



THE GREAT INDIAN WALLET 2025

Mapping India's Aspirations : The Dreams in Every Wallet





PREFACE

Home Credit India, a subsidiary of the TVS Holdings Ltd., is a pioneering force in the consumer finance sector. As a leading Non-Banking Financial Company (NBFC), recognizing the dynamic and ever-evolving nature of the Indian market, we have been committed to enhancing credit penetration and promoting financial inclusion across India since 2012.

Our mission is to provide simple, trustworthy and transparent financial solutions that are tech-driven and accessible to all. We strive to meet the evolving needs of our consumers by creating innovative ecosystems that contribute to building a more resilient world. Our services are designed to seamlessly integrate into the daily lives of our customers, powered by a dynamic, scalable technology platform and driven by proprietary, data-led insights to deliver a frictionless experience. We commit to a seamless and exceptional experience for empowering our customers to realise their aspirations now, as encapsulated in our brand thought - **#ZindagiHit**.

With an extensive, trained and dedicated workforce, Home Credit India operates across 625+ cities in India, supported by a vast network of over 53,000 strategically positioned partner shops/point-of-sale. Our growing customer base, which now exceeds 1.8 CR+, is a testament to our ongoing expansion and the success of our diverse range of innovative products, all backed by an exceptional consumer experience.

We strive to be the financial partner that empowers the aspirations of millions of Indians in making their #ZindagiHit.



TRUSTED BY
1.8 CR.+
CONSUMERS



SERVING **INDIA**
SINCE 2012



PRESENCE IN
625+ CITIES



53,000+
PARTNER
SHOPS



MESSAGE FROM CMO



Dear Reader,

When we initiated “The Great Indian Wallet Study” three years ago, we sought answers to simple questions: How do Indian families manage their finances? What drives their decisions? What are their dreams?

What we discovered was far more profound. We found a nation of quiet revolutionaries – millions of households transforming constraints into stepping stones, challenges into opportunities. This year's findings reveal something extraordinary: despite economic headwinds, India's lower middle class is more optimistic, more digital, and more determined than ever before.

They aren't just surviving; they're thriving with ingenuity. They aren't just saving; they're investing in the futures. They aren't just dreaming; they're doing.

This report celebrates these unsung heroes – the **Earners, Dreamers, and Doers** who wake up each day to build not just their own futures, but India's economic destiny. Their financial discipline, entrepreneurial spirit, and unwavering commitment to the next generation's prosperity inspire us to innovate, to serve better, and to be true partners in making their #ZindagiHit.

As you read through these findings, I invite you to see beyond the statistics. See the father saving for his daughter's engineering degree. See the young entrepreneur planning her first venture. See the family finally buying their own home. These are the dreams in every wallet, and they're shaping the India of tomorrow.

Happy reading!

Ashish Tiwari

Chief Marketing Officer
Home Credit India

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UNVEILING THE FINANCIAL ETHOS OF INDIA'S LOWER MIDDLE CLASS

In India's vibrant economic tapestry, the lower middle class stands as a dynamic and increasingly pivotal demographic. Far from a homogenous group, they represent a vast segment that is rapidly gaining economic agency and driving significant shifts in consumption patterns and financial engagement. Often balancing traditional values with modern aspirations, these households are at the forefront of adopting new technologies and financial instruments, shaping the contours of both urban and semi-urban economies across the nation.

This report focuses on India's lower middle class, a group representing two-thirds of the country's population and often considered the silent drivers of India's economic growth. With household incomes up to ₹5 lakhs annually, they demonstrate remarkable resilience and aspiration, navigating the challenges of limited resources and rising living costs. We explore their unique financial habits, characterized by careful budgeting, adaptability, and determination. Through their stories, we aim to understand the evolving economic landscape of India.

Specifically, this report examines how financial behaviors relate to the aspirations of Indians across different income levels, ages, and regions. We also look at the shift from cash to digital payments, financial planning to achieve goals, and the impact of inflation, income, and employment on their financial choices.

With this report, we aim to map the aspirations of the unsung architects that are building the economic future of India.

For keeping the report actionable, it is divided into four major thematic areas :



Financial Well-Being Index

Revealing the consumer's financial health and outlook. The Index takes into account not only the consumer's financial status, such as income, spending habits and saving patterns, but also their perspective on future financial prospects.



Demystifying Income, Expenses and Savings

The elements that form the bedrock of financial stability and security, influencing not only the present circumstances of a consumer, but also their prospects.



Online v/s Offline: Purchases, Finances, Frauds and Security

The convergence of online and offline retails has significant impacts, influencing consumers' financial well-being, driving digital transformation, and enhancing protection against online fraud.



Mapping the Aspirations of India

Studying the financial behavior of the lower middle class to uncover the dreams carried in the wallets of aspirational minds.

ABOUT: **THE GREAT INDIAN WALLET STUDY**

This comprehensive study undertakes an extensive and systematic exploration of 'The Great Indian Wallet,' designed to deliver an in-depth, multifaceted understanding of the complex financial landscape experienced by India's lower middle class demographic. Through rigorous examination and analysis of their diverse financial behaviors, spending patterns, saving habits, investment preferences, debt management strategies, and overall economic well-being, this research endeavors to uncover, illuminate, and articulate critical insights into the intricate relationship between socioeconomic status and financial decision-making processes.

The report delves deeply into the nuanced financial experiences, challenges, opportunities, and constraints that define the economic reality of this significant population segment, while simultaneously exploring the broader implications of their financial choices on household stability, intergenerational wealth transfer, and long-term economic mobility. By employing comprehensive analytical frameworks and methodological approaches, this study aims to generate substantial, actionable insights that contribute meaningfully to academic discourse, policy formulation, and practical understanding of financial inclusion dynamics within India's evolving economic ecosystem.

Furthermore, this research seeks to bridge existing knowledge gaps by providing empirical evidence and theoretical frameworks that enhance our collective understanding of how lower middle class households navigate financial complexities, adapt to economic pressures, leverage available resources, and pursue financial security within the context of India's rapidly transforming socioeconomic landscape.

Ultimately, this comprehensive study conducts an extensive and multidimensional exploration of the dynamic and continuously evolving aspirations, ambitions, and financial goals that characterize this demographic segment, while simultaneously examining the transformative role and increasing penetration of digital financial technologies, mobile banking platforms, fintech applications, and innovative payment solutions in reshaping their financial behaviors and capabilities.

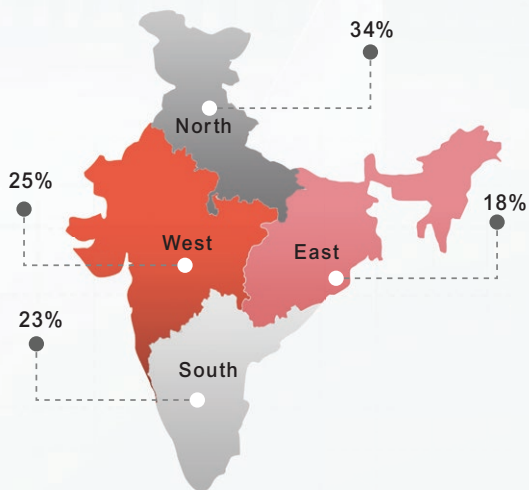
This extensive analysis ultimately aims to illuminate the intricate dynamics of financial transformation, adaptation mechanisms, and innovative practices that collectively contribute to a complete portrait of how this significant population segment navigates, adapts to, and shapes India's rapidly evolving financial landscape.

WHOSE VOICES SHAPE THIS REPORT

This study wouldn't have been possible without the incredible insights from a diverse group of lower middle class Indians across **17 cities**-from our biggest metros to our vibrant smaller towns. We spoke with individuals, aged between **18 to 55 years**, who, with an average monthly income of **₹33,000**, adeptly navigating their financial worlds. These are people with first-hand experience managing loans and everyday finances. Their candid conversations and experiences are the very heart of this report, revealing the sharp minds and remarkable resilience that power India's economic journey. They're not just data points; they're the architects of their own financial destinies, and their wisdom has illuminated every page of this study.



ZONE



CITY



40%
Metro

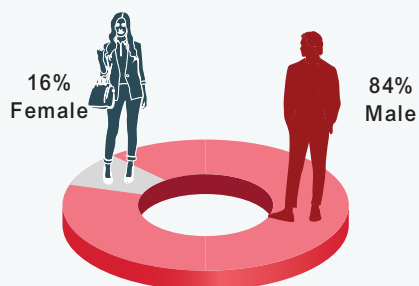


45%
Tier-1

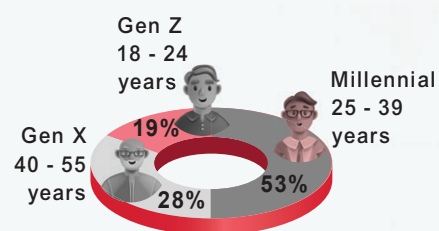


15%
Tier-2

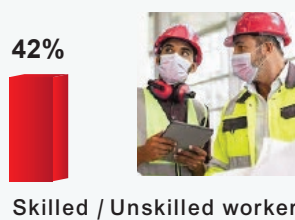
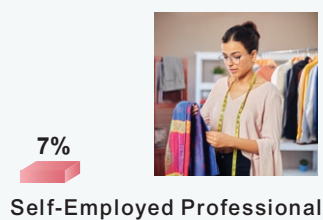
GENDER



GENERATION



OCCUPATION



EXECUTIVE SUMMARY

Through the lens of **The Great Indian Wallet Study 2025**, themed "**Mapping India's Aspirations: The Dreams in Every Wallet**," we gain unparalleled insight into the financial lives of India's lower middle class consumers. This report goes beyond numbers, diving deep into the sentiments, behavioral patterns, and financial dynamics that truly define the choices of this crucial demographic.



What did we discover? A powerful narrative of resilience and ambition. These households skillfully balance rising incomes against increasing living costs and soaring aspirations. Income dynamics vary across cities, influencing lifestyle choices and financial outlook. A substantial portion of income is allocated to essential expenditures such as food, housing, and education, creating a tension between basic needs and discretionary spending. The increasing cost of education burdens household budgets, underscoring the need for informed financial planning.

The study also examines the paradox of rising income and increased reliance on credit. While income is generally increasing, consumers are increasingly turning to borrowing to fulfill their needs and aspirations, and sometimes even accessing credit through informal lending channels. This highlights the need for improved financial literacy and access to affordable credit.

Social networks play a vital role in managing financial emergencies and ensuring liquidity. Consumers rely on support from their social connections to cope with unexpected financial challenges. This underscores the importance of both individual financial preparedness and strong community support systems.

Overall, this study illuminates the financial landscape of India's lower middle class consumers, providing insights into their behaviors, challenges, and aspirations. These insights are crucial for promoting financial well-being in India. Importantly, the study's Financial Well-Being Index indicates a positive trend, reflecting improvements in both current financial status and future expectations, and signaling growing optimism regarding India's economic prospects. This optimism influences consumer behavior, driving spending, investment, and overall economic growth, while contributing to increased life satisfaction. Ultimately, this study paints a picture of a dynamic segment of India's population, striving for a better future and actively shaping the nation's economic trajectory through their financial decisions and aspirations.

Dive into the following pages to understand the vibrant financial landscape shaped by these dynamic individuals, each striving to make their #ZindagiHit.

GAUGING THE FINANCIAL PULSE: **FINANCIAL WELL-BEING INDEX**



The Financial Well-Being Index is a proprietary benchmark designed to capture the nuanced realities of consumer's financial behaviour and sentiments. Acting as a lens into the consumers' financial pulse, the index serves as both a diagnostic and predictive tool, offering a snapshot of the current financial health of individuals while also highlighting their expectations for the year ahead.

A Two-Dimensional View: Present and Future

The Financial Well-Being Index comprises two distinct components that together offer a holistic understanding of personal financial health:

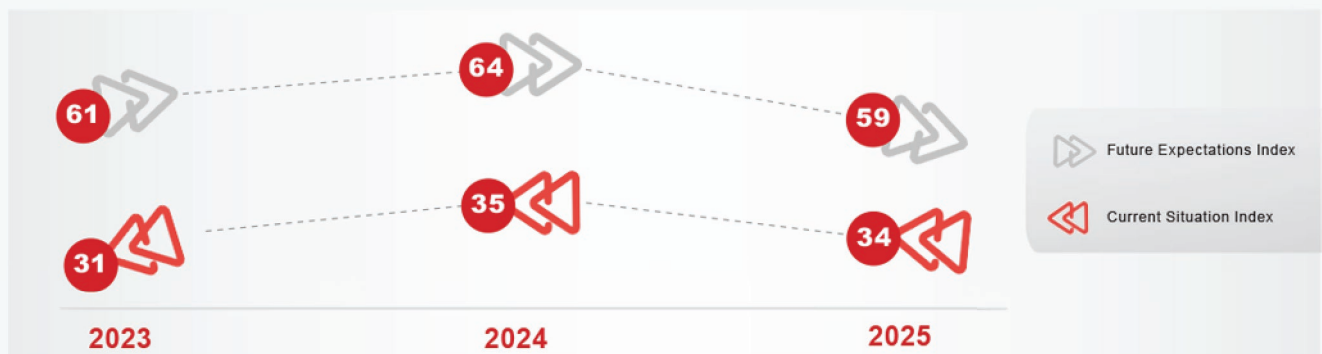
Current Situation Index:

This index captures how consumers' financial condition has evolved over the past 12 months. It reflects their experiences of change—whether their income has risen or fallen, whether their expenses are under control, and whether they have been able to save or invest meaningfully.

Future Expectations Index:

Looking ahead, this forward-looking index is based on how consumers expect their financial situation to change in the next 12 months. It captures optimism, caution, or concern, and reveals the level of consumer confidence in their ability to improve or sustain their Financial Well-Being.

Financial Well Being Indices



The Financial Well-Being Index reveals a gradual improvement in consumers' current financial situation, with the Current Situation Index rising from 31 in 2023 to 35 in 2024, before slightly declining to 34 in 2025. Meanwhile, the Future Expectations Index shows high optimism, peaking at 64 in 2024, then dipping slightly to 59 in 2025, reflecting cautious confidence about the future. This suggests optimism tempered by uncertainty as consumers look ahead.

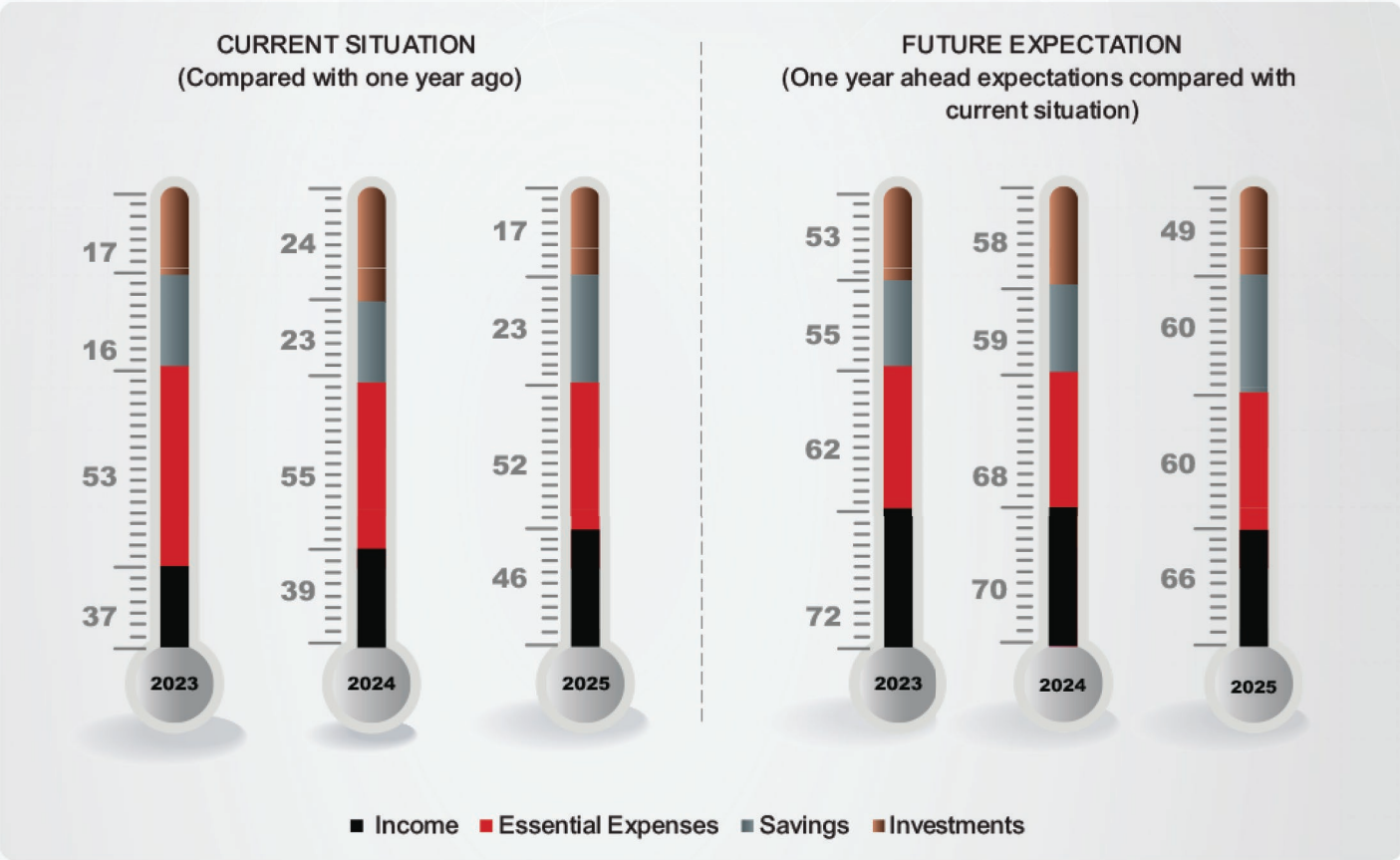
The Four Pillars – What shapes the Index

The study builds its indices around the scores for the four pillars—Income, Essential Expenses, Savings and Investments, which are evaluated based on consumer responses to how each parameter has changed over the past year (for the **Current Situation Index**) and how they expect it to change in the next year (for the **Future Expectations Index**).

This understanding is crucial for middle income consumers as they navigate their financial journey and strive to achieve their aspirations.

Growth Meets Caution

The Financial Well-Being Index reveals a generally positive consumer outlook, driven by rising income and stable essential expenses. While income growth contributes to a favorable view of current financial situations, the overall index indicates a more cautious outlook due to a decline in investment confidence.



Current Situation: These numbers represent the % of consumers who mentioned that their income has increased - % of consumers who mentioned that their income has decreased in the current year over last year

Future Expectation: These numbers represent the % of consumers who mentioned that they expect their income to increase - % of consumers who mentioned that they expect their income to decrease in the next one year

Financial Well-Being Index: Average scores of 4 pillars - Income, Essential Expense, Savings & Investments

- The income trajectory tells an encouraging yet realistic story: actual scores strengthened from 37 to 46 over two years – real money in real pockets. This 24% improvement represents tangible progress – salary increments realized, small businesses stabilized, and side hustles bearing fruit.

But dreams of dramatic future gains have mellowed, with expectations adjusting from an optimistic 72 to a more grounded 66. It's not pessimism; it's wisdom born from experience. Having navigated economic uncertainties, inflation pressures, and market volatilities, these households have learned to temper their forecasts. They've witnessed friends' startup struggles, seen promised increments delayed, and understood that linear growth is rarely guaranteed.

This recalibration actually signals financial maturity. The initial euphoria of 2023 – perhaps fueled by post-pandemic recovery hopes – has evolved into pragmatic planning. Today's lower middle class isn't abandoning ambition; they're refining it. They still believe in better tomorrows (a score of 66 remains decidedly optimistic), but they're building those tomorrows on realistic foundations rather than wishful thinking.

- The essential expenses story reflects the delicate dance of managing daily necessities. Scores inched up from **53** to **55** between 2023 and 2024 – a period when inflation bit harder and school fees jumped. But 2025 brought slight relief, with scores easing back to **52** as families found smarter ways to stretch their budgets.

The future outlook mirrors this cautious optimism. Expectations peaked at **68** in 2024 – perhaps hoping that the worst of inflation was behind them – before settling to a more measured 60 in 2025. This isn't surrender; it's strategic adaptation. These households have learned to navigate price volatility through bulk buying, brand switching, and community sharing. They've discovered that managing expenses isn't about earning more – it's about spending smarter.

The slight dip to **52** actually represents a victory of sorts. Despite rising costs everywhere, these families have innovated their way to better expense management. From WhatsApp groups sharing discount alerts to collective bargaining for school supplies, they've turned financial pressure into collaborative solutions. Their tempered expectations at **60** suggest they're preparing for a future where costs may rise, but so will their ability to manage them.

- The savings narrative is perhaps the most heartening of all indicators. From a modest **16** in 2023 to **23** in 2025, these numbers represent triumph over tremendous odds. Each point gained means families choosing tomorrow over today – skipping that restaurant meal, postponing the phone upgrade, walking instead of taking an auto.

What makes this **44%** improvement remarkable isn't just the mathematics; it's the mindset shift it represents. In a segment where every rupee counts, finding **23%** more to save reflects profound behavioral change. Digital payment Apps showing daily balances, YouTube gurus preaching financial discipline, and peer success stories on social media have collectively rewired spending habits.

Future expectations tell an equally optimistic tale, rising from **55** to **60**. This isn't dramatic, but it's deeply significant. Unlike the income story where expectations moderated, savings optimism continues its upward march. Why? Because these families have discovered that saving isn't about how much you earn – it's about how consciously you spend. They've proven to themselves that even on **₹33,000** monthly, building a financial cushion is possible. That confidence, once earned, tends to compound just like their savings.

- The investment journey reveals the complex relationship between aspiration and accessibility. After surging from **17** to **24** between 2023 and 2024 – a period when mutual fund SIPs and digital gold caught the imagination of first-time investors – scores retreated to **17** in 2025. This isn't failure; it's the reality of learning curves meeting market volatility.

The pullback tells a human story. Those who ventured into equity markets during 2024's optimism faced their first corrections. Small SIPs started with enthusiasm were paused when school fees came due. The chit fund to cryptocurrency experiments that promised quick returns delivered sharp lessons instead. Yet this apparent setback masks important progress – these households now understand terms like 'risk appetite' and 'portfolio diversification' that were foreign just years ago.

What's fascinating is how future expectations remain robustly optimistic despite recent bruises – staying elevated at **49** (down from **58**, but still nearly triple the current score). This persistent hope reflects a generational shift in thinking. Unlike their parents who saw investments as gambling, this generation views them as pathways to wealth creation. They may have retreated temporarily, but they're not retreating from the idea itself. They're waiting, learning, preparing for the next entry point – wiser, warier, but fundamentally believers in the power of making money work for them.

The financial story emerging from these numbers is one of resilience meeting reality. With incomes genuinely rising and essential expenses under control, Indian households are experiencing something they've long sought – breathing room. This isn't a dramatic transformation; it's the quiet confidence that comes from finally getting ahead of monthly bills.

The index's recent softening deserves some deep and honest examination. Investment confidence took a hit as market volatility taught harsh lessons to newcomers. Savings momentum slowed as inflation nibbled at surpluses. But here's what makes this dip different from past downturns – it's tactical, not traumatic. These households aren't panicking; they're pausing. They're applying hard-won lessons about timing, risk, and patience.

Most tellingly, optimism hasn't wavered – it's evolved. Today's lower middle class carries a different kind of hope than their parents did. It's not blind faith in better days, but calculated confidence built on small victories. They've proven they can increase incomes, manage expenses, and even save something. The current pause in investment activity isn't retreat; it's reconnaissance. They're studying the terrain before the next advance, armed with smartphones full of financial apps and WhatsApp groups buzzing with money tips. The trajectory remains decidedly upward – not because circumstances guarantee it, but because these families are actively engineering it.

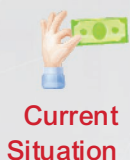
Key Insights from the Financial Well-Being Index

Across India's bustling cities and quiet towns, a remarkable consensus is emerging from our Financial Well-Being Index – hope is winning over hardship. From the tech corridors of Bengaluru to the narrow lanes of Lucknow, from Gen Z's first salary to Gen X's calculated investments, the message rings clear: tomorrow will be better than today.

This isn't naive optimism floating on wishes. Its conviction is rooted in evidence. These households have watched their incomes grow, learned to tame expenses, and discovered that even small amounts can be saved. They've seen neighbors start businesses, cousins' clear education loans, and siblings buy their first homes. Success stories aren't distant myths anymore – they're happening next door.

The data reveals fascinating nuances. While today's financial reality shows struggles and victories in equal measure, future expectations soar consistently higher. This gap between present and possibility isn't frustrating – it's fuel. It drives the auto driver to enroll in computer classes, pushes the homemaker to start her pickle business, and motivates the clerk to pursue professional certifications.

What emerges from these numbers is a portrait of transformation in motion. India's middle income households aren't waiting for prosperity to find them – they're actively pursuing it with tools their parents never had: digital payments, investment Apps, online learning, and entrepreneurial ecosystems. The Well-Being Index doesn't just measure their financial health; it captures their collective ambition to rewrite their economic destinies.



The **Current Situation Index** stands at **34** nationally, with notable variations across demographics:



The **Future Expectations Index** stands at **59**, indicating generally high consumer optimism across income, savings, expenses, & investments, though with some disparities across groups:



Males (**36**) reported higher financial well-being than females (**28**), largely due to stronger scores in income and savings.

Males (**60**) report slightly higher optimism than females (**54**), particularly around income and savings growth.



Gen Z (**39**) and Millennials (**37**), show more financial optimism than Gen X (**27**), driven by higher income and savings scores among younger cohorts.

Gen Z (**66**) and Millennials (**60**), are the most optimistic, driven by strong expectations across all four financial pillars. Gen X (**52**) remains more cautious.



Tier-1 cities lead (**41**), followed by Tier-2 (**39**), with metros lagging at **26** - suggesting greater financial strain in urban centers.

Tier-2 cities lead with a score of **72**, followed by Tier-1 (**66**), while metros lag behind at **46**, suggesting smaller cities are more bullish about future financial prospects.



The North (**39**), and East (**37**), are ahead of the national average, while the South (**23**) trails, weighed down by lower investment and expense scores.

North India (**69**) records the highest confidence, followed by the West and East. Southern India lags at **38**, reflecting muted expectations- especially in income and investment growth.



SEC A and B report better financial health (**40 & 35**), while SEC C lags at **28**, reflecting disparities in income and investment capacity.

SEC A and B show stronger future sentiment (**60 & 61**), while SEC C, though slightly lower (**55**), remains relatively optimistic, particularly about income and savings.



Cities

Current Situation



Cities like Hyderabad, Pune, and Bhopal show robust financial health, with Hyderabad leading at a Current Index score of **51**, driven by strong income, savings, and investment metrics.

Future Expectations



Cities such as Chandigarh, Ludhiana, and Dehradun show the strongest future financial outlook, each scoring above **70**, driven by high expectations in income, savings, and investments.

Jaipur (**71**), Chennai (**69**) and Lucknow (**67**) also reflect strong optimism, with expected growth in all four metrics



Bhopal, Ranchi, Chandigarh, and Dehradun outperform the national average of **34**, signaling relatively higher financial stability and optimism in non-metro cities.



Pune and Bhopal show balanced optimism (**65** each), especially in income and savings projections.



Delhi NCR, Mumbai, and Chennai report lower financial well-being, each scoring **27**, reflecting weaker consumer sentiment, especially in investments and savings.



Delhi NCR, Mumbai, and Kolkata hover around the mid- **50s** to low **60s**, indicating moderate confidence.

In summary, the study reveals that middle income consumers across India, while facing current financial challenges, are driven by strong aspirations for a better financial future. This is evident in their optimistic expectations for growth in income, savings, and investments, leading to a projected rise in the Financial Well-Being Index.

The findings highlight a collective desire for enhanced financial security and progress, with variations across gender, generation, region, and city-tier, underscoring the diverse nature of financial aspirations in India.

FINANCIAL FOOTPRINTS: INCOME AND EXPENDITURE DYNAMICS

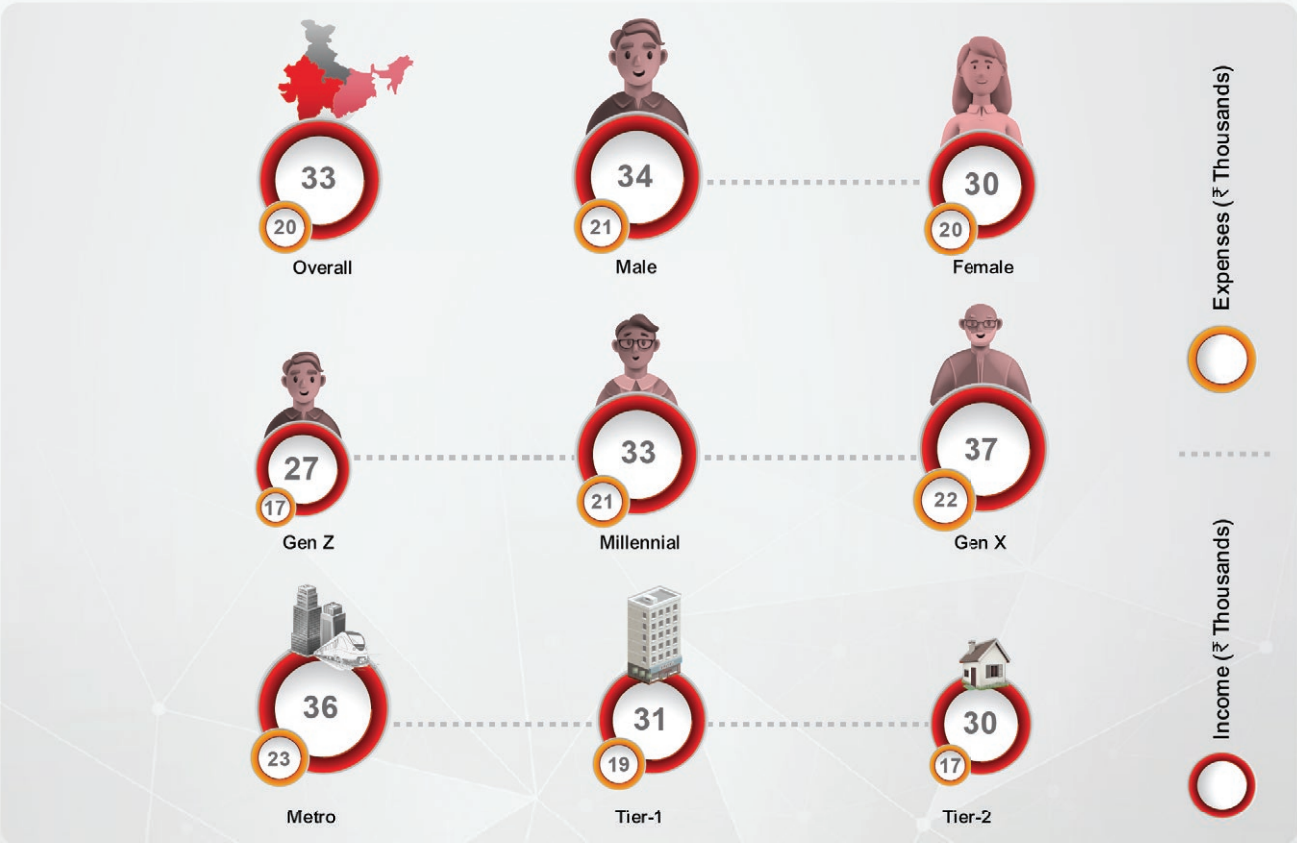
Every month, ₹33,000 flow into millions of Indian wallets. Every month, ₹20,000 flow out. In that ₹13,000 gap lies a universe of dreams, decisions, and delicate trade-offs that define the financial reality of India's lower middle class.

This section maps the monthly financial choreography of households who've mastered the art of making every rupee count. We journey through metros where higher salaries battle higher costs, venture into Tier-2 cities where modest incomes stretch surprisingly far and decode how gender and generation shape earning and spending patterns in ways that challenge conventional wisdom.

What emerges isn't just data about income and expenses – it's a story of financial ingenuity. These households navigate narrow margins with the precision of tightrope walkers, balancing immediate needs against future aspirations. They've learned that ₹13,000 isn't just savings potential; it's an emergency fund, a child coaching class, a festival celebration, and a business idea – all competing for the same space in their wallets.

The numbers reveal something profound: constraint has become a catalyst. Limited flexibility hasn't crushed ambitions; it's sharpened financial acumen. These families approach money with the strategic thinking of CFOs, the creativity of entrepreneurs, and the discipline of marathon runners. They're not just managing budgets; they're engineering futures from whatever surplus they can create.

This financial footprint analysis doesn't just measure what people earn and spend – it illuminates how India's economic future is being quietly crafted in countless households, one careful decision at a time.



Here's a detail peak of what we found when we peeped in the wallet -

A. The Balancing Act of Income and Expenses

Picture this: ₹33,000 arrives in your account each month. By month's end, ₹20,000 has vanished into rent, groceries, school fees, and endless small necessities. That remaining ₹13,000? It's not just money – it's the thin line between stability and struggle, between dreams deferred and dreams pursued.

The gender story adds complexity to this narrative. Men pocket ₹34,000 monthly while women earn ₹30,000 – a gap that's narrowing but still stings. Yet women often prove more resourceful with less, stretching their ₹30,000 further through meticulous planning and community networks that share everything from school uniforms to pressure cookers.

Generation shapes both earning power and spending patterns in fascinating ways. Gen X, at their career peaks, commands ₹37,000 – the reward for decades of climbing work ladders and perfecting their crafts. Millennials hold the middle ground at ₹33,000, balancing ambition with experience. Gen Z enters at ₹27,000, but what they lack in salary they compensate with side hustle, from doing small daily jobs, to using the latest tech to drive smaller sums (like content creation etc) – income streams their parents never imagined.

Geography writes its own rules. Metro dwellers boast ₹36,000 incomes but watch ₹23,000 evaporate into urban necessities – the price of proximity to opportunities. Their Tier-2 counterparts earn less (₹30,000) but keep more (spending just ₹17,000), enjoying spacious homes and community support that no metro can match.

Cities tell individual stories. Bengaluru's tech boom delivers ₹46,000 average income – nearly double that of Lucknow's ₹28,000. Yet Chennai residents, despite moderate incomes, face the highest expense burden at ₹29,000 monthly. Each city presents its own equation of opportunity versus cost, ambition versus affordability

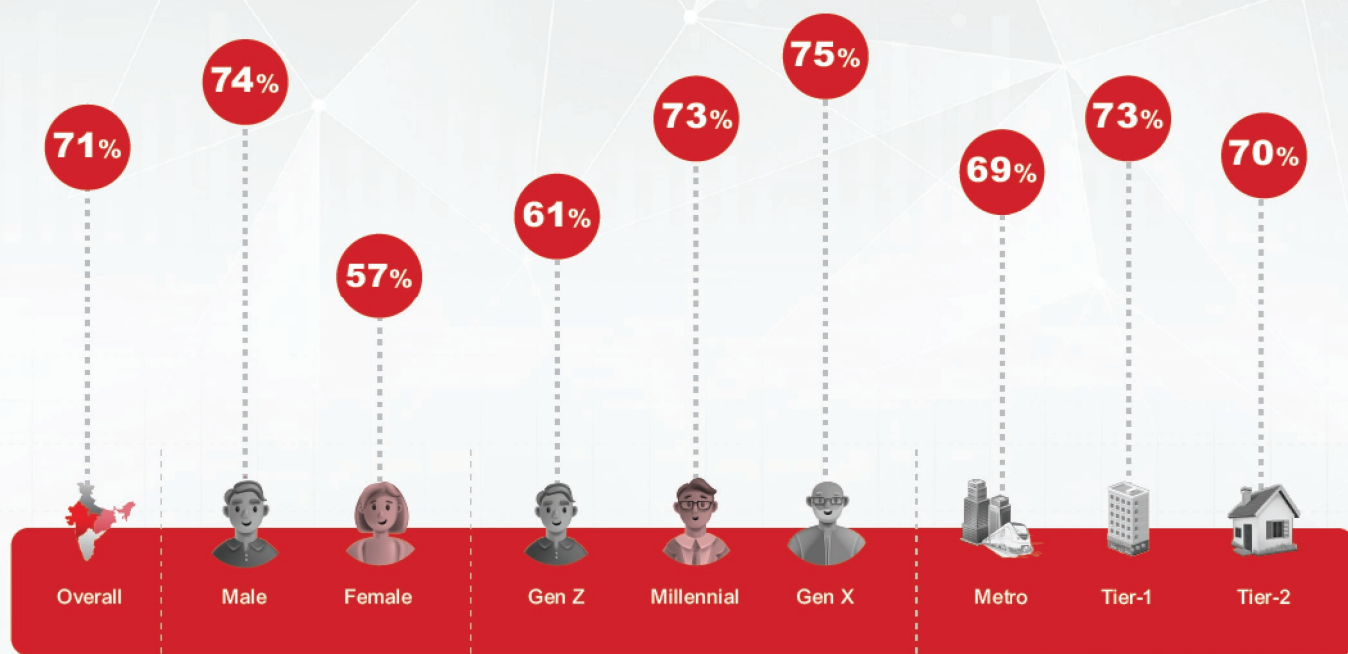
B. Who's Contributing to the Household?

The heartbeat of financial responsibility within Indian homes is subtly shifting, revealing a fascinating evolution in how families pool their resources. Our study shows that individual contributions to household expenses have seen a gentle rise of 3%, a quiet testament to shared burdens and collective aspirations.

Delving deeper, we see men's share in these contributions has grown by 4%, while women's contribution has remained a steady, powerful force. And who are the unwavering pillars of these financial structures? Gen X leads the pack, with a remarkable 88% identifying as primary breadwinners, showcasing their seasoned role in sustaining family life.

But the winds of change are blowing, especially with the younger generation. Gen Z's contribution has surged by an impressive 8%, hinting at their growing financial independence and readiness to shoulder responsibilities. Meanwhile, Gen X's share has seen a slight, almost imperceptible dip of 1%, reflecting a natural generational handover.

What truly inspires is the sheer dedication across the board: a significant 75% of women and a striking 86% of men stand as the chief wage earners in their households. These aren't just statistics; they're stories of commitment, sacrifice, and the enduring spirit of Indian families working together to build a secure future.



Contribution towards household expenses

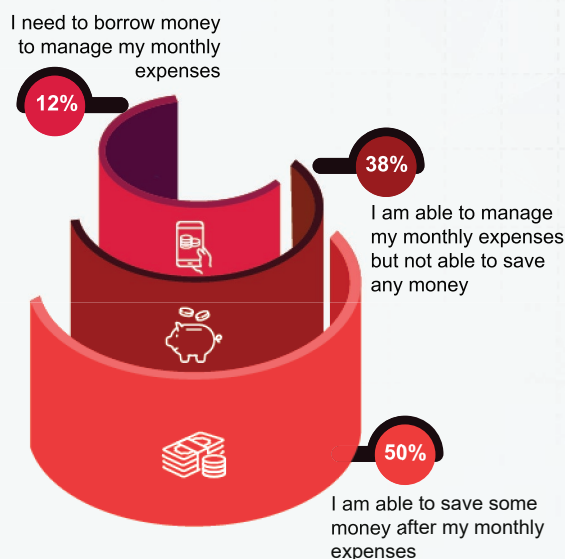
C. Savings and Borrowing: A Mixed Picture

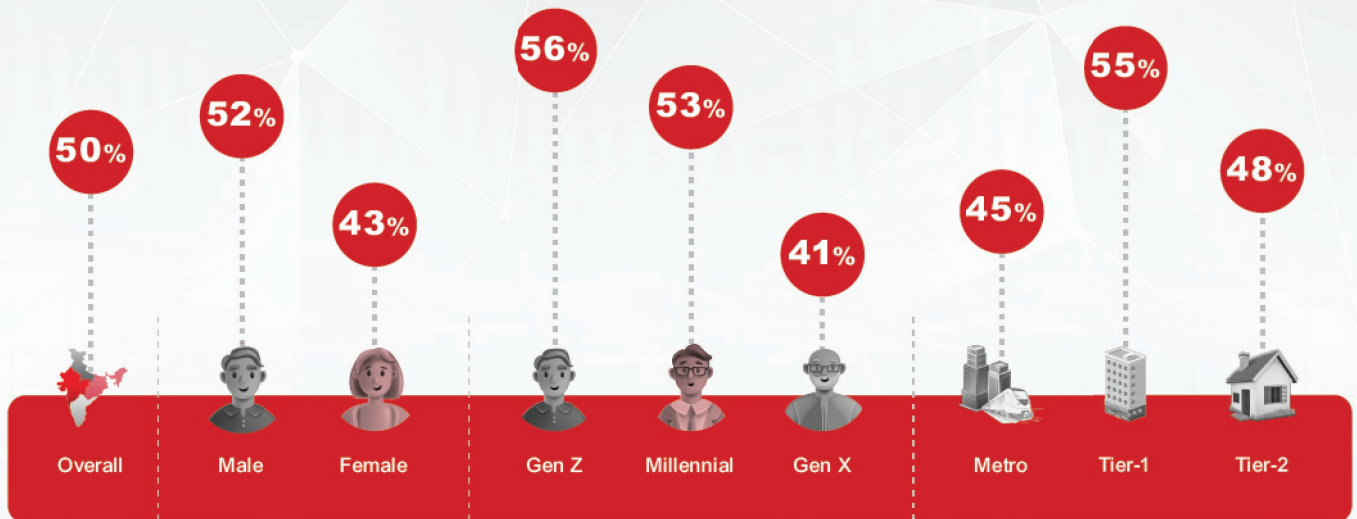
The story of savings and borrowing among India's lower middle class paints a nuanced, often complex, financial landscape. It's a delicate dance between today's needs and tomorrow's dreams, revealing both remarkable discipline and the quiet struggle of making ends meet.

Compared to last year, we're seeing fewer individuals managing to set aside money after covering their monthly expenses. Right now, a significant **38%** of households can cover their basic needs but find themselves with nothing left to save, a sobering reality that speaks volumes about the thin margins they navigate. And for **12%**, borrowing isn't a choice for aspiration; it's a necessity just to keep pace with the month's demands.

Yet, this isn't a story of universal struggle. Amidst these challenges, a hopeful truth emerges: a resilient half of these households (**50%**) still manage to carve out some savings after their fixed expenses, a testament to their financial discipline and the innate desire for security. While overall savings levels have gently receded, this steady core provides a foundation for stability. The reliance on borrowing for monthly needs, holding steady at **12%**, underscores persistent, yet manageable, pressure.

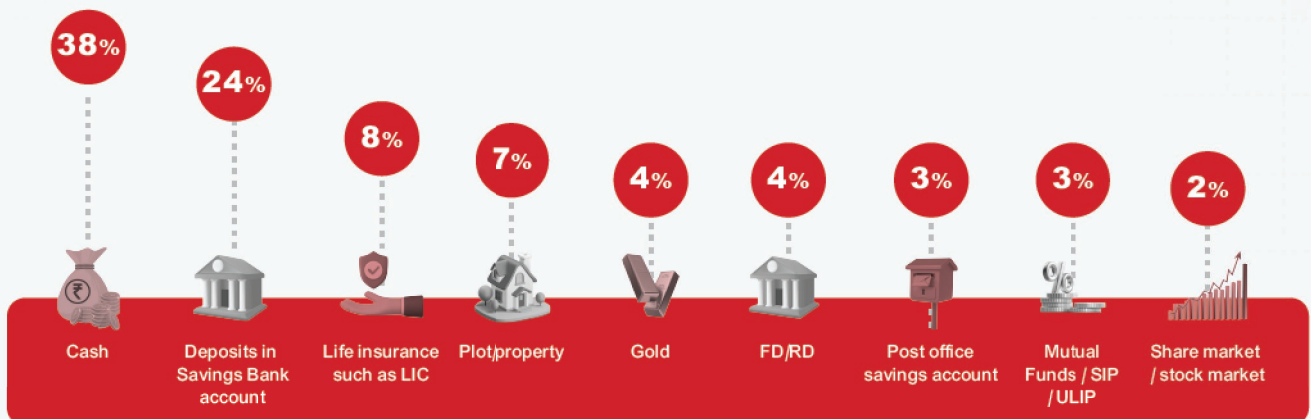
When it comes to managing their hard-earned money, simplicity and immediate access reign supreme. For those quick, unexpected needs, cash remains the trusted go-to for **38%** - the comfort of immediate liquidity. For their longer-term savings, however, the security and reliability of banks are still the preferred haven for **24%**. What's clear is that grand investments in property or complex financial instruments are currently a luxury for many, highlighting a palpable need for deeper financial inclusion and more accessible pathways for long-term wealth creation. Notably, even among the **50%** who manage to save, their preference for readily available cash for emergencies speaks volumes about a segment that values immediate peace of mind and self-reliance above all else.





Consumers who saved last year

In 2025, half of lower middle class credit borrowers reported saving. Men saved more than women, and younger generations - especially Gen Z and Millennials - were more likely to save than Gen X. Tier-1 cities led in savings, followed by Tier-2, while metros trailed, reflecting stronger saving habits among youth and in smaller urban centers.



Consumers who invested their savings in the following financial instruments
n=1618 (Consumers who are able to save some money after incurring their monthly expenses)

The lower middle class largely favored traditional and liquid forms of saving, mainly cash (38%) and bank deposits (24%). Formal investments like insurance, property, and gold saw limited interest, while market-linked options remained niche, with under 10% opting for them.



Income



Gender

Men earn an average of (**₹33.9K**) per month, while women earn significantly less at (**₹29.5K**) highlighting a persistent gender income gap.

This disparity likely influences spending patterns, with women potentially having less discretionary income.



Saving

Gen Z earns the least (**₹27.2K**), compared to Millennials (**₹33.3K**), and Gen X (**₹36.7K**), reflecting the typical income progression with age and experience.



Emergencies

Southern states of India reports the highest average income (**₹38.6K**) while the North (**₹30.3K**), and East (**₹30.3K**) trail, indicating regional variations in economic opportunities and cost of living. Cities like Bengaluru (**₹45.7K**), Hyderabad (**₹39.2K**), and Mumbai (**₹35.8K**) boast higher average incomes than those in the North and East, likely due to factors such as thriving IT and service sectors. Conversely, while (**36%**) of earners in Bengaluru earn above (**₹30K**), only (**14%**) in Ranchi and (**17%**) in Kochi do, showcasing the significant income disparities across different urban enters.



Generation

Men (**52%**) tend to save more than women (**43%**), highlighting a persistent gender income gap.

Younger individuals, particularly Gen Z (**56%**), are saving more than Gen X (**41%**), possibly due to fewer family responsibilities. Millennials and Gen Z (**53%**), save more than Gen X (**41%**)

Southern India is more conservative, with only (**30%**) saving for contingencies. Only (**₹30.3K**) of people in South India save, compared to (**55-60%**) in other regions. Kolkata has a high savings rate (**59%**), while Bengaluru (**7%**), and Chennai (**39%**) have much lower rates.



Region

Savings are the primary safety net, used for medical needs (**60%**) and home repairs(**52%**), Many rely on informal borrowing from friends and family up to (**24%**). For appliance repairs, (**17%**) turn to banks or loan companies.

As we close the section on the Financial Footprints of India's lower middle class, a powerful narrative of resilience and an unwavering desire for upward mobility truly stands out. These are households that live a daily balancing act, meticulously weighing every rupee earned against every rupee spent. While they show an incredible drive to move forward, this delicate equilibrium often leaves them with thin margins, limiting their ability to build substantial savings and leading to a quiet reliance on credit, especially when life throws unexpected curveballs.

Our journey through their wallets has shown us that financial realities are deeply personal and varied. Whether it's the wisdom of Gen X, the budding independence of Gen Z, the evolving roles of men and women, or the unique rhythm of life in metros versus smaller towns – every factor subtly shapes income levels and the ability to save.

Ultimately, these findings aren't just statistics; they're a clear call to action. They underscore a profound need for genuine financial inclusion and for creating tailored financial solutions that truly understand and support the soaring aspirations of this vital segment.

Because within every carefully managed budget and every borrowed rupee, it's the quiet power of their aspirations that's driving a more financially stable India, one resilient family at a time.

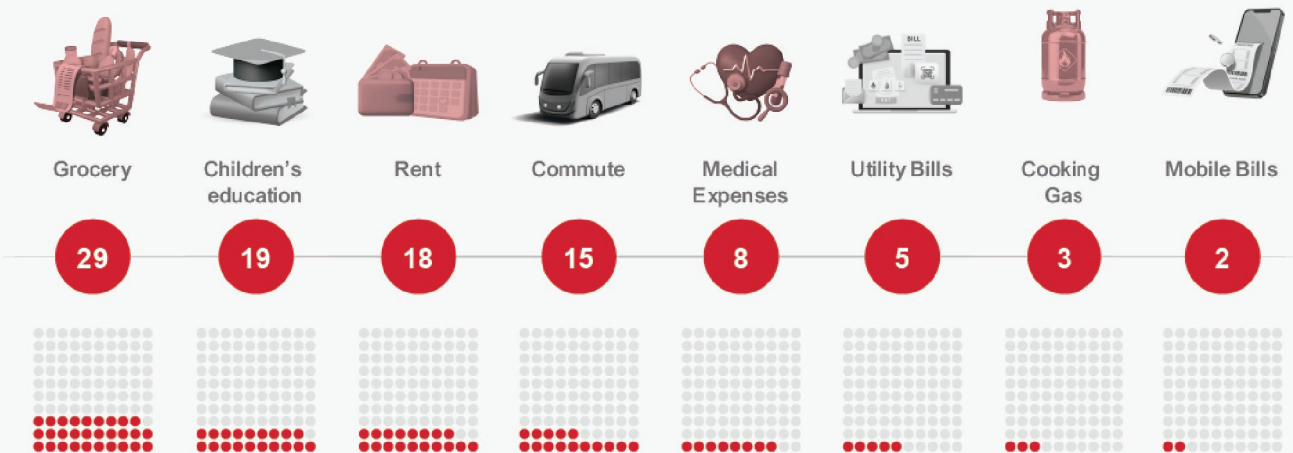
ANALYSING SPENDING PATTERNS: A DEEP DIVE INTO WALLET SHARE

For millions of lower middle class Indians, managing their money isn't just a task; it's a daily masterclass in balancing priorities. Every rupee that lands in their wallet comes with a quiet set of decisions, a delicate dance between putting food on the table today and building a better tomorrow.

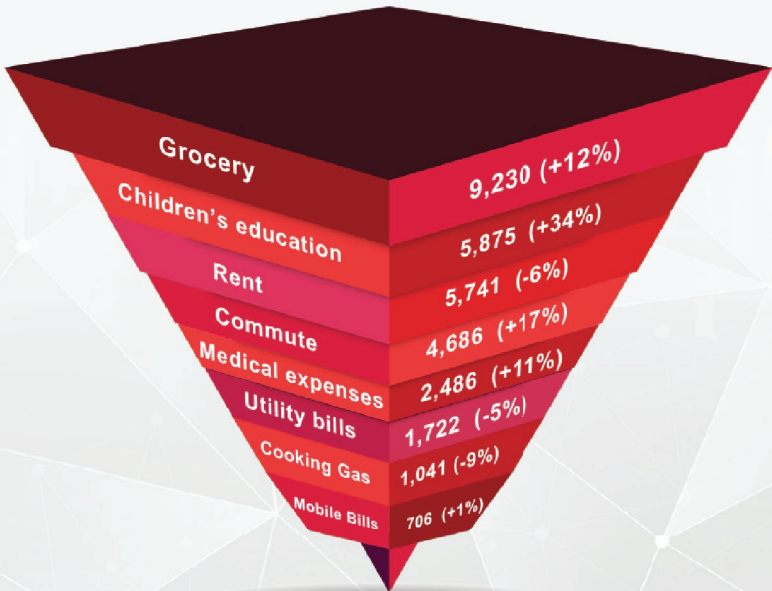
This section invites you into their world, taking a deep dive into how these resourceful consumers truly prioritize their spending. We'll peel back the layers to reveal how significant chunks of their hard-earned money are dedicated to life's essentials – like food that nourishes families and a roof over their heads. You'll also see the growing importance they place on education, an investment in the future that often requires remarkable sacrifice. What emerges is a portrait of everyday ingenuity: how these households constantly strive to optimize every paisa, making informed choices and tirelessly seeking opportunities to stretch their rupee further, turning constraint into creative financial strategy.

What's next in this deep dive into spending habits?

Share of Wallet – Essential Expenses



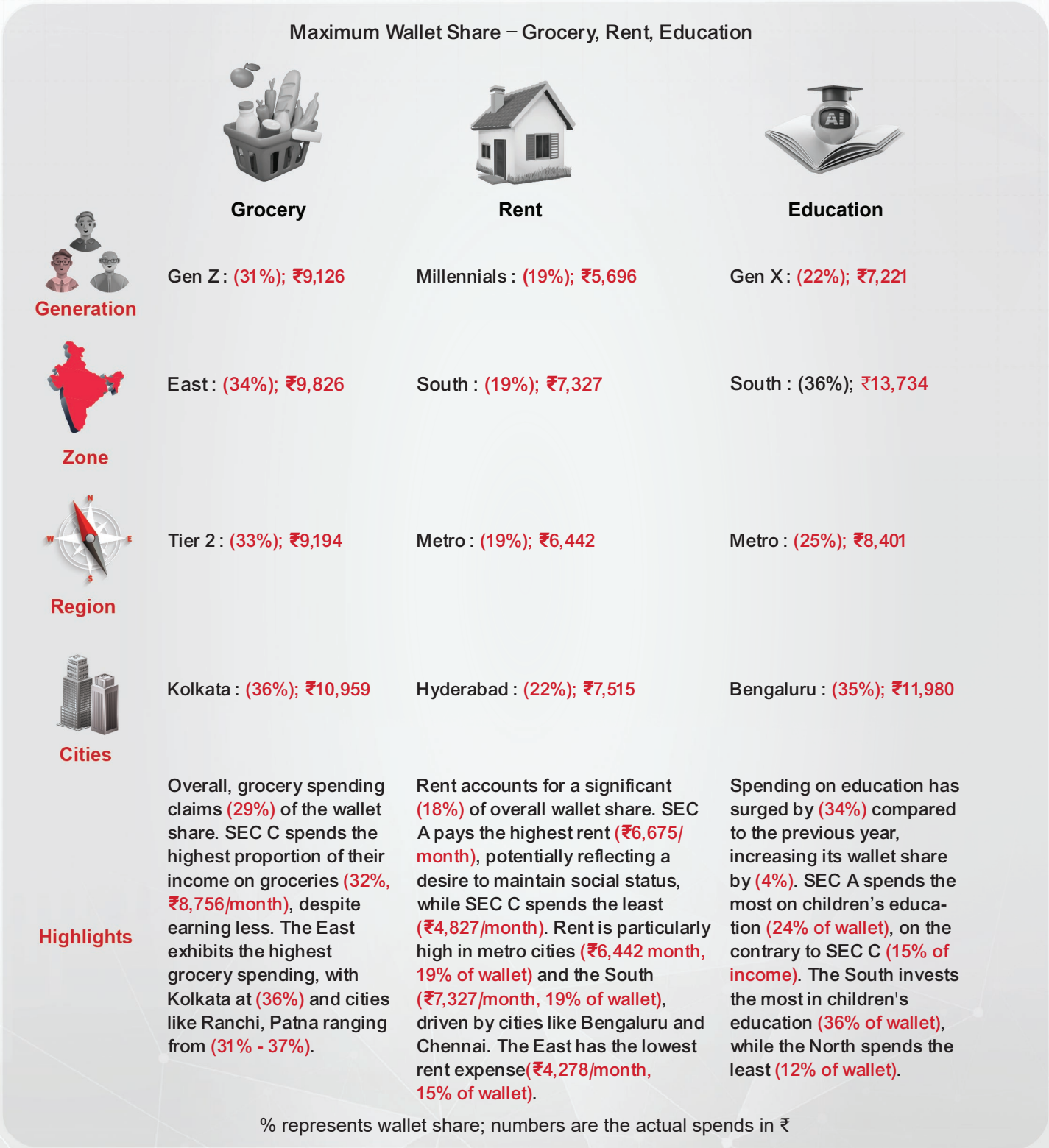
Average Monthly Spends, % change since last year – Essential Expenses



A. Balancing the Budgets: The Lion's Share

Imagine this: Nearly half of every rupee earned by a lower middle class Indian vanishes into just two fundamental needs – food and rent. It's a striking reality, highlighting the immense financial tightrope walked every single day just to keep a family nourished and sheltered.

But within this essential spending, another powerful story is unfolding: the sharp, unyielding rise in money dedicated to education. This isn't just an expense; it's a profound declaration of belief in the future, a testament to the soaring aspirations of parents and children alike. For these families, spending on education is an investment in dreams, a commitment that often means meticulously stretching every other rupee to create a brighter tomorrow.



B. Balancing Beyond the Lion's Share

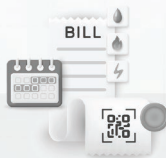
While the lion's share of their earnings bravely tackles food, shelter, and the ever-growing investment in education, the journey through a lower middle class wallet reveals other crucial areas that command significant influence. These aren't just minor expenses; they're the threads that weave into the fabric of daily life, shaping choices and revealing ingenious financial footwork.

What aspects of spending would you like to delve into next, beyond these core necessities?

Wallet Share - Demographics allocating highest towards Commute, Medical expenses and Utilities



Commute



Medical expenses



Utilities



Generation

GenZ: (18%); ₹5,362

GenZ: (9%); ₹2,643

GenZ: (12%); ₹3,598



Zone

West: (12%); ₹5,098

East: (10%); ₹2,903

North: (13%); ₹3,633



Region

Tier 1: (17%); ₹4,854

Tier 1: (9%); ₹2,728
Tier 2: (9%); ₹2,590

Tier 2: (13%); ₹3,642



Cities

Mumbai: (18%); ₹5,897

Lucknow: (11%); ₹2,966

Lucknow: (13%); ₹3,465



Highlights

Despite an (17%) increase in commute costs, its wallet share has decreased by (4%), indicating a shift in spending priorities. SEC A spends the most on transport (₹5,245/month), likely due to greater use of private vehicles and app-based transport usage, while SEC C spends less (₹4,051/month) and relies more on public transport. Commute costs are higher in zones other than the South, which spends the least (₹4,178), possibly due to shorter commutes.

With an (11%) increase in medical expenses, its wallet share has increased by (1%). While medical expenses are consistent across SECs (8%), SEC A tends to spend about (20%) more, possibly due to seeking better healthcare. Medical emergency expenses also strain budgets, consuming a larger share in cities like Lucknow, Patna, and Ranchi (10% to 11%) compared to Bengaluru (3%).

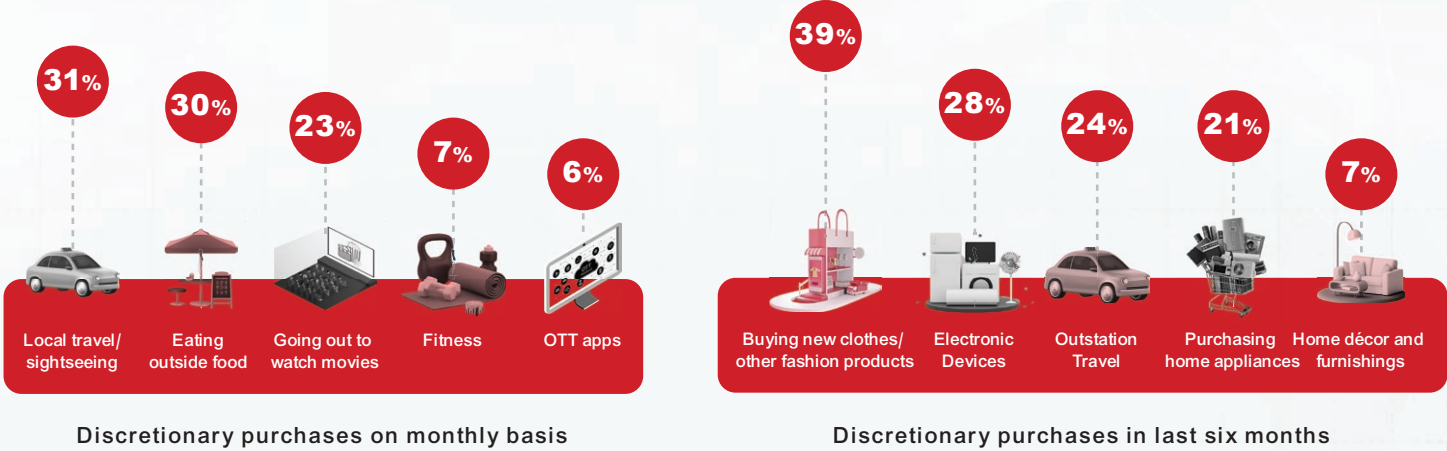
Other notable spending trends include a decline in spending on cooking gas (-9%) and utility bills (-5%), which may provide some relief to household budgets. Electricity Bills are Higher in Tier-2 Cities (₹1,907/month, 7% of Wallet). Metro cities pay the least (₹1,582), possibly due to government subsidies. Electricity bill are higher in Tier-2 cities (₹1,907/month, 7% of wallet), while metro cities, possibly due to subsidies, pay the least (₹1,582).

% represents wallet share; numbers are the actual spends in ₹

C. Beyond the Basics: Trends in Discretionary Expenses

Once the essentials of food, shelter, and education are accounted for, where does the heart of the lower middle class Indian wander? This is where the story of discretionary spending unfolds – not just about what they buy, but why they choose to spend on life’s little joys, conveniences, and investments in themselves and their homes. These aren't frivolous purchases; they're reflections of evolving lifestyles, digital adoption, and a quiet shift towards mindful living.

Let's peek into the pockets of choice.



Entertainment & Lifestyle Spending

Local Travel & Sightseeing

The desire for a quick getaway, a breath of fresh air, is strong for 31% of consumers who embrace local travel. It's particularly popular among the youngest, Gen Z (44%), eager to explore their surroundings. Cities like Dehradun, Kolkata, and Chandigarh buzz with this spirit of local discovery. Interestingly, in bustling metros like Bengaluru (3%) and Chennai (15%), the concrete jungle might be dampening the desire for local jaunts, likely due to sheer urban congestion.

Eating Outside Food (Dine-In/Takeaways)

Sharing a meal outside or grabbing a takeaway isn't just about hunger; it's a cherished social ritual for 30% of consumers. Once again, Gen Z (43%) leads the charge, alongside metro dwellers (39%) and those in Tier-1 cities (31%). Kolkata (42%) and Chandigarh (39%) stand out as the nation's most food-loving hubs, while Chennai (18%) shows a more home-cooked preference.

Going Out to Watch Movies

Despite the rise of home entertainment, the magic of the silver screen still draws 23% of consumers. It's largely the youthful spirit of Gen Z (36%) and affluent SEC A households (34%) that keeps the popcorn popping. Kolkata and Ranchi lead the way with 31% participation, reminding us that for some, the cinema is still a beloved escape, though Tier-2 cities (16%) are less keen on the big screen experience.

Fitness (Gyms, Yoga, Health Supplements)

Investing in one's well-being is a growing, albeit niche, trend. Only 7% of consumers actively spend on fitness, with Gen Z (13%) showing the most health-conscious approach. This dedication to health shines brightest in Bengaluru (12%) and Kochi (15%) but fades significantly in Chennai (3%) and Ludhiana (1%), indicating regional variations in health priorities.

OTT Subscriptions

The world of streaming content is slowly but surely making its way into Indian homes. Currently, only 6% of consumers subscribe to OTT platforms, with Gen Z (9%) and metro residents (9%) leading this digital shift. Bengaluru (27%) and Kochi (18%) are the undeniable hubs for digital entertainment, while Chennai (2%) lags significantly in adopting these platforms.

Fashion & Gadgets

Fashion Purchases (Clothes & Accessories)

When it comes to personal expression, fashion takes the crown. A significant **39%** of consumers prioritize spending on clothing and accessories, making it the top discretionary category. This sartorial passion is particularly strong in Tier-1 (**47%**) and Metro (**41%**) areas. Fashion capitals like Mumbai (**55%**) and Delhi NCR (**54%**) clearly dominate the style scene, while Bengaluru (**18%**) and Chennai (**23%**) show less enthusiasm for new threads.

Electronics (Smartphones, Headphones, Speakers)

The allure of the latest tech gadgets continues to captivate. **28%** of consumers invest in electronics, driven significantly by Gen Z (**41%**) and metro users (**33%**). Cities like Dehradun (**48%**), Patna (**43%**), and Lucknow (**38%**) show a robust appetite for new devices, standing in stark contrast to lower interest in Chennai (**9%**) and Bengaluru (**3%**).

Travel & Leisure

Outstation Travel

The call of distant places beckons **24%** of consumers, who venture beyond their hometowns. This wanderlust is strongest among Gen Z (**31%**) and Tier-1 residents (**30%**), eager to explore new horizons. Older generations like Gen X (**19%**) and those in Tier-2 cities (**16%**) show less inclination for long-distance journeys. Cities like Mumbai, Kolkata, and Ahmedabad (all **30%**) are the departure points for many travelers, while Hyderabad (**7%**) and Chennai (**19%**) remain rooted.

Home-Related Spending

Home Appliances

Investing in comfort and convenience within the home is a priority for **21%** of consumers. Households in SEC B (**24%**) show a slightly higher interest across all age groups. Bengaluru truly stands out with a remarkable **68%** spending on home appliances, suggesting a strong focus on modernizing living spaces. In contrast, Chennai (**12%**) and other smaller cities report considerably lower spending in this category.

Home Décor & Furnishings

The desire to personalize and beautify living spaces is a more niche pursuit, limited to **7%** of consumers, with a higher uptake among SEC A and metro residents. Kochi emerges as a clear trendsetter at an impressive **24%**, indicating a strong aesthetic sensibility. Meanwhile, cities like Ludhiana (**2%**) and Bhopal (**3%**) remain at the bottom, suggesting home decor is a lower priority.

Emerging Trends

The way India's lower middle class chooses to spend its hard-earned discretionary rupees is evolving, revealing a fascinating shift in values. Local travel (**31%**) and eating out (**30%**) now stand shoulder to shoulder, dominating monthly discretionary spending, especially among the dynamic Gen Z consumers who value experiences and social connections.

Meanwhile, a quieter story unfolds in material spending: fashion purchases are down by **20%** and electronics by **6%**. This isn't necessarily a sign of belt-tightening as much as it is a re - prioritization. The concurrent rise in investments in home appliances (**+5%**) and fitness (**+3%**) signals a profound shift – a move towards mindful living and a deeper commitment to personal well-being and the comfort of their immediate surroundings. It's a reflection of a segment that's investing in stability and self - care, perhaps more than fleeting trends.



As we conclude our deep dive into the spending habits of India's lower middle class, a compelling picture emerges: one of constant, delicate balance. These are households that masterfully navigate the tightrope between fulfilling life's absolute necessities and tirelessly striving for a richer, more vibrant quality of life. While a significant portion of their hard-earned income bravely tackles the unwavering demands of food and shelter, there's an unmistakable, growing emphasis on education and enriching experiences. This isn't just about spending; it's a powerful declaration of their desire for upward mobility and a brighter future.

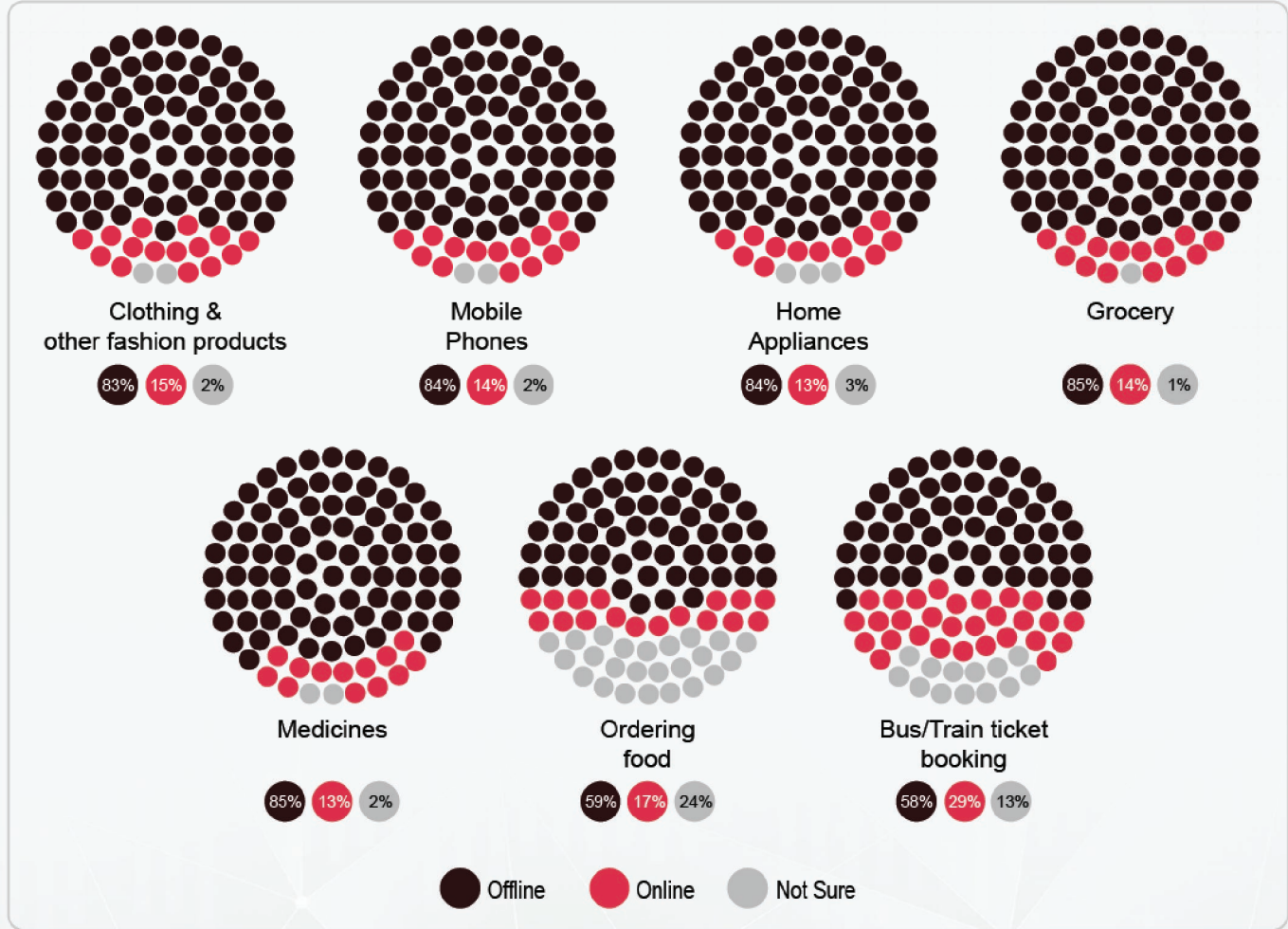
Our journey through their wallet's tapestry has also revealed the intricate threads of income disparities, subtly woven by factors like gender and geographical location, adding layers of complexity to their already meticulous financial planning. Ultimately, these insights offer more than just data points. They underscore the profound need for a nuanced, empathetic understanding of the diverse economic realities and unique financial behaviors within this segment.

It's a testament to their incredible resilience and a clear call to action for us to develop targeted strategies that genuinely support their financial well-being and fuel their soaring aspirations for greater economic empowerment.

NAVIGATING CHANNELS: THE EVOLVING LANDSCAPE OF PURCHASES AND FINANCES

The digital revolution is sweeping across the globe, dramatically reshaping how we shop, connect, and manage our money. But in India, within the bustling world of the lower middle class, this story takes on a uniquely fascinating twist.

This section invites you to explore how these resourceful consumers navigate the ever-evolving landscape of online and offline channels for both their everyday purchases and their crucial financial tasks. We'll delve into their preferred mediums for various transactions, revealing the enduring, trusted strength of physical stores, while also charting the quiet, yet powerful, rise of digital platforms, especially when it comes to managing their finances. It's a compelling tale of tradition meeting innovation, all within the dynamic Indian wallet.



Enduring Preference for Offline Retail in Key Purchases

Even as the digital revolution quietly reshapes global consumer habits, for India's lower middle class, the journey to a new purchase often begins with the comforting embrace of a physical store. They value the sensory experience – the feel of new fabric, the clarity of a phone screen in hand, the sturdy build of an appliance, or the fresh scent of groceries. Our study reveals that for life's most crucial items – clothes, smartphones, home appliances, and daily provisions – it's the tangible, trusted experience of offline retail that truly captures their wallets and their peace of mind.

Here's what truly stands out: A staggering **83%** still prefer to buy their apparel in person. For smartphones and home appliances, the numbers are almost identical at **84%**, and for daily groceries, it jumps to a resounding **85%**. This isn't just a trend; it's a profound testament to the comfort of familiarity, the reassuring trust that comes from seeing, touching, and trying out a product before it makes its way into their lives.

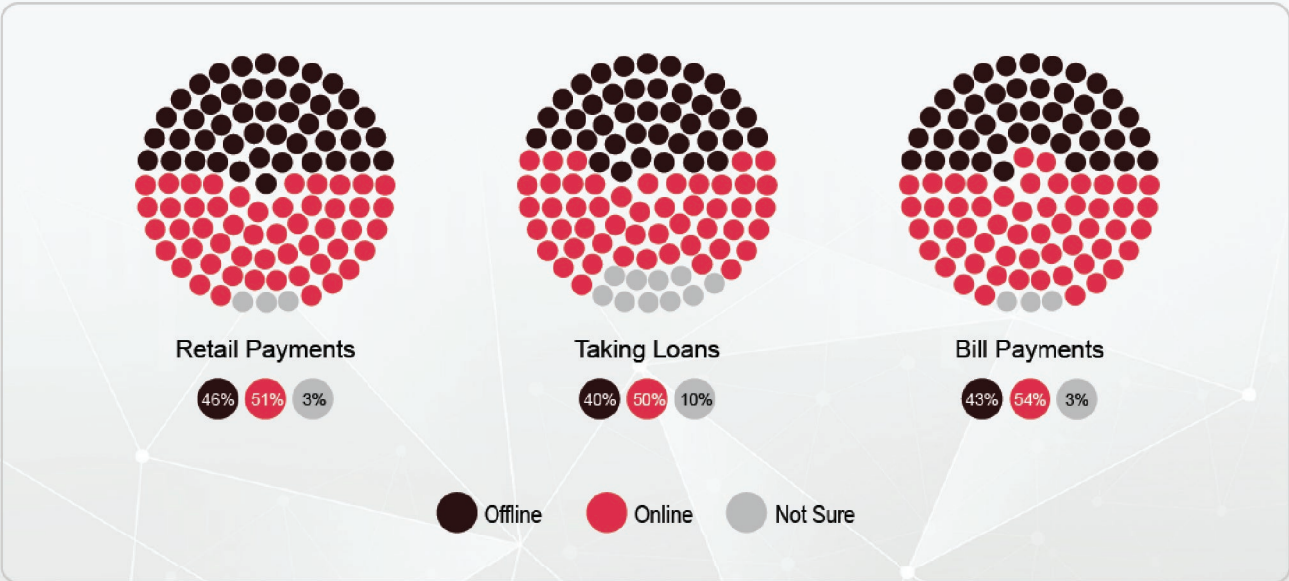
This steadfast preference for physical shopping ripples across various demographics:

- **Apparel:** The desire to feel the fabric and check the fit means an overwhelming majority choose physical stores. Even among women (**19%** online adoption), metro residents (**23%**), and those in South India (**27%**), who show slightly higher digital curiosity, the allure of the local shop remains dominant.
- **Smartphones:** Despite the tech-savvy nature of these devices, the hands-on experience matters deeply. Millennials (**15%** online), metro dwellers (**20%**), and South Indians (**24%**) show a little more courage in buying online, but most still head to a shop.
- **Home Appliances:** For items that power their homes, confidence comes from seeing them in action. While a few more millennials (**15%** online), metro residents (**19%**), and South Indians (**23%**) might explore online, the physical showroom wins by a mile.
- **Grocery:** The daily ritual of picking fresh produce and household staples is overwhelmingly an in-person affair. Only a slight nudge towards online is seen in metro areas (**20%**) and South India (**24%**), suggesting a slow but steady digital shift for daily needs.
- **Medicines:** When it comes to health, trust and immediate availability are paramount. Like groceries, **85%** choose the local chemist, with only slightly more online usage seen in metro areas (**19%**), and South India (**22%**)

This strong inclination towards physical stores for such pivotal purchases speaks volumes. It's about the tangible product experience – the feel of a new shirt, the immediate satisfaction of a new gadget in hand, the trust built with a local vendor. It's also about deeply ingrained shopping habits and the comfort of physical inspection. Notably, seasoned Gen X, the pragmatic SEC C segment, and residents of Tier 2 cities particularly cherish the ritual of exploring these products in shops, often finalizing their purchase right there, finding reassurance in the human connection and the certainty of what they're buying.

The Digital Ascent: Online Gains in Payments and Loans

While the enduring warmth of familiar offline stores still captures hearts for many everyday buys, a quiet yet powerful revolution is truly taking hold. For India's lower middle class, the digital world is steadily weaving its way into the very fabric of their financial lives, especially when it comes to managing their money and accessing crucial services. Here, the sheer ease and speed of online channels are beginning to leave an unmistakable mark, gently yet fundamentally reshaping how rupees move and how vital support reaches them.



Retail and Bill Payments Lead the Digital Shift:

Imagine the quiet hum of a digital payment, the instant confirmation lighting up a screen. This is becoming the new norm for many: online retail payments now account for a striking **51%** of transactions, a notable climb from **42%** just last year in 2024. It's more than a statistic; it's a growing comfort with digital wallets and UPI, offering a new kind of freedom and speed in everyday transactions. Our bustling metro areas are naturally leading this charge at **60%**, embracing the quick, cashless rhythm of city life. Yet, for many SEC C consumers, the reassuring tangibility of cash exchange still holds comfort, with **54%** preferring offline payments, a testament to how deeply ingrained habits and trust can be.

The monthly chore of paying bills has also gracefully migrated online, rising impressively to **54%** from **43%**. In East India, a robust 60% embrace this digital convenience, freeing up precious time that can be better spent with family or on personal pursuits. Meanwhile, our seasoned Gen X, with their deep-rooted preference for clear, physical records, often still lean towards offline channels at **50%**, finding reassurance in the traditional way of handling essential finances.

Loans Increasingly Embrace the Digital Realm:

Perhaps one of the most compelling stories of this digital journey is in how Indians are accessing credit. The choice to apply for loans online is now almost as popular as walking into a branch, reaching **50%** (up from **44%**). This isn't just about convenience; it speaks volumes about a growing trust in digital lenders like Home Credit, who are breaking down barriers and making financial support more accessible than ever, helping aspirations take flight with a few taps on a screen. This modern path shines brightest in our dynamic metro areas (**60%**) and among the forward-thinking SEC A segment (**55%**). Yet, the warmth of a face-to-face conversation still holds deep meaning in South India, where a robust 63% still show a clear preference for offline loan channels, highlighting how personal connection remains a powerful currency in financial decisions.

Steady Online Adoption in Transport and Food:

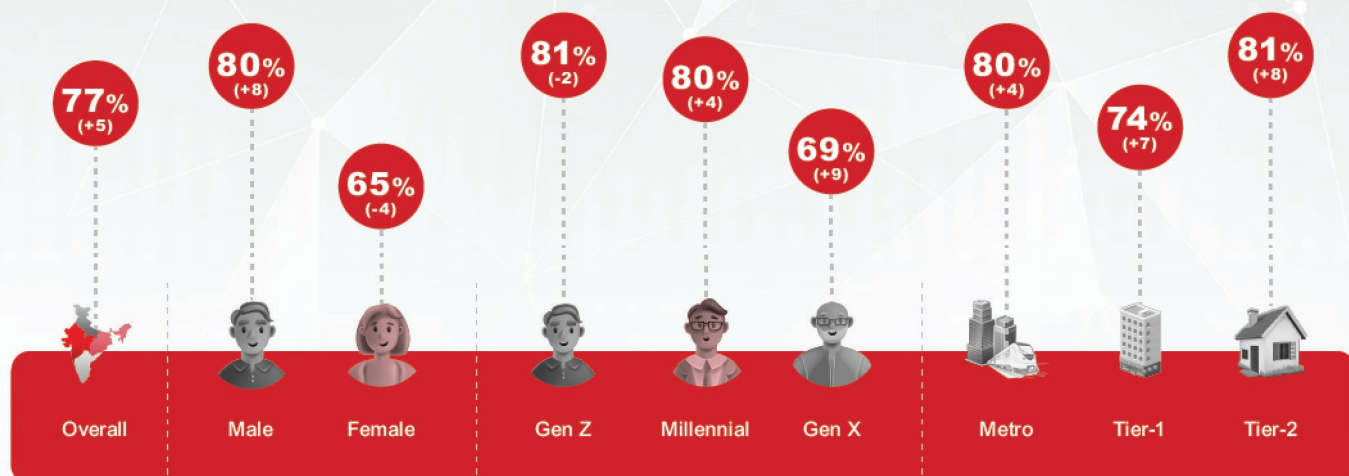
Even for the smaller, day-to-day conveniences, the digital current is slowly but surely making inroads. Booking bus and train tickets online is gradually gaining momentum, now at **29%** (up from **24%**), especially appealing to those in metro areas and South India (both at **40%**) who value the precious gift of efficiency in travel, saving time that would otherwise be spent in queues. Still, for many in South India, the familiar comfort of the ticket counter holds strong at **67%**, a reminder of deeply ingrained habits.

And when hunger calls, online food ordering is also seeing slow but steady growth, reaching **17%** (up from **15%**). It's particularly popular among females, millennials, metro residents, and those in South India, reflecting a segment eager to savor the sheer convenience of a delicious meal delivered right to their doorstep, transforming quick cravings into effortless realities.

From Cash to Clicks: The UPI Revolution in India

For generations, the rhythm of Indian transactions hummed with the rustle of banknotes and the jingle of coins. Every market visit, every bill payment, every small exchange carried the familiar weight of physical cash. It was a trusted, deeply ingrained way of life, but it also held its quiet challenges – the scramble for exact change, the worry of carrying too much, the occasional long queue. Then, a new whisper began, a quiet hum that promised something simpler, faster, more secure: UPI.

It wasn't just a technological upgrade; it was an invitation. An invitation to pay for chai with a simple tap, to send money instantly across cities to a loved one, to split a bill with friends without a single awkward calculation. UPI quickly became a vital lifeline, building a bridge to a less-cash future. It brought unprecedented ease, cost-effectiveness, and reassuring security right to the fingertips of millions, transforming the daily hustle into a seamless flow.



Consumers who use UPI to send or receive money

By 2025, the story of UPI had woven itself even deeper into the fabric of daily Indian life. A remarkable **77%** of consumers nationally had embraced this digital handshake, a confident 5-point increase from the previous year. This wasn't just data; it was a nation finding its stride in the digital age. We saw men take to it with striking enthusiasm, their usage surging by 8 points to **80%**, effortlessly integrating digital convenience into their routines. Yet, the narrative holds a gentle nuance: a curious dip saw female users at **65%** (down 4 points), a subtle reminder that the digital journey unfolds uniquely for everyone, inviting us to understand the specific pathways and considerations women face in their adoption.

The youngest, Gen Z, continued their digital stride with **81%** usage, almost instinctively at home in this tap-and-pay world, though their numbers softened just a touch. But it was the seasoned Millennials and Gen X who truly embraced the revolution with robust growth. Millennials climbed to **80%** (+4 points), effortlessly making UPI part of their busy lives, streamlining their aspirations. And then there's Gen X, often seen as valuing tradition, who surprised us all with a compelling **69%** (+9 points), shedding old habits and embracing the sheer ease and efficiency UPI offered for their established financial rhythms. Interestingly, while our vibrant metro cities continued their digital march, they showed moderate increases, perhaps already deeply embedded in digital habits. It was the energetic Tier-2 cities that truly emerged as the unsung heroes of this story, boasting **81%** usage, reflecting an impressive 8-point increase. This surge beautifully illustrates how UPI is genuinely democratizing financial power, bringing big-city convenience and transparency deep into less urbanized regions, empowering local shopkeepers and families alike.

This widespread embrace of UPI across diverse segments, particularly its vibrant surge in Tier-2 cities, highlights its crucial role in empowering consumers, nurturing greater financial transparency, and powerfully boosting the digital economy. It's undeniable proof of the growing trust consumers place in UPI for their daily transactions, marking its truly transformative impact on the vast and dynamic Indian financial landscape – giving millions a newfound sense of control, ease, and digital confidence in their everyday financial lives.

As we journey through the intricate choices within the Indian wallet, it's clear that the landscape of purchases and finances is a dynamic tapestry woven with threads of tradition and innovation. While the reassuring tangibility of offline stores still holds a beloved place for most product purchases, rooted in trust and the joy of a direct experience, a powerful undercurrent of digital adoption is swiftly reshaping their financial lives. From the seamless ease of UPI revolutionizing daily payments – especially seeing its vibrant surge in our Tier-2 cities – to the growing comfort with online loans and bill payments, these consumers are embracing convenience and efficiency. This isn't just about transactions; it's about making deliberate choices, balancing the familiar comfort of the past with the promising possibilities of the future. **Each decision, whether a physical touch or a digital tap, is a testament to their adaptability, resilience, and their unwavering drive to harness every tool available, steadily building the digital pathways to their most cherished aspirations.**

DIGITAL VULNERABILITIES: THE SURGE OF ONLINE FINANCIAL FRAUDS

As India wholeheartedly embraces the digital age, unlocking unprecedented convenience and opportunities for millions, a vital new layer of awareness becomes essential. This exciting leap forward, while bringing immense ease to daily financial interactions, also, unfortunately, introduces subtle vulnerabilities that can catch even the most careful consumer by surprise.

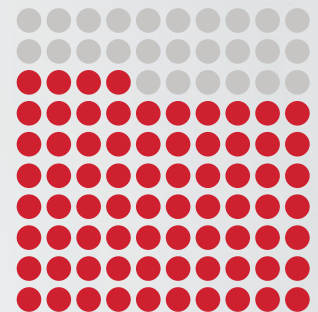
The rise of online financial frauds is an unwelcome side effect of this progress, a challenge that individuals sometimes face in this evolving landscape.

Beyond the immediate financial setback, falling victim to such deceptive tactics can cause genuine distress, shake a newly formed trust in digital platforms, and instil a natural caution in future financial dealings. It's a reminder that alongside the immense promise of the digital world, vigilance is our most valuable asset.

The reality of online financial frauds isn't a distant headline for India's lower middle class; it's a chilling whisper, often an outright shout, in their communities. A significant **74%** of individuals reported hearing or seeing these unsettling incidents happening right around them, a stark reminder that even as digital life brings convenience, it demands vigilance. What's striking is that this awareness knows no boundaries – both men and women, at **74%** each, share this common concern, highlighting a widespread unease that transcends gender, touching every household.

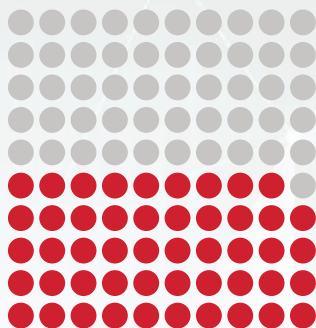
This collective awareness holds steady across generations, from the pragmatic Millennials (**74%**) and resilient Gen X (**74%**) to the digitally native Gen Z (**76%**) who, despite their familiarity with the online world, are equally attuned to its risks. It's almost as if a shared understanding has dawned: the digital highway is fast, but it has its hidden turns. Geographically, it's the dynamic Tier-2 cities that lead in this vigilance at **79%**, perhaps because their rapid digital adoption makes the impact of such incidents feel more immediate and personal, creating a strong ripple effect through their close-knit communities. Our Tier-1 cities follow closely at **73%**. This heightened awareness also rings loudest among SEC A households (**81%**), who might have more digital exposure, while SEC C (**69%**) shows a slightly lower, though still significant, level of awareness.

These numbers tell us that while the digital world opens doors to new possibilities, the community is keenly aware of the need for caution, understanding that vigilance is the first, most human step in safeguarding their hard-earned progress and the peace of mind that comes with it.



74%

"I hear/see online financial frauds happening around"



49% (-6)

“I receive hoax calls/messages that are triggered with an intent to commit financial fraud”

The threat of online fraud, for many in India's lower middle class, is a persistent, unsettling reality that lands directly on their phones. Nearly **49%** of individuals reported receiving unsettling hoax calls or deceptive messages, clearly designed to trick them into financial fraud. This isn't a random occurrence; it's a daily digital barrage for almost half of the segment. While men (**50%**) encounter these attempts slightly more often than women (**41%**), both genders face this unwelcome intrusion into their digital lives.

This unwanted attention doesn't discriminate much by age. The digitally savvy Gen Z (**48%**), the diligent Gen X (**48%**), and the bustling Millennials (**50%**) all report similar levels of exposure to these cunning attempts, showing that no one is entirely immune to the fraudsters' reach.

Geographically, the problem feels particularly acute in some vibrant hubs. The fast pace of Delhi NCR (**56%**) and the dynamic growth of Chandigarh (**60%**) put their residents at the forefront of receiving these deceptive calls and messages. In stark contrast, the serene city of Kochi (**16%**) experiences far fewer such attempts, a curious outlier. When we look at economic strata, SEC A households (**53%**) report the most frequent exposure, perhaps due to their higher digital engagement, while SEC C (**44%**) faces these attempts slightly less often, though still at a significant level.

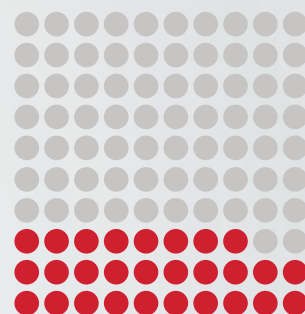
These numbers paint a clear picture: the digital landscape, while offering immense opportunities, also demands constant vigilance. It's a reminder that every phone call and every message require a moment of pause, as individuals navigate the subtle, often sophisticated, tactics of those who seek to exploit trust in the digital age.

In the heart of many lower middle class homes, financial life isn't always a private affair. A notable **28%** of individuals openly share their confidential financial information with trusted friends or family members, a practice that has seen a slight increase (+4 points). This act of sharing speaks volumes about community, mutual support, and the blurred lines between personal and collective financial well-being.

Interestingly, this inclination to confide is a little more pronounced among women (**31%**) compared to men (**27%**), suggesting that females might lean more on their close networks for financial discussions and support. When we look at generations, the seasoned Gen X (**31%**) shows a greater tendency to share these details, perhaps reflecting long-standing bonds and a tradition of collective decision-making, while the more independent Gen Z (**21%**) appears to keep their financial cards closer to their chest.

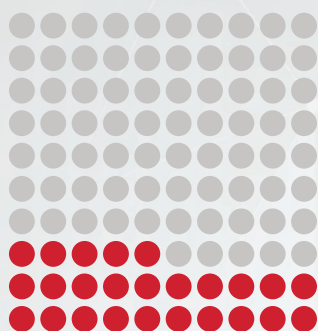
Geographically, the warmth of kinship and community truly shines in South India, where sharing financial confidences is significantly more common. Chennai (**72%**) and Bengaluru (**70%**) lead this trend by a large margin, suggesting a cultural fabric where financial transparency within trusted circles is deeply ingrained. In contrast, Kochi (**7%**) exhibits a much lower rate, highlighting unique regional differences. Our bustling metro cities generally show a higher tendency to share at **43%**, indicating a blend of traditional ties and modern challenges that necessitate openness. Meanwhile, Tier-1 (**19%**) and Tier-2 (**15%**) cities exhibit considerably lower rates, hinting at different social dynamics or perhaps a stronger sense of individual financial autonomy in these areas.

These figures paint a rich picture of how trust, community, and evolving social norms shape personal financial boundaries within this segment, revealing a complex interplay of tradition and modern living.



28% (+4)

“I share my confidential financial information with my friends/family”



25% (+6)

“I store confidential financial information on my smartphone”

In an increasingly connected world, the smartphone has become more than just a communication device; for a quarter of India's lower middle class, it's also a deeply personal digital vault. Around **25%** of individuals admit to storing confidential financial information directly on their smartphones, a practice that has seen a notable increase (+6 points). This digital habit, interestingly, shows no gender bias, with both men and women at **25%** equally embracing their phones as a storage space for sensitive details.

When we look at generations, the slightly older, more settled demographics show a marginally higher comfort level: Millennials and Gen X report rates of **26%**, perhaps reflecting their balance of digital adoption and accumulated financial details. The ever-connected Gen Z, surprisingly, shows a lower rate at 19%, perhaps due to a more fluid, cloud-based approach to data, or a heightened awareness of device security.

Geographically, the comfort of digital storage varies significantly. The warmth of trust for digital tools shines brightest in South India, leading with a striking **49%** – a clear sign of deep integration into daily financial routines. Our bustling Metro cities also show a high proportion at **38%**, a natural fit for their fast-paced, digitally reliant lifestyles. In contrast, Tier-2 cities exhibit the lowest rates at just **10%**, suggesting a much slower adoption of the smartphone as a personal financial repository, where physical records or memory might still feel more secure. Meanwhile, vibrant hubs like Delhi NCR (**19%**) and Mumbai (**22%**) hover closer to the national average, showcasing regional differences in how comfortably individuals merge their personal financial data with their mobile devices.

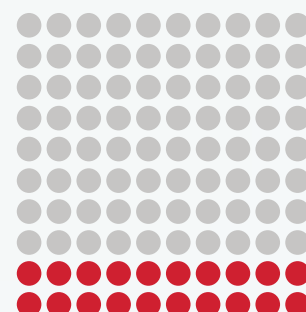
These shifting patterns in how people safeguard their financial data on their most personal device truly underscore a critical lesson: while digital convenience is embraced, the human element of trust and perceived security remains paramount. It's a fascinating balance between convenience and caution, revealing the nuanced layers of comfort and hesitation as this segment navigates their financial lives in an increasingly digital world.

For a segment of India's lower middle class, the shadow of online financial fraud is not just a distant threat; it's a painful memory. Around **20%** of individuals have personally experienced the distress of falling victim to these deceptive schemes. While the numbers are sobering, there's a slight, noticeable difference: **21%** of men have reported such incidents, compared to **18%** of women, suggesting that perhaps men are marginally more likely to encounter or report these unfortunate events.

Looking across generations, it's the active Millennials who bear the brunt of these experiences with the highest rate at **22%**, perhaps due to their extensive digital engagement. Both the digitally native Gen Z and the more seasoned Gen X show slightly lower rates at 18%, hinting at different vulnerabilities or levels of caution within their respective digital journeys.

Geographically, the bustling energy of our major cities seems to unfortunately also attract more fraudulent activity. Mumbai (**28%**) and Bengaluru (**26%**) lead with the highest rates of reported victimization, reflecting the intensity of digital transactions in these urban hubs. In stark contrast, the calmer pace of Kochi stands out with a remarkably low rate of just 6%. Generally, Metro cities report higher instances of fraud at **22%**, while Tier-2 cities show a considerably lower incidence at **15%**, perhaps due to different digital ecosystems or a stronger sense of community vigilance.

These personal experiences of fraud, while painful, serve as a stark reminder of the complexities of the digital world. They underscore the critical need for continuous vigilance and robust security measures, ensuring that the promise of digital convenience doesn't come at the cost of hard-earned trust and financial well-being.



20% (-1)

“I have been a victim of online financial fraud in the past”



These insights into digital vulnerabilities paint a comprehensive picture. While the digital world unlocks immense convenience, it also tests the boundaries of trust and exposes individuals to new risks. From the chilling awareness of those around them falling victim to scams, and the unsettling ping of a deceptive message landing on their own phone, to the deeply personal choices of sharing financial details or storing them on a smartphone – every decision reflects a delicate balance between perceived benefit and potential threat. The painful reality for those who've lost their hard-earned money to fraud underscores these digital complexities. **Ultimately, this consumer group's journey through the online landscape is a nuanced dance, where embracing innovation must always be paired with cultivating a vigilant spirit to safeguard their progress and the peace of mind that comes with it.**

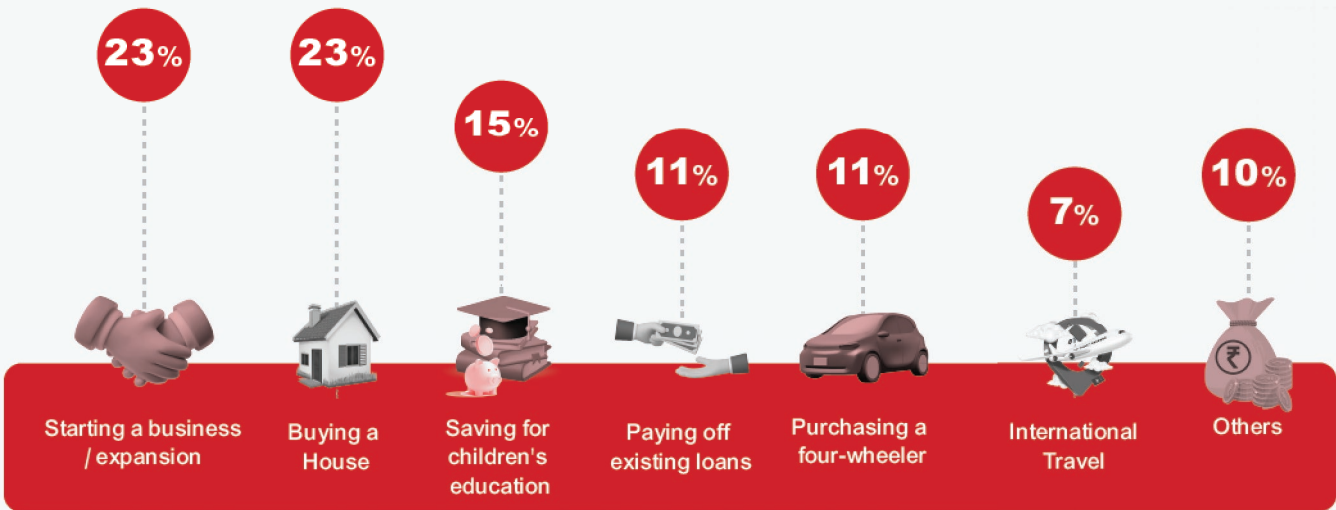
For too long, we've focused on the numbers, the daily grind, and the careful calculations. But if you look deeper, into the very core of every financial decision made by India's lower middle class, you'll discover a vibrant, driving force that truly defines them: an **unwavering spirit of aspiration**. Beyond every rupee earned, every budget balanced, and every bill paid, lies the true heart of their story, pulsating with the **dreams whispered in every humble home, the hopes carefully nurtured in every parent's heart, and the burning desire for a better tomorrow that fuels every endeavor**.

Indeed, our journey into the financial behaviors of India's lower middle-income group has unveiled a powerful truth: **aspirations don't just exist in these wallets; they thrive**. Despite the economic constraints that might dim lesser spirits, these individuals harbor significant dreams for the future, painting a vibrant, living picture of relentless determination. Their eyes are often fixed on a horizon that promises more – better education for their children, a safer roof overhead, the comfort of financial security, or perhaps the simple joy of a family trip they once only dreamed of.

This isn't merely a study of financial goals; it's a heartfelt exploration into the very soul of their drive. We have meticulously mapped these heartfelt aspirations, revealing the deep-seated goals that drive their countless decisions and profoundly shape their every outlook. It's the silent promise they make to themselves and their families, the fuel for every early morning, every long day. This section invites you to witness the boundless optimism and resilience of a segment relentlessly striving for more. It is, unequivocally, the inspiring story of **India's rising aspirations, intricately woven, one wallet, one dream, one resilient family at a time**.

The Horizon of Hope: Short-Term Financial Goals

When we peer into the wallets of India's lower middle class, we don't just see numbers; we see dreams already taking shape for the next five years. This vibrant segment is constantly looking towards a brighter future, and their immediate financial goals paint a compelling picture of ambition and hope.



Consumers who aim to achieve these financial goals in the next 5 years

One of the most powerful aspirations is the call of entrepreneurship. A significant **23%** dream of starting or expanding their own business, a testament to their independent spirit and drive. This entrepreneurial spark burns particularly bright among the youngest generation, Gen Z (**33%**), ready to carve their own paths, and among the resilient individuals in East India (**32%**).

Equally strong is the fundamental human desire for a place to call their own, with **23%** aspiring to acquire a home. This dream resonates deeply with women (**26%**), who often envision a stable, nurturing haven for their families, and it's a powerful driving force for those building their lives in West India (**26%**).

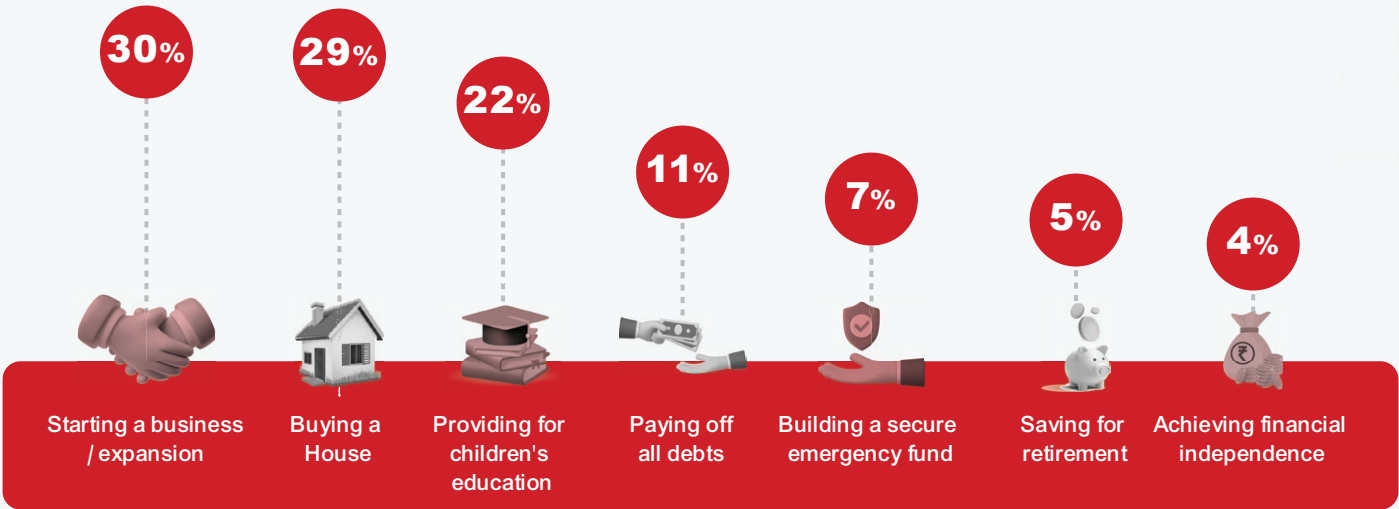
Beyond personal ventures and secure homes, the future of their children remains a paramount concern. Saving for children's education stands as a notable priority for **15%**, a heartfelt commitment to opening doors for the next generation. This goal is especially close to the hearts of females (**18%**) and the responsible Gen X (**20%**), who understand the long-term impact of education. And as they strive forward, addressing existing commitments is crucial, with **11%** consistently focused on paying off current loans, ensuring a stable foundation for future growth.

The desire for personal freedom and connection is also clear: **11%** aspire to purchase a four-wheeler, a symbol of mobility and progress. This dream is particularly pronounced in our bustling Tier-2 cities (**21%**), where owning a car can significantly enhance daily life and opportunities. Finally, for a select few, the ambition stretches beyond borders, with **7%** dreaming of international travel, an aspiration that speaks to a hunger for broader experiences. This global outlook is notably more prevalent among those in South India (**16%**) and the upwardly mobile SEC A households (**17%**), hinting at a desire to explore the world and expand their horizons.

These immediate goals are not just financial targets; they are the vibrant threads weaving the narrative of progress, security, and the unwavering pursuit of a better life for themselves and their families.

The Distant Stars: Long-Term Financial Goals

As we cast our gaze beyond the immediate horizon, towards the next decade, the dreams held within each wallet grow even bolder, reaching for what truly feels like the "distant stars." These are not just fleeting wishes, but grand visions for the future, carefully nurtured and built upon the foundation of short-term efforts.



Consumers and their financial goals in the next 10 years

The call of entrepreneurship, for instance, gains even greater prominence in this longer view. A compelling **30%** envision starting or expanding a truly successful business, not just for income, but often as a legacy or a pathway to sustained prosperity. This ambition burns with heightened intensity among Gen Z (**40%**), who are already planning their significant ventures, and among the determined residents of East India (**40%**), proving their unwavering spirit of self-reliance.

The enduring, heartfelt dream of owning a home continues to shine brightly, growing even more dominant as a long-term objective for **29%** of individuals. For females (**31%**), this often represents the ultimate symbol of security and a family's sanctuary, while in South India (**30%**), it remains a cherished cultural aspiration, deeply embedded in their vision of a stable life.

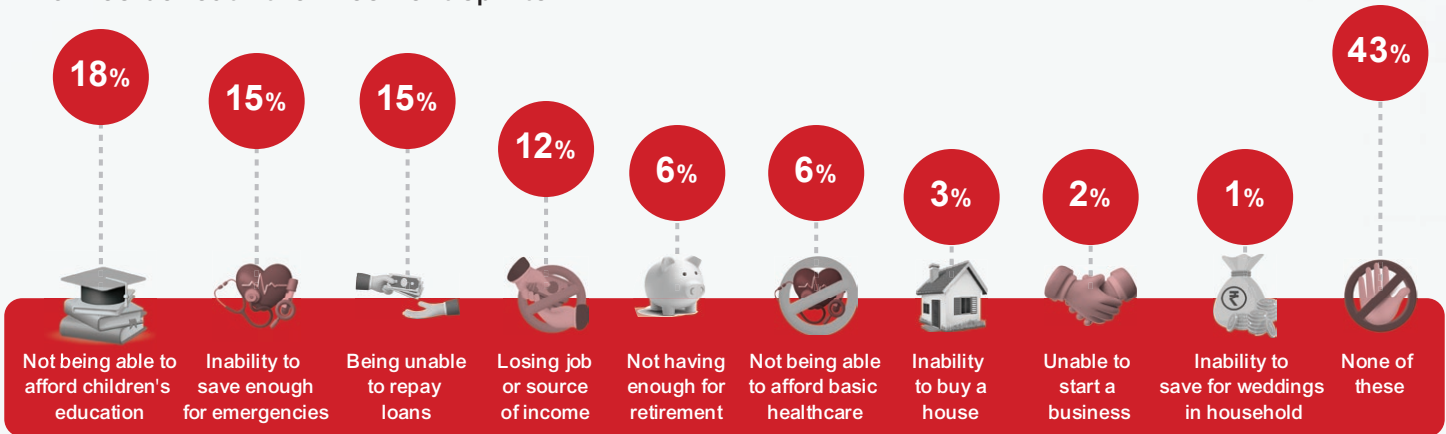
Securing the future of the next generation remains a paramount, unwavering commitment. The importance of providing for their children's better education is a key long-term goal for **22%**, reflecting a profound belief in the power of learning to unlock brighter futures. This noble pursuit is especially close to the hearts of females (**26%**) and the forward-thinking millennials (**25%**), who are consciously investing in their children's tomorrow.

Beyond grand ventures and family security, the quiet wisdom of foresight also takes hold. Achieving genuine financial stability becomes a deeper focus, with paying off all debts (**11%**) remaining a vital step towards freedom. Crucially, there's a growing recognition of the absolute need for future security: building a secure emergency fund (**7%**) and even beginning to save for retirement (**5%**) emerge as prudent, long-term priorities. This cautious foresight is particularly evident among the responsible Gen X (**7%**) and the financially wise residents of South India (**8%**), who are diligently laying the groundwork for a peaceful, secure tomorrow.

These long-term are the guiding constellations by which India's lower middle class navigates its journey, each step a testament to their enduring hope and relentless pursuit of a more prosperous and fulfilling future for themselves and their loved ones.

Shadows of Uncertainty: Anxieties About the Financial Future

Even as dreams stretch towards distant horizons, the path forward for India's lower middle class isn't without its shadows. Alongside their vibrant aspirations, a significant **60%** of individuals openly express anxieties regarding their financial future, a candid admission that reveals the underlying worries beneath their resilient spirits.



Consumers who are concerned about different aspects related to their financial future

Foremost among these concerns, and weighing heavily on many hearts, is the ability to afford children's education (**18%**). This isn't just about tuition fees; it's the profound worry of not being able to unlock a better future for their loved ones. This anxiety is especially salient for females (**27%**), who often carry the primary burden of family well-being, and for those navigating the higher costs of living in metro areas (**21%**).

The quiet dread of unforeseen challenges also casts a long shadow. The inability to accumulate sufficient emergency savings (**15%**) creates a pervasive unease, leaving many feelings exposed to life's unexpected turns. Hand-in-hand with this is the concern of being unable to repay existing loans (**15%**), a significant worry that speaks to the daily balancing act of managing debts while striving for growth. These are not mere financial statistics; they represent fundamental anxieties about stability and security across various segments of the population.

Furthermore, in a world that can feel unpredictable, the potential for losing a job or primary source of income (**12%**) emerges as a key, personal worry. This fear touches the very core of their ability to provide and plan. As they look towards later years, the concern of not having enough for retirement (**6%**) also begins to settle in, a quiet anxiety about financial peace in their golden years.

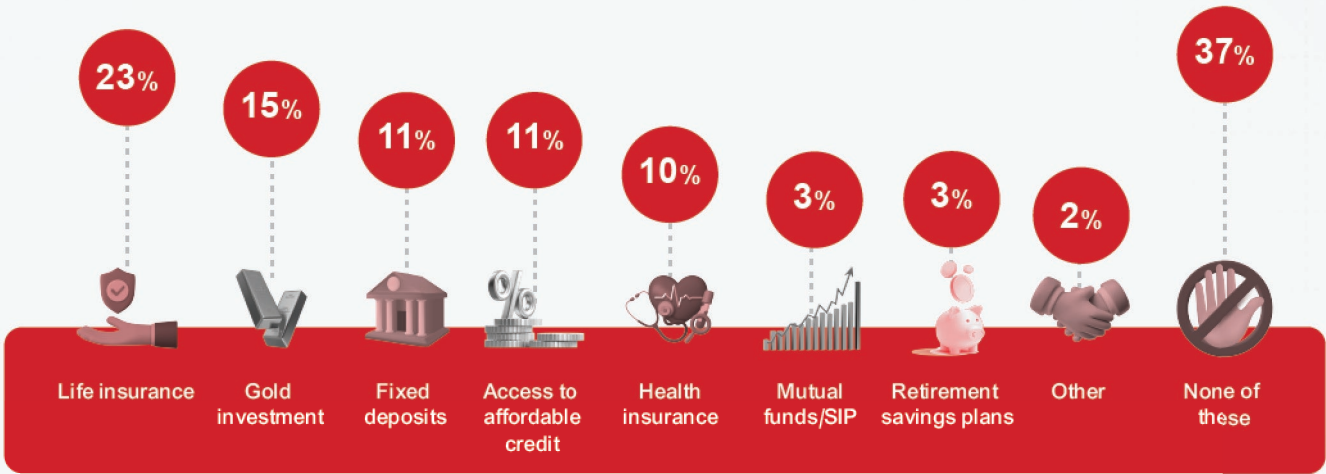
This long-term worry is particularly pronounced for individuals in South India (12%), perhaps reflecting a heightened awareness of future needs.

These anxieties are a powerful counterpoint to their aspirations, reminding us that for every dream pursued, there's a practical worry that needs addressing. They underscore the pressing need for accessible financial tools and knowledge, designed not just to foster growth, but to build a stronger safety net and bring greater peace of mind to India's aspiring millions.

The Helping Hand: Financial Products for Achieving Dreams

As dreams take shape and anxieties surface, the next natural question arises: what are the "helping hands" that can guide India's lower middle class towards their aspirations? Our study reveals how they perceive financial products designed to bridge the gap between their current reality and their envisioned future.

For many, the first line of defense, a true pillar of security, is life insurance (23%). It's not just a policy; it's perceived as a profound promise of peace of mind, ensuring their loved ones are cared for, even if the unexpected happens. This sense of responsible planning resonates particularly strongly with men (23%) and the pragmatic Gen X (26%), who often shoulder significant family responsibilities.



Consumers who believe these financial products can help achieve their financial goals/security

Then there's the timeless allure of gold investment (15%). This isn't merely an asset; it's often a deeply rooted cultural tradition, a tangible symbol of enduring wealth and security. It holds particular appeal for females (19%), often seen as the custodians of family prosperity, and in South India (37%), where its cultural significance is profoundly interwoven with daily life. Alongside this, the humble yet reliable fixed deposits (11%) continue to demonstrate their broad appeal as a cornerstone savings instrument, a safe harbor for hard-earned rupees.

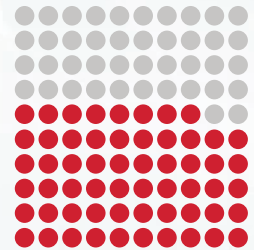
Recognizing that dreams often need a boost, access to affordable credit (11%) is considered vitally important. It's the key that can unlock a new business venture or help secure that longed-for home. This need is particularly pronounced in the bustling regions of the North (15%) and West (16%). And in a world where health is paramount, health insurance (10%) is also highly valued, especially in South India (24%), where its protective embrace is clearly understood as a shield against unforeseen financial shocks.

However, the journey towards financial wisdom is still evolving. The awareness and perceived utility of sophisticated tools like mutual funds/SIP (3%) and dedicated retirement savings plans (3%) are comparatively lower. This highlights a quiet space for future growth and education, where simpler explanations could unlock powerful long-term benefits.

Perhaps most telling, a significant **37%** of this segment remains uncertain about the true effectiveness of currently available financial options in genuinely aiding their progress. **This isn't a lack of desire, but a clear call for guidance. It's a poignant reminder to financial service providers: to become truly impactful "helping hands," there's a vital need to simplify, to build trust, and to communicate in ways that resonate deeply with their dreams, transforming uncertainty into confident action and leading them assuredly towards their aspirations.**

Seeking Guidance: The Desire for Financial Advice

As dreams take shape and anxieties whisper, many in India's lower middle class realize a crucial truth: sometimes, the journey to their aspirations requires a guiding hand. A substantial **58%** of individuals openly express a strong desire for financial advice to help them navigate their goals, a proactive yearning for clarity and a roadmap to truly bring their visions to life.



58%

"I look forward to receiving financial advice to help me achieve your goals"

This hunger for guidance is particularly pronounced in the bustling North (**70%**), the enterprising East (**73%**), and the dynamic West (**72%**), along with the rapidly evolving Tier-1 cities (**73%**). Here, communities are

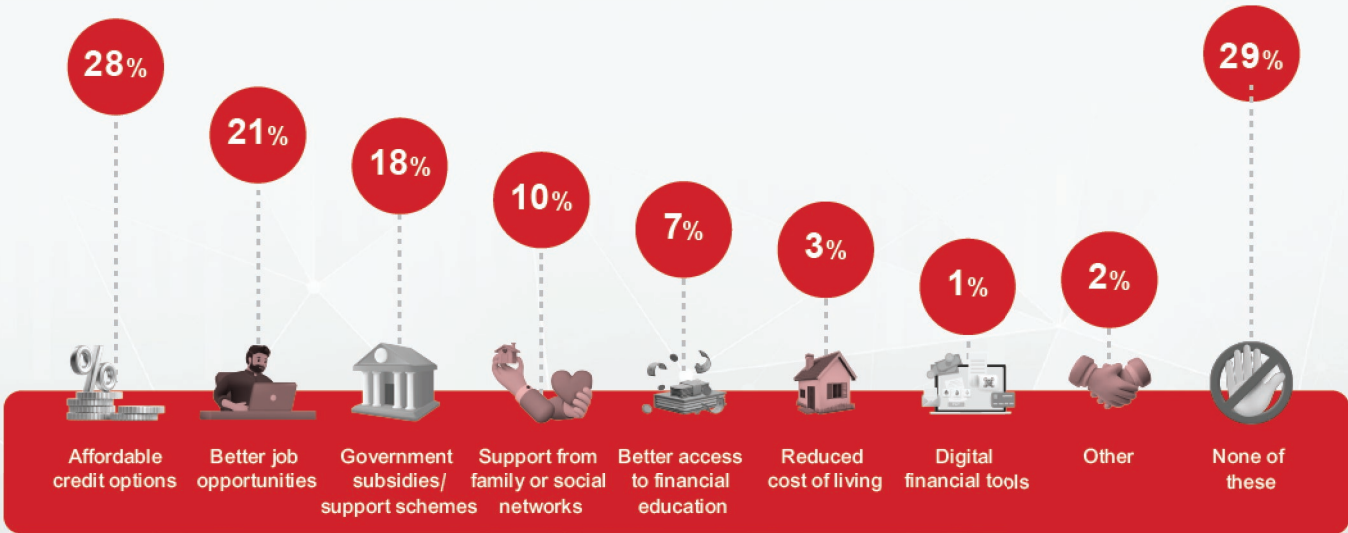
eager to empower themselves, actively seeking wisdom to build their futures amidst rapid change. Conversely, the story shifts slightly in South India (**14%**) and our vibrant metro areas (**43%**), where lower demand might speak to a stronger reliance on established family networks or existing comfort in managing their own affairs.

The forward-looking spirit of the young truly shines through, with Gen Z (**65%**) and Millennials (**59%**) showing a markedly greater inclination to seek financial guidance. For them, it's about navigating a complex world with knowledge, ensuring their efforts are precisely aimed. Even the seasoned Gen X (**52%**), with their deep-rooted experiences, expresses a clear desire for expert perspectives.

This widespread call for financial wisdom underscores a significant opportunity. It highlights a segment ready to learn, eager for trusted voices to help them decipher the complexities of investments, savings, and debt. For financial experts and institutions, this isn't just a market; it's a profound invitation to become true partners in their journey, transforming aspirations into tangible realities, one informed decision at a time.

The Pillars of Progress: Support for Achieving Aspirations

When India's lower middle class looks towards their ambitious future, they clearly identify the sturdy pillars of support needed to make their dreams a reality. These aren't just abstract ideas; they're tangible needs that, if met, could significantly accelerate their journey towards financial well-being.



Consumers who would like to receive support to achieve their financial goals/well being/security

Foremost among these vital supports is the crucial need for affordable credit options (28%), the very fuel that can ignite a new business or build a home. This requirement echoes particularly loudly in the enterprising regions of the East (37%) and West (34%), where individuals are eager to seize opportunities if they have the right financial backing.

Equally critical is the availability of better job opportunities (21%), a fundamental desire for stable income and career growth. This need resonates deeply with women (23%), who often seek pathways to greater economic independence, and the ambitious Gen Z (26%), who are just starting their careers and looking for solid beginnings.

Beyond individual efforts, the guiding hand of the nation is also seen as vital, with government subsidies and support schemes (18%) widely perceived as immensely beneficial. These programs can provide crucial safety nets and steppingstones for those striving to climb the economic ladder. The importance of better access to financial education (7%) is also recognized, particularly in our bustling metro areas (13%), where the complexity of financial products makes informed decisions even more essential.

Interestingly, while family bonds run deep, formal support mechanisms are seen as more impactful for progress. Compared to these structured pillars, support from family or social networks (4%) is perceived as less impactful in the grand scheme of achieving their larger financial aspirations, suggesting a nuanced understanding of where the most effective help truly comes from for big leaps forward.

These identified pillars offer a clear roadmap for creating an environment where aspiration can truly flourish. They are a heartfelt call to action for institutions and policymakers to provide the essential tools, knowledge, and opportunities that can empower millions to build their brighter tomorrow.

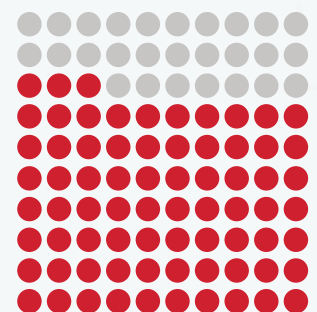
The Confidence Quotient: Belief in Achieving Near-Term Goals

Despite the daily hustle, a powerful current of optimism runs through India's lower middle class. A remarkable 73% of individuals radiate confidence in achieving their financial goals within the next five years. This isn't just wishful thinking; it's a testament to their unwavering determination.

This wave of confidence swells in our dynamic Tier-2 cities, with an impressive 81% belief in their dreams. Places like Kochi (95%) and Jaipur (83%) shine as beacons of this self-assured spirit. However, confidence shifts in bustling hubs like Bengaluru (43%) and Hyderabad (46%), hinting at unique local pressures.

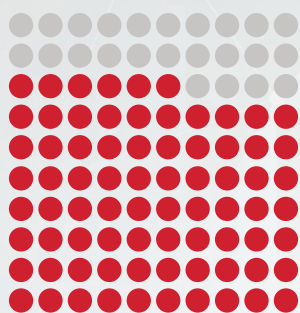
Belief in their capabilities is particularly strong among men (75%) and younger generations like Gen Z (77%) and Millennials (74%), eager to carve out their success. While still optimistic, women (67%) and Gen X (70%) show a slightly more tempered confidence.

This pervasive sense of belief isn't just a statistic; it's the very heartbeat of progress. It underscores a segment deeply committed to their financial journey, ready to work tirelessly to make their short-term aspirations a tangible reality.



73%

"I am confident that I'll be able to achieve my current financial goals in next 5 years"



76%

“I am optimistic that my financial situation will improve in the next few years”

The Horizon of Hope: Optimism for Future Financial Improvement

Beyond tangible goals and daily efforts, a powerful sense of hope lights up the financial landscape for India's lower middle class. A significant majority, over **76%** of individuals, express deep optimism that their financial situation will improve in the coming years. This is a profound belief in progress, a conviction that their hard work will yield a brighter tomorrow.

This optimism swells particularly high in the dynamic West (**86%**) and East (**84%**), and it shines in Tier-1 cities (**85%**) like Pune and Jaipur. Here, the very air seems to hum with the promise of growth, fueling spirits and ambitious plans. Yet, this hopeful outlook shifts noticeably in bustling tech hubs like Bengaluru (**24%**), Hyderabad (**51%**), and

Chennai (**56%**), where the intense competition and unique local pressures seem to temper the future's gleam.

Belief in a better financial future is particularly strong among men (**77%**) and younger generations like Gen Z (**84%**) and Millennials (**76%**), eager to seize emerging opportunities. Their eyes are fixed on the future, brimming with confidence. While equally driven, women (**68%**) and Gen X (**69%**) express a slightly more grounded optimism, perhaps balancing dreams with the realities of ongoing responsibilities.

This pervasive optimism is more than a statistic; it's the invisible force driving countless daily decisions. It underscores a segment that, despite challenges, remains steadfast in its belief in a prosperous future, continually striving and adapting to reach their own horizon of hope.

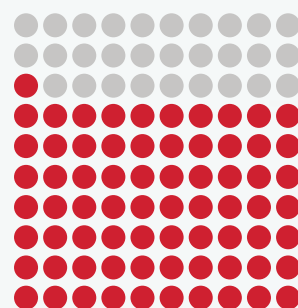
Satisfaction with Current Savings and Investments

After diligently navigating their financial world, a moment of quiet reflection reveals a widespread sense of contentment among India's lower middle class. A significant **71%** report feeling satisfied with their current levels of savings and investments. This isn't just a number; it's a feeling of pride, a quiet affirmation that their hard work is indeed yielding result.

However, this feeling of satisfaction doesn't ripple evenly across the land. It's notably more tempered in South India (**40%**) and our bustling metro areas (**59%**), particularly stark in dynamic cities like Bengaluru (**13%**), Chennai (**47%**), and Kochi (**51%**). Here, the pace of life and soaring aspirations might create a feeling of needing to do more. In contrast, contentment runs higher in Tier-1 cities (**81%**), especially Pune, Lucknow, and Ludhiana, perhaps reflecting a strong sense of progress aligned with local realities.

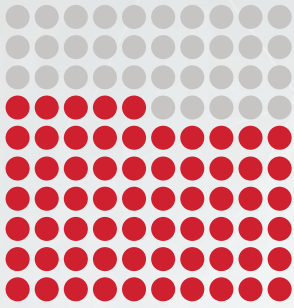
When we look closer, satisfaction is often keenly felt by men (**73%**) and younger generations. The ambitious Gen Z (**79%**) and active Millennials (**71%**) express greater contentment, perhaps buoyed by recent gains. Meanwhile, women (**65%**) and Gen X (**67%**) show slightly lower levels, perhaps carrying the weight of longer-term family responsibilities or a deeper awareness of future needs.

This snapshot of contentment offers a nuanced understanding of their financial sentiment, revealing how satisfaction is deeply tied to their personal journey, aspirations, and the unique economic landscapes they navigate.



71%

“I feel satisfied with my current level of savings and investments”



65%

“I believe that access to affordable credit will help me achieve my aspirations faster”

The Enabling Power of Affordable Credit

For many in India's lower middle class, dreams aren't just built on savings and hard work; they often need a strategic boost. A substantial **65%** firmly believe that access to affordable credit would accelerate their progress towards aspirations. This isn't just about borrowing; it's about unlocking potential and truly speeding up their journey.

This conviction resonates particularly strongly in the dynamic North (**77%**), enterprising East (**75%**), and ambitious West (**79%**), alongside Tier-1 cities (**77%**). Here, individuals view credit not as a burden, but as a vital tool to propel businesses or secure homes.

Confidence in credit's impact is strongest among men (**67%**) and the entrepreneurial Gen Z (**73%**), eager to leverage it for their burgeoning futures. While women (**57%**) also recognize its potential, their slightly lower agreement might reflect different experiences or a more reserved approach.

Interestingly, the narrative shifts significantly in South India (**26%**), where there's a notably lower agreement. This could point to a stronger cultural preference for self-reliance or traditional savings over formal debt.

This widespread belief in affordable credit underscores its critical role as a catalyst for aspiration. It highlights a clear demand for inclusive financial solutions that empower individuals to turn dreams into reality, faster and with greater confidence.

Facilitating Financial Progress through Digital Tools

In the bustling journey towards their dreams, India's lower middle class is keenly aware of the powerful allies in their pockets. A clear majority, **63%** of individuals, firmly believe that digital tools have truly made it easier for them to achieve their financial goals. This isn't just about convenience; it's about empowerment, transforming complex financial tasks into manageable steps.

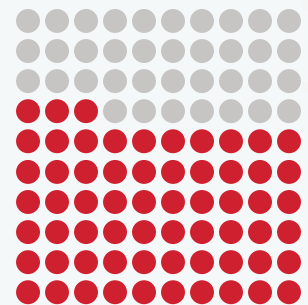
This optimistic embrace of digital facilitation resonates strongest across vast swathes of the country, with remarkable agreement in the North (**76%**), the East (**76%**), and the West (**76%**), alongside the fast-evolving Tier-1 cities (**77%**). Here, the quick tap of a phone and the ease of online transactions are clearly perceived as game-changers.

It's often men (**65%**) and the younger generations who champion this digital advantage most vocally.

The digitally fluent Gen Z (**72%**) and adaptive Millennials (**64%**) express greater optimism, using these tools instinctively to manage their money. While recognizing benefits, women (**53%**) and Gen X (**56%**) show a slightly more reserved appreciation.

Interestingly, the narrative shifts noticeably in South India (**21%**), where there's a remarkably lower level of agreement. This could hint at a stronger preference for traditional, face-to-face interactions for crucial financial matters, or a different cultural comfort with purely digital solutions.

These findings paint a compelling picture: for a significant portion of India's aspiring millions, digital tools are no longer just an option; they are a vital, enabling force, helping to bridge the gap between their financial dreams and the tangible realities of their daily lives.



63%

“I believe that digital tools have made it easier for me to achieve my financial goals”



The Resilient Dreams and Evolving Needs

Our journey into the heart of India's lower middle income group has painted a vivid, human story. This isn't just a segment; it's a vibrant tapestry woven with strong ambition, particularly for entrepreneurial ventures, homeownership, and their children's education. These aren't abstract goals; they are the bedrock of their daily toil, the whispers of hope fueling every effort.

Even amidst financial anxieties, an undeniable spirit shines through this class demonstrates considerable optimism regarding future improvement. They profoundly believe tomorrow can, and will, be better. They also keenly recognize the immense potential of affordable credit and digital tools as powerful allies, capable of accelerating their journey.

Yet, our findings reveal significant regional and demographic disparities in confidence, satisfaction, and the perceived need for support. This tells us their needs are not uniform. To truly empower this vital segment and foster inclusive economic growth, we must acknowledge these unique stories. **It means providing tailored financial solutions, extending a hand with enhanced financial literacy, and truly listening to the distinct rhythms of their hopes and fears, ensuring that every dream, no matter how humble, has the chance to soar.**

A NATION OF EARNERS, DREAMERS & DOERS: A CLOSING THOUGHT

Our journey into the financial heart of India's lower middle class households has been one of profound discovery. We came seeking data but found something far more resonant: a compelling story of lives intricately woven with unwavering aspiration and remarkable adaptability. These aren't just statistics; they are the hardworking individuals, the dedicated parents, the silent entrepreneurs who embody a deep-seated financial discipline, meticulously managing their days, nurturing savings, and tirelessly building towards both immediate stability and the grander visions of tomorrow. Their every decision speaks volumes of their pragmatism, yet beneath it lies a vibrant, growing confidence in their own power to shape a brighter financial future.

What truly emerged from our exploration is a landscape pulsating with ambition, resilience, and an unyielding pursuit of upward mobility. Their dreams are vivid and clear: the independent spirit of entrepreneurship, the profound security of owning a home, and above all, ensuring better educational opportunities for their children. These aspirations are the very compass guiding their lives. And even when anxieties about the future surface, an undeniable wave of optimism carries them forward – particularly strong among the younger generations. This isn't blind hope; it's anchored in a pragmatic understanding of the vital "helping hands" they need: access to affordable credit, stable employment, and financial tools precisely tailored to their unique journeys.

Yet, this inspiring narrative holds beautiful layers of diversity. We observed that confidence, satisfaction with current savings, and even the perception of financial support, vary significantly across different regions and among different age groups. This rich heterogeneity is a crucial insight: there's no single path, no universal solution. To genuinely empower this segment, we must honor their distinct experiences, crafting policies and financial interventions that embrace their nuanced realities, rather than offering a one-size-fits-all approach.

The digital revolution, now an inseparable part of their daily lives, stands as both a gateway to new possibilities and a path demanding careful navigation. The promise of accessible fintech solutions and credit holds immense appeal, especially for the digitally savvy young. But for this promise to truly flourish, it must be matched with targeted financial education and genuine trust-building. It's about equipping them not just with powerful tools, but with the wisdom and confidence to use them securely and effectively, making financial literacy the foundational bridge to their digital aspirations.

Ultimately, this comprehensive analysis reveals a class defined not by scarcity, but by an indomitable will to rise. They are ready, eager, and capable of participating in, and powerfully benefiting from, India's extraordinary growth trajectory – provided they are given the right opportunities and resources. Their financial behavior – a remarkable blend of cautious wisdom, boundless ambition, and profound adaptability – offers invaluable signals, a clear call to action for financial institutions, development agencies, and policymakers alike.

The collective aspirations of India's lower middle class are far more than individual hopes; they are a significant engine for national progress. By truly understanding their dreams, fostering an environment that provides the necessary financial tools, illuminating educational resources, and ensuring truly equitable opportunities, we don't just empower individual futures.

We unleash a powerful, inclusive tide that lifts the entire nation towards greater financial inclusion and a more prosperous future for all. This isn't merely an economic imperative; it's a heartfelt commitment to charting a more inclusive, vibrant, and prosperous course for India's incredible journey ahead.



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