What is commonly referred to as the “middle class” in India has nothing to do with “Middle India,” the households located in the middle 60% of the income spectrum. A report from the Mastercard Center for Inclusive Growth argues that the sustainability and eventual success of India’s economic take-off will depend on transforming Middle India into a thriving and increasingly prosperous middle class.

The Three Indias
Survey data produced by the think tank People Research on India’s Consumer Economy found that so-called middle class households are actually in the top 20% of households by income.

Rich India earns almost 5x more than Poor India and about 2.6x more than Middle India

Middle India by the Numbers

- 164m households
- 69% say they meet basic needs with difficulty
- Only saves 7.7% of household income

How Middle India Lives & Works

- More than 70% of Middle India lives in rural areas
- Many Middle Indians lack basic amenities such as tap water and LPG stoves, causing them to not be as productive
- Only 17% of chief wage earners receive a regular salary
- 79% of chief wage earners are either self-employed or work as casual labor

Poor infrastructure and a lack of job security hold Middle India back from being a greater source of economic dynamism.

Inclusive Growth as a Path for Success
A focus on better infrastructure, more formal jobs and gender equality would fundamentally support the government’s efforts to accelerate the country’s economic growth.

*All data comes from the ICE 360˚ 2014 survey, conducted by People Research on India’s Consumer Economy with the support of the Mastercard Center for Inclusive Growth.*