Understanding the Social and Economic Obstacles to Break the Vicious Cycle of Poverty

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ABSTRACT

Financial inclusion in India has expanded significantly over the past decade, providing widespread access to formal banking services for low-income households. However, increased access has not consistently translated into improved savings and investment behaviour. Despite large-scale poverty alleviation and financial inclusion initiatives, financial vulnerability continues to persist, particularly among households facing income instability, informal employment, and limited financial security. This study aims to analyse how socio-economic and behavioural factors influence savings and investment behaviour among low-income individuals. The research examines the impact of economic factors such as income level, income stability, employment type, and expenditure pressure, along with behavioural factors including risk perception, fear of loss, and financial confidence. It also evaluates the role of awareness and utilisation of government welfare schemes in shaping financial decisions. Primary data will be collected from 300 respondents using a structured questionnaire. The study seeks to understand whether weak financial behaviour contributes to continued poverty vulnerability. The findings are expected to provide insights into the gap between financial access and financial security and to offer policy-relevant recommendations for strengthening financial resilience among low-income households.

Keywords: Financial Inclusion, Savings Behaviour, Poverty Vulnerability, Socio-Economic Factors, Behavioural Factors

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