

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS

RAJYA SABHA
UNSTARRED QUESTION NO.2007
TO BE ANSWERED ON TUESDAY, MARCH 10, 2026/ 19 Phalgun, 1947 (Saka)

Household consumption slowdown

2007 Shri G.C. Chandrashekhar:

Will the Minister of Finance be pleased to state:

- (a) whether Government has analysed recent trends in private final consumption expenditure, including rural–urban divergence and real wage growth, during the last three years; and
(b) the policy measures identified to address demand compression and declining household purchasing power?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)

- (a) As per the National Statistics Office (NSO), Ministry of Statistics and Programme Implementation (MoSPI), the growth in private final consumption expenditure at constant prices over the last three years is as follows:

| | 2023-24 SRE | 2024-25 FRE | 2025-26 SAE |
|---|-------------|-------------|-------------|
| Growth in Private Final Consumption Expenditure (at 2022-23 constant prices) (Per cent) | 5.8 | 5.8 | 7.7 |

Note: SRE: Second Revised Estimates; FRE: First Revised Estimates; SAE: Second Advance Estimates.

Further, as per the household consumption expenditure survey (HCES) data collected by the National Sample Survey Office (NSSO), the average monthly per capita consumption expenditure has risen from ₹ 3773 in 2022-23 to ₹ 4122 in 2023-24 in rural areas, and from ₹ 6459 in 2022-23 to ₹ 6996 in 2023-24 in urban areas.

In addition, data from the Periodic Labour Force Survey (PLFS) indicate an increase in average earnings across worker categories. The growth in average wage/salary earnings per person at current weekly status exceeded the retail inflation rate in 2023–24.

Trends in earnings (₹ Nominal Value)

| Category | 2021-22 | 2022-23 | 2023-24 |
|---------------|---------|---------|---------|
| Self-employed | 11,678 | 13,131 | 13,279 |
| Regular | 18,391 | 19,401 | 20,702 |
| Casual | 374 | 403 | 418 |

(b): The Government has undertaken a multi-pronged strategy to stimulate consumption growth in the economy through a combination of demand-supporting measures, income-enhancing supply-side strategies and structural reforms. Policy measures such as the new income tax exemption for annual incomes up to ₹12 lakh, recent GST rate rationalisation, continued emphasis on ease of doing business, skilling, employment generation, and infrastructure development, along with expanded access to credit through schemes like MUDRA and PM-SVANidhi, are expected to boost consumption growth in the economy.
