MEASURING FINANCIAL HEALTH IN LOW AND MIDDLE-INCOME COUNTRIES

A Case Study of Gig Workers in India

REPORT | DECEMBER 2023

About LEAD at Krea University

LEAD is an action-oriented research centre of IFMR Society that leverages the power of research, innovation and co-creation to solve complex and pressing challenges in development. LEAD has strategic oversight and brand support from Krea University (sponsored by IFMR Society) to enable synergies between academia and the research centre. Since 2005, LEAD has been at the forefront of development research and programming in India, and has managed a portfolio of over 280 projects in collaboration with over 300 academics, governments, NGOs and private sector organisations from across the globe.

www.ifmrlead.org

About i3 Access

The Community of Practice (COP) is developed with support from Metlife Foundation under i3 program implemented by UNCDF. The financial health community of practice is managed by i3-Access under Access Development Services and in partnership with LEAD at Krea University and KPMG. Its key objective is to foster a shared vision of financial health by facilitating actionable and meaningful exchange of knowledge among diverse institutions. Through this initiative, we aim to cultivate an environment conducive to the exchange of valuable insights and promote data-driven actions among a diverse array of institutions.

https://communityforfinancialhealth.com/

Acknowledgements

This report was prepared by LEAD at Krea University in collaboration with the i3 ACCESS team as a part of the Community of Practice on Financial Health. The Community of Practice (COP) is supported by the Metlife Foundation under the i3 program implemented by UNCDF. It is managed by i3 Access under Access Development Services and in partnership with LEAD at Krea University and KPMG. The research team would like to thank Rakhi Sahay at UNCDF, Nidhi Gupta and the team from i3 Access, and Sharon Buteau and Preethi Rao from LEAD at Krea University for their guidance and invaluable support. The research team would like to thank platform partners Yes Madam and Urban Company for their support in identifying and reaching out to gig workers. We would like to thank Prasenjit Samanta, Santosh Kumar, Mahantesh B S and Durgesh Pandey from LEAD's field operations team for coordinating data collection, and Diksha Singh for providing editorial inputs on the draft of the report.

Technical Lead

Sabina Yasmin

Authors

Sabina Yasmin

Sampurna Basu

Nelson G Mathews

Design

Allan Macdonald

Cover Page Image

iStock/lakshmiprasad S

Table of Contents

Key Insights

Image Credit: iStock/lakshmiprasad S

In the last decade or so, there has been considerable progress in bridging gaps in access to finance worldwide. In emerging economies as well, the financial inclusion agenda has gained significant momentum. Meanwhile, there is growing recognition that for inclusion to deliver on its mandate, it must also enable improved financial health outcomes for individuals and households from low-income and vulnerable segments such as informal sector workers, women, elderly, among others. These outcomes may vary significantly with individual, social and cultural characteristics. As financial health moves from a relatively abstract concept to a useful guiding framework for policy and practice, there is an increasing need to develop contextually-relevant measures for Low- and Middle-income Countries (LMICs). Measurement efforts must also account for exogenous or structural factors such as the nature of employment and cash flows, and contextual factors such as saving preferences.

The existence of a large informal workforce is a key characteristic of these economies, and gig work has emerged as a rapidly growing source of employment, supported by platforms and apps which are fuelled by the widespread use of smartphones. Given the nature of gig employment, it is often characterised by unpredictable incomes, irregular payments and deferred salaries. These challenges prove to be bottlenecks in achieving a robust financial health across different dimensions, and thus gig workers represent a unique segment among financially underserved and vulnerable populations. LEAD at Krea University with support from i3 Access and UNCDF conducted a study to examine the financial health with a special focus on gig economy workers in India and answer the following:

Key Questions

1. Do individuals have control over their finances - can they meet their expenses, pay bills on time, make ends meet and not have unmanageable debts?

2. Do individuals have financial security by means of having adequate insurance coverage, access to credit and other social security instruments?

3. Do individuals have short-term as well as long-term financial goals and can they make future-oriented financial decisions?

The study included 521 male and female gig workers across urban, metro and non-metro areas including Delhi, Bangalore, Kolkata, Lucknow, Mumbai, Madurai and Jaipur working on digital platforms. Respondents included workers engaged with several platforms such as food and grocery delivery, transportation, beauty, utility and digital wellness platforms.

A composite financial health scorecard was constructed across six dimensions of financial health:

- **Spending**
- **Saving**
- **Borrowing**
- **Resilience**
- **Planning**
- **Decision making**

Depending on their financial health scores (ranging from 0-100), workers were divided into:

Three Categories

- **Financially Unhealthy (0-40)**
- **Financially Coping (40-60)**
- **Financially Healthy (60 and above)**

Findings

- We find that a majority of workers in the sample are 'financially coping' and perform poorly in saving, decision making, financial planning and abysmally low in resilience.
- Unlike a regular employed worker, gig workers have to often adopt flexible saving strategies with higher savings during peak income periods and rely on emergency funds to manage uncertainties in lean income periods. However, they continue to have poor financial resilience.
- A large proportion of gig workers is also financially poor, whereby they exhibit very poor savings behaviour, financial planning and borrowing behaviour along with alarmingly low financial resilience.
- A very small percentage of gig workers is financially healthy. Nevertheless, we find that workers in our sample are able to manage their day-to-day expenses well.

Insights from the scorecard provide a granular snapshot of the financial health status of India's burgeoning gig workforce. The scorecard can inform financial inclusion and well-being efforts of platforms, financial service providers, policymakers, and other stakeholders in the ecosystem. As the idea of financial health measurement is in its nascent stages in LMICs, insights from the scorecard can provide guidance on measuring the financial health status of a population segment that faces idiosyncratic risks. Given the practical challenges in observing and measuring financial health, the scorecard provides a feasible approach to measurement, which can be adapted to contexts and implemented at scale. Finally, any approach to measurement involves trade-offs between feasiblity on the one hand, and accuracy and validity on the other, and it must be informed by the rapidly evolving socio-economic context in these regions.

1. Introduction

Image Credit: iStock/GCShutter

Access to a range of affordable financial services can enable individuals and households to meet their basic needs, manage risks and achieve short and long-term goals. In the last decade or so, the concept of financial health has gained increasing prominence in global development and finance circles, building on efforts to achieve universal financial inclusion.

The idea of financial wellness has gained even more significance in the context of the COVID-19 pandemic, which resulted in a disproportionate economic impact on vulnerable populations in Low- and Middle-income countries (LMICs). Informal enterprises are particularly vulnerable to such financial shocks because of their low rates of savings and investment, and minimal capital accumulation (ILO, 2020). Workers engaged in the informal sector have also historically been victims of financial troubles, anxiety, and stress (Ravikumar et al., 2022).

As witnessed in the past decade, a characteristic feature of a developed economy is the shift in responsibility for social protection from the government to the individual themselves (Kempson et al, 2017). In doing so, the focus is to identify factors that contribute to the well-being of the population and means of achieving it through policy interventions. In this pursuit, improving financial awareness, financial literacy among individuals, and enabling them to make informed financial decisions becomes imperative.

Measuring Financial Health

Building a baseline understanding of the financial health status of different population segments is a critical first step. The most common way of assessing the financial health of individuals is through a financial health scorecard (Parker at al, 2016). A financial health scorecard primarily focuses on four building blocks for measuring financial health, i.e., day-to-day expenses, opportunities, resilience, and agency. As we move closer towards bridging the access gap, the definition of financial health is also evolving - with the addition of dimensions such as financial planning, decision making and resilience; as reflected in the extensive data on financial health collected by the World Bank (Demirgüç-Kunt et al, 2021).

A well-structured assessment of financial health based on the above mentioned dimensions, can help service providers build an understanding of the viability and usefulness of financial products and services provided by them. Additionally, it also provides an understanding of the individuals' awareness of and access to these products (Parker et al, 2016).

Within developing countries, in particular, where expenditure is often higher than savings and access to formal financial products is low amongst the lower income groups, it is of paramount interest to assess financial health and introduce the required reforms by way of policies and improved products (AFBeS, 2018). Although there is broad consensus on defining financial health, there is some variability in measurement within or across dimensions. These differences arise from behavioural aspects such as frequency of savings, access to savings/credit/insurance, financial planning, decision-making, and credit behaviours that may be context or population specific. Gig workers constitute one such emerging segment with little to - no access to both government and private formal financial benefits and social protection schemes.

Gig work forms a sub-set of the informal employment sector in the formal economy as well as the informal economy, which consists of all paid work that if registered formally would add to tax revenue and the GDP. Employees are considered to have informal jobs if their employment relationship is, in law or in practice, not subject to national labour legislation, income taxation, social protection or entitlement to certain employment benefits (advance notice of dismissal, severance pay, paid annual or sick leave, etc.) (ILO, 2019). Though theoretically based on the work arrangements, they do not conform to the traditional employer-employee arrangements in the formal as well as informal economy. The Code on Social Security, 2020, defines platform work as "a work arrangement outside of a traditional employer-employee relationship in which organisations or individuals use an online platform to access other organisations or individuals to solve specific problems or to provide specific services or any such other activities which may be notified by the Central Government, in exchange for payment" (S. 2(66)). The Draft Code on Social Security (DCSS, 2020) defines gig workers as a "person who performs work or participates in a work arrangement and earns from such activities outside of the traditional employer-employee relationship".

The gig workers working with the platforms have a certain degree of formalisation in the method of receiving payments which are usually digitised and centralised. They also enter into formal contracts with the platforms and are hence distinctly different from the informal workers in non-urban locations, and non-digitised informal workers in the informal economy. Throughout this report, we define gig workers as workers in the platform economy, who may work both full time or part time but do not share a traditional employer-employee relationship. It is to be highlighted that the gig workers are not exclusive to the informal economy but may exist in the formal economy as well. Despite this, it is also an employment that is not declared under labour laws or for social security purposes. Around 60 per cent of the world's labour force has been absorbed into this economy. Additionally, one -third of all economic activities (35 per cent of GDP) in low and middle income economies arise from the informal economy(International Monetary Fund, 2021).

In India, the informal economy accounts for 78 per cent of non-agricultural employment. Income from informal work is generated from multiple sources simultaneously. Moreover, women are equally engaged in this kind of work as two per cent more women proportionally, compared to men, work in this economy. Studies also show that around 49 per cent of these workers earn income from self-employment while 30 per cent are daily wage labourers (Turnbull, 2022), implying this sector and work arrangement to be growing in scale and size considerably over the years.

The rapid growth of the gig workforce can be seen from the findings of the NITI Aayog, 2022 study, which suggests that the gig worker population accounted for around 7.7 million workers and it is estimated to grow to around 23.5 million by 2029-30. The gig workforce in India is also relatively young . Data suggests that 52 per cent of gig workers are under the age of 28 while only 2 percent of the population is above the age of 60 (NITI Aayog, 2022). Nevertheless, along with no social safety nets, other challenges such as lack of consistent work opportunities, untimely payments and opportunity costs keep the gig workers in a vicious loop of vulnerabilities (Roy and Srivastava, 2020). Additionally, the banks' inability to assess their risks and underwrite them prevents them from having easy access to financial products like credit and insurance. While there are some upcoming private insurance companies trying to tap into this sector, the lack of widespread awareness and targeted governmental efforts, leave the community vulnerable to financial risks (Rathi, 2022).

Although gig work is currently a booming industry and provides flexibility by way of work hours, the average monthly income from gig work remains low - a gig worker typically earns around INR 16,000 (USD 192 approx.) per month on an average (BCG, 2021). Gig workers do not earn a minimum wage and their income is variable. Since gig work is considered to be informal work, there is no formal system in place that can ensure that the workers are paid fair wages per task; platforms are also not obligated to pay them minimum wages.

Thus, as the supply of gig workers increases in the absence of formal policies, their exploitation also rises. While 84 per cent of the workers in this industry have a savings account, only 24 per cent have access to insurance and only 3.5 per cent have invested in a financial product (Chatterjee et al, 2021). Access to credit also remains low. The absence of income was particularly felt during the pandemic and the lockdown period when the gig economy had to pause its usual operations. Those from lower socioeconomic backgrounds, who are dependent on day to day income were worst hit because of loss of pay and lack of any financial safety nets to fall back on (Apouney et al, 2020).

These conditions make it essential to determine whether gig workers have control over their finances in terms of being able to pay bills on time, not having unmanageable debt, and being able to make ends meet. Given this context, it is important to understand the financial health of vulnerable sections of society. This study focuses specifically on the financial health of gig workers. Several definitions of financial health have been adopted to determine the dimensions that help measure financial well-being. However, some of the key elements that remain constant and are taken into consideration include, "short-term finances, including the ability to meet ongoing financial obligations and consumption needs", "preparedness to meet and recover from financial shocks", "meeting goals and maintaining or improving well-being in the long term", and "decision making ability and confidence in financial readiness" (Rhyne, 2020). **In this report, we present various dimensions of financial health of the gig workers vis-à-vis the nature of their employment, which can help inform the design of financial offerings and social security initiatives.**

2.Methodology

Image Credit: iStock/comzeal

Framework for Financial Health

To identify the dimensions and indicators for measuring financial health, we drew insights from existing literature and frameworks, including studies that provide a holistic understanding of how financial aspirations of the populations in the developing countries shape the lives and behaviour of low-income segments on a day-to-day basis. A report, by the Centre for Financial Inclusion (Rhyne et al, 2017)) defines financial health frameworks for both developed and developing countries, identifies the key factors that determine the financial health of individuals, namely - income level, expense volatility, social networks and financial roles. We also relied on insights from LEAD's Gig pulse study (Buteau and Malick, 2023) that helps understand the financial lives of gig workers in India. Following an extensive literature review and in-depth interviews and interactions with experts from industry, academia and practitioners, we arrived at six dimensions of financial health. We then adapted the United Nations Secretary General's Special Advocate for Inclusive Finance for Development's (UNSGSA's) definition of financial health and defined financial health as the extent to which an individual smoothly manages their financial obligations, has the ability to absorb financial shocks, is able to make financial decisions, and is on track to achieve future financial goals for the purpose of this study.[1]

The financial health scorecard and its sub-indicators will help us understand, if individuals:

a. Have control over their finances, in terms of being able to meet their expenses, paying bills on time, make ends meet and not have unmanageable debts.

b. Have financial security by means of having good insurance coverage, access to credit and other social security instruments

c. Have short term as well as long term financial goals and are able to make future oriented financial decisions.

[1] Financial health or Wellbeing is the extent to which a person or family can smoothly manage their current financial obligations and have confidence in their financial future (UNSSGA).

The six dimensions of financial health that further inform the six indicators for financial health are:

1. Spending
Expenses made for necessary and luxury consumption using available money

2. Saving
Putting aside money for the future as long or short-term investments

3. Borrowing
Ability to access credit and other financial products from formal financial institutions along with the ability to manage debt

4. Resilience
Ability to absorb sudden economic shocks in the short and long term

5. Planning
Ability to plan to achieve future goals

6. Decision making
Ability to make financial decisions for the long term

Image Credit: iStock/lakshmiprasad S

Sampling

Data was collected from gig workers across urban geographies, metro and non-metro regions of India where the majority of gig workers and gig platforms operate. The secondary database records 7.7 million workers are engaged in the gig economy across India and make up for 1.5 per cent of the total workforce as of 2020-21; and 10% of this are female workers (NITI Aayog, 2022). These numbers are inclusive of both blue-collar gig workers and white-collar gig workers who are engaged in both platform and non-platform-based work. The population of interest for our study is blue-collar gig workers engaged in platform-based work. These workers are associated with platforms such as Ola, Uber, Zomato, Urban Company, Yes Madam etc and work flexible hours on a 'pay per task' basis. We also focused on the "on-demand" aspect of this economy wherein tasks are performed within a specific geographical limit.

We hence ranked the cities zone-wise and identified a metro and non-metro city, to distribute our sample. Further, despite wanting to achieve a 50:50 split between male and female gig workers in our sample, we were able to complete the survey with only 13 per cent of the women respondents, as already highlighted above that females represent only 10 per cent of the gig workers population working across various digital platforms.

Table 1: Percentage Distribution of Gig Workers across Metro Cities in India

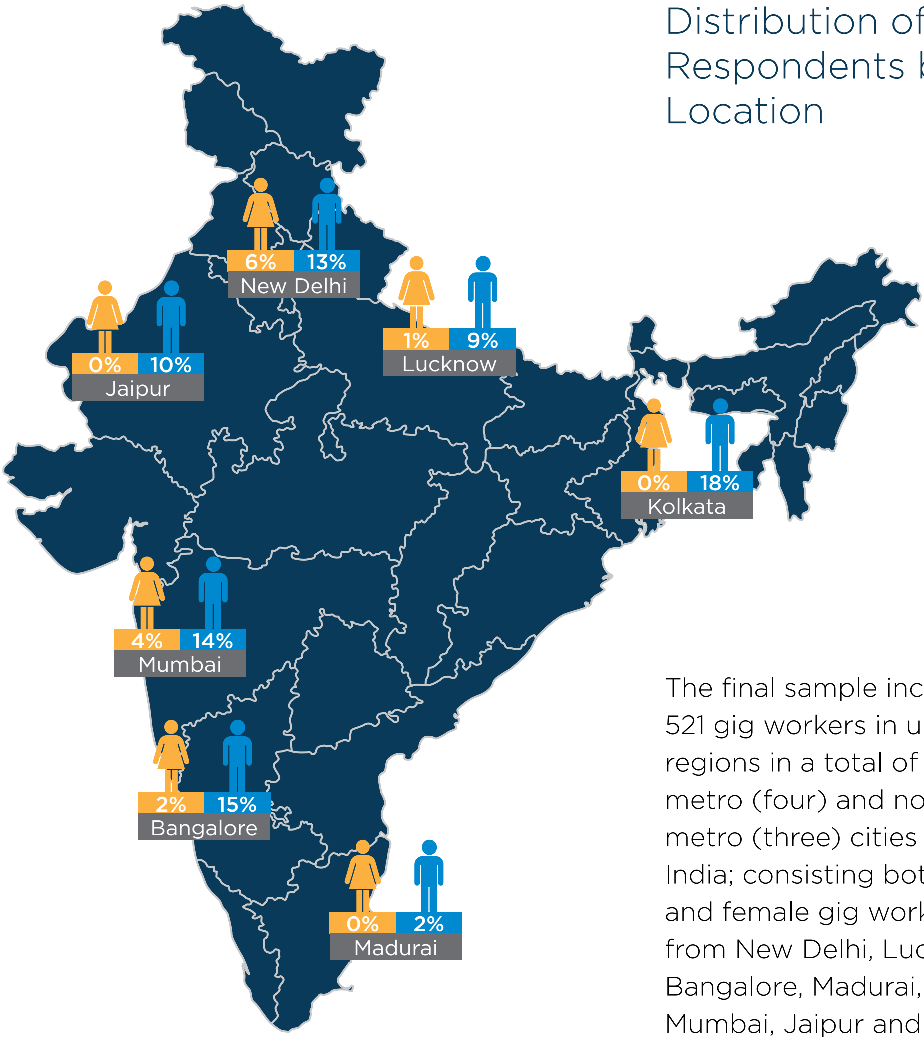
North Zone	
1. Delhi	2,25,000
2. Noida	85,460
3. Gurugram	50,690
South Zone	
4. Bengaluru	2,34,000
5. Chennai	93,221
6. Hyderabad	54,052
West Zone	
7. Mumbai	1,33,000
8. Pune	1,25,000
East Zone	
9. Kolkata	23,950

Source: Secondary data

Table 2: Distribution of Respondents

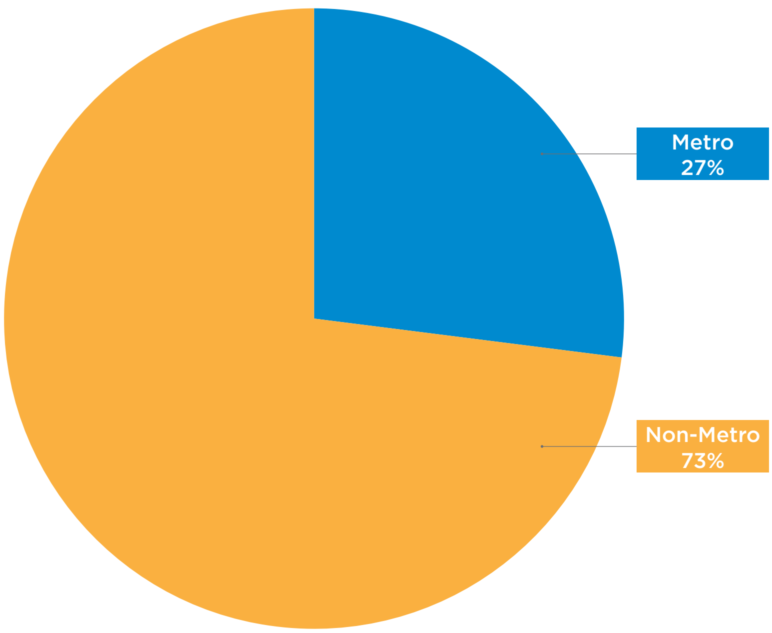
Zone	Metro/Non-Metro	City	Number of respondents
North	Metro	New Delhi	100
	Non-Metro	Lucknow	50
South	Metro	Bangalore	93
	Non-Metro	Madurai	41
West	Metro	Mumbai	95
	Non-Metro	Jaipur	50
East	Metro	Kolkata	92
		Total	**521**

Distribution of Respondents by Location



The final sample included 521 gig workers in urban regions in a total of seven metro (four) and non-metro (three) cities across India; consisting both male and female gig workers from New Delhi, Lucknow, Bangalore, Madurai, Mumbai, Jaipur and Kolkata.

Figure 1: Sample Distribution across metro and non-metro cities (%)



Analysis

We calculated the overall average scores obtained from all 18 sub-indicators (3 sub-indicators for each component) on six dimensions from our scorecard: savings, spending, borrowing, planning, decision making, and resilience. Suppose a respondent scores 900 across 18 indicators, we calculated the average score by dividing the total score by the number of indicators (900/18 = 50). Through this method, we arrive at a value between 1 to 100. The average scores can be calculated at an individual level and also aggregated to a sample level.

We further performed a standardisation exercise to understand the variances of each indicator in our scorecard model to assign respective weights depending on levels of variance. We assigned equal weights to all the indicators since most of the variables in the scorecard contribute equally to the overall score and also make it easy to replicate and interpret.

To identify cut-offs/tiers in the overall average scores, we performed K-Means clustering. Through this we identified three clusters where the cut-offs occurred. We classified respondents in these segments based on their overall average scores into Financially poor (0-40), financially coping (41-60) and financially healthy (60 and above); which has been discussed in details in the following section. The respondents may have one or more of these characteristic features that contributes their overall financial health score. Hence, an individual in financially poor category may score well in the dimension of savings and expenses but score poorly in decision making, planning and resilience and as such would have a lower overall score.

'Image Credit: iStock/hadynyah'

Financially Unhealthy (0-40)

Respondents in this cluster have low overall average scores due to:

- Low savings amount
- Spending higher than their income
- Difficulty to avail loan from a formal financial institution
- Absence of safety nets such as insurance
- Lack of investments in short term goals
- Lack of decision making ability in terms of investing in financial instruments (Fixed Deposits/Recurring Deposits/Mutual Funds)

Financially Coping (41-60)

Respondents in this cluster have a better overall average score in comparison with the above cluster due to:

- Regular frequency of savings
- Spending is almost equal to their income
- Could avail loan from formal financial institutions
- Availability of emergency funds to cover expenses for at least 6 months in case of loss of employment
- Have started to think about their long term finances
- Make their own decisions with some consultations from friends and family on investing in financial instruments (FD/RD/MF)

Financially Healthy (60 to 100)

Respondents in this cluster have scored higher than other respondents due to:

- Saving more than they spend
- Paying all the bills on time
- Paying all their EMI's on time
- Ability to raise loans very easily from formal financial institutions
- Active planning of their financial future
- Confidence in making their own financial decisions without consulting others

3. Findings and Discussion

Image Credit: iStock/hadynyah

This section presents findings from the survey across the following dimensions: socio-economic status of platform workers, their engagement with the platform they work for, dimensions of financial health, financial literacy, behaviour, access, financial resilience and decision making.

Key Insights

- More than half of the gig workers are in the financially coping (65 per cent) category, followed by financially poor (20 percent); having scored poorly in dimensions like savings, planning and resilience. Only 15 per cent of the gig workers were in the financially healthy category.
- We observed some geographic variations among the financial wellbeing of the gig workers as well. We find that the majority of the respondents(34 per cent) who scored financially poor were employed in the Northern regions (Delhi, Lucknow), whereas the majority of respondents(36 per cent) who scored financially healthy were employed in the Western regions (Mumbai, Jaipur)
- Though overall a major segment of the gig workers were financially coping, we find that the gig workers scored better on spending and decision making indicators implying that they are able to manage day-to-day expenses well as well have control over their finances and are able to make financial decisions
- However, only 13.2 per cent of respondents save in long-term saving schemes. This is a key reason as to why 65 per cent of respondents fall under the financially coping category whereby they are able to comfortably meet daily expenditure needs but lack financial resilience to take care of any emergency or financial shock .
- There is huge reliance on informal institutions and sources of finance among the gig-workers. Nearly 60 per cent of respondents find it difficult to borrow from a formal financial institution. Of these, 13 per cent are unaware of the process for applying for a formal loan; indicating low awareness and access of formal financial processes and services.
- However, respondents in our sample continue to save, even if it is informally or inconsistently. However, we find that there is a lack of efficient financial planning given that only 9 per cent of our sample maintain a formal budget.
- We also noticed that in spite of a lack of financial planning by the way of budgeting, respondents continue to save to support their children's or other household member's education (34 per cent), build an emergency fund (34 per cent) and for medical emergencies (31 per cent). Thus, while not many concrete steps may have been taken towards long term financial planning, respondents display strong motivation to save for both the present and the future.
- A major factor that contributed to a certain segment of our sample being financially unhealthy is poor financial resilience, resulting in very low scores for indicators of resilience . Low income levels, inability to save adequately and higher reliance on informal modes of banking are reasons as to why 65 percent of respondents find it difficult to raise money in case of emergency. Moreover, 67.75 per cent lack personal insurance products such as life insurance, vehicle insurance, health insurance etc; 37.39 per cent have been unable to do so as they could not afford to invest in these products.

3.1 Socio-economic Profile of Workers

The gig workers who were interviewed in the quantitative survey were all from urban areas, with an average age of 31 years. All of the gig workers were literate with almost 25 per cent of them having completed undergraduate education. Over 60 per cent of the gig workers were married with an average family size of four members. 89 per cent of our sample works full-time as gig workers while the remaining 11 per cent work part-time. We also find that most of our respondents are either paid on a daily (38.77 per cent) or weekly (46.64 per cent) basis. The annual median income (inclusive of all other sources of income) for all gig workers is INR 2,00,000 (USD 2400 approx.).

Most male respondents in our sample were working for food delivery and beauty/wellness service platforms like Zomato and Urban company; since we were also able to easily access these platforms workers for the survey. Most of the female respondents (68 per cent) in the sample reported to be engaged in Urban Company and Yes Madam, both of which are typically female centric platforms. Between food delivery platforms and transportation platforms, we find that the annual income from the latter is slightly higher. Additionally, across geographies, the income range in metro cities such as Delhi, Mumbai, Bangalore and Kolkata is INR 18000 - 6,00,000. This range aligns with the range in non-metro cities. Surprisingly, we also find that although the base income earned by respondents in beauty services from beauty platforms such as Urban Company and Yes Madam is comparatively higher than that received from other platforms, the cap in this industry is considerably lower. Table 3 provides more insight into the income patterns.

Figure 2: Snapshot – Respondent Profile

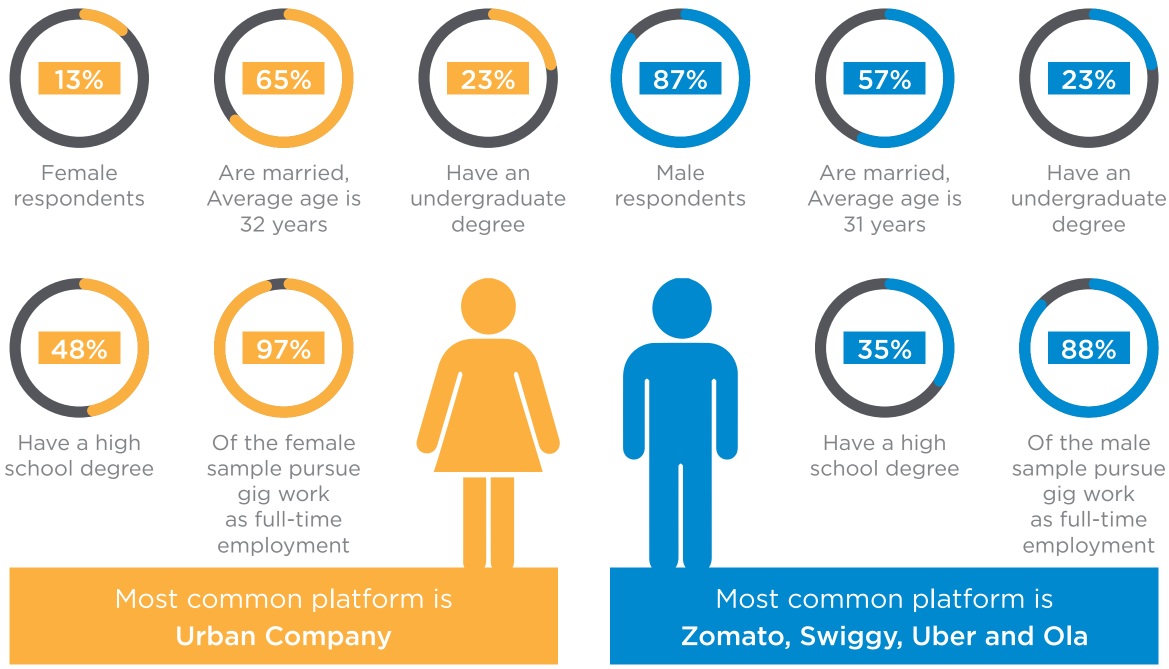


Table 3: Income from Platform Industries*

Industry	Average Annual Income (in INR)
Food delivery (Swiggy, Zomato, Blinkit, Big basket, Dunzo)	21,900 (USD 263) (18000-6,00,000) (USD 216 – USD 7197 approx)**
Transportation (Ola, Uber, Inride, Rapido, Blusmart)	22,900 (USD 275) (18000-6,00,000) (USD 216 – USD 7197 approx)**
Beauty and personal care Services (Urban company, Yes Madam)	32, 900 (USD 395) (90,000-4,00,000) (USD 108 – USD 4797 approx)**

Table 4: Socio-demographic Characteristics of the Sample*

Variables	Male	Female	Total
Gender	452 (87%)	69 (13%)	521
Age (in years)	31	32	31
Education	• High-School education: 70.35% • UG: 22.57% • PG: 3.76% • ITI/Diploma:3.32%	• High-School education:75.36% • UG: 23.19% • PG: 1.45%	
Marital status	63% married	65% married	58.4%
Family size	5	4	4
If they are the only income earning member in the household	54%	26%	50%
Number of years employed	2 years	3 years	3 years
Average annual Income (annual income)(INR, USD)	2,76,000 approx (USD 3310 approx.) (18,000- 11,50,000)** (USD 216- USD 13791)	3,50,000 approx (USD 4197) (90,000- 8,00,000)** (USD 1079- USD 9594)	2,86,000 approx (18,000- 11,50,000)

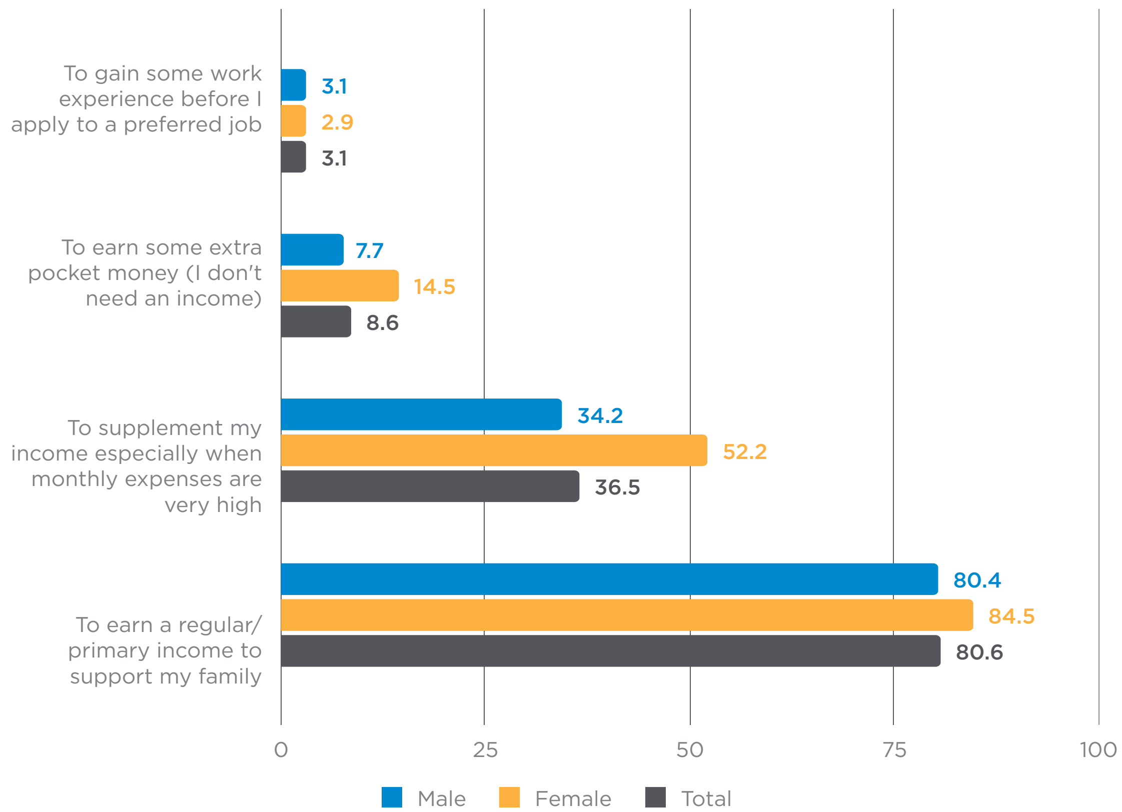
*This data has been collected through in person surveys conducted by the LEAD team.
** Income ranges

3.2 Motivation to Join Gig Economy

As the literature suggests, one of the prime motivations to join gig work is the flexibility in work and as such a large population in developed countries participate in gig work to earn extra income outside their day jobs or free time (State of gig workers in America, 2021). Contrary to that, over 80 per cent of respondents in our survey reported that the necessity to earn a regular/primary income to support their family was the main motivation for them to engage in gig work. A large proportion (36.5 per cent) of the sample also reported taking up gig work to supplement their existing income, especially when monthly expenses are very high as another reason to join the gig work. Gig work being the only job the respondent could secure emerged as the third most frequented response.

Gig workers in our sample are relatively young - a majority of respondents (52.97 per cent) aged between 19-30 years, with the average age being 31. 54.20 per cent of all male respondents and 44.93 per cent of all female respondents fall in the 19-30 years age category. This indicates that gig work is a more popular avenue of work among the youth. A high proportion (35 per cent) of respondents in our sample also have a High School completion certificate. Further, 23 per cent of male and female respondents have an undergraduate degree. Gig work, thus, is a lucrative source of employment, even for those with a higher educational degree, looking for an additional source of income or flexible work hours.

Figure 3: Motivation to join gig work (%)



Source: Primary data from survey

Gig workers in our sample are relatively young - a majority of respondents (52.97 per cent) aged between 19-30 years, with the average age being 31. 54.20 per cent of all male respondents and 44.93 per cent of all female respondents fall in the 19-30 years age category. This indicates that gig work is a more popular avenue of work among the youth. A high proportion (35 per cent) of respondents in our sample also have a High School completion certificate. Further, 23 per cent of male and female respondents have an undergraduate degree. Gig work, thus, is a lucrative source of employment, even for those with a higher educational degree, looking for an additional source of income or flexible work hours.

Image Credit: iStock/mtreasure

4. Financial Health Score

Image Credit: iStock/hadynyah

This section represents the overall financial score of the sample respondents followed by a gender-disaggregated score and a dimension-wise break-up of the score.

Table 5 shows that on average the gig workers scored low (below average) on dimensions like saving (44), financial planning (42) and extremely low in resilience (32). However, they scored above average on the dimensions of spending (62), borrowing (50) and decision making (66).

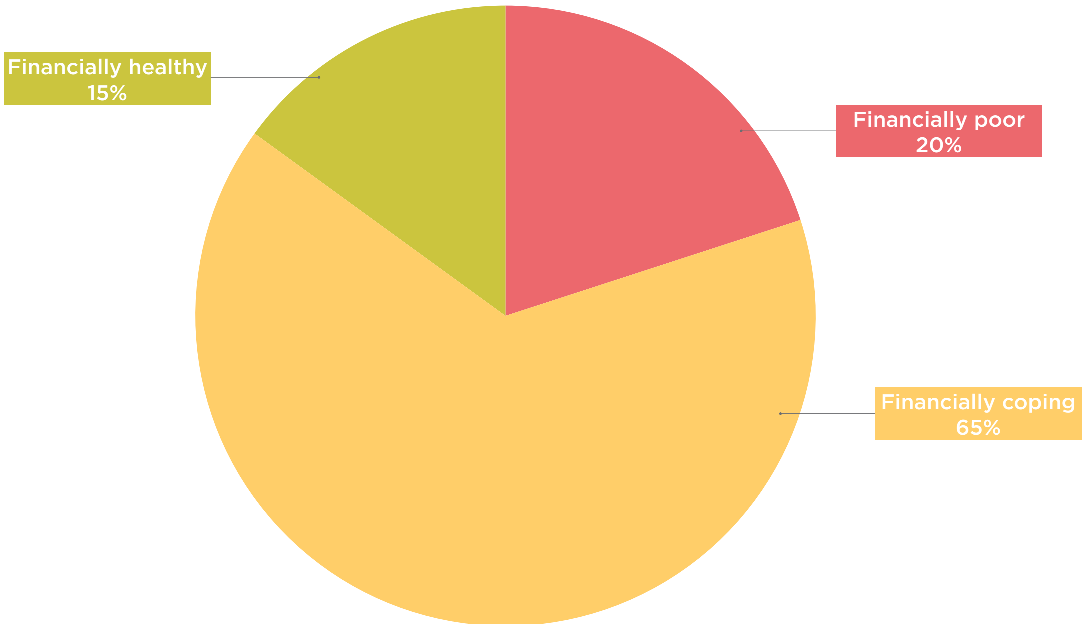
The composite financial health score for the population is 49, implying that the sample mainly constitutes individuals who are financially coping. We also present cluster-wise disaggregation of these segments, which can help us understand each of these categories better.

Table 5: Financial Health Scores (with 95% CI) across the different dimensions

Savings Score	Spending Score	Borrowing Score	Resilience score	Planning score	Decision making score	Overall
44 (42,45)	62 (59,63)	50 (49,52)	32 (31,34)	42 (40,43)	66 (64,68)	49 (48,50)

Source: Authors calculation

Figure 4: Financial Health Spectrum



Financially Unhealthy

In this category, we find that the gig workers are characterised by very poor savings, financial planning and borrowing behaviours. These workers are not able to save adequately, need credit often, have less access to credit with difficulties in borrowing and poor repayment behaviour. What is very alarming is the extremely low resilience score for this category of respondents, reflecting their inability to cope with any emergencies and poor savings and financial planning leading to weak resistance to employment shocks leading to financial distress; amplifying the need to have immediate interventions and support mechanisms to help inculcate financial literacy and accessibility, impacting enhanced financial capabilities to help the respondents manage their financial situations.

Financially Coping

The workers in this category have relatively better spending and financial decision making scores. They are able to manage their day to day expenses and have healthy spending habits. They also have more control and agency over their financial situation and are able to make sound financial decisions. They have adequate fare savings but and, though they perform better in other indicators compared to the financially poor category, are still poor in resilience. We find that a majority of the respondents are in this category (65.45 per cent).

Financially Healthy

The gig workers in this category perform much better than their other counterparts across all the six dimensions; but have also the least representation percentage of the total respondents (14.78 per cent) in this category. They are characterised by good savings, borrowing, and spending behaviour and are also able to plan well. They have great agency over their financial choices and decisions, and hence improved resilience.

Table 6: % of respondents who are. are poor/coping/healthy in each dimension

	Financially Poor/ Unhealthy	Financially Coping	Financially Healthy
Savings	49	40	11
Spending	14	28	58
Borrowing	26	49	25
Resilience	63	26	11
Planning	40	47	13
Decision Making	6	46	48

*Author calculations.

Table 7: Cluster-wise Distribution of Average Scores

	Financially Poor/ Unhealthy (0 - 40)	Financially Coping (40 - 60)	Financially Healthy (60 - 100)
Financial Health Score for Six Components			
Savings	29	45	56
Spending	42	64	75
Borrowing	35	51	66
Resilience	14	33	55
Planning	29	41	61
Decision Making	55	65	82
Gender-wise breakup (in percentage figures)			
Male	19%	65%	16%
Female	22%	71%	7%
Annual savings (Median)(in INR,USD)	10012 (120)	25000 (300)	35000 (420)
With loss of employment, how long could you sustain with the current savings?			
More than a year	5%	2%	12%
6 Months - 1 Year	0%	6%	32%
2 - 6 Months	12%	45%	35%
One month	44%	35%	17%
Less than a week	39%	12%	4%
Respondents who have emergency funds	10%	43%	57%
Use of Digital Platforms			
usage of digital platforms for utility and online services (food, utility e-commerce, e-shopping etc.)	16%	71%	13%
Use of Digital financial services (payments, transactions, e-wallets, etc.)	16%	69%	15%
Region-wise breakup of the categories			
North	34%	28%	24%
South	25%	25%	31%
West	15%	30%	36%
East	25%	17%	7%
Metro	67%	76%	68%
Non - Metro	33%	24%	32%

*Author calculations.

We now delve into the various dimensions of financial health of the gig workers and try to unpack these dimensions in the context of the nature of work and engagement in the digital economy. We also discuss the average scores obtained under each component that adds up to the final financial health score. A high average score would imply better performance in a particular dimension.

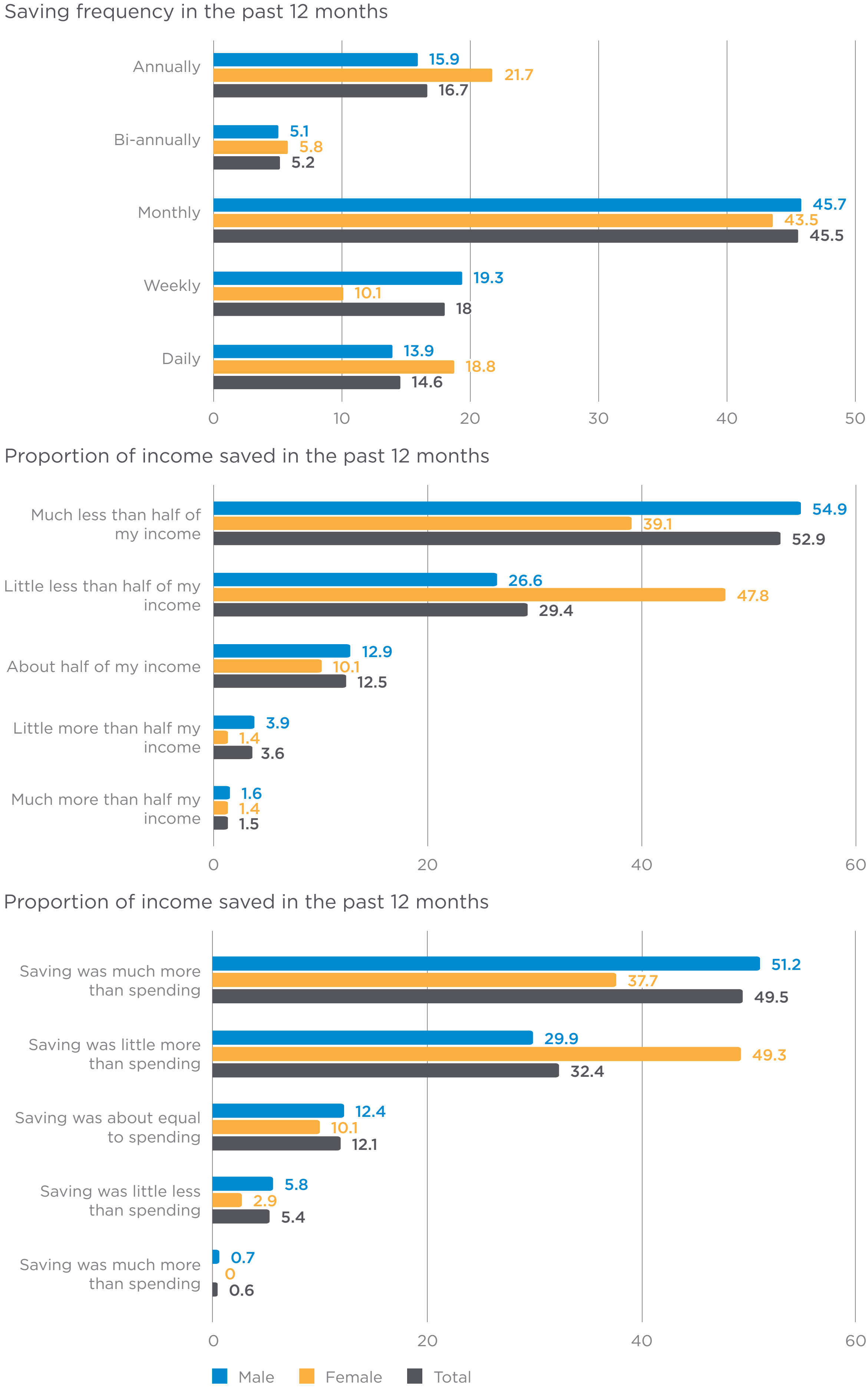
Saving Score

The average saving score of the respondents in the savings component of financial health indicators was 44 (ranging from 20-93). Nearly 48 per cent of the respondents scored above the average score. The majority of the respondents (52 per cent) scored below average suggesting that a majority of our respondents are struggling in this dimension and the absence of frequent as well as adequate saving among the gig workers.

We asked the respondents questions around frequency of saving, magnitude of saving, avenues of savings and financial situations of the households to get a holistic understanding of the contribution of this indicator to the overall financial health. On the frequency of saving, we find that nearly 45 per cent of the respondents saved on a monthly basis.

Image Credit: iStock/GrvPixels

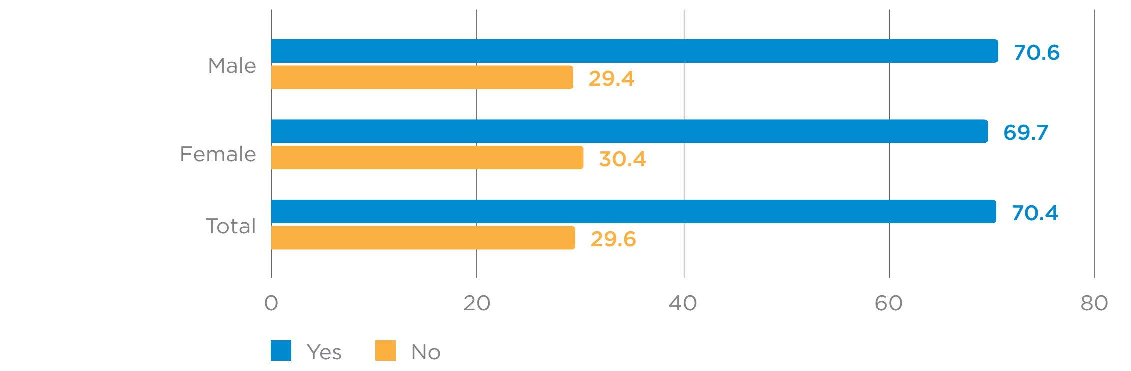
Figure 5: Savings Sub-indicators



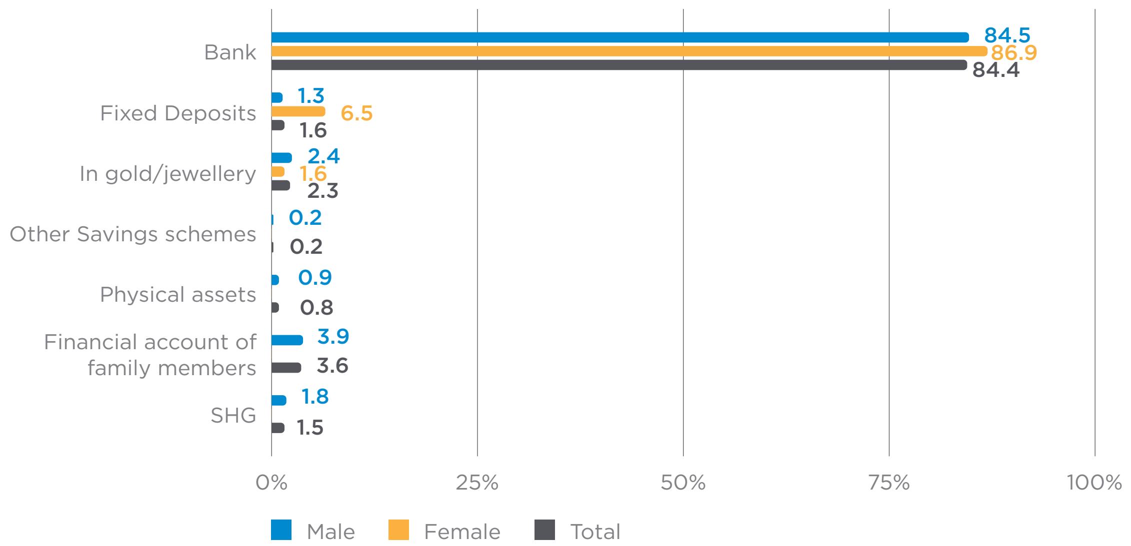
However, nearly five per cent and 17 per cent of the respondents, respectively, could save only bi-annually and annually, suggesting a poor saving behaviour or inability to save. Additionally, most women (43 per cent) save on a monthly basis. With respect to the magnitude of savings, nearly 82 per cent of respondents could save less than 40 per cent of their income. Though there is much debate on the benchmark of savings to take care of post-retirement lifestyle requirements of an individual, literature suggests that a savings rate anywhere from 15 per cent to 40 per cent is healthy depending on the nature of job or age of an individual- with younger age group expected to save more (Karlan et.al, 2014). The low amount of saving among the respondents could arise from the nature of platform economy employment which is typically characterised by low, unpredictable and irregular income flow. Additionally, amongst those who were able to save less than half their income, a larger share of respondents reported their savings to be very little. We also asked the respondents to describe their financial situation given their saving ability and pattern. This was done with the aim to corroborate our findings on motivation to join gig work. More than 70 per cent of respondents recorded having enough money for food and clothes. They are also able to save a percentage of this income. Nevertheless, the amount saved is not enough to buy expensive goods such as gold jewellery or a motorcycle/two-wheeler.

Figure 6: Saving Pattern and Avenues amongst Gig Workers*

Gig Workers who saved in the last 30 days (%)



Saving avenues/instruments for gig workers (%)



* Respondents have selected multiple responses.

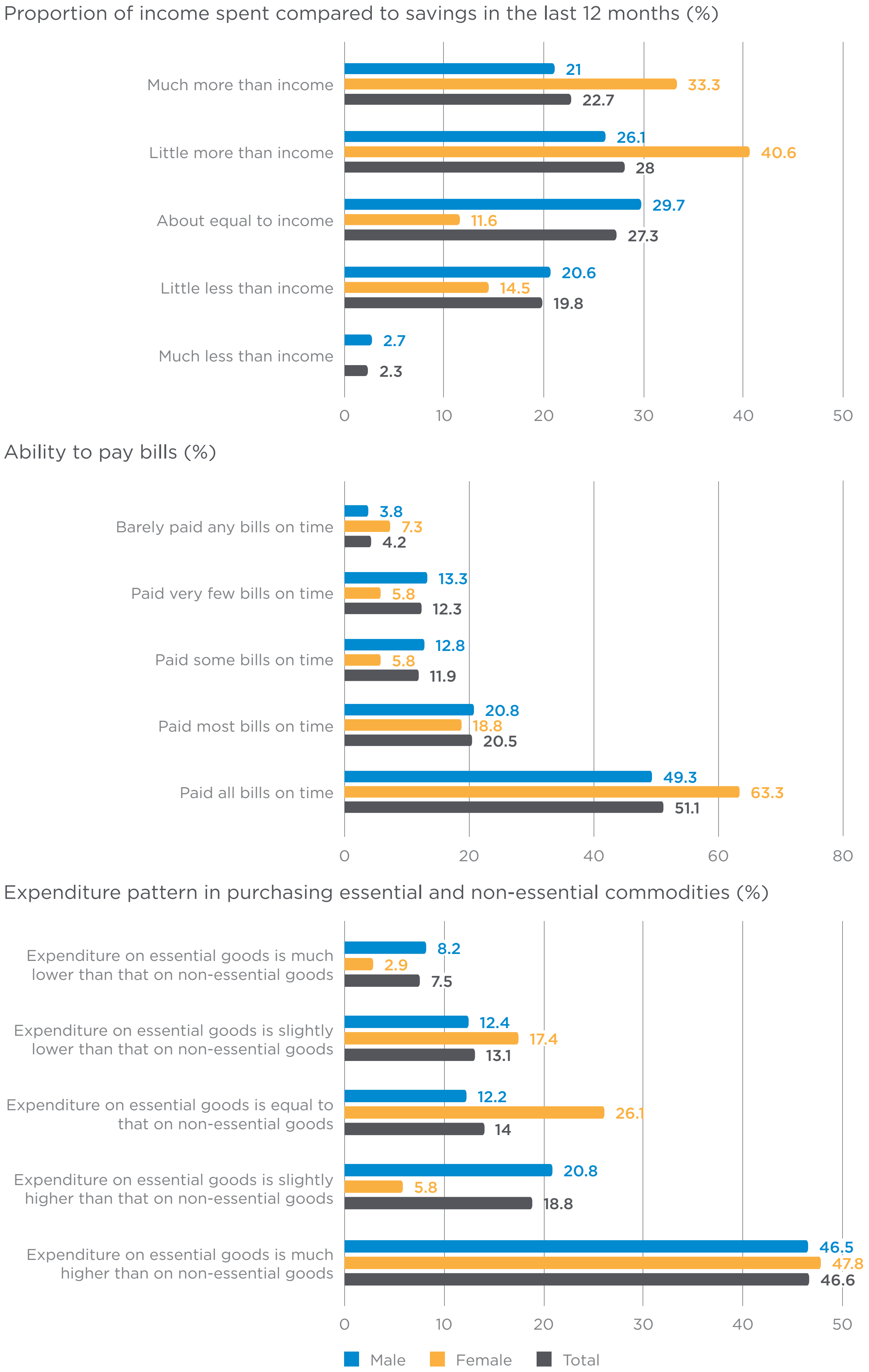
Based on the nature of the job and departure from traditional employer-employee relationships, platform and gig economy workers' incomes are marked by unpredictability. Their overall income from gig work is largely dependent on the time devoted to the platforms and the number of tasks completed. Naturally, with uncertain incomes, the saving behaviour can tend to be erratic which can potentially influence the frequency of savings and also the avenues of saving. 70.44 per cent of respondents save in a formal savings instrument; where banks are the most common institution for savings (84.84 per cent). However, over one-third of the sample also save cash at home (35.32 per cent). The top three motivations to save amongst those in our sample are to support their children's or other household member's education (34 per cent), build an emergency fund (34 per cent) and to take care of medical emergencies (31 per cent). To save for educational purposes particularly, we find that respondents save at both formal financial institutions as well as in informal channels such as in the form of cash at home and with friends and family.

Other forms of saving schemes such as fixed deposits and recurring deposits have very low penetration among the respondents. Only 13.24 per cent of respondents save in long-term saving schemes. Amongst those who do save in long-term investment schemes, 38 per cent prefer to do so in the National Savings Scheme followed by 28 per cent who prefer investing in fixed deposits.

Spending Score

Gig workers scored 62 in spending on an average; suggesting that they had healthy spending patterns and abilities to manage their day-to-day expenses well. More than 50 per cent of the respondents reported paying their bills on time and less than 15 per cent struggled to pay their bills. This potentially indicates that the respondents were able to prioritise necessary payments and expenses while allocating income to various expenditure heads. 20 per cent of respondents were able to keep their expenses within the income limits; though there was an equal proportion of respondents who spent equal to or less than their income and who did not. This was also reflected in the savings behaviour, where the majority of respondents were able to save much less than half of their income. More than 60 per cent of the respondents reported spending more on essential commodities suggesting high cost of living expenses and relatively low income levels for the gig workers in the urban areas. This is also corroborated by 46.6 per cent of respondents reporting that their expenses on essentials were much more than on non-essentials; highlighting that the majority of respondents spend the larger share of their income on necessities such as rations/food, mobile recharge, utility bills, medical expense and fuel.

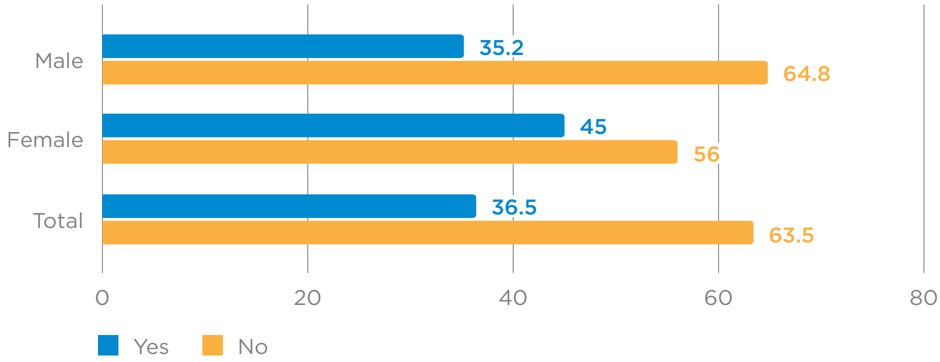
Figure 7: Spending Sub-indicators



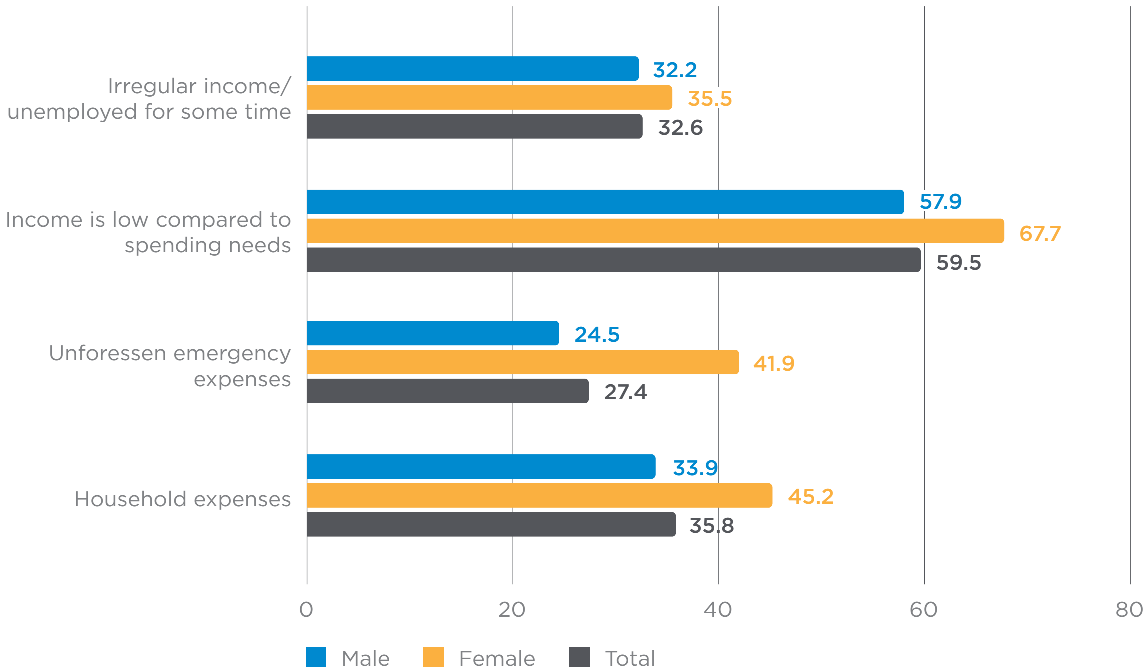
Nearly 60 per cent of the respondents reported a higher percentage of income being spent on essential goods leads to the inability to save more and also high cost of living expenses in the cities. They also highlighted that besides individual expenditures, household expenses (36 per cent), irregular income (32 per cent), and emergency/unforeseen expenses (27 per cent) also contributed to higher spending and resultant savings deficit.

Figure 8: Expenditure Patterns*

Percentage of gig-workers whose expenditure exceeded income



Reasons for high spending in the past 12 months



* Respondents have selected multiple responses.

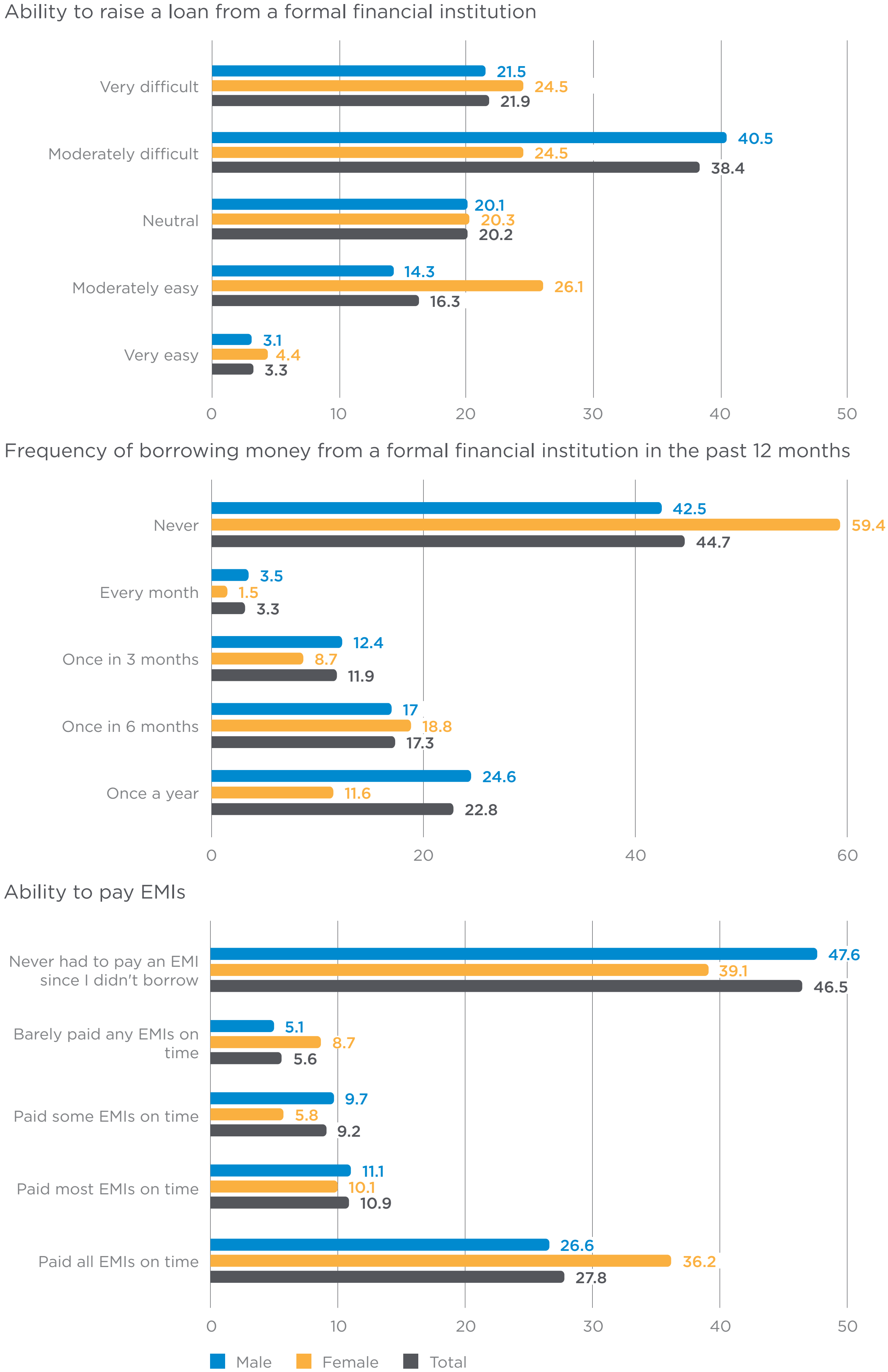
Borrowing score

In the previous section we find that over 35 per cent of the respondents reported spending more than their income, (35 per cent male, 45 per cent female), highlighting the need for credit to meet short term and long term expenses. It becomes necessary to understand the borrowing requirements, access to credit, as well as repayment and debt management behaviour of the respondents. The gig workers on average scored 50 in the borrowing dimension of financial health. Nearly 43.5 per cent of respondents never had to borrow in the past 12 months from either a formal institution or family which can indicate that this proportion of the sample had some financial cushioning to fall back on, which can be, for instance, household savings. First, we begin by asking about how frequently the worker needed to borrow in the last 12 months, how easy or difficult it was for them to raise loans, and their ability to repay. 55.3 per cent of respondents have borrowed at least once in the past 12 months.

We found that nearly 21 per cent of the respondents reported a shortfall of money for essential expenses like food, rent, utilities, education, healthcare etc. in the past 12 months. Nearly 90 per cent of the respondents reported relying on family, friends and informal sources for borrowing money to meet the additional expenses. Only 17 per cent borrowed from formal financial institutions. This highlights the lack of usage of formal financial mechanisms and institutions to meet with the limited borrowing requirements of this population segment.

A comparatively smaller proportion of respondents in our sample (19.3 per cent) have had to borrow an amount which is higher than their income. Of those who had to borrow this high amount, approximately 42 per cent of respondents had to borrow money due to their inability to work owing to illness. This was followed by 37 per cent of respondents who had to borrow to repair their house or vehicle and 28 per cent of respondents who had to borrow in order to support an immediate family member in illness or injury. More than 60 per cent of respondents find it difficult to borrow from a formal financial institution. 13 per cent of respondents responded to being unaware of the process for applying for a loan at a formal financial institution. This can be attributed to factors such as limited access to formal financial institutions, insufficient/lack of collateral, limited financial literacy and lack of appropriate financial products to manage these situations, etc. as highlighted in the past studies on gig-workers. Moreover, of the 35 per cent of respondents who have not been able to repay the loan amount yet, 70 per cent have been unable to do so due to low income levels.

Figure 9: Borrowing Sub-indicators



Resilience Score

A robust financial health also entails financial resilience; the capacity to manage finances to combat unforeseen financial crises. Therefore, we asked the respondents how long they could survive/manage with their current savings, in the event of a sudden employment shock, following which how easy or difficult it would be for them to raise money during a financial distress and if they have invested in security and safety nets like savings schemes and insurance. The average score for this component of financial health indicator is the lowest (33), indicating abysmally low level of resilience among the gig workers. The Global Findex 2021 survey assessed the financial resilience of respondents by asking if they could come up with extra cash in the event of a big unexpected expense and from where they would receive the cash. Given that the respondents do not always have access to liquid cash and some also do not invest formally, understanding their financial resilience becomes a key aspect when looking at financial health holistically. We look into the gig worker's ability to absorb sudden economic shocks in the short and long term. In this study, we use a similar metric to assess their ease of raising emergency funds. We then look at their ability to raise INR 7500 (USD 90) within 30 days to get a better sense of their financial preparedness followed by the sources for the same.[2]

Only 38 per cent of respondents in our sample have an emergency fund (money saved, particularly, to be used in case of dire emergencies). The mean amount saved so far by these respondents in an emergency fund is approximately INR 45,000 (USD 540) which can sustain them for around two to six months when solely relied on.

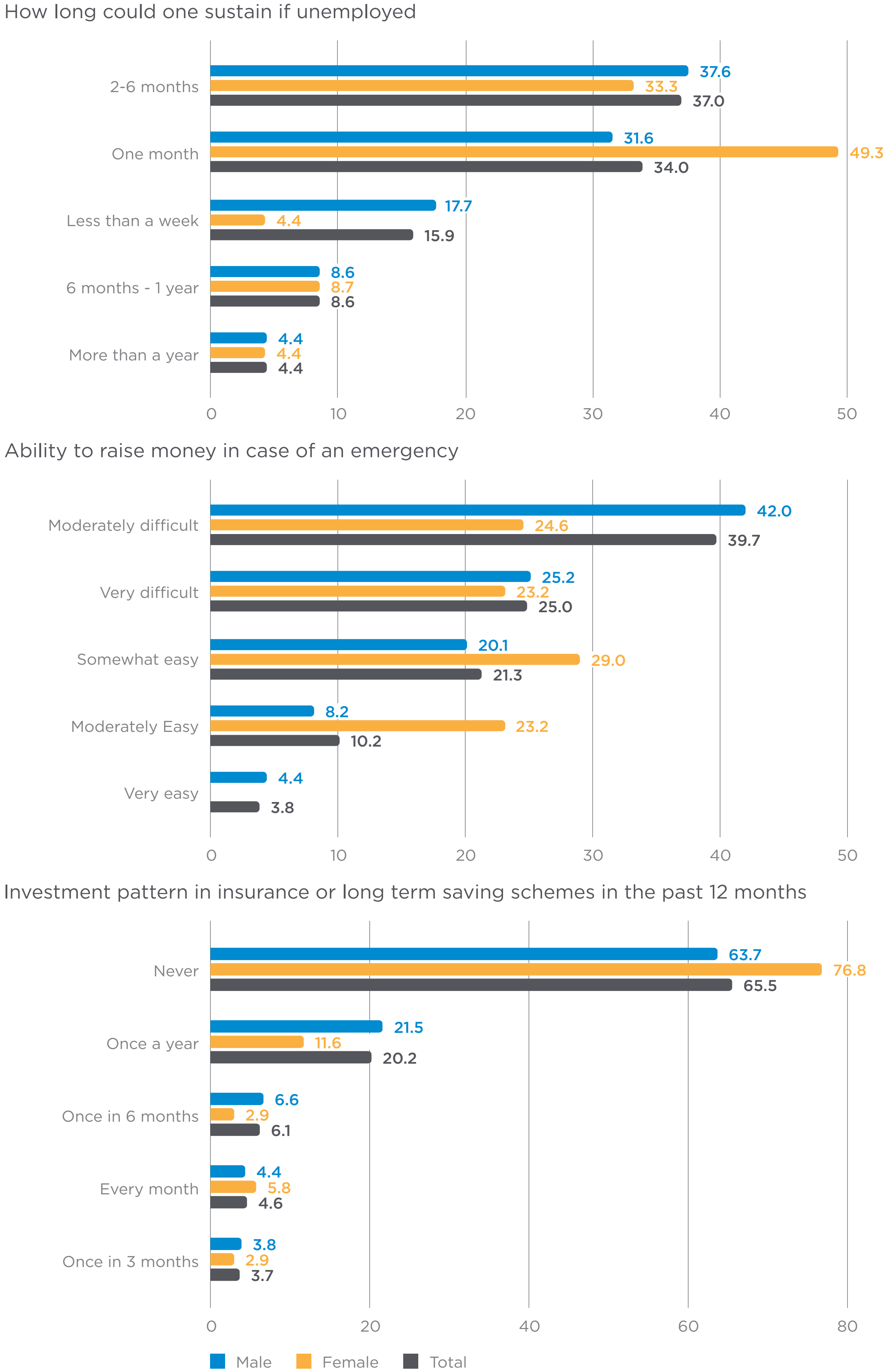
With respect to raising emergency money during a financial crisis, 65 per cent of respondents find it difficult to raise money in case of emergency. Approximately 40 per cent of the respondents find it moderately difficult to raise emergency funds. Past savings, borrowings from family/relatives or from employers were cited as the main sources to raise the amount.

Over two-thirds (67.75 per cent) of all respondents lack personal insurance products such as life insurance, vehicle insurance, health insurance etc., primarily because they could not afford to invest in these products (37.39 per cent). Of the remaining 32.25 per cent that have invested in some personal investment and risk mitigation products, approximately 30 per cent have purchased vehicle insurance; this could also be due to the existing mechanism that makes it mandatory to have motor insurance with the purchase of any two/four wheeler.[3] Approximately 60 per cent have also invested in life insurance, followed by 22 per cent who have invested in general medical insurance.

When asked about how long they could sustain in case of loss of employment, with their current savings from all sources and financial investments, nearly 85 per cent of the respondents reported they can sustain less than 6 months if they face any income shock or loss of employment. These findings underscore the precarious and unpredictable nature of informal employment which influences financial planning and decisions by gig workers.

[2] The Emergency fund amount, as calculated by FINDEX 2021 Report is 1/20 of gross national income (GNI) per capita in local currency units in 30 days. In the Indian context it is INR 7500.

Figure 10: Resilience Sub-indicators



With respect to raising emergency money during a financial crisis, 65 per cent of respondents find it difficult to raise money in case of emergency. Approximately 40 per cent of the respondents find it moderately difficult to raise emergency funds. Past savings, borrowings from family/relatives or from employers were cited as the main sources to raise the amount.

Over two-thirds (67.75 per cent) of all respondents lack personal insurance products such as life insurance, vehicle insurance, health insurance etc., primarily because they could not afford to invest in these products (37.39 per cent). Of the remaining 32.25 per cent that have invested in some personal investment and risk mitigation products, approximately 30 per cent have purchased vehicle insurance; this could also be due to the existing mechanism that makes it mandatory to have motor insurance with the purchase of any two/four wheeler.[3] Approximately 60 per cent have also invested in life insurance, followed by 22 per cent who have invested in general medical insurance.

When asked about how long they could sustain in case of loss of employment, with their current savings from all sources and financial investments, nearly 85 per cent of the respondents reported they can sustain less than 6 months if they face any income shock or loss of employment. These findings underscore the precarious and unpredictable nature of informal employment which influences financial planning and decisions by gig workers.

Image Credit: iStock/gawrav

[2] Respondents in the sample have invested in more than one insurance product.

Planning Score

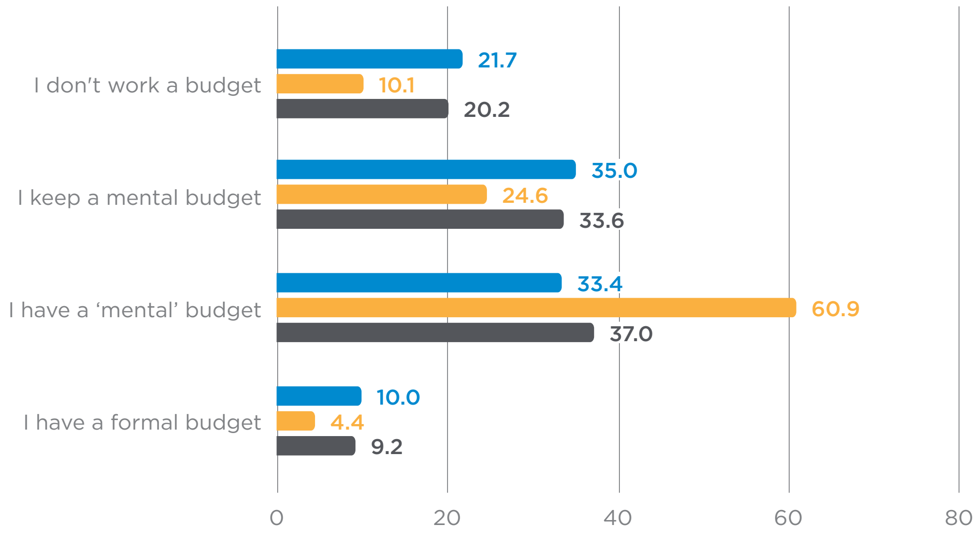
It is imperative for individuals to plan their expenses, savings, investments etc. Financial planning is definitely a good financial behaviour that can have positive outcomes for one's financial health. Respondents scored low (42); in this dimension. They did not display a sound and proper financial planning behaviour, along with very poor planning and investments that give them good returns and secure their future or old-age.

We took a deeper look into the respondents' ability to plan in order to achieve future goals. Since inculcating the habit of budgeting and tracking one's expenses and saving is one of the first steps towards attaining good financial behaviour, we asked the respondents about their approach to budgeting. We found that 37 per cent of all respondents keep a mental budget but do not formally document it and nearly 33 per cent of the respondents keep a mental budget while tracking only major expenses. Only 9 per cent of the respondents reported maintaining a documented budget in contrast with 33 per cent of the respondents who do not work/track any budget/expense and have spending behaviour where they spend more than income.

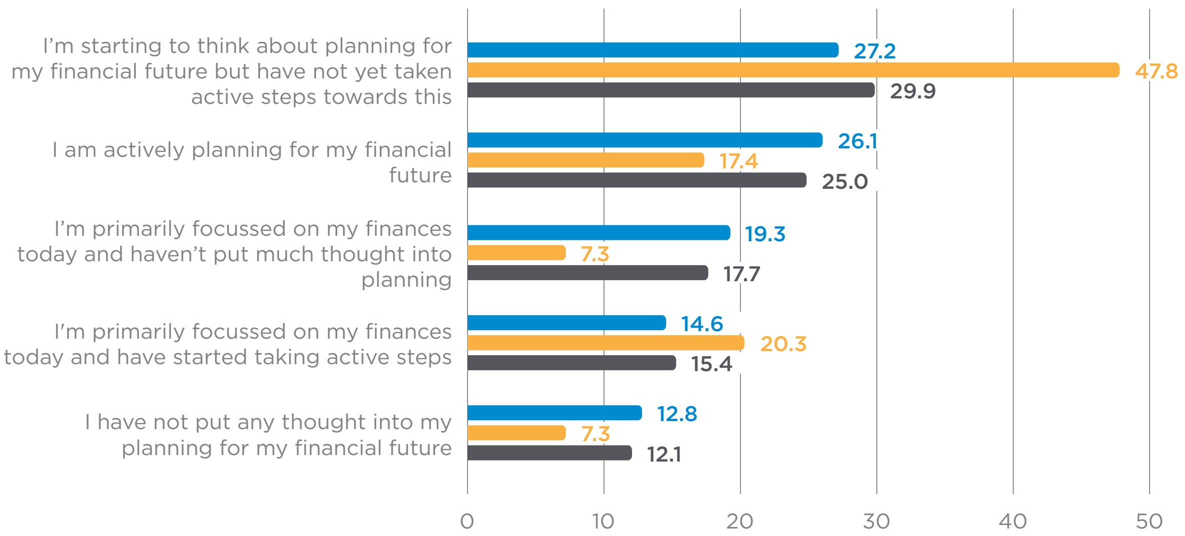
Unfortunately, only about 25 per cent of the respondents are actively planning their financial future by way of conscious saving and investments. About 30 per cent have considered planning for their financial future but have not taken any active steps towards it. This is aligned with the finding that most respondents have not undertaken any long-term investment. There is a lack of appetite among respondents even for short-term investments. A whopping majority (77.73 per cent) of respondents have never invested in fixed deposits, recurring deposits or mutual funds to achieve short-term financial goals. This aligns with the limited planning behaviour among respondents. Moreover, a majority (81.57 per cent) of respondents have also not made any financial investments such as long-term Fixed Deposits, Mutual Funds, PPFs/NPS and investments in properties, in the past 12 months. Some (9.29 per cent) have also expressed inability to think that far ahead. This highlights the need for tailored awareness programs that can inform them about flexible saving avenues that may align with their income flow.

Figure 11: Planning Sub-indicators

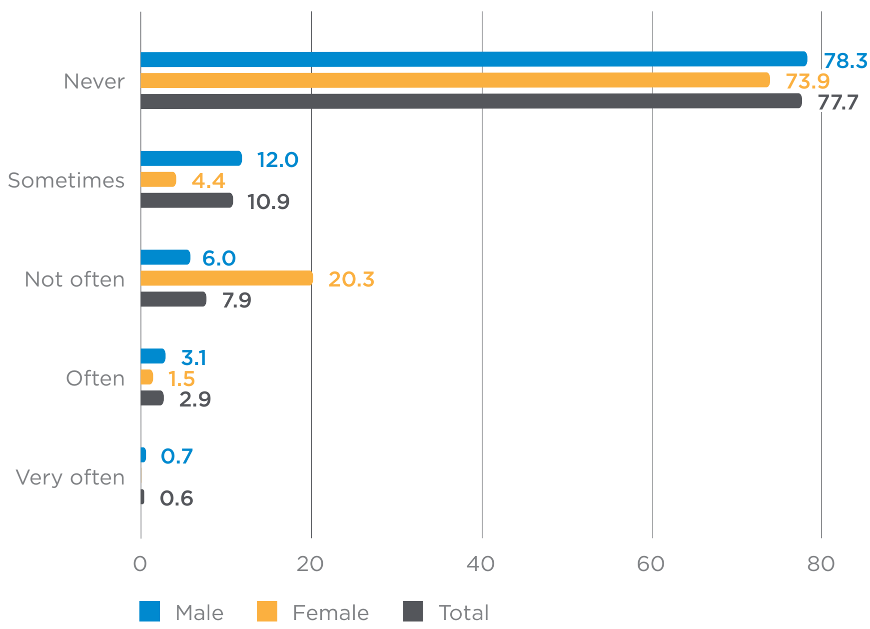
Approach to budgeting



Planning to invest in short term investment schemes in the past 12 months



Frequency to plan and invest to achieve a short term financial goal in the past 12 months



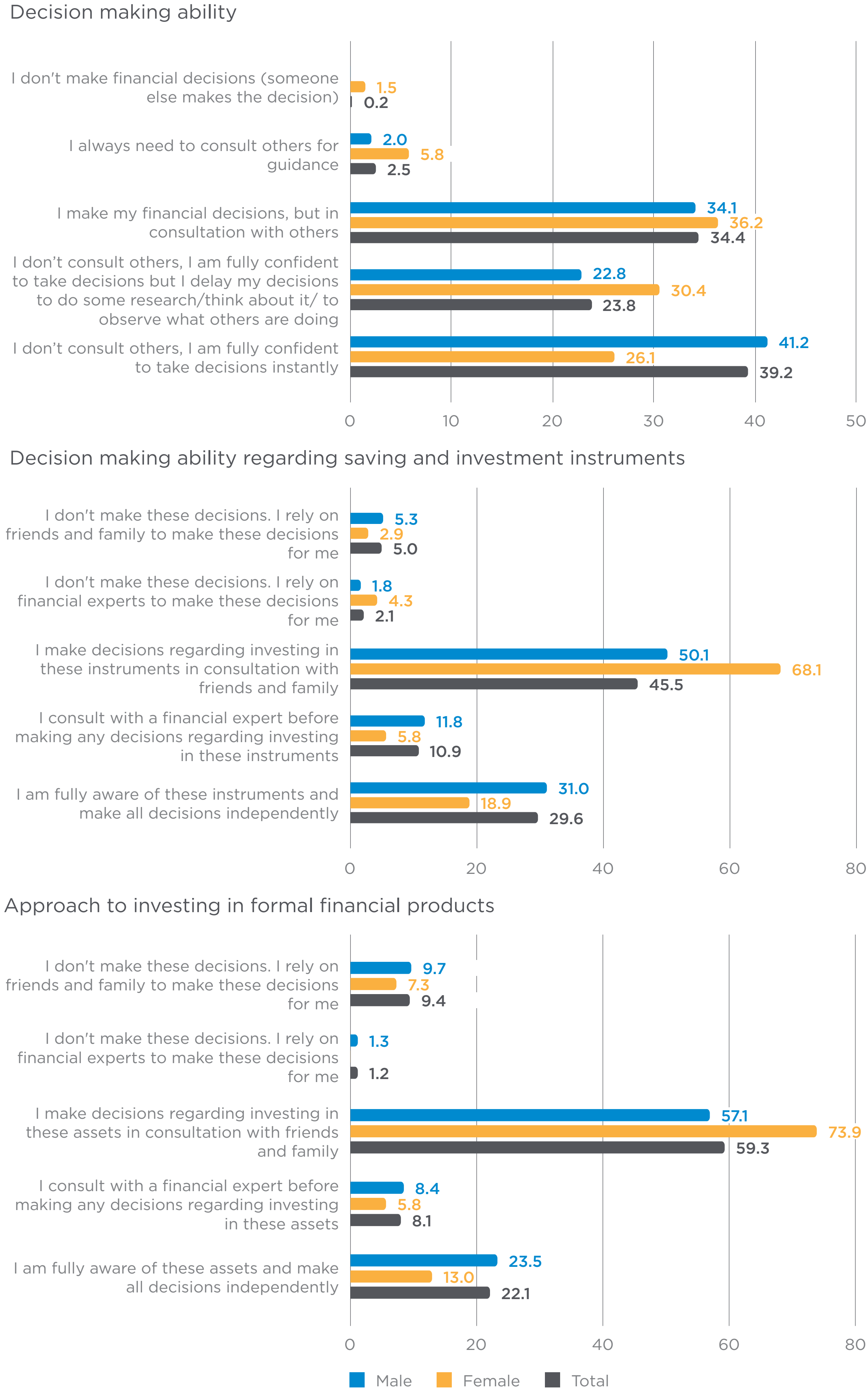
Decision-making Score

Here we look at the respondents' ability to make financial decisions for the long term. We inquire into their financial decision-making ability in general. We also look into their decision-making ability while investing in financial products as well as making large investments. And we found that on an average the respondents scored well (66) on this dimension. This could also be because we have a majority of male respondents in our sample, who do not face gender and social norm barriers in their decision-making and have higher agency and control over their finances.

A majority (39.15 per cent) of respondents have shown agency in decision-making by responding that they do not consult others and are fully confident to take financial decisions instantly. 45.48 per cent consult their friends and family while making decisions about investing in financial instruments such as Mutual Funds/Fixed Deposits/ Recurring Deposits etc. This points out the importance of social and interpersonal communication networks for platform economy workers. Almost 60 per cent of respondents consult their friends or family while investing in tangible assets such as land or house. We find that for both financial and tangible assets, the majority of respondents rely on their family and network of friends for advice before they take a decision.

Image Credit: LEAD/Bharath

Figure 12: Decision-making Sub-indicators



5.Conclusion

Image Credit: LEAD/Bharath

This study aimed at understanding the financial health of gig workers in India. Based on data collected from 521 gig workers on parameters such as their saving patterns, spending, borrowing, planning, decision making and resilience feeds, a composite index to measure financial health i.e. an overall financial health score was constructed. The financial health scorecard is a first step towards measuring the overall financial health for this segment. Depending on their financial health scores, workers were divided into three categories: financially unhealthy, financially coping and financially healthy. The overall score as well as sub-component scores can help stakeholders understand and diagnose the factors that can contribute to overall financial well-being.

We find that a majority of workers in the sample are 'financially coping' and perform poorly in saving, decision making, financial planning and abysmally low in resilience. Unlike a regular employed worker, gig workers have to often adopt flexible saving strategies with higher savings during peak income periods and rely on emergency funds to manage uncertainties in lean income periods.

Income uncertainty is a major contributor to financial uncertainty among gig workers. We find that nearly 23 per cent of the workers were unemployed at some point in the last one year. Nearly 21 per cent of our respondents joined the platform economy in the last one year. Moreover, 59 per cent of these workers get paid on a weekly basis and the remaining on daily basis, with a median income of INR 2,00,000 (USD 2400) annually. The women participants in the survey, who mostly engage with beauty and professional services, earn income higher than the median income in our sample (INR 3,00,000 or USD 3600 per annum); suggesting a wide variation in the income spectrum across platforms, nature of job and duration of employment. This calls for a closer look into the income profiles and financial planning habits of platform workers.

With the boom in platform economy jobs and a change in the nature of work that comes with the sector, there is a need to better understand the financial lives of gig workers. Innovative product offerings such as flexible financial products (covering unexpected additional expenses or foregone income or lean/no income periods etc.) designed keeping in mind the nature of their work engagements and available resources (the traditional saving and insurance instruments) can provide a cushion from shocks. A life-cycle approach of understanding an individual's financial health and the need for appropriate products right from inculcating savings behaviour leading to sound financial planning and investment that would have positive outcomes and ensure security in the retirement phase along with preparedness for "a rainy day" is the need of the hour.

Insights from the study highlight the need for a collaborative approach between key stakeholders such as policy making institutions, regulators, businesses/private sector to build a shared understanding of financial health for vulnerable populations and take collective action. **Firstly,** measuring financial health at regular intervals will help the stakeholders in the ecosystem by a) tracking and monitoring the financial wellbeing of individuals particularly from vulnerable/low-income segments b) measuring financial outcomes through proxies for access and usage of financial services and c) aiding evidence-driven interventions.

Secondly, the insights from measuring the financial health score can aid businesses in creating financial solutions and business strategies that improve their customers' and employees' financial health. In the context of the platform economy, gig platforms need to adopt a more proactive approach towards worker well-being, given the disproportionate risk borne by them. Employers can tie up with financial service providers to enable access and take up of appropriate savings, social security and insurance products.

Thirdly, digital tools can be created that enable individuals and households to gain more control of their financial lives - by tracking key parameters and making informed decisions to achieve their financial goals and aspirations.. This would enhance the financial literacy, capability and control of individuals and households leading to improved well-being. The financial health scorecard is thus an attempt to measure, access and manage financial wellbeing through an accessible, replicable, and cost-effective tool that can be adapted to the contexts of other Low- and Middle-income Countries as well.

Finally, such a measurement tool can assist policymakers in creating targeted programmes and schemes for vulnerable segments to promote their financial health. This will also aid in allocating appropriate budgets and developing long term plans to build resilience, especially during unforeseen situations such as the pandemic. Consistent measurement of financial health indicators can lead to inclusion of financial health and well-being as part of the national financial inclusion strategy and contribute to the evolution of the narrative from inclusion to health.

The financial health scorecard developed as part of this initiative provides a stepping stone to move the needle around financial health for low-income and financially underserved population segments. The study attempted to develop a common lexicon and approach for measuring financial health, drawing on existing frameworks and methods. An important caveat while administering these tools at scale is the need to balance feasibility and accuracy. The tool can be further made more robust in subsequent iterations and adapted to reflect nuances across different geographies, population segments and contexts.

References

Apouey, B., Roulet, A., Solal, I., Stabie, M. (2020). Gig Workers during the COVID-19 Crisis in France: Financial Precarity and Mental Well-Being. Journal of Urban Health, 97, 776-795. https://link.springer.com/article/10.1007/s11524-020-00480-4?page=1&dim=sub-sector&field_country_target_id[0]=656&field_region_target_id[0]=1468?field_region_target_id[]=1447&field_sector_target_id[0]=562&field_sector_target_id[0]=562&dim=sub-sector&field_country_target_id[]=656&field_region_target_id[]=1468?field_region_target_id[]=1447

Assocham. (2021). The Rising Gig Economy of India. Primus Partners. Retrieved Oct 27 2023 from https://www.primuspartners.in/docs/documents/The%20Rising%20GIG%20Economy%20Of%20India-09-21-06.pdf

BCG. (2021). Unlocking the Potential of the Gig Economy in India. Boston Consulting Group. Retrieved Oct 18 2023 from https://media-publications.bcg.com/India-Gig-Economy-Report.pdf

Buteau, S, Malick, B. (2023). Gig Pulse: Financial Matters & Motives- Insights Into the Various Lives of Gig Workers. Leveraging evidence for Access and Development. Retrieved 7th Dec 2023 from https://ifmrlead.org/gig-pulse-financial-matters-motives-insights-into-the-various-lives-of-gig-workers/

Chatterjee,A., D'cruze, N., Kumar, A., Ponnathpur, R., Singh, A.(2021). Literature Review: Finances of Platform Workers in India. Dvara Research. Retrieved Nov 16 2023 from https://www.dvara.com/research/wp-content/uploads/2021/08/Literature-Review-Finances-of-Platform-Workers-in-India.pdf

Demirgüç-Kunt, A., Klapper, L., Singer, D., Ansar, S. (2021). Financial Inclusion, Digital Payments, and Resilience in the Age of COVID-19 by The Global Findex dataset 2021. World Bank Group. Retrieved Oct 18 2023 from https://www.worldbank.org/en/publication/globalfindex/Report

Gig Economy Data Hub(2023). What is a Gig Worker?. ILR School and The Aspen Institute Future of Work Initiative. Retrieved Nov 24 2023 from https://www.gigeconomydata.org/basics/what-gig-worker

IMF. (2021).Five Things to Know about the Informal Economy. Retrieved Nov 16 2023 from https://www.imf.org/en/News/Articles/2021/07/28/na-072821-five-things-to-know-about-the-informal-economy

Karlan. D., Ratan. R., Ziman. J.(2014). Savings By And For The Poor: A Researc Review and Agenda. The Review of Income and Wealth,. 60(1): 36-78 Retrieved 1st December 2023 https://onlinelibrary.wiley.com/doi/pdf/10.1111/roiw.12101

Kempson, E., Finney, A., Poppe, C. (2017). Financial Well-Being A Conceptual Model and Preliminary Analysis. Consumption Research Norway- SIFO. Retrieved Oct 18 2023 from https://www.bristol.ac.uk/media-library/sites/geography/pfrc/pfrc1705-financial-well-being-conceptual-model.pdf

Krishna, V. (2019). On the Job: The State of Blue-Collar Gig Economy in India. YourStory. Retrieved Oct 27 2023 from https://yourstory.com/2019/03/job-blue-collar-gig-econom-w132hse8o8

Kulbhaskar, S. (2022). Are There Women in the Gig Economy?. Entrepreneur India Retrieved Oct 27 2023 from https://www.entrepreneur.com/en-in/news-and-trends/are-there-women-in-the-gig-economy/432539

Ladha, T., Asro, K., Parker S., Rhyne, B., Kelly,S. (2017). Beyond Financial Inclusion: Financial Health as a Global Framework. Center for Financial Services Innovation. Retrieved Oct 18 2023 from https://content.centerforfinancialinclusion.org/wp-content/uploads/sites/2/2017/03/FinHealthGlobal-FINAL.2017.04.11.pdf

NITI Aayog. (2022). India's Booming Gig and Platform Economy: Perspectives and Recommendations on the Future of Work. NITI Aayog. Retrieved Oct 18 2023 from https://www.niti.gov.in/sites/default/files/2023-06/Policy_Brief_India%27s_Booming_Gig_and_Platform_Economy_27062022.pdf

OECD/International Labour Organization. (2019), "Definitions of informal economy, informal sector and informal employment", in Tackling Vulnerability in the Informal Economy. OECD Publishing. Retrieved on 1st december, 2023 https://doi.org/10.1787/103bf23e-en

Parker, S., Castillo, N., Garon, T., Levy, R., (2016). Eight Ways to Measure Financial Health. Center for Financial Services Innovation. Retrieved Oct 18 2023 from https://finhealthnetwork.org/research/eight-ways-to-measure-financial-health/

Rathi,R. (2022). Insurance – an emerging pain-point for gig workers. Financial Express. Retrieved Oct 18 2023 from https://www.financialexpress.com/money/insurance-insurance-an-emerging-pain-point-for-gig-workers-2823477/

Rhyne, E., Kelly, S., Parker, S., Ladha, T., Asrow, K. (2017). Beyond Financial Inclusion: Financial Health as a Global Framework. Center for Financial Inclusion. Retrieved Dec 7th 2023 from https://www.centerforfinancialinclusion.org/beyond-financial-inclusion-financial-health-as-a-global-framework

Rhyne, E. (2020). Measuring financial health: What policymakers need to know. Insight2impact. Retrieved Oct 18 2023 from https://www.afi-global.org/Measurement_framework/Downloads/Measuring%20Financial%20Health.pdf

Roy, G., Srivastava,A. (2020). Future of Gig Economy: Opportunities and Challenges. International Management Institute Kolkata, 9(1), 14-34. https://imikonnect.imik.edu.in/uploads/issue_file/3590503Mod_imiKonnect_January_March_2020.pdf#page=18

Silver, L., Smith, A., Johnson, C., Jiang, J., Rainie, L. (2019). Mobile Connectivity in Emerging Economies. Pew Research Center. Retrieved Nov 24, 2023 from https://www.pewresearch.org/internet/2019/03/07/mobile-connectivity-in-emerging-economies/

Singh, J., Misquith, A.(2021). UNCDF and Grab partners in new case study on financial health of gig workers. United Nations Capital development Fund. Retrieved Nov 17, 2023 from https://www.uncdf.org/article/6756/uncdf-and-grab-partner-in-new-case-study-on-financial-health-of-gig-workers

Turnbull, B. (2022). Informal Economies in India. Council of American Overseas Research Centers. Retrieved Oct 18 2023 from https://www.caorc.org/post/informal-economies-in-india

UNSGA. (2021). Measuring Financial Health: Concepts and Considerations UNSGSA by Financial Health Working Group . UNITED NATIONS SECRETARY-GENERAL'S SPECIAL ADVOCATE FOR INCLUSIVE FINANCE FOR DEVELOPMENT. Retrieved Oct 18 2023 from https://www.unsgsa.org/sites/default/files/resources-files/2021-11/Measuring-Financial-Health-note-v2.pdf

Annexure

Financial health Scorecard Questions

	Question 1	Question 2	Question 3
Savings	In the past 12 months how often were you able to save part of your income ?	In the past 12 months how much of your total income were you able to save?	Which of the following statements best describes your total savings compared to your total spending in the past 12 months?
Spending	Which of the following statements best describes your total spending compared to your total income in the past 12 months?	Which of the following statements best describes how you were able to pay your bills (rent,utilities, education, etc) over the last 12 months?	Which of the following statements describe your expenditure pattern in purchasing essential and non-essential commodities.
Borrowing	How easy or difficult is it for you to raise a loan from a formal financial institution?	In the past 12 months how frequently did you have to borrow money from a financial institution or family ?	Considering the amount borrowed over the last 12 months, how frequently could you repay the EMIs?
Resilience	If you lose employment, how many days can you sustain with the money you have saved?	How easy or difficult will it be for you to raise money in case of an emergency?	How often have you invested in insurance or long term saving schemes in the past 12 months (all kinds of insurance like - health and non-health/ life and non-life)?
Planning	Which of the following best describes your current approach to budgeting?	Which of the following statements best describes you in relation to your finances?	In the past 12 months how often have you invested to achieve a short term financial goal (FDs, RDs, mutual funds, stocks, etc?
Decision Making	What best describes your financial decision making ability ? .	While deciding on investing in an instrument (Mutual funds/FD/RD), which of the statements best describe you?	While deciding on investing in an asset (house/land), which of the statements best describe you?

LEAD LEVERAGING EVIDENCE FOR ACCESS AND DEVELOPMENT
KREA UNIVERSITY

UNCDF Impact Capital for Development

i3 ACCESS