

Majority of Indians not averse to taking loans, shows study; check 2 key reasons for availing debt

By: FE Online

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Majority of Indians are not averse to taking loans to fulfill family desires and upgrade their lifestyle, a local survey said.



The study also said that 33 per cent of Indians are likely to purchase consumer durables such as smartphones, refrigerators, TV and others on EMIs to be able to upgrade lifestyle.

Majority of Indians are not averse to taking loans to fulfill family desires and upgrade their lifestyle, a local survey said. Family aspirations and upgrading lifestyle is the primary reason for availing loans for 46 per cent of the Indian population, said a report commissioned by Home Credit India. The study also said that 33 per cent of Indians are likely to purchase consumer durables such as smartphones, refrigerators, TV and others on EMIs to be able to upgrade lifestyle. The loan culture is penetrating deep in non-metro cities, the study said adding the cities such as Jaipur, Patna, Lucknow and Nagpur are driving this trend.

The other popular categories to avail loans include the two wheelers (23.3 per cent) and personal expenses (20.3 per cent), followed by is for purchase of cars (12.5 per cent), house (12 per cent) and gold (10.5 per

cent).

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“People in Mumbai and Delhi are the most evolved in terms of consulting a financial advisor before taking a loan at 44.2% and 38.8% respectively; For other cities it is the non-formal sources for advice,” it added.

When it comes to availing loans without consulting anyone, Nagpur emerges as the most-self assured city in the survey. This is followed by people of Kolkata and Ahmedabad.

However, a certain section of people are averse to the idea of loan. 35 per cent of the respondents say that “Having a loan is a stressful feeling”. “The second reason for loan aversion is that 32% of respondents ‘believe in saving and spending’. The fear of not being able to repay is the third reason why people do not take loans, said 32% respondents. The burden of documentation and hassle at 31% is another reason why people do not prefer loans,” the study also said.

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