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RESERVE BANK OF INDIA

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**RBI Working Paper No. 06/2018:
Measuring Financial Capability of the Street Vendors**

The Reserve Bank of India today placed on its website a Working Paper titled "[Measuring Financial Capability of the Street Vendors](#)" under the Reserve Bank of India Working Paper Series*. The Paper is authored by D.V. Ramana and Silu Muduli.

The paper, taking into account four dimensions viz., financial management to meet current needs, future financial planning, financial products management, and financial knowledge, estimates the financial capability of street vendors in the city of Bhubaneswar, India. Based on the primary survey data, a financial capability index for each individual in the sample was calculated using a measure that satisfies monotonicity, anonymity, normalisation, uniformity, shortfall sensitivity and hiatus sensitivity to level axioms. The study finds that, education, age, business experience and daily turnover significantly affect the financial capability of an individual. Moreover, street vendors in the regions with higher number of bank branches were found to have significantly higher financial capability.

** The Reserve Bank of India introduced the RBI Working Papers series in March 2011. These papers present research in progress of the staff members of the Reserve Bank and are disseminated to elicit comments and further debate. The views expressed in these papers are those of authors and not of the Reserve Bank of India. Comments and observations may kindly be forwarded to authors. Citation and use of such papers should take into account its provisional character.*

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