



India's Household Debt and Savings Crisis

Source: [TH](#)

India's economic landscape has witnessed a concerning trend with **household debt levels soaring to a historic high of 40% of GDP** by December 2023, while net financial savings moved to an alarming low of around **5% of GDP**.

- The report forecasts that the trend of low net financial savings is likely to persist, with household debt fueled by **personal loans, agricultural loans, and business loans** continuing its ascent.
- This financial strain, coupled with **declining Gross Domestic Savings**, paints a grim picture of India's economic stability and underscores the urgent need for comprehensive policy measures to address this mounting crisis.

Read more: [Household Consumption Expenditure Survey 2022-23](#)

PDF Reference URL: <https://www.drishtiias.com/printpdf/india-s-household-debt-and-savings-crisis>

