

Accessibility of Financial Services to Rural inhabitants - A Study of Karnataka State

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Abstract

Financial service accessibility has been an important option for alleviating poverty and economic development. Recently, Indian government has been actively pursuing various policy options to increase financial service accessibility. Financial accessibility minimizes the social omission and enhances the economic growth. In this article, we analyze growing interest in financial accessibility, define them and demonstrate their existence in the developed and developing worlds. We have tried to focus on whether financial accessibility has been implemented in the state of Karnataka where banks claimed that financial accessibility is complete. Majority of the rural inhabitants of Karnataka state have financial accessibility but it is just more than having bank account. Financial accessibility has deeper meaning than what has been usually portrayed. Our results show that social omission and personal deficiencies contribute to lesser financial access. We opine that financial accessibility is not just a single colossal phenomenon and need to be analyzed in different dimensions ranging from having bank account to usage of modern financial services.

Key words: Financial services, Micro-credit, Financial accessibility, Micro-finance

Introduction

In the late twentieth century, inequality has often been explored through the concept of social omission (Byrne, 1999). An important aspect of social omission that was often ignored is omission from the mainstream economy. Based on the assumption that omission from access to banking services creates poverty, proponents of financial accessibility are advocating for every person to have, at a minimum, a no frills bank account. They argue that access to safe, easy and affordable financial services for the poor, vulnerable groups, disadvantaged areas and production sectors relying on old technologies (such as agricultural) is required for accelerated growth and for reducing income disparities and poverty (Demircuc-Kuntet al., 2008). As such, financial accessibility has become a policy priority in many countries including India.

When announcing 2005, as International Year of Micro-Credit, UN Secretary- General Kofi Annan (2003) noted that: 'The stark reality is that most poor people in the world still lack access to sustainable financial services, whether it is savings, credit or insurance. The great challenge before us is to address the constraints that exclude people from full participation in the financial sector.' There is a worldwide search for novel approaches to alleviate poverty that may prove more effective than previous efforts (Chibba, 2009).

Access to affordable finance may enable the poor to undertake economic activities (such as small business loans) and to take advantage of growth opportunities necessary for financial empowerment. It is viewed as a precondition for achieving accelerated economic growth as well as for a reduction in income inequality and poverty. As stated by Rangarajan Commission in India. The sheer breadth of the problem prompted a special United Nations task force to produce a blue book that raised the basic question: 'why are so many bankable people unbanked?' The term unbanked is used to refer to those individuals and households who do not have a bank account.

Financial accessibility is poised to become the new mantra for poverty alleviation, in a manner similar to that of micro-credit and micro-finance some ten to fifteen years ago. Regardless of the early promise of micro-credit and microenterprise, it did not lift the very poor out of poverty (Cooney and Shanks, 2010). This may also be the fate of financial accessibility programmes. As we will show in this article, financial accessibility is gaining momentum both as a concept and as a policy solution, and, while it can do some good, it is not likely to change the economic fate of the world's poor. Regardless

of this, given the recent attention been given by the Indian government in the name of "Jan-dhanYojana", we need to understand it and assess its feasibility and merit.

Literature Review

Understanding of financial accessibility

A review of the literature reveals that there is no universal definition of financial accessibility broadly speaking; financial accessibility means access to finance and financial services for all in a fair, transparent and equitable manner at an affordable cost (Sarma, 2008). Fuller and Mellor (2008) noted that financial accessibility is the desire to develop 'alternative', welfare-oriented (rather than profit-driven), reliable, affordable and accessible financial services for all sections of the population. Others, however, view accessibility as a market driven solution for poverty alleviation (Alpana,2007). Financial accessibility is a desired outcome regardless of the motivation behind it as it can help poor people access financial services at a lower cost and reduce the consequences of poverty.

While micro-credit schemes are viewed as an integral part of financial accessibility as they bring saving and borrowing opportunities to marginalized groups, there is an aspect of financial accessibility that they do not cover micro-credit schemes which are based on a group of neighbors, usually women, who keep each other honest regarding saving and repaying loans. Financial accessibility, is mostly geared to the individual household level. While micro-credit focuses on loans and saving, financial accessibility includes all banking products alongside saving and loans. The Committee for Financial Sector Reforms noted that over-reliance on credit can lead to dangerous long-term results, including over-indebtedness and wasteful use of scarce resources. Finally, to some extent, micro-credit schemes view the poor as needy and outside the free market, while advocates of financial accessibility sees the poor as regular clients with fewer means. Most importantly, micro-credit can flourish in an environment of where financial accessibility is nonexistent.

Who don't have financial service access and why?

Not surprisingly, those with access to financial institutions tend to be males, middle-aged professionals in full-time employment, in middle- to high-income groups who have cars, telephones and are home owners (Heimann and Mylenko, 2011). Conversely, those tending to be without are mostly women, the young, the old, the unemployed, those in semi-skilled or manual jobs and those of low socio-economic status.

Additional studies have found that people in rural areas or poor neighborhoods, who are rarely studied, are also less likely to access financial institutions (Carboet al., 2005). The majority of the literature on financial accessibility focuses on the urban poor, and we know very little of the level of financial accessibility in rural areas. It is quite possible that some who are unbanked may be so out of preference. These people who mistrust financial institutions, may prefer to deal with cash and to have immediate access to their money, may fear that government will tax their activities or may not want their neighbors to know that they are in possession of money.

Measuring financial accessibility.

There are two key approaches to measuring financial accessibility. The first and most popular is to calculate bank accounts (or bank branches) per population (adults or households) (Beck and De La Torre, 2006). As Sarma (2008) noted: 'As banks are the gateway to the most basic forms of financial services, banking accessibility is often used as analogous to financial accessibility' Although many well-to-do consumers may have more than one account, it is considered a solid estimate of how many people are served by banks. The problem is that this approach is not only ignoring those with many accounts, but also that it does not assess accessibility to other financial services or take into account the experiences and perceptions of those who are unbanked.

The other approach, which avails itself to people's experiences and perceptions, is to survey households in a given area. This method enables researchers to examine accessibility to a wide range of financial services and assess the depth of financial accessibility. This approach is more costly and less often used.

Financial Accessibility in India

In India, the nationalization of fourteen commercial banks in 1969 was a major landmark in the journey towards mass banking and away from class banking (Thingalaya, 2009). Remarkable progress was made in extending banking facilities and mitigating to some extent the regional inequalities in availability of banking services. Thousands of banking centers in remote villages started appearing on the banking map of the country. While institutional innovations in the rural credit delivery system

were introduced, the Indian government realized that the banking system had yet to reach a wide section of the population both in rural and urban areas. Mohan (2008) noted that as in many developing countries, the Reserve Bank of India (RBI) focuses not only on inflation but also on growth. Realizing that micro-credit failed to provide the expected growth, since 2004 enabling access to the largest number of people has become a top priority for the RBI. Ramesh and Sahai (2007) estimated that 'on an all-India basis, 59 per cent of the adult population in the country has bank accounts. 41 per cent of the population is, therefore, unbanked.' The Indian Council for Research on International Economic Relations (ICRIER) rated countries according to their levels of financial accessibility and found India to be lagging behind other nations (Sarma, 2008). India was ranked 50 out of the 100 studied countries included, although the bottom two thirds of countries had low accessibility rates. As such, India continues to suffer from a serious case of financial inaccessibility. In its January 2008 report, the Committee recommended launching a National Rural Financial Plan to provide access to comprehensive financial services, including credit, to at least 50 per cent of the financially excluded rural households by 2012, with the remaining households to be covered by 2015. To achieve these targets, it stipulated that 'semi-urban and rural branches of commercial banks and RRBs [Regional Rural Banks] should cover a minimum of 250 new cultivator and non-cultivator households per branch per annum', which it suggests is the most promising method of poverty alleviation.

Responding to the need for achieving financial accessibility, the bankers have started reaching out to the poor, and some are moving very fast. Even before the deadline, a few have declared the achievement of 100 per cent financial accessibility, adopting the route of 'no frills' accounts in the selected districts (Thingalaya, 2009). However, many questions remain unclear about the Indian experience of financial accessibility.

Research Questions

The above review suggests that while financial accessibility is the newest form of poverty alleviation, much is still unknown about it. Most studies use macro analyses that provide regional or national data on the number of accounts divided by population size. Few have studied the household perspective and even fewer have paid attention to households in rural communities. The very few studies on rural populations have tended to focus on only one district and do not provide a comparative vantage point (Ramji, 2009).

Given that banks in India claimed successful comprehensive financial accessibility, we aimed to study the breadth and depth of financial accessibility in rural Karnataka state, and this study sheds light on the validity of claims of financial reach and breadth. Further, since the mere opening of bank accounts is not sufficient for inclusive growth, the study identifies barriers in accessing savings, credit and other financial services. We set to study these topics, focusing on the following questions:

1. How many households in the studied villages are financially included and what financial services are available to them?
2. From the perspective of rural villagers, what are the key perceived barriers that prevent financial accessibility?
3. What are the personal characteristics that distinguish the banked from the unbanked?
4. What is the role of micro-credit organizations (self-help groups) in increasing financial accessibility? Do the banked belong to self-help groups?
5. Are there people who are not interested in financial accessibility? What are their reasons?
6. What are the financial unmet needs of rural households in India?

Methods

Similar to Mohan (2008), we administered household surveys to a sample of rural residents in four districts in Karnataka state: Koppal, Bagalkot, Uttara Kannada and Mysore. These states were randomly selected as they represent four political regions of Karnataka. Koppal represents Hyderabad Karnataka, Bagalkot represents Bombay Karnataka, Uttara Kannada represents Karavali Karnataka and Mysore represents Hale Karnataka. We resorted to selecting whole villages, as there are no lists of all people in the state or in a given neighborhood, and for each district we randomly identified one or two villages and aimed to study every household in those villages. The sample may not be representative of the population, as the chance of getting a typical village in the Bagalkot district was high and cannot be statistically assessed.

Our unit of analysis was a household, which is 'usually a group of persons, who normally live together and take their

meal from a common kitchen, unless the exigencies of work prevent any of them from doing so'. While we interviewed the person(s) that was at home, we collected data on each family member regarding background characteristics and financial involvement. In each village, local leaders were recruited to provide legitimacy and a list of every household, which enabled us to reach over 95 per cent accessibility in each of the studied villages. There were no refusals and the missing households were empty upon two visits to the village.

Research Instrument and data collection

Based on the literature and on our research questions, we composed an eight page questionnaire that asked about family background; bank access information; income, assets and savings; loans; and expectations of development work by the government. The questionnaires were written in Kannada by the authors and with help of community leaders. All questions were factual and the majority (over 90 per cent) was close-ended. On average, an interview lasted 20 minutes, and they were conducted between June and November 2014.

Sample

In all four villages selected out four districts, there was a bank in the village (through a weekly visit) or in a nearby larger village. All villagers regularly visited the larger villages where the local market was located. We discussed coverage with the branch managers of the nearest banks and in all cases they knew many families by name and their specific financial situation. As cost of labor in India is reasonably low, banks can afford to hire extra personnel to travel to small villages in rural areas and provide a weekly bank service, a luxury which does not exist where the cost of labor is high. As such, bank employees are familiar with villagers and are eager to open new accounts.

Table-1 shows the demographic characteristics of the sample. We found that the average household size is 3.66 persons. In Bagalkot, there were more people on average in households (4.0), while in Koppal there were the fewest (3.51). Regarding religion, significant differences existed between the villages. In Koppal and Bagalkot, almost all households were Hindu. In Uttara Kannada nearly 41 per cent were Muslims.

Regarding caste, there was great variability between the sites. In Koppal, the majority of subjects were members of the upper-level caste (others), while in Mysore only 4 per cent belonged to this caste. In all cases, less than 5 per cent of villagers were members of the lowest caste - Scheduled Tribe (ST). The majority are members of the other backward communities (OBC), a designation of middle-level caste. These differences are statistically significant

Given that rural India is a very traditional environment, we studied the presence of a husband/adult man in the household as a possible explanatory variable for variability in bank accounts. We found statistically significant differences between the sites regarding the presence of a husband/adult man in the household. In Uttara Karnataka, only 45 per cent of the families reported a husband living at home while in Bagalkot the percentage was 98 per cent. What we did not study is whether the missing adult man is dead or away (such as working in construction in a Gulf country). Finally, regarding annual household income, we also found significant differences. Using ANOVA and the Scheffe test reveals that the Bagalkot sample was significantly richer.

Findings

Our first research question dealt with how many households in the studied villages are financially included and what financial services are available to them. We found that the majority of households have access to banks and only 23 per cent reported that no one in the household has a bank account. In 2007, it was estimated that 41 per cent of the population was unbanked (Ramesh and Sahai, 2007; Thorat, 2007), which is perhaps an indication of the success of the financial accessibility initiative. In about half of the households (44 per cent), more than one person has a bank account.

The first question asked what aspects of financial accessibility are available in the villages? Table 2 lists a set of possible financial services and their use by state. The most accessible financial services are savings accounts (69 per cent) and loans (62 per cent). These are followed by life insurance (34 per cent). The least accessible financial services (less than 10 per cent) are credit cards, money transfer and credit counseling. Again, in the Mysore district villages there were lower levels of making bank-related savings and of loans, but higher use of advanced financial services. Higher rates of possessing life and general insurance were noted mostly in the Koppal village. These findings suggest that, regardless of the wide coverage of bank accounts, real financial accessibility is far from being reached and is subject to geographical variability.

The second question focused on barriers to financial accessibility that are perceived as being most salient. To

approach this question, we used two methods. First, we asked those without bank accounts to list all the reasons as to why they do not have one. The most commonly reported reasons were: no security to offer (34 per cent), not aware of any bank (25 per cent), no need for bank services (23 per cent), bank is too far away (17 per cent) and not on my mind/did not consider (14 per cent). It was impossible to assess if those uninterested in bank accounts said so because they rationally preferred not to be included or that their abject poverty was so serious that they felt unworthy of such services.

We also asked people if they are comfortable asking banks for a loan. The majority of respondents who did not borrow felt comfortable. Again, the Mysore district village had the highest percentage of people uncomfortable with asking for a loan (28 per cent). For those households, we asked about the reasons for not asking for loans. The top answers were: bank never approached me (53 per cent), lack of information about loans (49 per cent), the bank is too far and offers high interest rates (43 per cent each), bank is unfriendly (35 per cent), readily available local money-lenders (38 per cent), no bus (transportation) (32 per cent) and lack of trust in banks (29 per cent). Clearly, those financially excluded suffer from accessibility barriers and financial illiteracy. Those who do not feel comfortable approaching banks are more suspicious of the banks, in addition to lacking financial literacy.

The third research question focused on personal characteristics that distinguish the banked from the unbanked. We performed a set of bi-variate analyses to be discussed here and later will report the results of a binary-logistic regression.

Religion, however, was a significant variable in explaining variability in financial omission. This difference was statistically significant ($\chi^2 = 11.86$, $df = 2$, $p < 0.01$). Caste was also statistically significant ($\chi^2 = 66.2$, $df = 3$, $p < 0.001$). Surprisingly, the lowest caste (scheduled tribe: ST or Dalit) is actually hardly been omitted (13 per cent), almost at the same level as and slightly better than the highest castes (16 per cent). This is most likely due to planned government programs designed to provide preferential treatment to people who are ST and were discriminated against for numerous generations. The second level caste, the scheduled caste (SC), is significantly more financially omitted (58 per cent), followed by the OBC, with 21 per cent of their member households not accessible.

Education was also found to explain variability in financial omission. Those households with at least one high school graduate (SSLC: Secondary School Leaving Certificate) and higher were significantly less likely to be omitted as compared with those without a member with a similar education (12 per cent and 37 per cent respectively; $\chi^2 = 63.27$, $df = 1$, $p < 0.001$).

Having certain financial resources also explained variability in omission. Those who own land are less likely to be financially omitted as compared with those who do not (21 per cent and 52 per cent respectively; $\chi^2 = 26.65$, $df = 1$, $p < 0.001$). Similarly, those who own a house are less likely to be omitted as compared to those who lease (21 per cent and 46 per cent respectively, $\chi^2 = 16.63$, $df = 1$, $p < 0.001$).

From these analyses, we find that caste, religion, education and command of resources were significant in explaining financial accessibility. However, these findings will be further reviewed when we discuss the results of the binary-logistic regression.

We found that the distribution of access to bank accounts was uneven. In three villages, it ranged between 86 per cent and 89 per cent, while in Mysore village it was only 46 per cent. Such differences can be attributed to omission practices by local banks or to the low-income levels. However, Koppal, with a similar mean household income, reported 86 per cent financial accessibility. Mysore district reported the lowest rate of family members with beyond high school education (60 per cent), which may explain financial illiteracy, but Koppal, which has high financial accessibility, reported 56 per cent of households without a high school graduate.

We also found great variability in the manner by which those who do not use banks explain their omission. In Koppal, the top reported reason was 'no need for bank services'. In Bagalkot, the top answer was 'fear of inability to pay'. In Mysore, it was 'no security to offer'. In Uttara Kannada, it was a combination of 'too long to get a loan' and 'no need for banking services'. As such, the differences between the villages and states are many and are significant but may be the result of characteristics of residents rather than inherent state differences.

To assess the combination of village and characteristics, we performed a binary-logistic regression that included all the above household characteristics and village location. Most variables entered in the model were not statistically significant at the 0.05 level. As seen in Table 3, one significant variable explaining financial accessibility, defined as having a basic bank account, was education. Unlike caste and having taken loans, education can serve as a goal for government intervention. If at least one household member has an education level of above high school, the odds of being financially included is significant and 4.22

times greater than households where no-one has achieved high school education. Having loans significantly reduces the chance of being financially included. The majority of those who are members of SHG reported to have loans (81 per cent), while fewer households with non-SHG members reported to have loans (64.5 per cent). Because a small number of households are members of SHG, only 19 per cent of those who have loans are members of SHG. The odds of accessibility of those with loans are half those without loans. It should be noted that many households took loans from self-help groups, money-lenders or from neighbors or relatives but not from banks, which explains why those who took loans are less likely to be financially included. However, it does suggest that for many participation in these forms of financial transactions does not act as a stepping stone to accessibility in more formal financial services.

Among the four castes, when compared with the second level caste (SC most financially omitted) only the OBC (other backward caste) is significantly different, with the odds of Accessibility 3.3 times those of the second level caste. Regarding top caste households (others), they can be socially valued yet financially poor and omitted. Finally, the three villages other than Mysore district had significantly greater chances of being financially included. The -2 log likelihood was 440.4 and the Cox-Snell R square was 0.298.

The fourth research question dealt with the role of self-help groups in access to financial accessibility. While it is said that participation in micro-credit groups known as self-help groups (SHG) helps reduce financial omission, we found that there was no statistical difference between membership in SHG and banking, as seen in Table 3. In both groups (those who can and those who cannot borrow from SHG), about 23 per cent of households are unbanked. Among the financially included, only about a quarter (26 per cent) listed an SHG as a source through which they became aware of the bank, which was far below a family member (73 per cent) and almost as much as advertisement and bank employees (29 per cent and 26 per cent respectively).

The fifth question assumes that not all people would like to be financially included. Hence, we asked if there are people who are not interested in financial accessibility and for what reasons. Only 52 interviewees (31 per cent) out of the 169 who were financially omitted stated they either do not need bank services and/or had never considered the possibility of banking. We found that having the highest level of education, having a male adult in the house, income, owning land, owning a house, membership in an SHG and religion did not explain the difference between the omitted who are interested or not interested in banking. Among those not interested in banking, more of them are OBC (53 per cent), whereas among those interested in banking, more are SC (47 per cent).

Our sixth and final question focused on the unmet financial needs of people in rural area. As noted in Table 2, most households reported to not have debit or credit cards, money transfer services or credit counseling, and less than a third have access to insurance services. These financial options are clearly not available to the majority of studied households. In addition, we asked the respondents about their interest in another set of financial services. About two thirds of the respondents (65 per cent) wanted general information about the bank. A similar number (58 per cent) asked for help using bank services. These findings suggest that even the so-called banked are quite unaware of what the banks offer, how they practice and how to use them effectively. About half asked for advice in investing savings (47 per cent) and about a fifth asked for assistance in farm-related issues.

Conclusions

There is still ambiguity regarding what financial accessibility is and how to define it. If we apply the simplistic definition of how many households in a given geographical area are banked, with at least one member of the household having a bank account, then our study shows good coverage. In the four villages we studied combined, three quarters of households are banked. This high rate was lowered by the village in Mysore district where only 46 per cent of the households are banked. This village likely does not represent the Mysore district, as it is more poverty stricken than most villages. Yet, it represents many villages of similar socio-economic status throughout Karnataka. Put differently, in the case of most villages, bank accounts are becoming the norm, but for the poverty-stricken villages, it is yet to come. This high rate of financial accessibility (77 per cent) is above the reported national standard just two years before the study was carried out and at the time of the Rangarajan Commission report (Ramesh and Sahai, 2007). In 2007, Usha Thorat, Deputy Governor of the Reserve Bank of India, reported 'that on an all India basis 59 per cent of adult population in the country have bank accounts - in other words 41 per cent of the population is unbanked' (Thorat, 2007). As such, the campaign for full financial accessibility is quite successful. However, the use of bank accounts per population is a simplistic measure of financial accessibility. The

poverty-stricken village in Mysore district reported the lowest rates of bank accounts, yet it also reported higher rates of using advanced banking services among those who are banked. Furthermore, even though three-quarters of studied households are banked, less than 10 per cent reported to know about the availability of investment options. These findings suggest that while access to bank accounts is indeed increasing, financial literacy and advanced use of bank services are lagging. It also suggests that financial accessibility is not a single phenomenon and should be studied in a multi-layered fashion, ranging from being banked to making full use of modern financial instruments.

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Table 1. Characteristics of the study participants

Variable	Koppal (N=131)	Bagalkot (N=162)	Uttara (N=250)	Mysore (N=187)	Total (N=730)	Results of statistical tests
Household size	3.51	4	3.56	3.6	3.66	F=19.89*
Religion	Hindu 99.2%	Hindu 99.5%	Hindu 45.4%	Hindu 100%	Hindu 81.5%	$\chi^2 = 90.35$ ***
Caste	Chris --	Chris --	Chris 12.4%	Chris --	Chris 4.24%	
	Muslim 0.8%	Muslim 0.5%	Muslim 41.2%	Muslim --	Muslim 14.35%	
	ST 1.5%	ST 6.3%	ST 4.2%	ST 0.5%	ST 2.8 %	$\chi^2 = 65.36$ ***
	SC 0.8%	SC 10.9%	SC 10.0%	SC 36.9%	SC 17.0%	
	OBC 40.5%	OBC 55.5%	OBC 55.8%	OBC 58.3%	OBC 52.8%	
	Others 57.3%	Others 27.3%	Others 30%	Others 4.3%	Others 27.4%	
Husband in household	95.40%	98.00%	45.60%	78.10%	73.77%	$\chi^2 = 45.36$,***
Annual household average income	80,893 INR	105,906 INR	41,584 INR	54,305 INR	66,171 INR	F = 8.62*

Notes : *Denotes significant differences at the 0.05 level. *** Denoted significant differences at the 0.001 level

Table 2. Use of financial services by Districts

Financial/Products/Services	Koppal (N=131)	Bagalkot (N=162)	Uttara (N=250)	Mysore (N=187)	Total (N=730)
Household with a bank account	86.30%	85.80%	89.20%	46.00%	76.80%
Savings accounts	77.90%	80.90%	73.20%	47.60%	69.20%
Household with loans	95.40%	63.60%	58%	62.60%	62.10%
Life insurance	48.10%	37.70%	24.40%	33.70%	34%
General insurance	44.30%	9.90%	6.80%	12.30%	15.60%
Kisan (farmer) credit card	61.80%	1.90%	7.60%	1.60%	14.50%
Health insurance	11.50%	20.40%	2.80%	7.00%	9.30%
Debit/credit cards	5.30%	14.80%	2.40%	12.80%	8.40%
Money transfer	2.30%	16.70%	1.60%	4.30%	5.80%
Credit counseling	0.00%	6.20%	0.00%	9.60%	3.80%

Note : ***Denoted significant differences at the 0.001 level.

Table 3. Binary logistic regression explaining likelihood to be financially accessible

Variable	Categories	Significance (p value)	Odds ratio (ExpB)
Caste	Lowest caste (ST)	0.572 NS	5.545
	Second lowest (SC)(Reference)	---	---
	Third caste (OBC)	0.001	3.320 ***
	Top caste (Others)	0.055 NS	1.718
Ownership of house	Yes (Reference No)	NS	---
Ownership of land	Yes (Reference No)	NS	---
Religion	Non-Hindus(Reference Hindus)	NS	---
Membership in SHG / Micro credit	Yes (Reference No)	NS	---
Highest education of any member in household	High school (SSLC) and above (below high school reference)	0.001	4.22 ***
Total family income	Sum of all income in Rs	NS	---
Having loans	Yes(Reference is no)	0.015	0.504 *
Household size	Number of members in Household	NS	---
Adult male in the house	Yes(Reference No)	NS	---
Districts	Koppal	0.001	6.80 ***
	Bagalkot	0.001	5.55 ***
	Uttara Kannada	0.001	13.81 ***
	Mysore (Reference)		

Notes: NS denotes no significant differences *denotes a significant contribution at the 0.05 level. **denotes a significant contribution at the 0.01 level ***denotes a significant contribution at the 0.001 level

Table 4. R - Test results.

Step1	-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
1	.000a	0.298	0.439