam.

- When asked whether they possessed the necessary documents required to open a bank account, most respondents possessed the necessary documents. *However, few had no necessary documents as they had migrated from Nepal to India on a work basis.*

Do you possess the following Documents:

39 responses



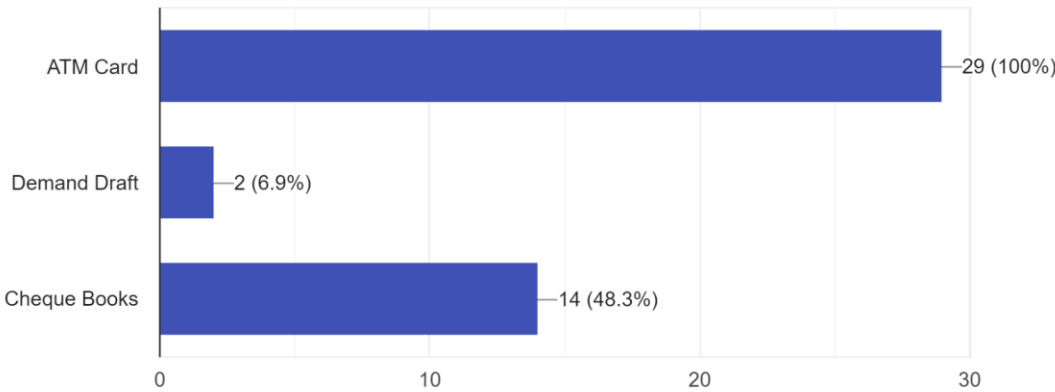
- PAN card is an important document for creating a bank account, two respondents, although having a PAN card, did not possess a bank account

	name text	sector text
1	Bheem Raj	Food Service
2	Biru simgh	Food Service

- The financial knowledge of the respondents with respect to various financial instruments can be seen as follows:

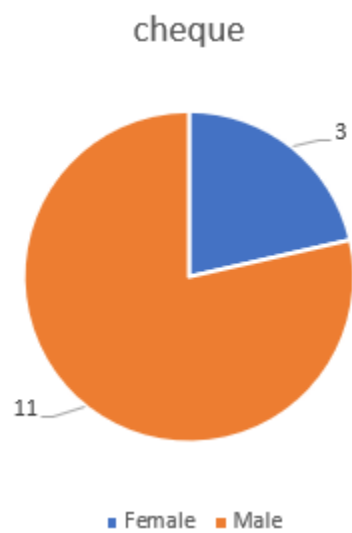
Do they Know how to use the following instruments

29 responses



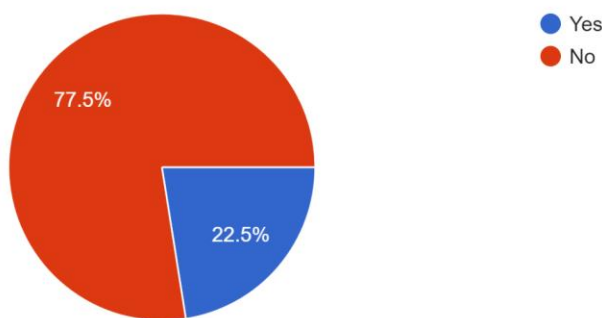
- All respondents with a bank account know how to use an atm. There are a total of 26 respondents have a bank account and know how to use an ATM card.

- The knowledge of Cheque book distribution between males and females can be seen as follows:

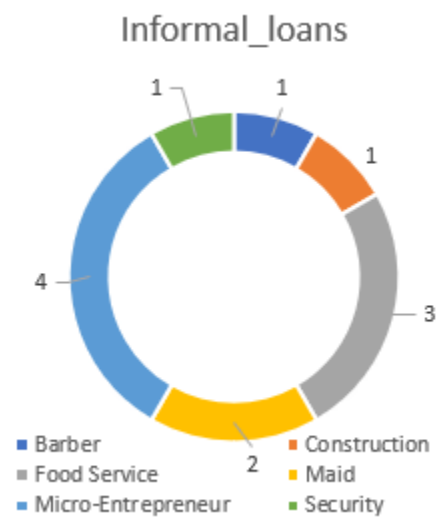


- However, out of the 30 respondents with a bank account, only 2 knew how a demand draft works.
- When asked about loans, the respondents answered as follows:

Are you current paying any type of loans?
40 responses

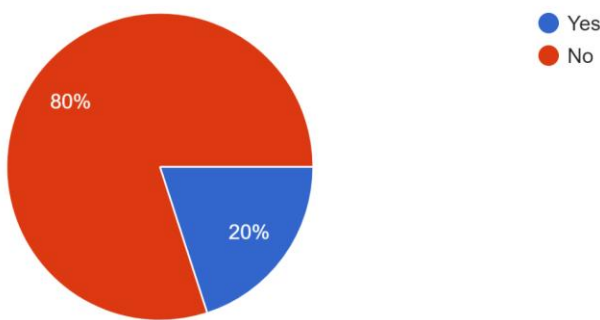


- ❖ As we can see from the pie chart, most respondents did not prefer taking loans from the bank as they believed it was a cumbersome process as they had to fill out a form and wait in line.
- When we look into the number of respondents having a bank account and prefer informal loans, we can see the following distribution:

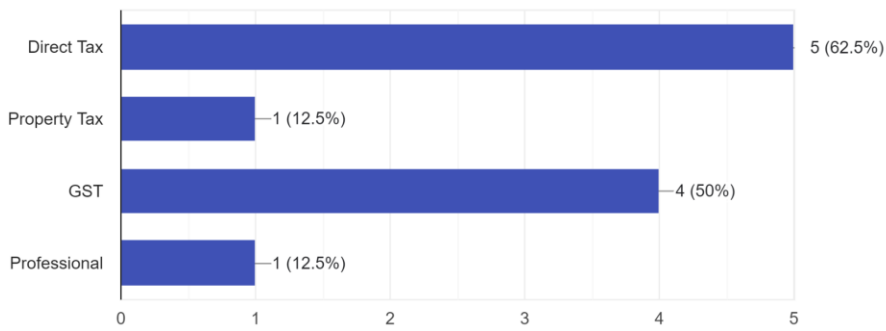


- ❖ Micro-entrepreneur, who were females, relied on their husbands to finance their ventures. In contrast, male entrepreneurs found it difficult to access loans as they were finding difficulty in providing any collateral.
- ❖ However, the individuals in the other sector preferred informal sources of loans due to the scale of the amount they borrowed. They felt there was no need to borrow from banks if they were borrowing under 10k Rupees.
- When asked about their loan obligations, the respondents answered as follows:

Do you pay taxes?
40 responses



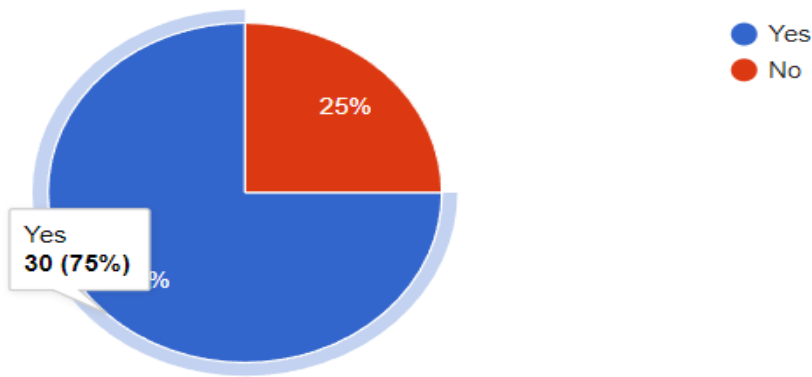
If Yes, Which one:
8 responses



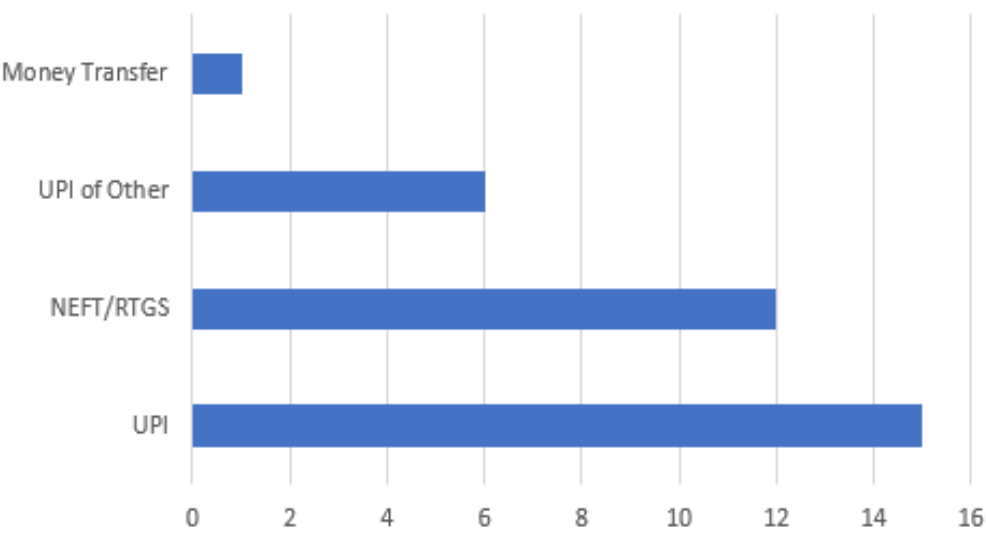
(All of the respondents possess a bank account.)

Saving and Investment

- When asked whether they send money to their family, 30 respondents said they do.

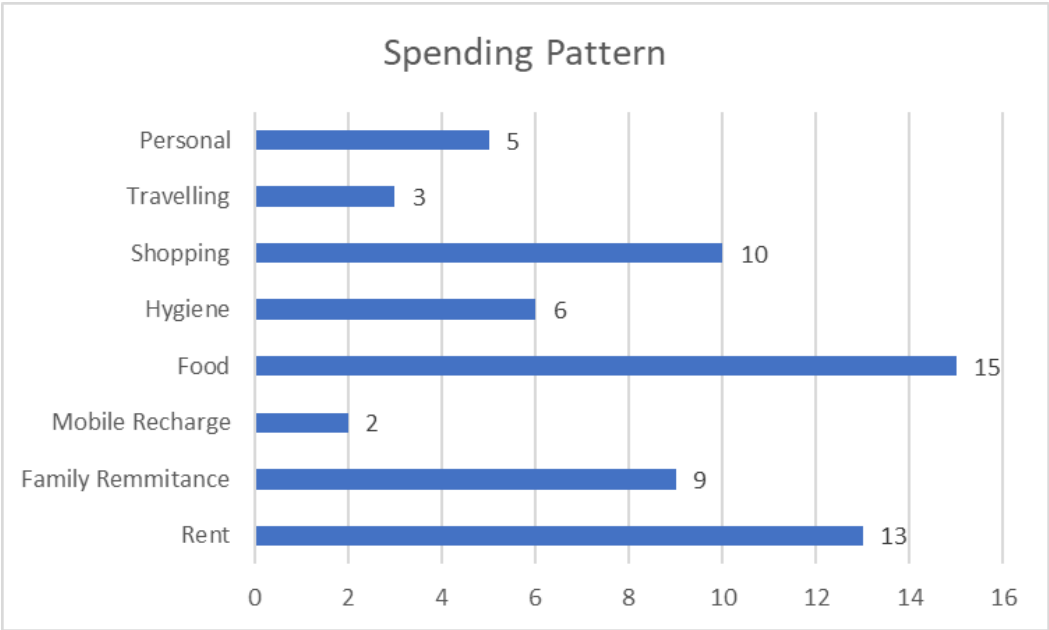


Method of Remittance

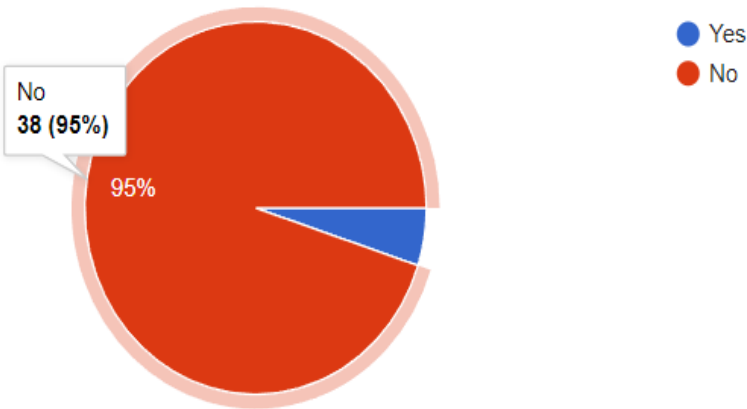


- Most respondents use UPI or Bank transfer to send money to their families. However, few respondents use the UPI of others; this ranges from their brothers, friends, or even employer's accounts.

- The respondents spent their salary in the following manner:

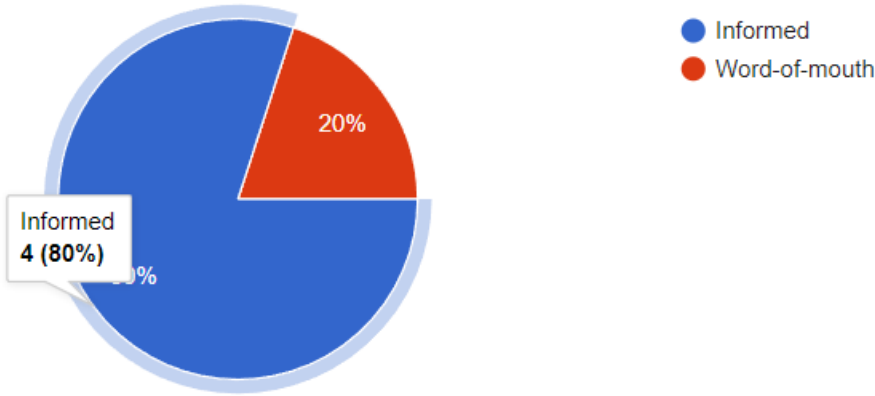


- ❖ As we can see from the graph, the majority of their spending revolved around food and rent. However, the critical point is that most individuals in the Food Service sector or construction did not pay any rent, as it was taken care of by the restaurant or building owners.
- A whopping 38 respondents responded, saying that they did not invest in mutual funds, the stock market, etc., as they think they need to earn more and need more information regarding cheaper alternatives. They felt it was reserved for the educated class rather than for them.

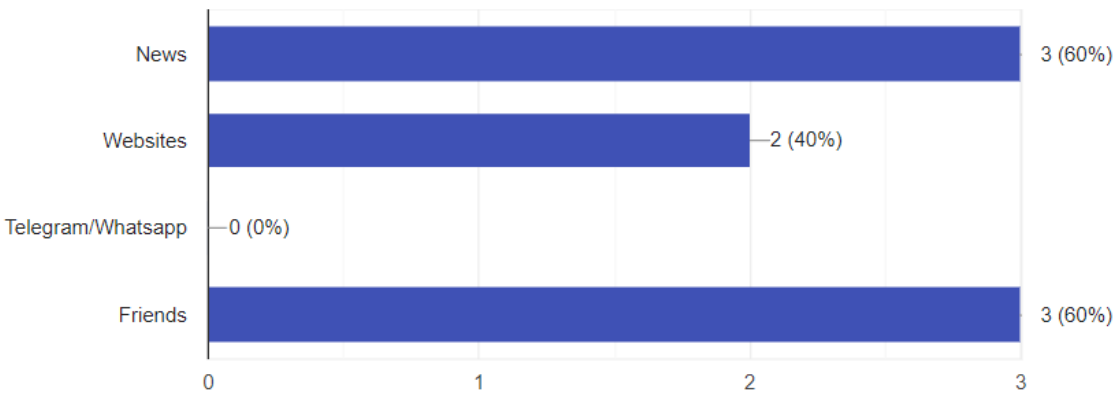


- However, when we asked the micro-entrepreneurs how their investment decisions were guided, they stated that their own business experience guided them. They relied on informed decision-making based on the movement of the stock of goods.

5 responses



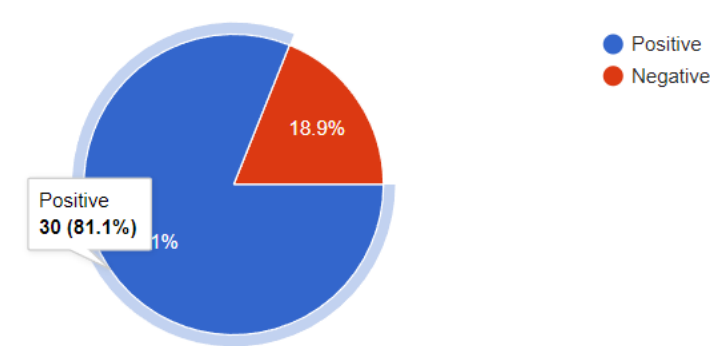
5 responses



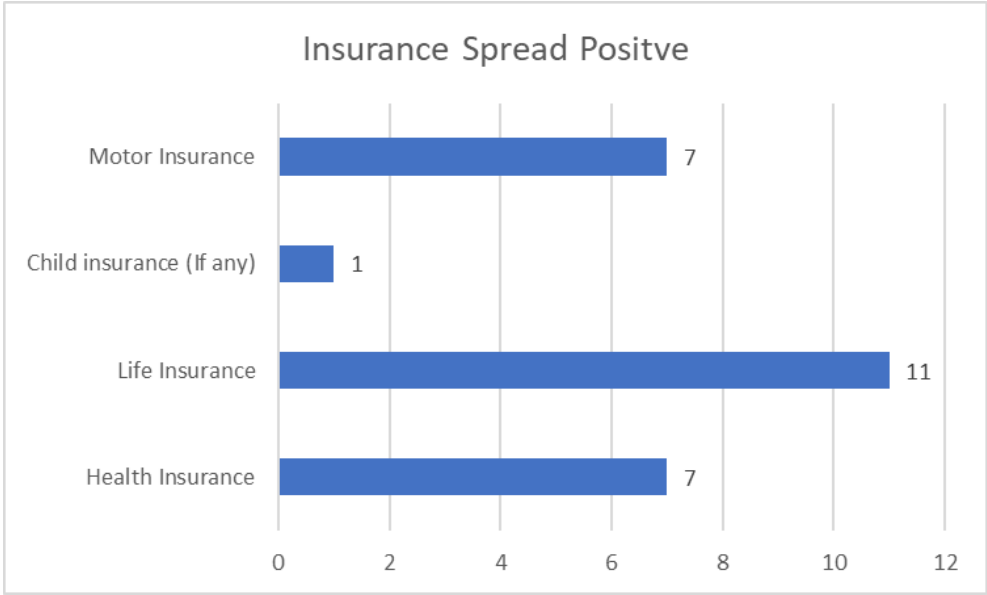
- Their investment decisions were typically based on their friends' experiences and news.

Insurance Awareness

- The majority of the respondents had a positive notion about subscribing to insurance. They felt that it was helpful.



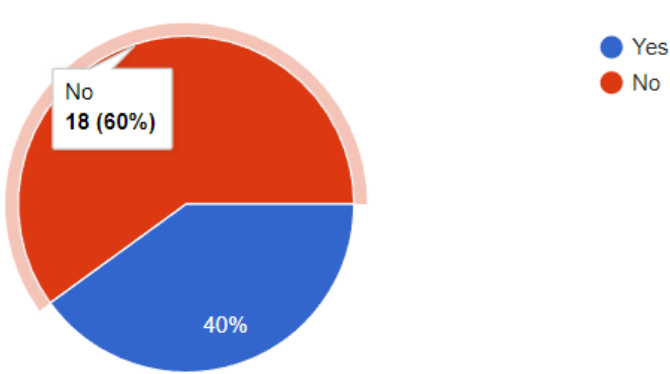
- Of the people who had a positive notion about insurance, they had the following insurance with them



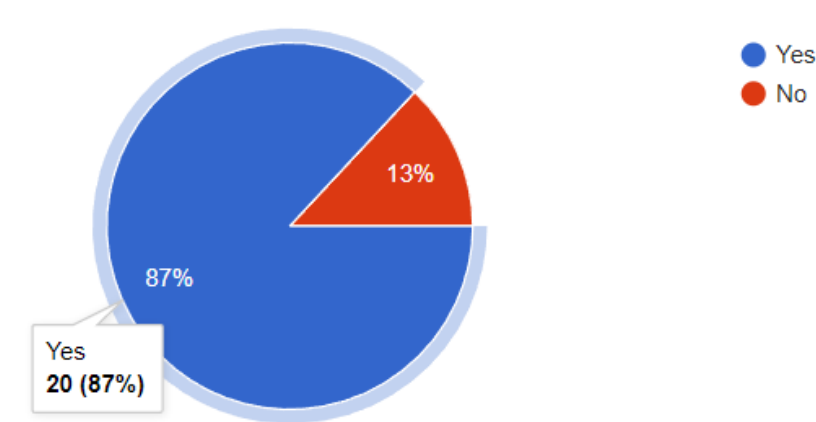
- However, Gareema and Gowri were the respondents who had insurance and felt the insurance was not useful.

	name text	insurance_type text	sector text
1	Gareema	Motor Insurance Life Insurance	Micro-Entrepreneur
2	Gowri	Life Insurance Health Insurance	Maid

- When asked whether it was challenging to get access to insurance, the responses were more or less split. With 18 respondents saying it was not difficult and 12 respondents stating that they found it difficult.
- Those who found it difficult to access insurance stated that premiums were too high. Regarding health or life insurance, they having higher age and medical complications meant they were only getting a higher rate.



- However, more respondents claimed the difficulty lay in claiming the insurance. The majority of the respondent claimed they found it difficult to claim the insurance



(Some respondents had no opinion on claiming as they had never claimed insurance)

- 15 individuals who found it easy to access insurance had difficulty claiming it.

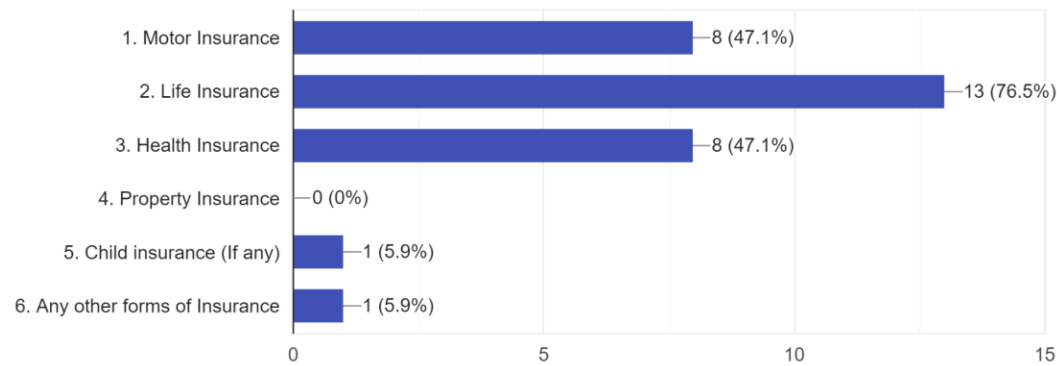
- However, 4 respondents found it both difficult to get access to insurance and claiming it.

	name text	sector text
1	Harish	Micro-Entrepreneur
2	Meghana	Food Service
3	Pintu	Agri-Allied
4	Shankar	Micro-Entrepreneur

- ❖ Shankar, an owner of a tire shop, stated that he did not like insurance because they charge higher premiums and would rather save that money in the bank account to meet contingencies than give it to an insurance company.
- When asked about what kind of insurance they had, most of the respondents answered as follows:

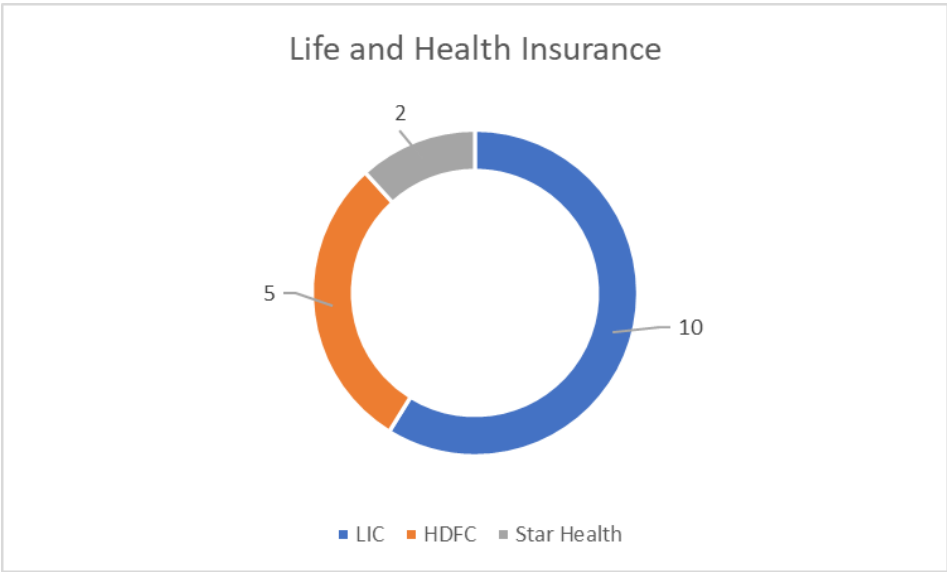
What are the type of insurances you have currently subscribed to?

17 responses



(Includes respondents who currently have or had insurance in the past)

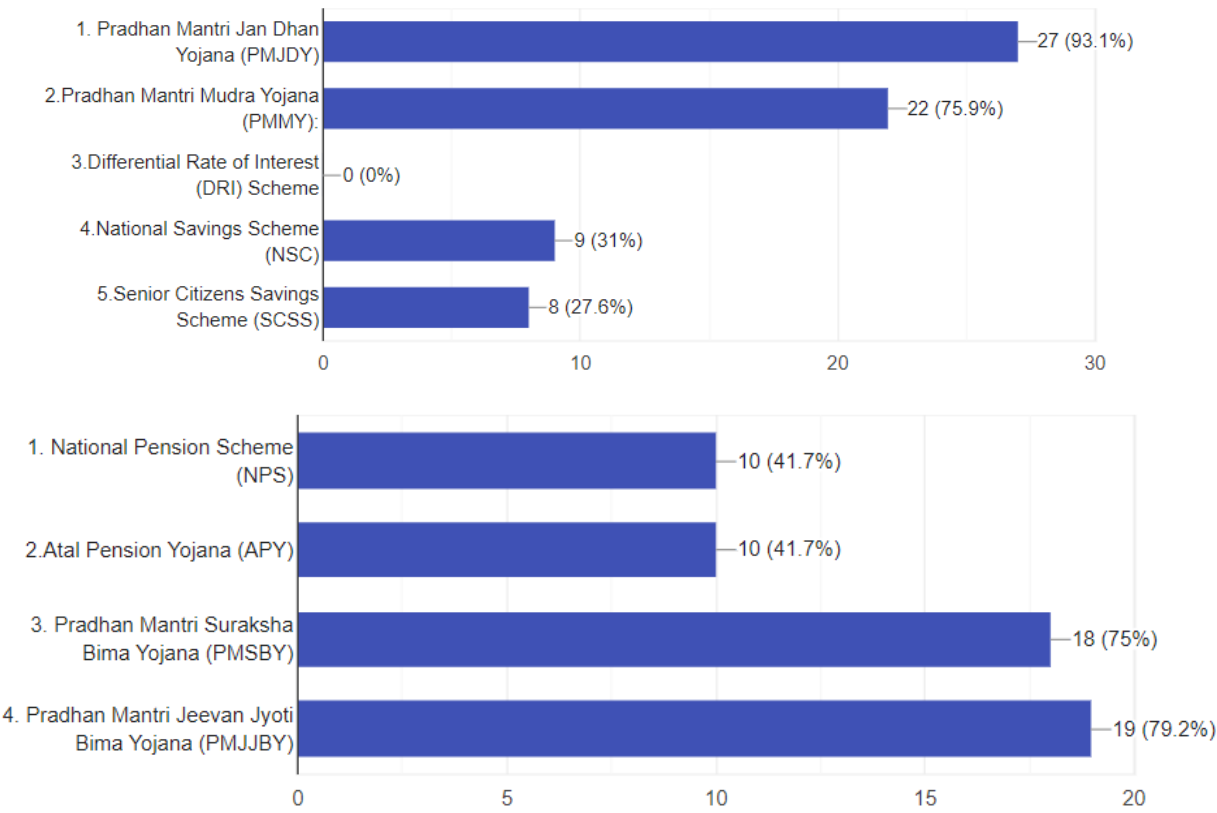
- Most respondents had subscribed to LIC, HDFC, and Star Health for insurance purposes.



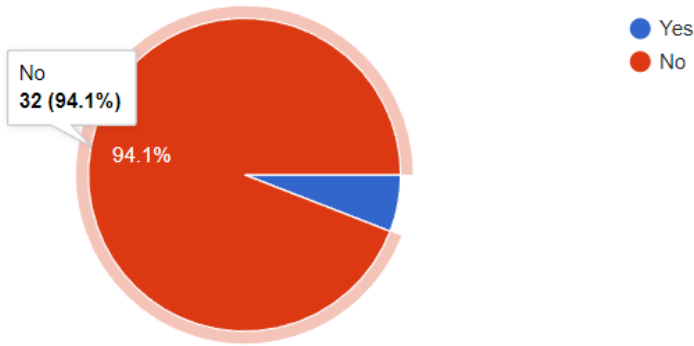
- ❖ When asked how much they were/are paying for insurance, most respondents cannot recall. Most respondents stated they got insurance benefits thanks to their husband's workplaces or as a part of their employment benefits.
- ❖ Those who could recall stated they were paying 500-600 per month and 2000 per year.
- However, when asked about the details related to their motor insurance, they did not know which company, as most people resorted to paying the insurance money directly at the vehicle service or showroom place.

Government Scheme

- It was positive when it came to awareness about the various government schemes related to insurance, banking, and pension schemes. People have heard about the scheme and know the brief overview of the scheme. However, none of the respondents have enrolled in any of the schemes.



- When it came to SHG, only two individuals were part of it, that too in their hometown and not in their current work location. The other 32 respondents were not part of the SHG. Many male respondents claimed that SHG could only be formed among female members. This implied that they needed to learn about the workings and benefits of SHGs.



(Some respondent were not aware of what SHG were, so they were omitted)