

MoneyWise

Pulse

2024 | November edition



Leadership Lens:

Bridging the "Digital Divide" through through focused financial literacy interventions

By Maya Vengurlekar, Chief Operating Officer – CRISIL Foundation

India stands at the forefront of a digital revolution that is reshaping its financial landscape. Powered by innovations such as the Unified Payments Interface (UPI), the country has embraced digital financial inclusion with impressive speeds.

Numbers speak for themselves: UPI transactions in FY23 alone soared to an astonishing \$1.5 trillion¹, cementing India's position as one of the world's largest real-time payment systems.

However, despite this progress, a significant digital divide still exists, resulting in an accelerated pace of financial exclusion.

According to Deloitte's 2022 Global Mobile Consumer Survey, 79% of Indians are aware of digital financial services, but actual usage lags behind, particularly among lower-income groups and women².

One of the key barriers? Limited access to mobile data and poor internet connectivity in remote regions.

Even those with access face challenges due to lack of awareness and confidence in 'going digital.'

The "Triple Digital Divide"

For many, the absence of digital infrastructure remains a critical obstacle, leaving millions financially excluded.

This is evidently visible for vulnerable groups – thereby creating a clear divide across three dimensions – i.e., rural/urban; rich/poor; men/women.

This is more so in case of rural, poor/marginalised communities (more so in case of women) – where reduced financial knowledge, skills, and the lack of access to technology causes the financial exclusion gap to widen – a "triple digital divide."

MoneyWise CFL: Bridging the Gaps Where Digital Tools Cannot Reach

Recognizing that financial inclusion cannot be achieved by technology alone, the Reserve Bank of India's MoneyWise Centre for Financial Literacy (CFL) initiative focuses on deploying a community-centric, last-mile approach.

The cornerstone of RBI's MoneyWise CFL initiative is hinged on awareness, more so in terms of reaching the unreached and creating financial awareness, including digital literacy.

Through direct interactions and financial literacy sessions, the program ensures that even the most underserved populations can access crucial banking services, make informed financial decisions, and protect their financial well-being.

Implemented by CRISIL Foundation across over 60,000+ villages in 14 states and 4 union territories, the programme has gradually evolved into one where communities have slowly started embracing technology – by gaining timely, relevant knowledge about them, and using them across key access points.

By leveraging simple technologies like *99#, mobile banking, e-wallets; as well as through in-person training, the on-ground teams have traversed India's most remote villages through tailored content, created in local languages, making it relatable and actionable for everyone it serves.

The Path Forward: A Digital - Plus Approach

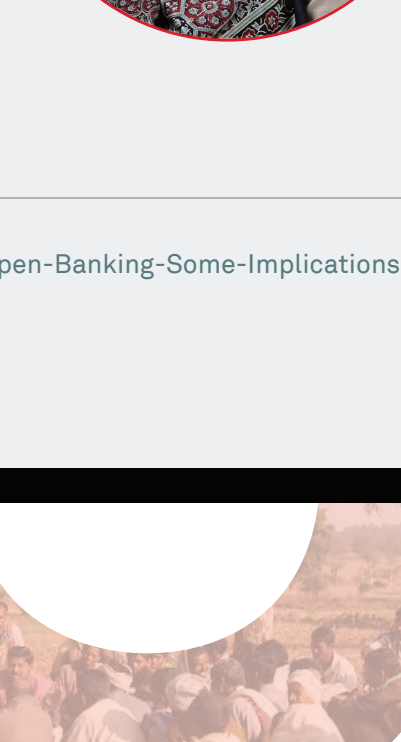
As smartphone penetration in rural India grows and internet costs become more affordable, the potential to expand financial inclusion is immense. However, digital inclusion should not be seen as the sole solution.

Initiatives like the MoneyWise CFL offer an 'in-person' platform to disseminate timely and relevant information on digital products, customer grievance redressal and protection mechanisms to avoid frauds.

India's financial inclusion journey will continue to evolve with fintech innovations leading the charge. But without grassroots interventions, millions could remain excluded from this wave of progress.

The future lies in a comprehensive approach—one where digital and traditional methods coexist to ensure financial access for all.

Maya Vengurlekar
Chief Operating Officer (COO)
CRISIL Foundation



¹https://www.bcg.com/publications/2022/future-of-digital-payments-in-india
²https://www.imf.org/en/Publications/WP/Issues/2021/02/26/Indias-Approach-to-Open-Banking-Some-Implications-for-Financial-Inclusion-50049

Impact Chronicles:

Stories from the Community



Reviving Our Boutique

Our father's passing left us with the burden of running the household. With just a few sewing machines, work was slow, and expanding our small boutique seemed impossible. But hope arrived when we connected with Surinder Singh, who helped us with a PMEGP loan of Rs 2 lakh and the unwavering support of CFL staff, our boutique is now thriving. Today, we are not just surviving, but building a brighter future for our family.



Ranveer and Meena Kaur
Hoshiarpur District, Punjab

When Knowledge Saved Me

I got a terrifying call claiming my son was in an accident and requiring Rs. 1 lakh immediately. In panic, I rushed to the bank to send the money. Then, I recalled the training about scams and the 1930 helpline. I called the number, and the bank blocked the transfer just in time, thereby preventing a huge loss. The knowledge saved me. I am now equipped to help others avoid these traps.



Seema Joon
Jhajjar District, Haryana

Securing A Daughter's Future

When my husband passed away in 2015, the weight of our family's survival rested on my shoulders alone. One day, a session from the Kurkheda MoneyWise CFL Center opened my eyes to something more. A future for my daughter through the Sukanya Samridhi Yojana especially how it could fund her education and dreams. With their help, I opened my daughters account, determined to give her the security I never had. Now, I urge other mothers: invest in your daughters, no matter the challenges.



Vinita Tulavi
Gadchiroli District, Maharashtra

A Lifeline of Support Amid Loss

When my husband Jagdish passed away in February 2023, my world shattered. Being a homemaker, I depended entirely on his income, and suddenly, there was nothing left for me to support our family. Unaware that he had enrolled in the PMJJBY insurance scheme, I felt hopeless. Then, Dharamveer Singh from the CFL team visited me, discovering the policy in his name. Thanks to the CFLs and the bank's timely support, I received a check for Rs. 2,00,000 within a month. This support renewed my hope, and I am deeply grateful for their life-changing help.



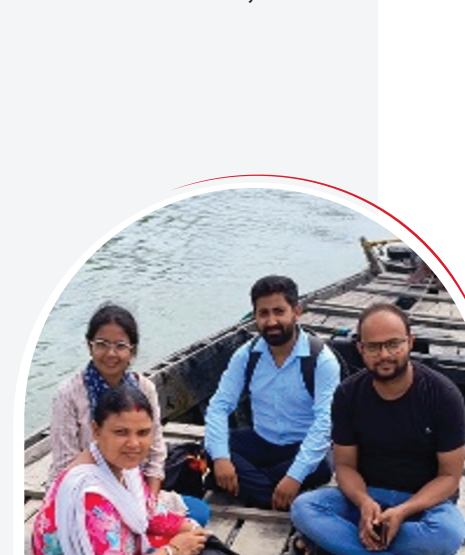
Prem Shri
Agra district, Uttar Pradesh

In the Limelight:

Recognizing our Team Members

A Pathway to Security and Stability

In Naseema Akhter, a financial literacy session by CFL DK Marg, Uttarakhand for a live broadcast, bringing essential financial knowledge directly to more than 10,000 listeners. Although she prioritized her family's needs, she took a vital step to secure their future by nominating her husband, Gulzar, as her beneficiary. Tragically, Naseema passed away a few months later. Over a year after her passing, Gulzar learned of the policy and, with the CFL help and special support from the bank, received the 2 lakh claim in 2024. "This support will allow my children to continue their education while I rebuild," shared Gulzar. For the CFL, this outcome exemplifies the power of financial awareness in safeguarding futures.



CFL DK Marg
Jammu and Kashmir

Growth Amidst Challenges

Hailing from Champawat district in Uttarakhand, Pankaj faced significant challenges after losing his job during the COVID-19 pandemic. Despite having multiple degrees, he struggled to find employment until he joined CRISIL Foundation as a Data Entry Operator. Overcoming geographical barriers and language differences, he walked up to 10 kilometers for camp meetings, learning Nepali to connect with locals. With guidance from his mentor, he quickly rose to Centre Manager and later became Assistant Area Manager. Pankaj's journey as a confident leader truly exemplifies resilience.



Pankaj Joshi
Assistant Area Manager
Almora District, Uttarakhand

Bridging Financial Gaps

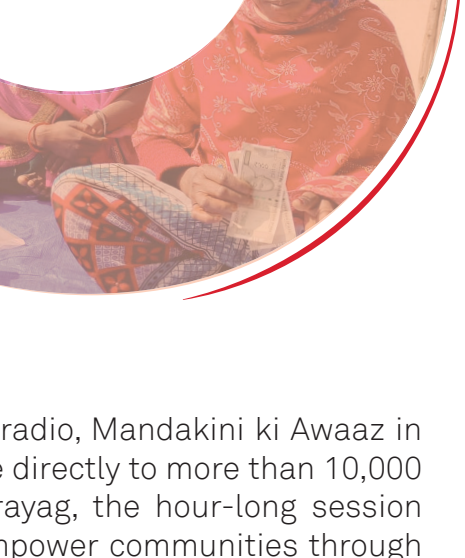
The CFL Dinhat-I team set out to deliver financial literacy in the isolated villages of Jaridharla and Haridaskhamar, near the Indo-Bangladesh border. Gaining permissions from local authorities was just the beginning; reaching these villages required a 30-minute boat ride across a river, followed by rigorous security checks. Upon arrival, the eager villagers faced significant challenges to banking, often crossing the river to access services. The team conducted engaging sessions on budgeting, saving, and government schemes, fostering enthusiasm among women and small business owners. Their efforts highlighted the transformative power of financial education in reaching the unreached.



CFL Dinhat-I
West Bengal

Guiding Manipur's Financial Resilience

In conflict-ridden Tengnoupal, the CFL stands as a beacon of resilience, ensuring access to financial resources and support despite the challenges. Led by Centre Manager Mr. Hrangte Wantalkhup Kom and Cluster In-charge Moishem Khaling, the team partnered with the Lead Bank to host critical DCC and DLRC meetings, bringing together banks and community leaders. As district headquarters became inaccessible, the CFL team transformed their own office into a safe, collaborative space, proving their unwavering commitment to the community's financial wellbeing. Against all odds, they continue to empower lives and champion financial resilience.



CFL Tengnoupal
Manipur

Buzz Alert:

In the News

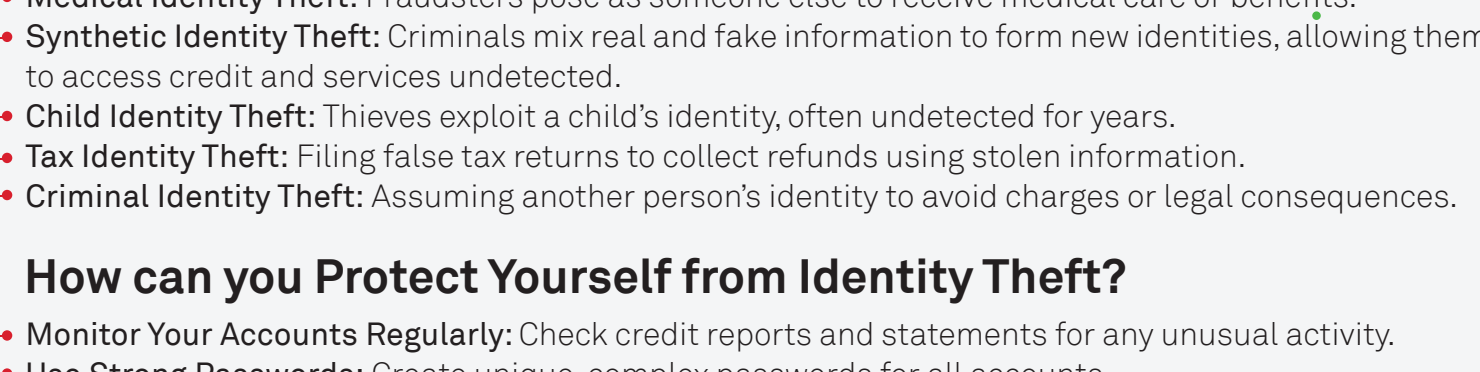
CRISIL Foundation on Mandakini ki Awaaz, Uttarakhand – Reaching Over 10,000 Listeners

In September, 2024, CRISIL Foundation partnered with the community radio, Mandakini ki Awaaz in Uttarakhand for a live broadcast, bringing essential financial knowledge directly to more than 10,000 listeners. Led by Ms. Anjana and Ms. Lalita from Ukhimath, Rudraprayag, the hour-long session spotlighted the transformative role of the project and its mission to empower communities through financial literacy.

The coordinators shared actionable insights on topics central to CRISIL Foundation's work:

- Financial Literacy:** Empowering individuals to make sound financial decisions.
- Digital Banking:** Encouraging the shift to digital for greater convenience and accessibility, especially in rural areas.
- Fraud Prevention:** Educating listeners on how to recognize and protect against fraud, ensuring financial safety.

The enthusiastic listener responses showcased the rising demand for financial knowledge across Uttarakhand. This impactful broadcast underscored CRISIL Foundation's commitment to building financially resilient communities and fostering an enduring culture of financial independence and security.



Demystifying Financial Concepts:

Identity Theft

When someone uses your personal information—like your Social Security number or bank info—without permission, it can lead to financial gain for them and significant harm for you. This misuse can result in unauthorized accounts, transactions, and even criminal activities under your name.

Types of Identity Theft:

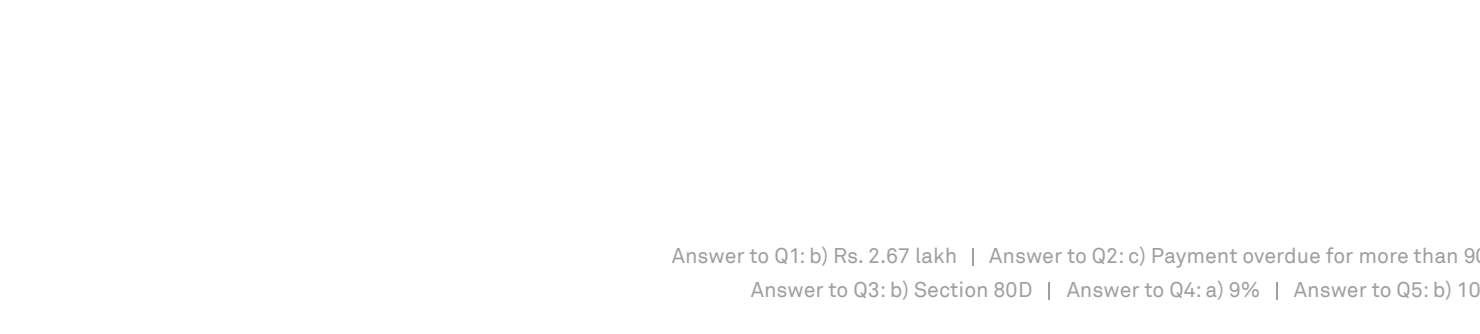
- Financial Identity Theft:** The most common, involving stolen identities to obtain credit or goods.
- Social Security Identity Theft:** Using Social Security numbers to apply for loans or benefits, leaving unpaid balances in your name.
- Medical Identity Theft:** Fraudsters pose as someone else to receive medical care or benefits.
- Synthetic Identity Theft:** Criminals mix real and fake information to form new identities, allowing them to access credit and services undetected.
- Child Identity Theft:** Thieves exploit a child's identity, often undetected for years.
- Tax Identity Theft:** Filing false tax returns to collect refunds using stolen information.
- Criminal Identity Theft:** Assuming another person's identity to avoid charges or legal consequences.

How can you Protect Yourself from Identity Theft?

- Monitor Your Accounts Regularly:** Check credit reports and statements for any unusual activity.
- Use Strong Passwords:** Create unique, complex passwords for all accounts.
- Enable Two-Factor Authentication (2FA):** Add an extra security layer to critical accounts.
- Stay Cautious Online:** Avoid sharing personal details on social media and use secure connections.
- Stay Updated on Data Breaches:** Act quickly if a company you trust experiences a breach.
- Watch for Phishing Scams:** Verify all links and requests for information.
- Consider a Credit Freeze:** Restrict access to your credit report to prevent unauthorized accounts.

Brain Teasers:

A 5-point refresher for our field team



Q1. Under the Pradhan Mantri Awas Yojana, what is the maximum subsidy that can be availed on home loans for economically weaker sections (EWS) and low-income groups (LIG)?

- a) Rs. 1.5 lakh
- b) Rs. 2.67 lakh
- c) Rs. 3 lakh
- d) Rs. 5 lakh

Q2. Which of the following conditions qualifies a loan as a "Non-Performing Asset (NPA)" in India?

- a) Payment overdue for more than 30 days
- b) Payment overdue for more than 60 days
- c) Payment overdue for more than 90 days
- d) Payment overdue for more than 120 days

Q3. Which section of the Income Tax Act allows for deductions on investments made in health insurance policies in India?

- a) Section 80C
- b) Section 80D
- c) Section 24
- d) Section 10(10D)

Q4. According to the Reserve Bank of India (RBI), what is the minimum capital adequacy ratio (CAR) that Indian banks must maintain?

- a) 9%
- b) 10%
- c) 12%
- d) 15%

Q5. Under the Sukanya Samridhi Yojana, what is the maximum age until which a parent or guardian can open an account for their girl child?

- a) 8 years
- b) 10 years
- c) 12 years
- d) 15 years