



PENSION FUND REGULATORY AND DEVELOPMENT AUTHORITY **Financial Literacy and NPS Awareness Survey**

To assess the level of financial literacy and NPS awareness of government employees, an online survey has been conducted by PFRDA in co-ordination with the CRA. The survey was open from 14th July 2016 to 18th August 2016.

1. The questionnaire was grouped into two parts. Part A was to assess the knowledge of finance and Part B to assess the awareness on NPS. Three questions in the survey were based on attitude.
2. The assessment of financial literacy has been done based on the following criteria:
 - If the score of the respondents is equal or more than 75%, i.e. 6 or more, the respondents are assessed as 'high' in financial literacy.
 - If the score of the respondents is equal or more than 50% but less than 75%, i.e. equal and more than 4 but less than 6, the respondents are assessed as 'average' in financial literacy.
 - If the composite score of the respondents is less than 50%, i.e. less than 4, the respondents are assessed as 'low' in financial literacy.
 - *Also, number of respondents who registered for the survey but did not complete the questionnaire also will be captured and put into 'low' financial literate category.*
 - No score is given for attitude based questions.
3. Responses received have been summarized as under:
 - 10,111 Government employees participated in the survey - 5075 Central Govt. /CAB employees and 5036 State Govt. /SAB employees.
 - 48% of the govt. subscribers who participated in the survey, are having average financial literacy. 28% have high financial literacy and 24 % have low financial literacy.
 - Financial Literacy is highest for CAB subscribers followed by CG subscribers, SAB subscribers and lowest for SG subscribers among the subscribers who participated in the survey.
 - 22% of government subscribers are females. 29 % of male subscribers and 19 % of female subscribers who participated in the survey have high financial literacy. 30% of female subscribers and 23 % of male subscribers who participated in the survey have low financial literacy.
 - Of the employees in different grades, highest i.e. 1.08 % of Grade A employees participated in the survey. Survey participation has declined with the grades and only

0.06% of Grade D employees participated in the survey. Similarly, financial literacy level declines with the grades. 44% of grade A employees who participated in the survey have high financial literacy against 13% of Grade D employees who participated in the survey. 11% of Grade A employees and 45% of Grade D employees who participated in the survey have low financial literacy.

- In the various age groups, financial literacy is high for the participants in age group of 36-40, 41-45, 46-50 years and is lowest for 18-25 year age group.
- Financial literacy is higher for the participating employees with high contribution level.
- In state governments, 40-60 % of the employees who participated in the survey fall in “Average Financial Literate” bracket. Gujarat, Himachal Pradesh, Uttaranchal and Punjab are among the high financial literate states and North- Eastern states like Arunachal Pradesh, Manipur, Meghalaya, and Nagaland are among the low financial literate state.
- Attitudinal questions indicate that around 61-66 % of the respondents have shown positive inclination for choice of PFs/ investment which is by and large consistent across the sector and gender.

The details of the result are at Annexure.

Annexure
Financial Literacy Survey for Govt. Employees - Outcomes

1. Sector wise Financial Literacy of Govt. Employees

Sr. No.	Sector	Total PRANs as on June 30, 2016	Subscribers took part in Survey	High in Financial Literacy	Average in Financial Literacy	Low in Financial Literacy
1	CG	1,555,512	3,885	1,253	1,773	859
	%	33	0.25	32	46	22
2	CAB	139,928	1,190	402	599	189
	%	3	0.85	34	50	16
3	SG	2,560,980	4,422	1,026	2,178	1,218
	%	54	0.17	23	49	28
4	SAB	478,439	614	172	290	152
	%	10	0.13	28	47	25
	Total	4,734,859	10,111	2,853	4,840	2,418
	%		0.21	28	48	24

- 10,111 Government employees participated in the survey - 5075 Central Govt. /CAB employees and 5036 State Govt. /SAB employees.
- 48% of the govt. subscribers who participated in the survey are having average financial literacy. 28% have high financial literacy and 24 % have low financial literacy.
- Financial Literacy is highest for CAB subscribers followed by CG subscribers, SAB subscribers and lowest for SG subscribers.

2. Gender wise Financial Literacy of Govt. Employees

Gender	Total PRANs as on June 30, 2016	Subscribers took part in Survey	High in Financial Literacy	Average in Financial Literacy	Low in Financial Literacy
Female	1008299	888	172	451	265
%	22	0.09	19	51	30
Male	3611211	9,223	2,681	4,389	2,153
%	78	0.26	29	48	23
Transgender	11	-	-	-	-
Total	4,619,521¹	10,111	2,853	4,938	2,471
%			28	49	24

22% of government subscribers are females. 29 % of male subscribers and 19 % of female subscribers who participated in the survey have high financial literacy. 30% of female subscribers and 23 % of male subscribers who participated have low financial literacy.

3. Grade wise Financial Literacy of Govt. Subscribers

Grade	Total PRANs as on June 30, 2016	Subscribers took part in Survey	High in Financial Literacy	Average in Financial Literacy	Low in Financial Literacy
A	127,812	1,377	604	625	148
%	3	1.08	44	45	11
B	330,704	1,876	678	896	302
%	7	0.57	36	48	16
C	3,246,570	6,292	1,489	3,087	1,716
%	70	0.19	24	49	27
D	912,366	541	73	224	244
%	20	0.06	13	41	45
Others	2,069	25	9	8	8
%	0	1.21	36	32	32
Total	4,619,521¹	10,111	2,853	4,840	2,418

Of the employees in different grades, highest i.e. 1.08 % of Grade A employees participated in the survey. Survey participation has declined with the grades and only 0.06% of Grade D employees participated in the survey. Similarly, financial literacy level also declined with the grades. 44% of grade A employees participated in the survey have high financial literacy against 13% of Grade D employees who participated in the survey. 11% of Grade A employees and 45% of Grade D employees participated in the survey have low financial literacy.

4. Age wise Financial Literacy of Govt. Employees

Age Bracket	Total PRANs as on June 30, 2016	Subscribers took part in Survey	High in Financial Literacy	Average in Financial Literacy	Low in Financial Literacy
18-25 years	498,385	945	193	403	349
%	11	0.19	20	43	37
26-30 years	1,310,380	3,136	844	1,501	791
%	28	0.24	27	48	25
31-35 years	1,182,416	3,012	875	1,474	663
%	25	0.25	29	49	22
36-40 years	782,629	1,949	621	940	388
%	17	0.25	32	48	20
41-45 years	468,712	667	206	327	134
%	10	0.14	31	49	20
46-50 years	275,157	248	77	116	55
%	6	0.09	31	47	22
51-55 years	144,845	104	20	56	28
%	3	0.07	19	54	27
56-60 years	61,103	43	12	22	9
%	1	0.07	28	51	21
Above 60 years	11,232	7	5	1	1
%	0	0.06	71	14	14
Total	4,734,859	10,111	2,853	4,840	2,418

The survey participation rate of employees in the age group of 26-30 years, 31-35 years, 36-40 years is higher i.e. around 0.25%.

In the various age groups, financial literacy is high for the age group of 36-40, 41-45, 46-50 years and is lowest for 18-25 year age group.

5. Contribution wise Financial Literacy of Govt. Subscribers

Contribution Amount in FY 2015-16 (Rs.)	Total PRANs as on June 30, 2016	Subscribers took part in Survey	High in Financial Literacy	Average in Financial Literacy	Low in Financial Literacy
Less than 6000	702122	1,446	301	667	478
%	15	0.21	21	46	33
6001 - 24,000	346301	394	84	190	120
%	7	0.11	21	48	30
24001- 50000	1534704	1,614	281	784	549
%	32	0.11	17	49	34
50001 - 72,000	1069308	2,007	453	1,004	550
%	23	0.19	23	50	27
72001 - 1,50,000	849627	3,610	1,292	1,724	594
%	18	0.42	36	48	16
1,50,001 - 2,00,000	98667	541	243	228	70
%	2	0.55	45	42	13
above 2,00,000	134130	499	199	243	57
%	3	0.37	40	49	11
Total	4,734,859	10,111	2,853	4,840	2,418

Participation rate of govt. employees with higher contribution level is higher. Also, the financial literacy is higher for the employees with high contribution level.

6. State wise Financial Literacy level of Government Employees

Among the state governments, the highest participation rate in the survey is from Tripura and West Bengal, who have adopted NPS for their AIS officials, followed by Chandigarh, Gujarat, Meghalaya.

In almost all states, 40-60 % of the employees fall in “Average Financial Literate” bracket. Gujarat, Himachal Pradesh and Punjab are among the high financial literate states and North- Eastern states like Arunachal Pradesh, Manipur, Meghalaya, and Nagaland are among the low financial literate state.

7. Attitudinal response to the survey

Sector	Positive Attitude	%	Negative Attitude	%	Total
CG	2,249	63.07	1,317	36.93	3,566
CAB	740	66.37	375	33.63	1,115
SG	2,462	61.24	1,558	38.76	4,020
SAB	361	64.93	195	35.07	556
Total	5,812	62.78	3,445	37.22	9,257

Gender	Positive Attitude	%	Negative Attitude	%	Total
Female	503	62.10	307	37.90	810
Male	5,309	62.85	3,138	37.15	8,447
Total	5,812	62.78	3,445	37.22	9,257

Around 61-66 % of the respondents have shown positive inclination for choice of PFs/ investment. This is by and large consistent across the sector and gender.

Limitations of the Survey:

- i) *The overall sample size of the survey is 10,111 i.e. only 0.21%. The representation from SAB, SG employees, female employees, Group D employees, employees in age group 46-60 years was very low.*
- ii) *The survey questionnaire was available online. Though the Central Government Ministries were made aware about the survey, the survey was largely dependent on computer literacy and internet access of the govt. employees.*

¹ Includes only IRA compliant subscribers