

ABSTRACT

The paper examines the Determinants of Financial Inclusion in India by carrying out analysis at a household level. Financial Inclusion refers to the delivery of financial services to all segments of the society. Being a developing nation, Financial Inclusion is one of the most important challenges faced by India. Over the past decades, a lot of emphasis has been given to policies pertaining to Financial Inclusion by the government of India and RBI.

IHDS data for years 2004-05 & 2011-12 is used in this study. Possession of family bank account as the dependent variable, a logistic regression model is used to study the influence of individual and household characteristics. In 2005, the percentage of households in possession of a bank account were

The results of this study show that indicators such as education levels, age of the household head, gender, employment status, consumption levels and social factors have an impact on the status of financial inclusion of a household. For lower levels of education, consumption, seasonal and uncertain labor, lower social and economic status households have odds against them of ownership of a bank account.

Key words: Financial Inclusion, IHDS, Household Level, Logistic Regression Model