

Wealth inclusion in India: Expanding investor participation beyond metros

September 2026



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Executive summary

India has reached a wealth inclusion inflection point

India has already built one of the world's most powerful financial access infrastructures. Digital identity, bank accounts, real-time payments, mobile connectivity and consented data exchange have connected hundreds of millions of citizens to the formal financial system. The strategic challenge is now more demanding: converting access into trusted wealth creation, sustained investing behavior and long-term household resilience.

The opportunity emerges at a pivotal moment. India has reached a significant economic scale, has one of the world's youngest populations, and is experiencing rising household prosperity, rapid digital adoption and expanding domestic capital market participation. The upper-middle, affluent and high-income population is projected to expand materially over the next five years, creating one of the largest pools of future investors globally.

The first phase of India's financial transformation focused on access. The next phase must focus on outcomes. The challenge is no longer opening accounts or enabling transactions; it is helping households start early, invest consistently, diversify appropriately, understand risk and remain invested through volatility. This is the transition from a nation of savers to a nation of investors.

The challenge is that access has scaled faster than wealth participation

The participation gap is striking. India has approximately 500 to 550 million active UPI users, yet only around 62 million individuals invest in mutual funds and approximately 50 million participate actively in equity markets¹. India has largely solved digital access but has only begun the journey of broad-based wealth participation.

This is not primarily an infrastructure gap. It is a confidence, advice and behavior gap. Many households are financially connected, economically capable and digitally active, but remain under-invested because market-linked products feel complex, volatile, unfamiliar or difficult to evaluate. Trust, suitability and contextual guidance are now the scarce resources in the wealth ecosystem.

The next 100 million investors may not come from one segment

The next wave of investor growth is expected to emerge from multiple participation pools: Tier-2 and Tier-3 salaried households, women wealth creators, young professionals and Gen Z investors, emerging affluent households, entrepreneurs and business owners and ESOP or liquidity-event beneficiaries. These cohorts differ by income, life stage, confidence, financial complexity, digital maturity and trust needs. They cannot be served through a single acquisition playbook.

Participation could be triggered by financial moments rather than product campaigns. Salary progression, bonuses, fixed deposit maturities, tax planning, education goals, inheritance, ESOP vesting, business liquidity and retirement planning create moments when households are most open to guidance. Institutions that embed investing into these moments with relevance, suitability and trust will shape the next chapter of India's wealth market.



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The wealth inclusion flywheel

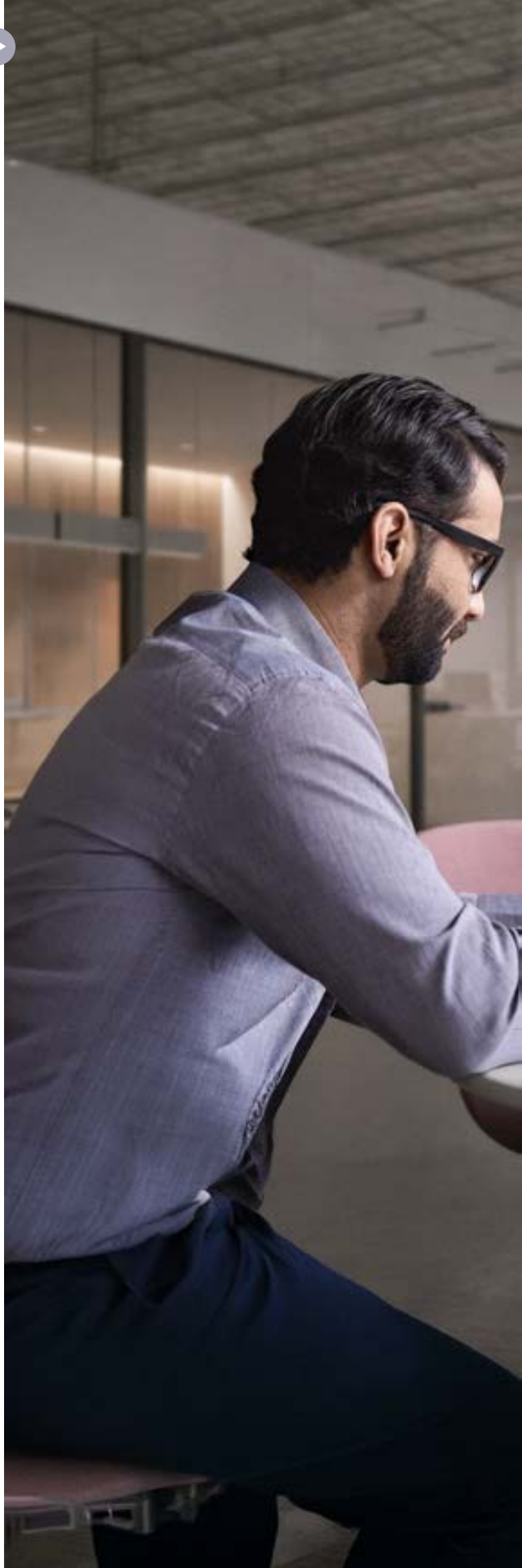
India possesses a unique structural advantage in addressing these challenges. Digital Public Infrastructure has already transformed the economics of financial inclusion. Aadhaar has simplified identity verification, UPI has democratized payments and Account Aggregator has laid the foundation for secure data sharing. UPI alone processed approximately 241 billion transactions in FY2025 and is used by nearly 550 million consumers and over 65 million merchants¹, demonstrating the scale at which digital infrastructure can transform economic behavior.

The same design principles can now be extended to wealth creation. Reusable onboarding, recurring investment rails, consent-based financial data sharing, contextual guidance, integrated servicing and stronger investor protection can fundamentally improve the accessibility and relevance of investing for millions of households. The objective is not merely to make investing faster. It is to make investing more understandable, more suitable and more sustainable.

AI can become the second force multiplier. If DPI provides the rails, AI can provide the advice layer. The greatest opportunity for AI is not as a conversational interface at the edge of an application, but as a scalable advice production system capable of transforming fragmented customer data into goals, recommendations, explanations and ultimately confident action. Properly governed AI has the potential to democratize access to personalized guidance, financial capability and investor confidence at population scale.

The implications for financial institutions are profound. Product-led growth must evolve into outcome-led participation. Digital access must become guided access. Investor education must move beyond awareness and toward measurable financial capability. Advice must be industrialized while preserving suitability, transparency and trust. Winning institutions should not simply distribute more products; they should help customers make better financial decisions and remain invested throughout market cycles.

¹Source: NPCI, SEBI, NSE, BSE





The industry-wide imperative

The broader economic implications are equally significant. Domestic investors are already becoming a critical source of capital formation, with retail investors contributing approximately US\$13.9 billion and domestic institutional investors contributing approximately US\$67.6 billion of net investments during FY2025². A deeper and more resilient domestic investor base is expected to strengthen capital markets, support long-duration financing, reduce dependence on external capital and contribute to greater economic stability.

India has already demonstrated that technology, policy and institutional collaboration can achieve financial inclusion at population scale. The next challenge is more ambitious: creating wealth participation at population scale. The immediate opportunity is to expand investor participation, but the larger prize is to create durable investor behavior, where households start early, invest consistently, diversify appropriately, understand risk and remain invested through volatility.

Key message

India's first financial revolution connected citizens to money. Its next financial revolution can connect households to prosperity. With a US\$4.2 trillion³ economy, an expanding middle class, one of the world's youngest populations and globally leading digital public infrastructure, the foundations for mass wealth creation are already in place. The institutions that successfully combine trust, advice, technology and financial capability should not only capture one of the largest growth opportunities in financial services but also help shape one of the defining economic transformations of the coming decade: the transition from a nation of savers to a nation of investors.

²SEBI, NSE, BSE, EY secondary analysis

³Government of India data

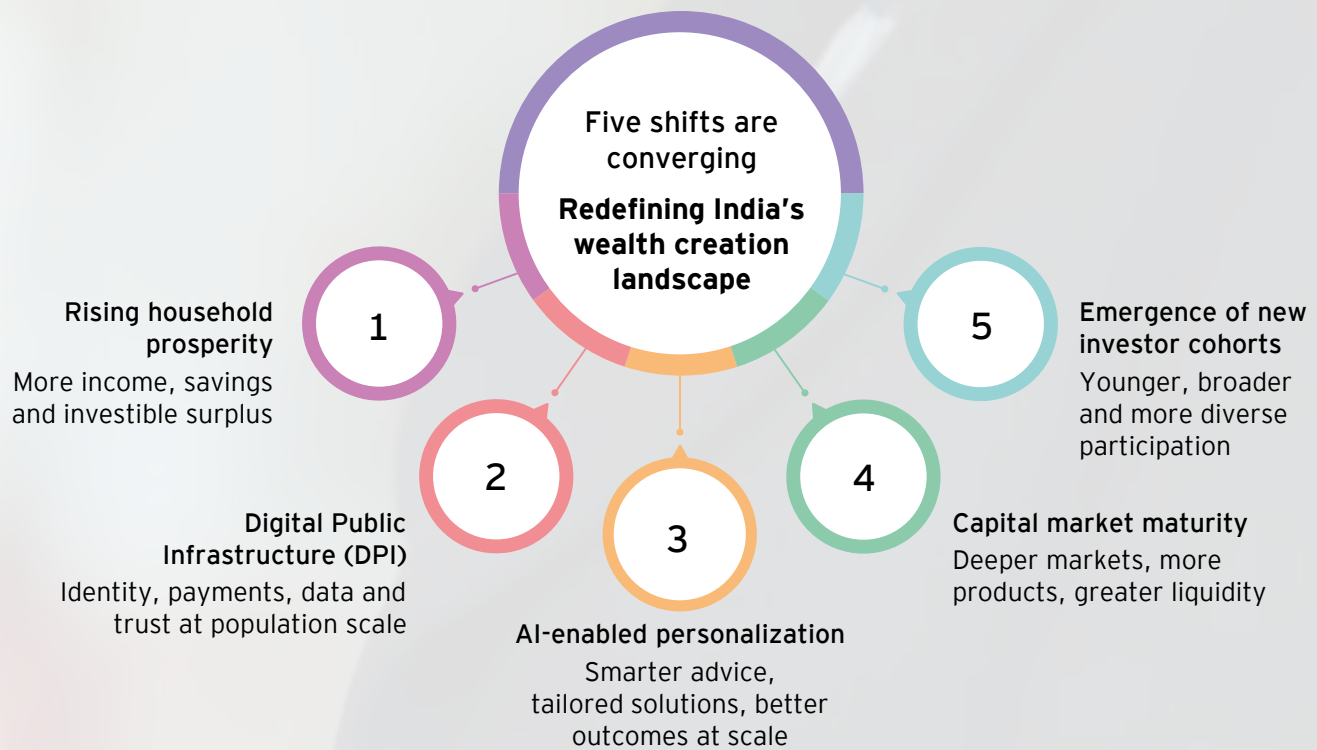


**Why is now the moment for
wealth inclusion in India?**

India's wealth inclusion agenda is no longer a future aspiration. It is an immediate strategic opportunity. For more than a decade, India focused on building the foundations of financial inclusion through identity, banking access, digital connectivity and payment infrastructure. Today, the more important question is whether households can participate meaningfully, responsibly and sustainably in wealth creation.

Five shifts are converging: rising household prosperity, digital public infrastructure, capital market maturity, AI-enabled personalization and the emergence of new investor cohorts. Individually, each trend is significant. Collectively, they have the potential to redefine India's wealth creation landscape.

Exhibit 1: Five trends driving India to a wealth inclusion inflection point



Source: EY analysis, EY secondary market research

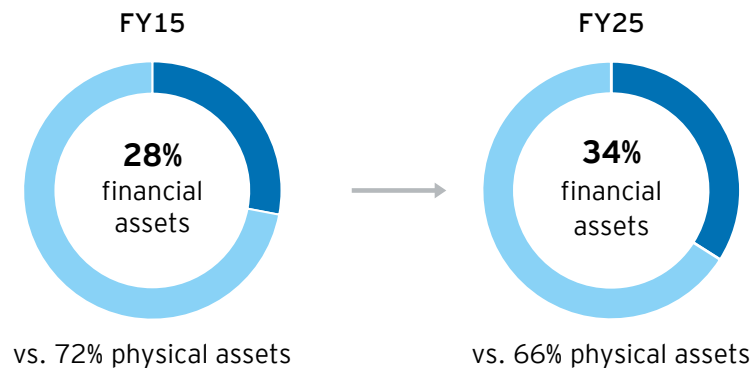


Rising household prosperity is creating an investable surplus

India is entering a new phase of financial maturity, with household preferences shifting from savings, liquidity and capital preservation toward long-term wealth creation.

This transformation is reflected in the asset mix of Indian households, where investable assets have grown to nearly US\$5.2 trillion in FY25, increasing their share of total household assets to approximately 34% from 28% in FY15⁴.

Exhibit 2: A structural shift from physical assets to financial assets

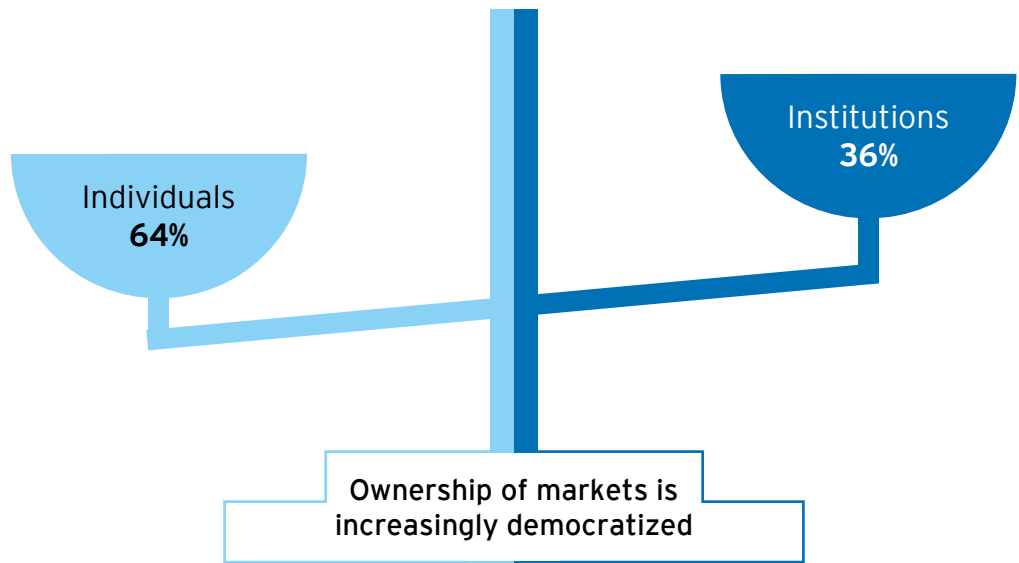


Source: RBI, IRDAI reports, SEBI, PFRDA, EPFO, Jefferies report, EY analysis

The change is not merely cyclical. It reflects a deeper behavioral shift. Over the last five years, Indian households have increasingly moved away from traditional fixed deposits toward higher-return savings and investment products, supported by greater financial literacy, higher return expectations and growing confidence in capital markets.

Mutual funds and listed equities have emerged as the primary beneficiaries of India's shift toward wealth creation. Individual mutual fund AUM has grown significantly, accounting for approximately 64% of the industry's total AUM, reaching nearly US\$600 billion⁵ as of June 2026.

Exhibit 3: India's market ownership between individuals and institutions



Source: AMFI and Crisil Intelligence, NSE, EY analysis.

⁴RBI, IRDAI reports, SEBI, PFRDA, EPFO, Jefferies report, EY analysis

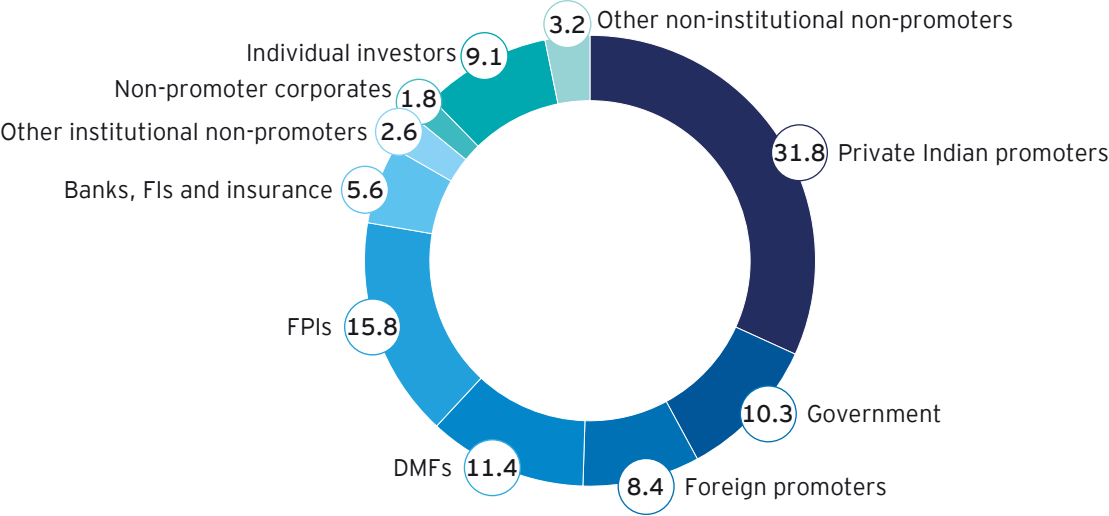
⁵AMFI



India’s capital markets are witnessing a significant broadening of ownership, with direct individual shareholding in NSE-listed companies rising to 9.1%⁶. This trend has been driven by a rapid increase in retail investor participation across both equity and mutual fund channels. Consequently, individual investors now account for 18.7%⁶ of the Indian equity market through a combination of direct equity holdings and mutual fund investments, the highest level recorded in over two decades.

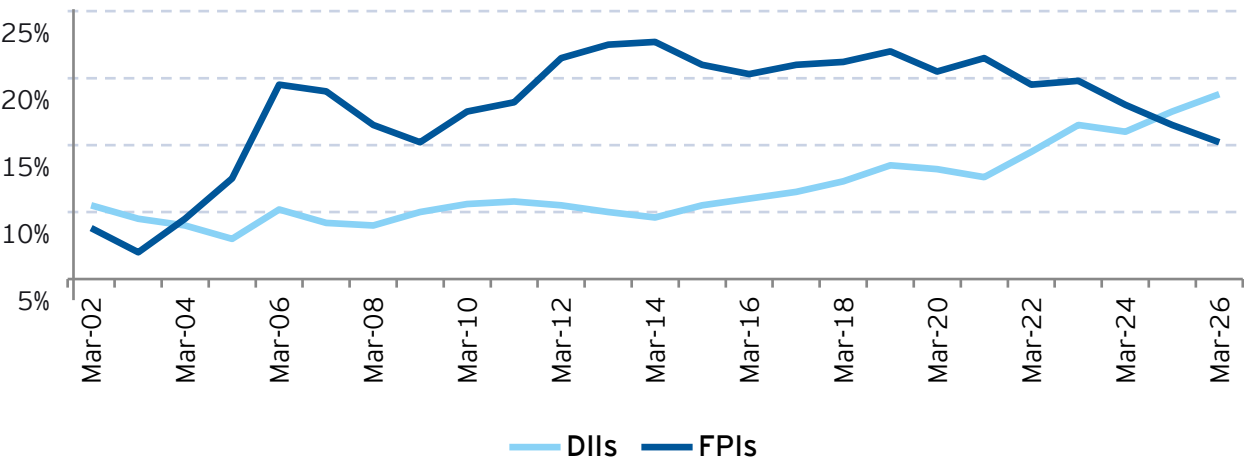
Notably, aggregate individual ownership has surpassed that of foreign portfolio investors (FPIs), marking a structural shift in market participation and underscoring the growing influence of domestic capital in shaping India’s financial markets.

Exhibit 4: Growing domestic participation is reshaping India's capital markets (March 2026)



Source: NSE Shareholding Pattern Data, March 2026, EY analysis

DII and FPI flows as a % of market capitalization



Source: CMIE Prowess, NSE EPR

Yet India remains structurally underpenetrated. Mutual fund and equity allocation represents only 15% to 20% of the GDP, compared with 50% to 60% in the US and 40% to 45% in Brazil. This gap highlights the size of the opportunity still ahead.

The strategic implication is clear: the opportunity is not simply to sell more investment products. It is to help households transition from saving for security to investing for long-term prosperity, with proposition design built around life goals, risk appetite, time horizon and household-level financial resilience.

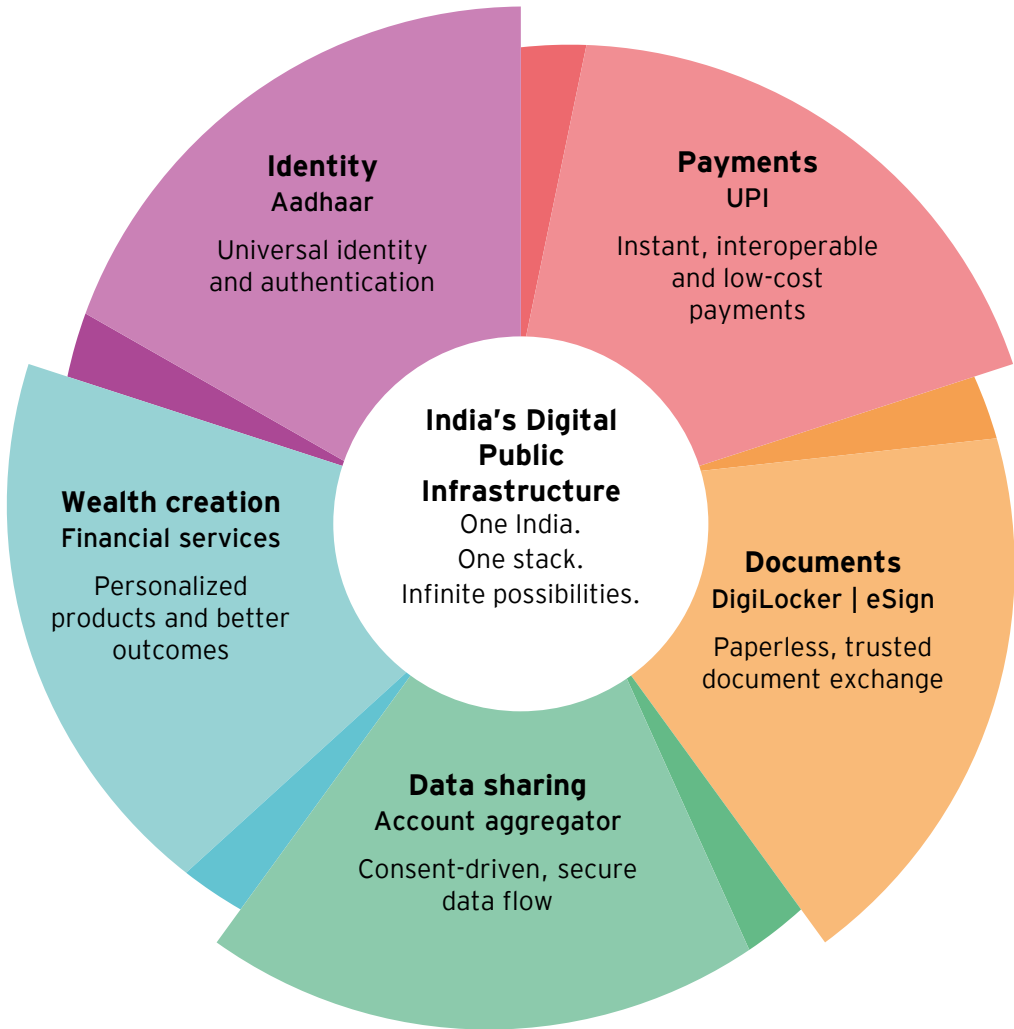
⁶NSE Shareholding Pattern Data, March 2026, EY secondary analysis.



Digital public infrastructure has solved the scale challenge

India has built one of the world’s most extensive digital financial ecosystems, connecting identity, banking, payments, capital markets access and digital distribution. This has materially lowered the friction associated with onboarding, investing, servicing and engagement.

Exhibit 5: India's DPI stack forms the foundation of a scalable financial ecosystem



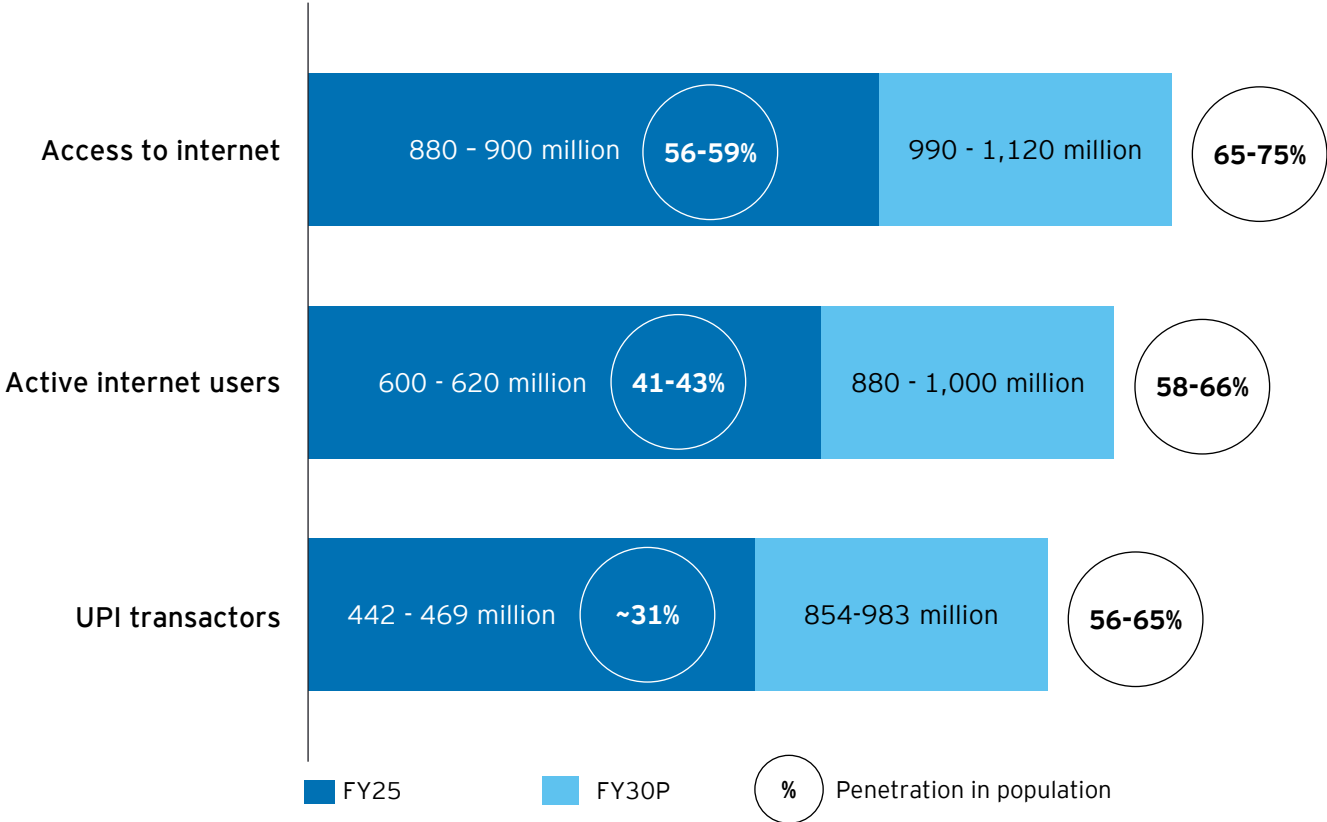
Source: UIDAI, NPCI, DigiLocker, Account Aggregator Ecosystem, MeitY; EY analysis.

India’s Digital Public Infrastructure (DPI) and India Stack have become foundational enablers of financial inclusion, economic growth and digital market participation at scale. By creating interoperable public rails for digital identity (Aadhaar), real-time payments (UPI) and secure data sharing (Account Aggregators), India has built one of the world’s most advanced digital ecosystems. The impact is evident in the rapid growth of UPI, which expanded from approximately 13 billion transactions in FY2020 to nearly 241 billion transactions in FY2025, accounting for around 85% of India’s digital transactions and nearly half of global real-time digital payment volumes⁷. With over 550 million users and more than 65 million merchants on the network⁷, UPI has transformed the way Indians transact, save and invest. Coupled with Aadhaar-enabled eKYC, which has drastically simplified customer onboarding, India Stack has reduced friction, lowered transaction costs, expanded access to financial services and strengthened trust and efficiency across the financial system, creating a powerful foundation for broader investor participation and capital market deepening.

⁷TRAI data, EY secondary analysis



Exhibit 6: Deepening DPI penetration is expanding the reach of India's digital economy



Source: NPCI, TRAI, EY analysis.

India’s digital revolution, powered by widespread smartphone adoption and some of the world’s most affordable high-speed internet, is reshaping financial participation at an unprecedented scale. Over the last decade, average monthly data consumption per wireless user has surged nearly 87-fold, while the cost of data has fallen by almost 97%⁸, making digital access both ubiquitous and affordable. As internet penetration expands from nearly 60% of the population today to an estimated 65% to 75% by 2030, digital engagement is expected to accelerate rapidly, with the share of Indians transacting digitally projected to more than double. This growing digital connectivity is democratizing access to information, financial education and investment products, catalyzing higher consumption, broader investor participation and deeper capital market penetration across the country.

India's investment landscape is becoming increasingly inclusive, driven by digital infrastructure, greater accessibility and rising financial awareness. Investor participation is expanding beyond traditional urban affluent segments, with cities beyond the top 110 contributing approximately 12% of mutual fund AUM in FY25⁹. Similarly, districts beyond the top 10 accounted for 70% of NSE-registered investors trading in FY25, compared with 61% in FY21⁹, highlighting the deepening penetration of capital markets across smaller cities and towns.

This expansion is also broadening the investor base across demographic segments. Women are emerging as a powerful force in India’s investment ecosystem. Their share of unique mutual fund investors increased from 24% in December 2024 to 26% in December 2025, underscoring a steady rise in financial empowerment and participation in capital markets⁹. This shift is even more evident in investment holdings, with women investors’ mutual fund AUM more than tripling from US\$54.3 billion in 2020 to US\$178 billion in 2025, accounting for 34.6% of total individual investor AUM⁹. Rising workforce participation, improving financial literacy, greater financial autonomy, and expanding access to digital investment channels are collectively accelerating women’s role in driving the next phase of wealth creation in India.

At the same time, younger investors are entering capital markets earlier than ever, with those under 30 accounting for 38% of investors in June 2026, up from 23% in FY19⁹, reflecting a growing focus on long-term wealth creation and the ease of digital investing.

⁸TRAI data, EY analysis
⁹AMFI, NSE, EY analysis

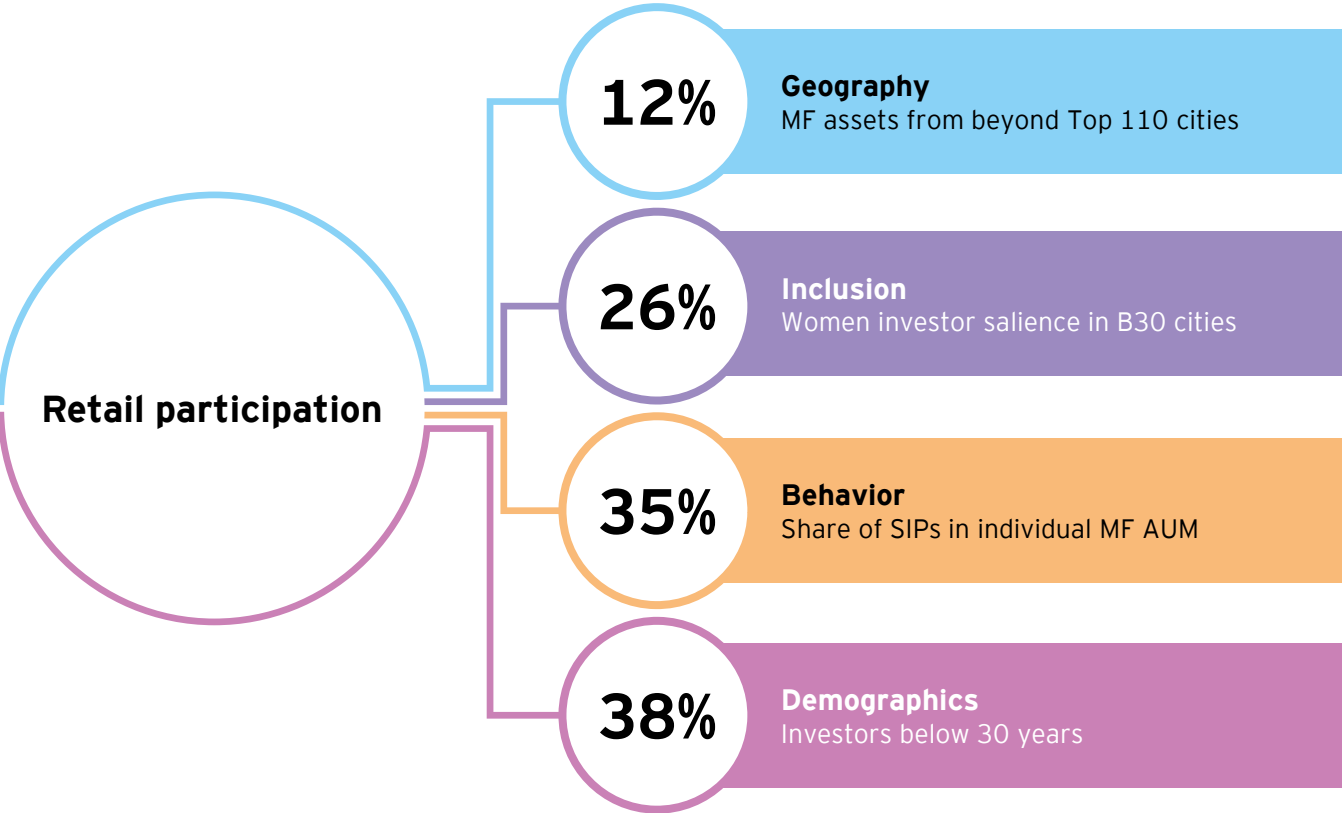


Together, these trends point to a fundamental shift: investing in India is no longer concentrated among metropolitan, affluent investors but is increasingly becoming a mass-market phenomenon. While this demonstrates the power of digital infrastructure to broaden participation, access alone does not guarantee long-term investing behavior or wealth creation outcomes.

However, infrastructure alone does not create sustained investor behavior. The strategic opportunity is to build a wealth layer on top of these public and private digital rails: converting identity into seamless onboarding, payments into recurring investment habits, transaction data into personalized guidance and digital reach into ongoing advisory engagement.

The next phase of innovation should therefore focus less on expanding access and more on converting access into disciplined, informed and sustained participation.

Exhibit 7: Retail participation is broadening across geographies, demographics and investor cohorts



Source: AMFI, NSE



Capital markets have become mainstream

India's capital markets have entered a new phase of maturity. Mutual funds, listed equities, SIPs, retirement-oriented investment solutions and simplified fund structures are increasingly becoming part of mainstream household portfolios. Financial markets are no longer viewed solely as an avenue for affluent or institutionally advised investors; they are rapidly becoming a core component of household wealth creation across income segments.

The scale of this transformation is evident in both the depth and breadth of retail participation. Combined direct and indirect household ownership of equities reached approximately US\$800 billion by March 2026, growing at an annualized rate of nearly 30%¹⁰ since March 2020. What was once a relatively narrow investor base concentrated in a handful of urban centers has evolved into a broad-based movement supported by digital access, rising incomes and increasing financial awareness.

Investor participation has expanded dramatically alongside rising ownership. The number of demat accounts across NSDL and CDSL has increased by approximately 5.5 times since the pandemic, crossing 230 million accounts, while the number of unique registered investors on the NSE has exceeded 130 million. This growth reflects not only greater market participation but also the broadening democratization of financial assets among Indian households.

The next decade is expected to witness an even deeper shift toward direct equity ownership. Individual equity holdings are projected to grow three to four times to approximately US\$2.5 trillion to US\$3 trillion¹¹, accompanied by the addition of more than 120 million new investors. Much of this growth is expected to be driven by Gen Z and millennial cohorts, whose investment behavior is characterized by digital-first engagement, greater familiarity with financial products and a stronger orientation toward long-term wealth accumulation.

Technology has played a pivotal role in accelerating this transition. The emergence of digital wealth platforms, discount brokers and mobile-first investment journeys has significantly reduced entry barriers, making market participation simpler, faster and more cost-effective. At the same time, continuing improvements in financial literacy have expanded awareness of investing beyond traditional savings instruments, encouraging households to allocate a greater share of their financial assets toward market-linked products.

Investor behavior is also evolving. While derivatives have attracted significant retail interest in recent years, regulatory reforms introduced by SEBI, including tighter position limits, enhanced surveillance mechanisms and stricter index eligibility norms, are expected to curb excessive speculation and promote healthier participation. Over time, this is likely to support a gradual shift toward long-term investing and balanced portfolio construction, combining direct equities, mutual funds, and risk-managed exposure to derivatives.

The attractiveness of capital markets has been further reinforced by strong investment performance and a vibrant primary market. Equity markets have delivered robust long-term returns, with the Nifty 500 generating approximately 15% to 17% annualized returns over the last decade¹¹, significantly outperforming traditional savings instruments. Simultaneously, India has witnessed a sustained surge in IPO activity, raising more than US\$80 billion over the past six years. With an estimated 200-300 IPOs expected over the next two financial years¹², capital markets are poised to remain a powerful avenue for broadening retail participation and accelerating wealth creation.

However, increased participation and product proliferation also bring new challenges. Investors today face an abundance of choices across asset classes, investment vehicles, strategies and risk profiles. The challenge is no longer access to investment opportunities, but the ability to navigate them effectively. As product shelves continue to expand, suitability assessment, portfolio construction, risk understanding and investor education could become increasingly important.

The institutions that succeed in the next phase of market development may not necessarily be those offering the widest range of products, but those capable of simplifying financial decision-making. Advice, suitability-led recommendations, goal-based investing journeys and investor education could become critical differentiators, enabling firms to convert growing participation into sustainable wealth creation outcomes for millions of Indian investors.

¹⁰NSE

¹¹World Bank DataBank, Euromonitor, AMFI, Ministry of Statistics and Programme Implementation, Crisil, EY secondary research

¹²EY secondary analysis based on NSE data



AI has created the possibility of mass personalization

Historically, high-quality financial advice has been the preserve of affluent investors. Traditional advisory models are inherently constrained by economics: delivering personalized diagnostics, portfolio construction, ongoing monitoring and behavioral coaching requires significant human effort, making individualized guidance viable only for clients with substantial assets. Artificial intelligence has the potential to fundamentally reshape this equation by dramatically lowering the cost of intelligence, personalization and service delivery across the investor lifecycle.

The relevance of AI becomes particularly pronounced in India, where the next wave of investor growth is being driven by unprecedented diversification of the retail investor base. New participants are entering capital markets across income cohorts, geographies, genders, professions and age groups. Investor participation is expanding beyond metropolitan centers into Tier-2 and Tier-3 cities. Women are emerging as an increasingly influential investment segment, and younger investors are beginning their wealth creation journeys earlier than previous generations.

Such diversity introduces a level of heterogeneity that conventional distribution and engagement models are ill-equipped to address. Investors differ not only in their financial capacity but also in their life-stage priorities, risk tolerance, financial literacy, digital maturity, behavioral biases, language preferences and need for reassurance. In this environment, standardized investor education programs and one-size-fits-all product journeys are unlikely to deliver meaningful outcomes at scale.

AI offers a pathway toward a more individualized and inclusive model of wealth creation. Across the AI value chain, technologies can be deployed to enhance different layers of investor experience:

- Predictive AI can strengthen customer diagnostics, identify emerging needs, detect behavioral patterns and anticipate life-stage transitions.
- Generative AI can deliver personalized financial education, contextual content, multilingual engagement and investor support tailored to individual circumstances.
- Agentic AI can orchestrate investment journeys, automate servicing interactions, proactively recommend actions and assist both investors and advisors in real time.
- Human-AI collaboration models can empower advisors with deeper insights, better portfolio analytics and smarter decision support while preserving the trust and accountability that remain central to financial advice.

Together, these capabilities enable institutions to move beyond mass-market engagement toward hyper-personalized investor experiences: from generic awareness campaigns to contextual nudges, from static risk profiling to dynamic life-stage guidance and from product-centric sales models to goal-based wealth journeys. The objective is not to replace human judgment, but to augment it and extend its reach, making high-quality guidance accessible to millions of investors who have historically remained underserved.

Ultimately, the strategic question for wealth managers is no longer whether AI should be adopted, but how quickly and responsibly adoption is expected to scale. The more consequential question is whether institutions can deploy AI responsibly to expand access to trusted financial guidance while safeguarding transparency, suitability, fairness and investor protection. Those that succeed should not merely improve operational efficiency; they should play a pivotal role in democratizing wealth creation, enabling high-quality financial guidance to reach segments of the population that traditional advisory models could never economically serve.



A new investor class is emerging

India's future investors will look fundamentally different from those of the previous generation.

Young professionals, women wealth creators, entrepreneurs, ESOP beneficiaries, emerging affluent households and digitally active consumers in Tier-2 and Tier-3 cities are entering the wealth ecosystem in growing numbers. This is already visible in the data. The share of NSE-registered investors under 30 years old increased to 38% in June 2026 from 23% in FY19. In B30 cities, women investors accounted for 25% of investors in FY24, up from 20% in FY19¹³.

These investors have different expectations. They are more digitally native, more self-directed and more comfortable engaging through technology. At the same time, they continue to seek trust, validation and guidance when making significant financial decisions.

A cultural shift toward disciplined investing is also underway. SIPs now account for 35% of total individual mutual fund AUM, up from 19%¹³ in FY19, reflecting the increasing salience of sustained, recurring and goal-oriented investing behavior. Entry barriers are also reducing, with micro-SIPs of approximately US\$2.6¹³ helping bring first-time, underserved and rural investors into the investment fold. Distribution expansion is reinforcing this shift, with tie-ups across more than 250,000 rural touchpoints and rising digital platform adoption helping bridge trust and access gaps.

This creates a new strategic imperative for wealth institutions. Future growth could depend less on traditional relationship models alone and more on the ability to combine digital scale with trusted guidance. The winning model could blend technology-led reach with human-led judgment at critical moments of decision-making.

Why this moment matters

India is not merely witnessing the growth of a wealth management industry. It is standing at the threshold of a far larger transformation.

For the first time, the country has economic conditions, digital infrastructure, capital market depth and demographic momentum to expand wealth creation beyond a relatively narrow investor base and into the financial lives of millions of households.

The scale of the opportunity is substantial. Mutual fund AUM alone is expected to grow to more than US\$3 trillion over the next decade, while individual direct equity holdings are expected to reach approximately US\$2.5 trillion to US\$3 trillion¹⁴ over the same period. This growth is expected to be supported by rising household penetration, increasing per-household AUM, expanding distributor networks, retirement-focused schemes, digital platforms and greater investor awareness.

With investor participation well positioned to expand, the defining question is whether India can create a model where participation is guided, informed and sustainable, rather than speculative, fragmented and uneven.

Institutions that act now have an opportunity not only to capture growth, but also to shape the next chapter of India's financial evolution. They can help convert access into participation, participation into sustained investing and sustained investing into long-term household wealth creation.

Key message

Just as the last decade democratized access to finance, the next decade should democratize access to wealth creation. The convergence of these five structural shifts makes the opportunity possible today in a way that was not feasible a decade ago.

¹³AMFI, NSE, EY analysis

¹⁴World Bank DataBank, Euromonitor, AMFI, Ministry of Statistics and Programme Implementation, Crisil, EY secondary research



**Global lessons for India's
wealth inclusion journey**

India's pathway to wealth inclusion could be unique. Unlike most developed markets, it is being built on population-scale digital public infrastructure, real-time payments, digital identity and rapidly expanding mobile connectivity. While no international model can be replicated directly, global experience highlights a common principle: wealth participation expands when investing is embedded into everyday financial behavior, supported by trusted institutions and delivered through simple, scalable customer experiences.

The most successful markets have not relied solely on greater product availability. They have increased participation by integrating investing into income flows, leveraging automation, strengthening trust frameworks, deploying technology responsibly and simplifying investor journeys.

Exhibit 8: Global design principles for expanding wealth participation



Source: EY analysis

Embedding investing into everyday financial behavior

Wealth creation becomes more sustainable when investing is integrated into recurring financial activities such as income receipt, savings behavior, retirement planning and major life events. Rather than treating investing as a separate activity, successful models make it a natural extension of an individual's financial journey.

Using automation to reduce inertia

A significant barrier to investment participation is behavioral inertia. Well-designed automated investment mechanisms can help individuals start early, remain invested and build long-term financial discipline while preserving flexibility and investor choice.

Building trust through outcomes, not disclosures

As investor participation broadens, trust becomes a critical enabler of long-term engagement. Institutions must move beyond compliance-driven disclosures and demonstrate that products, advice and customer interactions consistently support positive investor outcomes.

Scaling technology responsibly

Technology and AI have the potential to dramatically expand access to financial guidance and personalized engagement. However, scale must be accompanied by strong governance, transparency, accountability and safeguards that preserve investor confidence.

Making investing simple and accessible

Mass-market participation increases when investment journeys are intuitive, accessible and easy to navigate. Simplicity reduces barriers to entry, but it should be balanced with appropriate suitability checks, investor education and long-term financial wellbeing.





What India should take from global practice

The most relevant lessons from global experience are not product-specific or market-specific. They are principles that consistently drive broader participation and better investor outcomes:

- Integrate investing into existing financial behaviors and life events.
- Use automation to overcome inertia and encourage consistency.
- Build trust through accountability and measurable outcomes.
- Deploy AI and technology responsibly to expand access at scale.
- Design simple, intuitive experiences that make investing accessible to a wider population.

India's opportunity is to combine these principles with its unique digital public infrastructure ecosystem. The resulting model should be embedded in everyday financial journeys, powered by responsible technology, governed by trust and measured by long-term wealth creation outcomes rather than account openings or product sales.

Key message

Global experience suggests that wealth participation expands when investing is embedded into financial behavior, supported by trust, enabled by technology and delivered through simple, accessible experiences. India's DPI ecosystem provides a unique opportunity to scale these principles nationally.

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**From financial inclusion
to wealth inclusion**

Over the past decade, India has achieved one of the most significant financial inclusion transformations in modern history. Through Aadhaar, Jan Dhan, mobile connectivity and the Unified Payments Interface (UPI), the country has built a digital financial ecosystem of unprecedented scale. Hundreds of millions of citizens now possess a verifiable digital identity, access to formal banking services, and the ability to transact seamlessly in real time.

This transformation has fundamentally altered the relationship between citizens and the financial system. Financial access, once a structural constraint, has become a national strength. However, the success of inclusion has brought into focus a new challenge, one that is likely to define the next phase of India's financial evolution.

While India has successfully connected its population to the financial system, it has not yet connected most households to wealth creation.

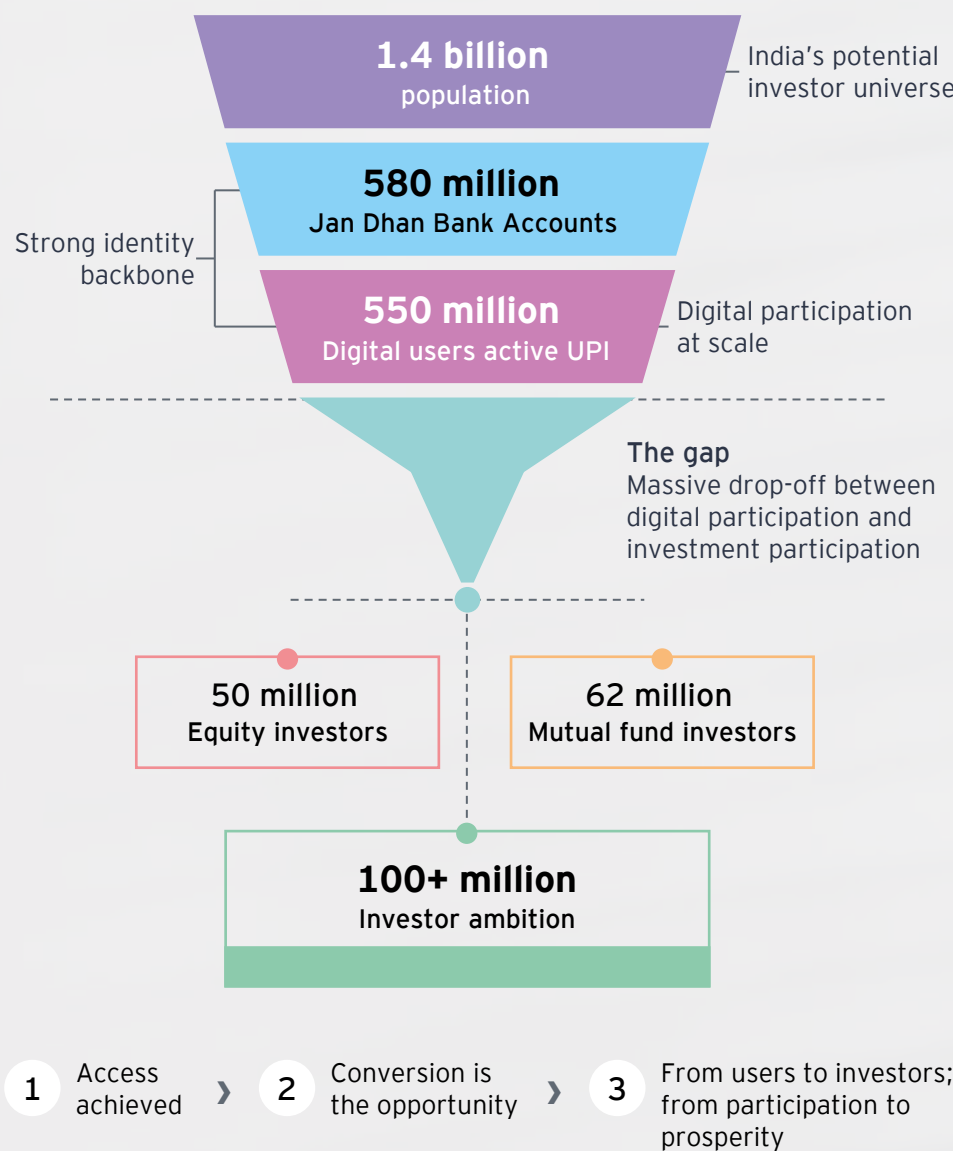
The missing link in India's financial story

India's financial infrastructure has expanded dramatically, but investor participation remains concentrated within a relatively small segment of the population.

The funnel highlights a striking paradox. India has created one of the world's largest digitally connected financial populations, yet only a fraction actively participates in long-term investing. Hundreds of millions of individuals are financially connected, digitally enabled, and increasingly integrated into the formal economy, but relatively few have transitioned from being users of financial services to owners of financial assets.

The country's next growth opportunity lies not in bringing more citizens into the financial system, but in enabling a larger proportion of financially connected citizens to become investors. In many ways, the next stage of India's financial journey is a conversion challenge: converting savers into investors and investors into long-term wealth creators.

Exhibit 9: India's next growth opportunity lies in converting access to participation



Source: SEBI, NPCI, NSE, AMFI, UIDAI, CBDT, EY analysis



From transaction economy to investment economy

Future progress could increasingly be measured by the number of households investing regularly, first-time investors entering capital markets, long-term savings being channelled into productive assets, and families building diversified financial portfolios. The focus must shift from enabling transactions to enabling wealth accumulation.

Why access has not automatically translated into participation

The assumption that financial access naturally leads to investment participation has proven overly simplistic. The behaviors associated with transacting and investing are fundamentally different.

Digital payments offer immediate utility and instant feedback. Investing requires patience, delayed gratification, and confidence in uncertain future outcomes. While spending is intuitive and habitual, investing often requires knowledge, discipline, and a willingness to navigate risk.

As a result, the barriers to investor participation are no longer primarily technological. They are behavioral, educational, and advisory in nature.

Many households today possess the means and the access required to invest, yet remain hesitant due to uncertainty about products, risk, timing, suitability and expected outcomes. Trust deficits, limited financial literacy, behavioral biases, and the absence of accessible guidance continue to inhibit participation across large sections of the population.

The challenge is no longer helping citizens move money. It is helping them make informed financial decisions.



Wealth inclusion is India's largest untapped financial opportunity

Few markets globally possess an opportunity of comparable scale. Unlike many economies that continue to grapple with access issues, India already has the foundational infrastructure needed to support broad-based investor participation. Digital identity systems, payment networks, account infrastructure, and distribution channels are largely in place.

Even modest increases in the proportion of digitally active users who become long-term investors could bring tens of millions of new participants into mutual funds, retirement products, equities, and other regulated investment solutions. The resulting impact would extend beyond the financial services sector, deepening domestic capital formation, increasing household financial resilience, and broadening participation in economic growth.

However, investor inclusion should not be measured solely by the number of first-time investors acquired. Sustainable wealth creation requires households to begin investing early, contribute consistently, remain invested through market cycles, and build diversified portfolios aligned to long-term goals. Participation is merely the starting point; sustained engagement is what ultimately creates wealth.

Wealth creation as a national development agenda

The past decade was defined by the democratization of access. The next decade is expected to be defined by the democratization of wealth creation.

India has already built the foundations required for mass financial participation. The challenge now is to equip citizens with the confidence, knowledge, advice, and tools required to invest and build long-term wealth. Achieving this objective should require coordinated action across policymakers, regulators, asset managers, wealth managers, distributors, fintechs, and educational institutions.

India's greatest financial opportunity is no longer bringing people into banking and payments. It is helping them become investors.

The true measure of financial inclusion is not whether citizens can transact. It is whether they can participate meaningfully in the creation of wealth. And for India, expanding that participation may prove to be one of the most important economic priorities of the decade ahead.

Key insight

India has successfully connected hundreds of millions of citizens to the formal financial system, yet only a fraction participates in long-term wealth creation. Having solved the challenge of financial inclusion, the country's next economic imperative is investor inclusion, converting digital engagement into sustained investment participation and broad-based wealth creation at national scale.



Where will India's next investors come from?

The future growth of India's investment landscape is unlikely to be driven by a single demographic segment, income band or geography. Instead, it is expected to be shaped by a diverse set of participation pools emerging across the economy as rising incomes, entrepreneurship, workforce formalization and digital engagement create new pathways to wealth creation.

Traditionally, investment participation in India was concentrated among a relatively narrow segment of affluent urban households. Today, that landscape is changing rapidly. Economic growth is creating a broader base of individuals with increasing disposable income, growing financial aspirations and a greater need to convert savings into long-term wealth.

As a result, the industry's next growth opportunity does not lie in identifying a single "next investor." It lies in understanding the multiple participation pools that are progressively moving from earning and saving toward investing and wealth accumulation.

These groups differ in age, profession, income, geography, and financial sophistication, but they share a common characteristic: they are entering stages of life where financial decisions become increasingly consequential and wealth creation becomes increasingly relevant.

For financial institutions, identifying and engaging these participation pools early may offer a more durable competitive advantage than distribution scale alone.

The new geography of investor growth

The next generation of investors is expected to emerge from a much broader footprint than the industry has historically served. Wealth creation is no longer confined to metropolitan India. Economic activity is increasingly spreading across Tier-2 and Tier-3 cities, creating new centers of entrepreneurship, professional employment, manufacturing, technology services and digital commerce. Rising household incomes in these markets are expanding the base of individuals with surplus capital available for long-term investment.

This shift represents more than geographic expansion. It reflects a structural broadening of India's wealth creation engine, where future investor growth is likely to be distributed across a wider set of locations, professions and income segments than ever before.

Life stages are becoming more important than demographics

The future investor landscape is increasingly defined by financial milestones rather than traditional demographic classifications. A young professional beginning to accumulate savings, an entrepreneur monetizing a business, a dual-income household planning for long-term goals, or a mid-career executive seeking retirement readiness may appear very different on the surface. Yet all represent individuals entering critical points in their wealth creation journey.

These moments often act as catalysts for investment behavior, increasing both willingness and capacity to engage with financial products and advice. As a result, successful institutions should focus less on broad demographic segmentation and more on understanding the financial life events that trigger investment decisions.

The next investor is not one segment. It is a collection of high-potential participation pools

Investor participation is often discussed as a single opportunity. In reality, India's next wave of wealth creators could emerge from multiple investor cohorts, each characterized by distinct financial behaviors, motivations and advisory needs.

While united by rising aspirations and increasing financial capacity, their journeys into wealth creation could be triggered by very different life events and financial circumstances.

For institutions seeking long-term growth, identifying and addressing these participation pools may prove more valuable than pursuing broad-based acquisition strategies.

Exhibit 10: India's highest-potential participation pools

	01 Digital-native wealth entrants <i>Begin the wealth journey</i>	02 Emerging household wealth builders <i>Convert income into security</i>	03 Independent wealth accumulators <i>Manage variable cash flows</i>
Age and life stage	18-27 Education to early career	28-40 Household formation	25-45 Income-building years
Geography and Occupation/ economic profile	Pan-India, digitally connected Tier II / III youth; students, first-job earners, gig workers and creators	Tier II / III growth centres; salaried and dual-income households	Metros and professional hubs; consultants, doctors, lawyers and specialists
Wealth creation trigger	First salary, freelance income or recurring digital earnings	Stable earnings, household income growth or first meaningful surplus	Variable monthly surplus, milestone receipts or episodic cash-flow peaks
Priority life needs	Build liquidity and protection while starting disciplined long-term investing	Balance emergency funds, home, education, protection and retirement	Stabilise cash flows, optimise tax and build flexible long-term wealth
Access and advice model	Mobile first, self directed journeys with education, simulations and responsible nudges	Assisted digital journeys with vernacular engagement, trusted brands and periodic human advice	Digital cashflow and planning tools with on demand specialist advice

Source: EY analysis

04

Entrepreneurial
wealth creators

Diversify beyond the business

05

Affluent wealth
optimizers

Optimise complex surplus

06

Legacy and
succession stewards

Shift to income and transfer

30-55
Enterprise-building stage

Commercial clusters and industrial towns; SME promoters, traders and family-business owners

Retained earnings, dividends, asset monetisation or liquidity events

Protect the enterprise, diversify personal wealth and prepare succession

Relationship led adviser as CFO proposition integrating business and personal wealth

35-55
Peak earning years

Metros and fast-growing cities; senior executives, specialists and ESOP holders

Bonuses, ESOP vesting, overseas income and accumulated financial assets

Improve tax efficiency, manage concentration and build global retirement-ready portfolios

Hybrid high touch advice supported by aggregation, analytics and specialist access

50+
Pre-retirement to succession

Pan-India, including returning NRIs; retirees, former promoters, inheritors and wealth families

Retirement corpus, business exit, inheritance or intergenerational transfer

Generate resilient income, preserve capital and transfer wealth with clarity

Trusted adviser proposition combining secure reporting, family governance and specialist coordination



Investors are created by moments, not products

The wealth management industry has historically organized itself around products. Investors, however, rarely begin their wealth creation journey because they discover a product.

Participation is typically triggered by a financial moment.

- A promotion creates surplus income.
- A bonus creates an allocation decision.
- A maturing fixed deposit creates a portfolio reassessment.
- An ESOP vesting event creates diversification requirements.
- A child's education objective creates a planning need.
- A business liquidity event creates a wealth preservation challenge.

These moments often act as inflection points where households become significantly more receptive to advice and investment solutions. Consequently, future investor acquisition is expected to depend less on product availability and more on an institution's ability to identify and engage individuals at moments of financial relevance. The firms that successfully anticipate these moments and offer contextual guidance are likely to capture a disproportionate share of future investor growth.





Trust will determine who activates India's next investors

As wealth creation expands beyond traditional affluent segments, trust should become the industry's most valuable differentiator. India's next generation of investors already possesses access to financial products, digital channels, and information. What many continue to lack is confidence.

Confidence in markets.

Confidence in products.

Confidence in advice.

Confidence in their ability to make investment decisions.

Bridging this confidence gap could be critical to expanding participation. As a result, the winning firms may not necessarily be those with the largest distribution networks, but those that most effectively combine the scale of digital platforms with the reassurance of personalized guidance.

Whether delivered through advisors, hybrid engagement models, AI-enabled recommendations, or digitally assisted journeys, trusted guidance is expected to increasingly determine who succeeds in activating the next generation of investors.

Key message

India's next investors may not emerge from a single demographic segment or geographic market. They could come from a diverse set of participation pools spanning emerging affluent households, women wealth creators, digital natives, entrepreneurs and new wealth creators across the country. The institutions that identify these cohorts early, engage them at moments of financial relevance, and build trust-based relationships are expected to be best positioned to lead India's next decade of wealth creation.



What is stopping participation?

India's financial infrastructure has evolved rapidly. However, investor participation has not kept pace. The gap is not the result of limited product availability or insufficient digital access. Rather, it reflects a more fundamental challenge: most households do not need more investment choices; they need greater confidence in making investment decisions.

For first-time investors, investing often feels complex, uncertain and difficult to evaluate. Questions around risk, market volatility, product suitability and long-term outcomes frequently create hesitation, even among financially capable households. While awareness of investment products has improved significantly, the ability to translate awareness into action remains inconsistent.

Unlocking the next phase of wealth creation will therefore require the industry to address the structural and behavioral barriers that continue to sit between awareness and participation.

The advice gap is the largest barrier to participation

One of the most significant constraints to expanding investor participation is not product availability but access to relevant guidance. The next wave of investors is expected to come from emerging affluent households, women investors, young professionals, entrepreneurs and residents of Tier-2 and Tier-3 cities. These cohorts often require education, reassurance and contextual support before making investment decisions. However, traditional advisory models struggle to serve these segments economically at scale.

As a result, a significant proportion of India's future investors remain caught in an advice gap. They are financially capable of investing, but lack the guidance required to navigate increasingly complex investment choices. Closing this gap may prove critical to unlocking the next stage of wealth creation.



Rethinking the economics of advice

Traditional industry discussions often frame advice as a choice between human advisors and digital platforms. Increasingly, that distinction is becoming less relevant. The more important question is how advice itself is produced and delivered. A useful distinction can be made between advice production and advice delivery.

Advice production encompasses many of the activities required to generate personalized guidance, including goal discovery, financial planning, risk assessment, suitability analysis, portfolio construction, behavioral coaching and ongoing monitoring. Much of this process can be standardized, digitized and industrialized.

Advice delivery, by contrast, can be tailored to investor needs through self-service journeys, assisted-digital experiences, remote advisory models, AI-enabled engagement or dedicated relationship managers.

Separating advice production from advice delivery creates the opportunity to dramatically improve advisory economics. It allows institutions to deliver personalized guidance to a significantly larger population without replicating the cost structure of traditional relationship-based models.

For an industry seeking to serve millions of first-time investors, this may become one of the most important operating model shifts of the coming decade.

Exhibit 11: Participation barriers and design responses

Barrier	How It Appears	What Must Change
Advice gap	Investors require guidance but remain underserved by traditional advisory models	Industrialise advice production and tier delivery based on complexity
Product complexity	Investment choices overwhelm first-time investors	Translate products into goals, outcomes, liquidity needs and risk profiles
Choice overload	Multiple products, channels and opinions create decision paralysis	Curated recommendations and guided journeys
Language and context	Product-centric and English-led experiences reduce comprehension	Vernacular engagement, voice capabilities and assisted journeys
Behavioral frictions	Volatility, short-term performance and social narratives influence decisions	Behavioral nudges focused on long-term investing discipline
Market integrity risk	Informal advice and unregulated influences shape investor behavior	Expand access to explainable, accountable and regulated guidance



Participation models must be designed for behavioral frictions

Participation is not simply a product of financial capability. It is also a function of investor behavior.

Market corrections, headline-driven narratives, peer influence, liquidity pressures and short-term performance expectations can all disrupt investment decisions. These reactions are neither unusual nor irrational; they are predictable features of investor behavior.

Consequently, participation models must be designed not only to enable investment decisions but also to help investors remain committed through periods of uncertainty. Long-term wealth creation depends less on making a single investment decision and more on sustaining disciplined investment behavior over time.

For many households, the challenge is not starting the investment journey. It is staying invested long enough for that journey to create meaningful wealth.

Key message

India's participation challenge is fundamentally an advice challenge. The next wave of investor growth is expected to depend on the industry's ability to make quality guidance accessible, affordable and scalable. Institutions that successfully bridge the advice gap and help investors navigate complexity, uncertainty and behavioral biases should be best positioned to expand participation and accelerate wealth creation at scale.



India's next national platform opportunity: the Wealth Stack

India's Digital Public Infrastructure (DPI) has fundamentally transformed how citizens access and interact with financial services. Aadhaar established a nationwide digital identity framework, Jan Dhan expanded banking inclusion, UPI revolutionized digital payments, DigiLocker digitized document management and the Account Aggregator framework introduced consent-based financial data sharing. Together, these initiatives have reduced customer acquisition costs, lowered service delivery friction and enabled financial access at an unprecedented scale globally.

The success of this ecosystem provides India with a unique opportunity. Having built the infrastructure required to bring millions of citizens into the formal financial system, the next challenge is enabling those households to participate meaningfully in wealth creation. This requires extending the principles that made DPI successful in payments and banking into investing, financial planning and advisory services.

The opportunity is significant because the barriers that now constrain investor participation are fundamentally different from those that constrained financial inclusion. Payments require infrastructure to move money efficiently. Wealth creation requires infrastructure that helps individuals make informed financial decisions. The challenge is therefore not simply digitalization, but creating an ecosystem that can deliver suitability, guidance, transparency and protection at scale.

Why wealth creation requires a different digital architecture

Unlike payments, investing involves a series of interconnected decisions that unfold over time. Investors must determine how much they can afford to invest, assess risk tolerance, balance short and long-term objectives, select appropriate investment vehicles and remain committed through changing market conditions.

These decisions are inherently more complex than executing a transaction. Consequently, a wealth participation infrastructure requires capabilities that go beyond identity verification and payments processing. It must support investor onboarding, financial profiling, suitability assessments, recurring contributions, advisory interactions, portfolio reviews, disclosures and grievance management throughout the investor lifecycle.

As investor participation broadens beyond traditional affluent segments, the ability to deliver these capabilities efficiently is expected to become increasingly important. The next generation of wealth infrastructure must therefore focus on improving decision quality and investor outcomes, rather than merely increasing transaction volumes.



India's existing DPI provides the foundation

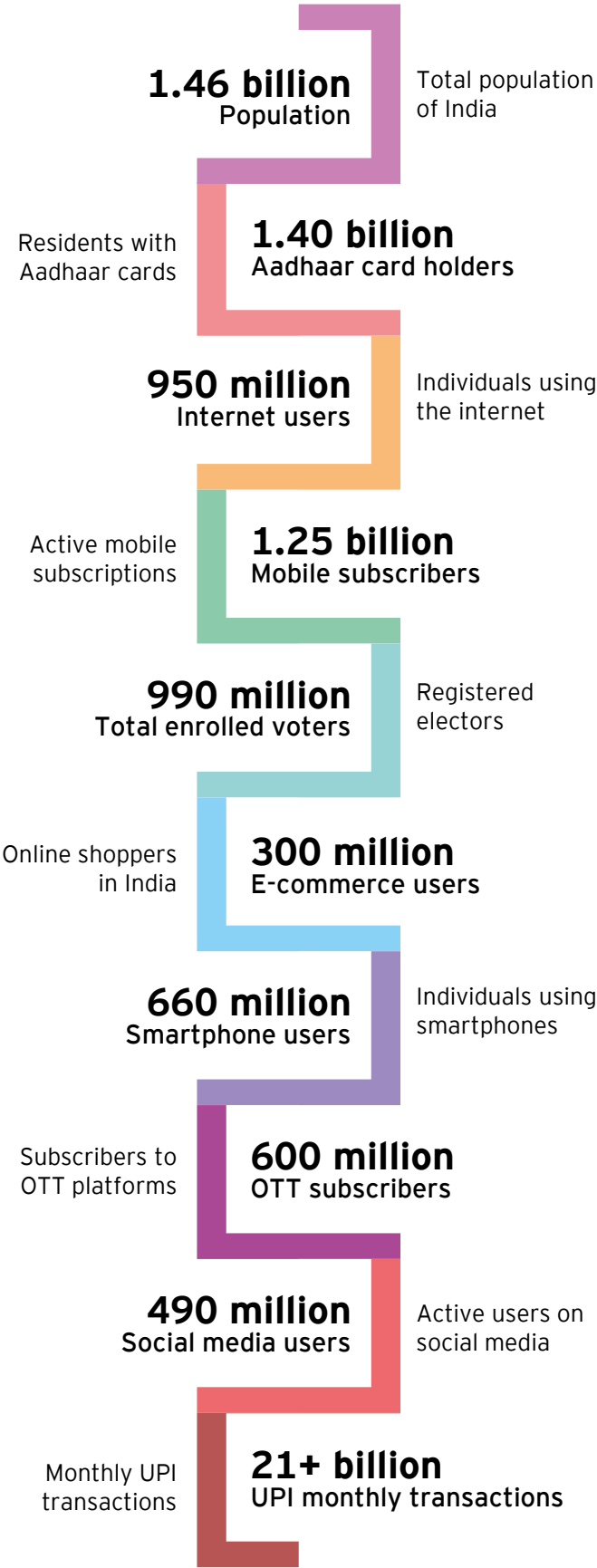
India enters this next phase from a position of considerable strength. The country already possesses many of the foundational building blocks required to create a population-scale wealth ecosystem.

Internal analysis indicates that India has more than 1.4 billion Aadhaar enrolments, over 580 million Jan Dhan accounts and smartphone penetration reaching approximately 85% of households. The country has more than 1.25 billion wireless subscribers and UPI processed over 21 billion transactions during January 2026¹⁵. The rapid expansion of Account Aggregator frameworks and digital document repositories further strengthens the foundation for building integrated digital financial journeys.

Collectively, these assets represent far more than digital infrastructure. They represent a national platform capable of supporting entirely new models of investor engagement, financial advice and wealth management.

The strategic question is no longer whether the infrastructure exists. The question is how these capabilities can be combined to enable better financial decision-making at scale.

Exhibit 12: India's digital ecosystem has reached population scale



Source: UIDAI, Election Commission of India, TRAI, NPCI, Government of India data

¹⁵UIDAI, PMJDY, TRAI, NPCI, RBI, EY analysis.



The Wealth Stack bridges infrastructure, intelligence and investor outcomes

The Wealth Stack can be viewed as the next evolution of India's DPI ecosystem, connecting public digital infrastructure directly to investor participation and wealth creation outcomes.

At the foundation sits the access layer, powered by Aadhaar, PAN, CKYC, digital onboarding capabilities, UPI and e-mandates. These rails reduce onboarding friction, simplify recurring investments and lower barriers to entry for first-time investors.

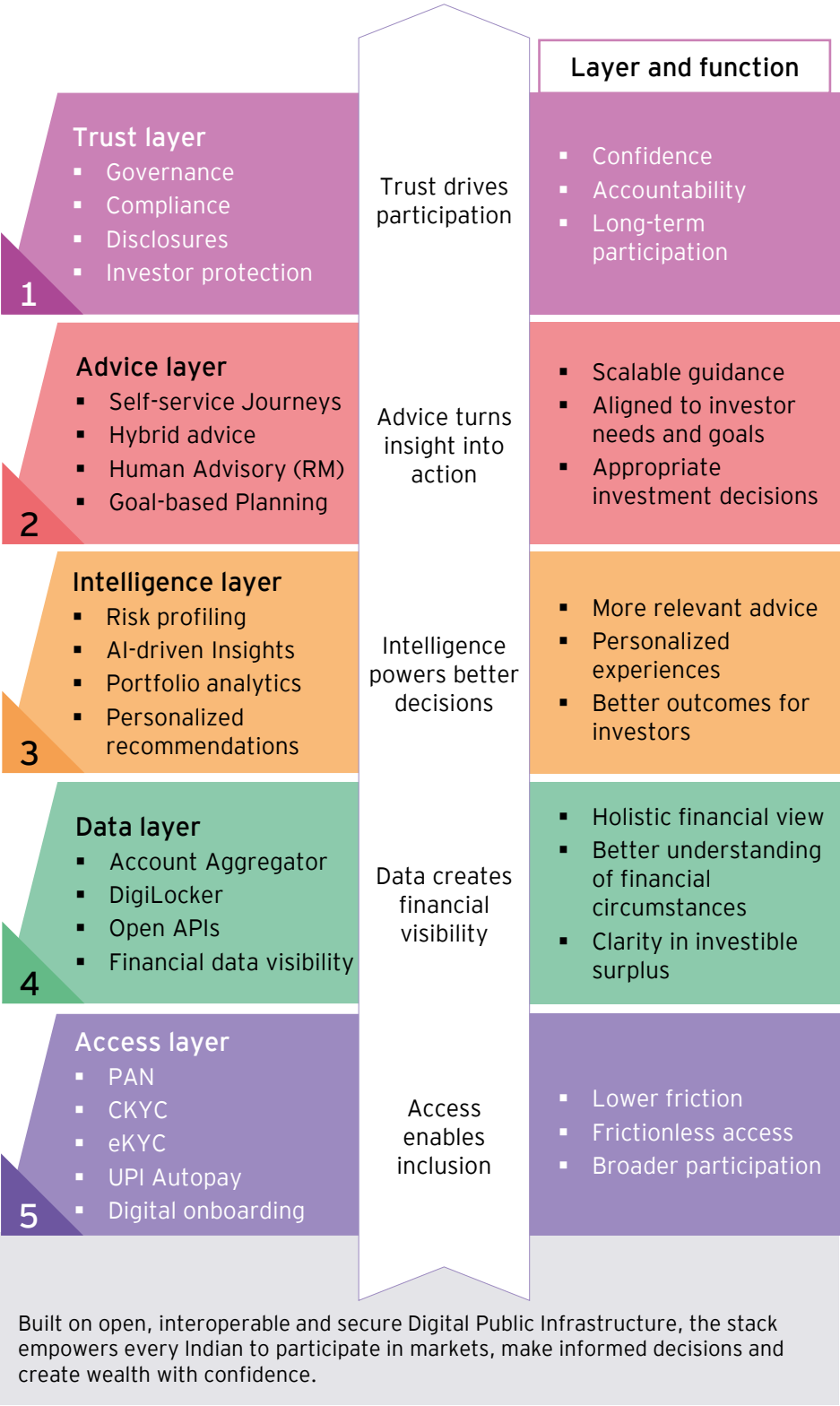
The data layer builds on frameworks such as Account Aggregator, DigiLocker and open APIs. By enabling secure, consent-based access to financial information, this layer can provide a more complete view of income, liabilities, existing investments, savings patterns and cash flow capacity. Such visibility is critical for delivering suitable investment recommendations rather than generic product offers.

Sitting above this is the intelligence layer, where analytics and artificial intelligence can help convert raw data into actionable insights. Investor profiling, goal identification, risk assessment, portfolio diagnostics and behavioral monitoring can all be supported through digital capabilities, significantly improving the ability to personalize investor journeys.

The advice layer then determines how guidance is delivered. Depending on investor needs and complexity, this may range from self-directed experiences and assisted-digital journeys to hybrid advisory models and dedicated relationship managers. Finally, the trust layer provides governance, compliance monitoring, disclosures, auditability and investor protection mechanisms that underpin confidence in the overall ecosystem.

Taken together, these layers create an operating model that moves beyond product distribution and toward guided wealth creation.

Exhibit 13: A DPI-enabled wealth ecosystem can convert access into sustained participation



Source: EY analysis



Solving the economics of advice through Digital Public Infrastructure

The most important implication of the Wealth Stack may not be improved onboarding or digital convenience. Its greater significance lies in its potential to address one of the industry's most persistent challenges: the economics of advice.

As discussed in the preceding section, millions of emerging investors require guidance but remain economically difficult to serve through traditional relationship-management models. Delivering personalized advice at scale has historically been constrained by cost, operational complexity and limited advisory capacity.

Digital Public Infrastructure creates an opportunity to rethink this model. Identity verification can be automated. Financial information can be accessed through consent-based frameworks. Portfolio diagnostics and suitability assessments can be generated algorithmically. Behavioral nudges and review triggers can be embedded directly into investor journeys.

This allows much of the advice-production process to be standardized and scaled, while preserving human intervention for higher-complexity decisions and significant life events. In doing so, DPI has the potential to make personalized guidance accessible to a far broader segment of the population than has traditionally been possible.





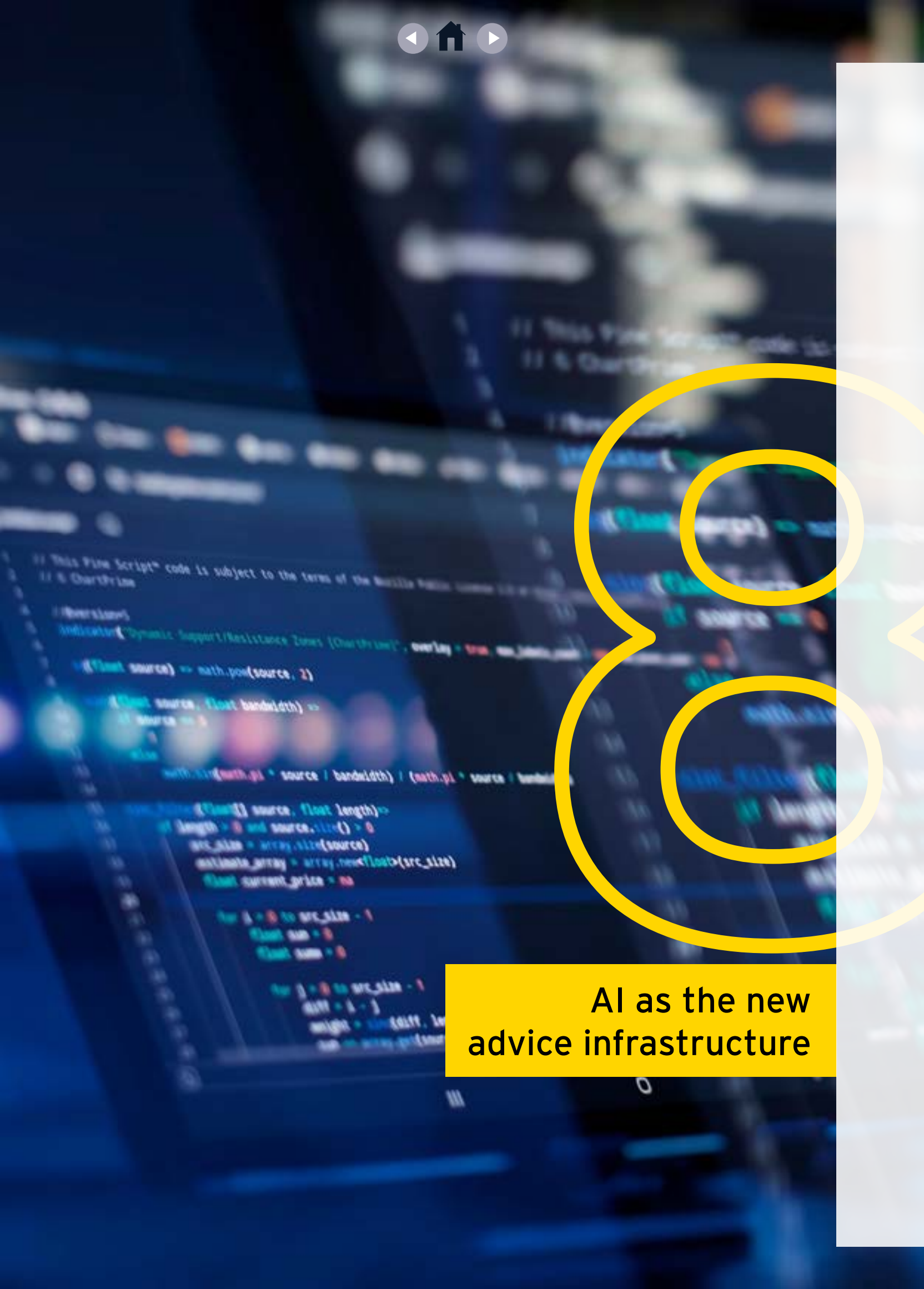
From frictionless access to informed participation

The success of UPI demonstrated the power of reducing friction in financial transactions. Wealth creation, however, requires a broader objective. Investors must not only be able to invest; they must understand why they are investing, how recommendations align with their goals and what risks are associated with their decisions.

Consequently, the future Wealth Stack cannot be designed solely around speed and convenience. It must also emphasize suitability, explainability and informed consent. Recommendations should be transparent, contextual and aligned to investor circumstances, ensuring that increased access translates into better financial outcomes rather than merely higher transaction volumes.

Key message

India's DPI advantage can evolve into a wealth infrastructure advantage. By integrating identity, payments, consented data sharing, AI-enabled intelligence and scalable advisory models, India has the opportunity to build a Wealth Stack that expands investor participation, lowers the cost of advice and improves investment outcomes. The next chapter of financial inclusion should not be defined by access alone, but by the ability to deliver personalized wealth creation journeys at population scale.



```
// This Pine Script™ code is subject to the terms of the Mozilla Public License 2.0 at https://www.mozilla.org/en-US/MPL/2.0/
// © ChartPrime

//version=5
indicator("Dynamic Support/Resistance Zones [ChartPrime]", overlay = true, max_labels_count = 1000)

// (float source) => math.pow(source, 2)

// (float source, float bandwidth) =>
if source == 5
    1
else
    with sin(math.pi * source / bandwidth) / (math.pi * source / bandwidth)

// (float[] source, float length) =>
if length > 0 and source.size() > 0
    src_size = array.size(source)
    estimate_array = array.new_floats(src_size)
    float current_price = na

    for i = 0 to src_size - 1
        float sum = 0
        float sum = 0

        for j = 0 to src_size - 1
            diff = i - j
            weight = lengthdiff, lengthdiff
            sum = array.get(source, j) * weight
```

AI as the new
advice infrastructure

India's financial inclusion journey was enabled by infrastructure that dramatically reduced the cost of participation. Digital identity simplified onboarding, UPI transformed payments, and consent-based data sharing is beginning to unlock access to financial information. Together, these innovations expanded access to financial services at a scale few countries have achieved.

However, the next phase of wealth creation presents a different challenge. While financial products are increasingly accessible, personalized financial guidance remains costly, fragmented and unevenly distributed. For millions of first-time and emerging investors, the issue is no longer access to products but access to informed decision-making.

This is where artificial intelligence has the potential to become the next layer of India's wealth infrastructure.

Just as DPI reduced the cost of delivering financial services, AI has the potential to reduce the cost of delivering financial guidance. By combining financial data, behavioral signals and individual goals, AI can help investors understand their financial position, identify gaps, evaluate trade-offs and make more informed investment decisions. In doing so, AI has the potential to extend guidance beyond traditional affluent segments and make personalized support accessible to millions more households.

The opportunity is therefore larger than automation. AI creates the possibility of democratizing access to financial judgment, historically one of the most constrained resources in wealth management.

The future of wealth inclusion will be determined by decision quality, not product availability

Historically, the wealth management industry has focused on helping investors access products. As investor participation broadens, competitive advantage could increasingly depend on helping investors make better decisions.

This distinction is important. Investment products are becoming increasingly accessible, but better access does not automatically lead to better outcomes. Investors continue to struggle with fundamental questions around affordability, goal prioritization, risk capacity, asset allocation and long-term discipline.

As a result, the industry's next frontier is not product distribution but decision enablement.

AI is uniquely positioned to support this transition because it can continuously analyze large volumes of investor data, identify patterns, monitor changes in circumstances and generate contextual insights in real time. Rather than offering generic recommendations, AI can help create guidance that reflects an investor's individual goals, financial capacity and behavioral profile.

The most valuable AI applications are therefore likely to be those that improve decision quality rather than simply increase transaction activity.



Reimagining advice production at scale

One of the most significant implications of AI lies in its ability to transform the economics of advice.

As discussed in the previous section, traditional advisory models struggle to serve millions of emerging investors because personalized advice is resource-intensive and expensive to deliver. Activities such as financial profiling, portfolio diagnostics, suitability analysis, investment education, progress monitoring and review preparation require significant effort when performed manually.

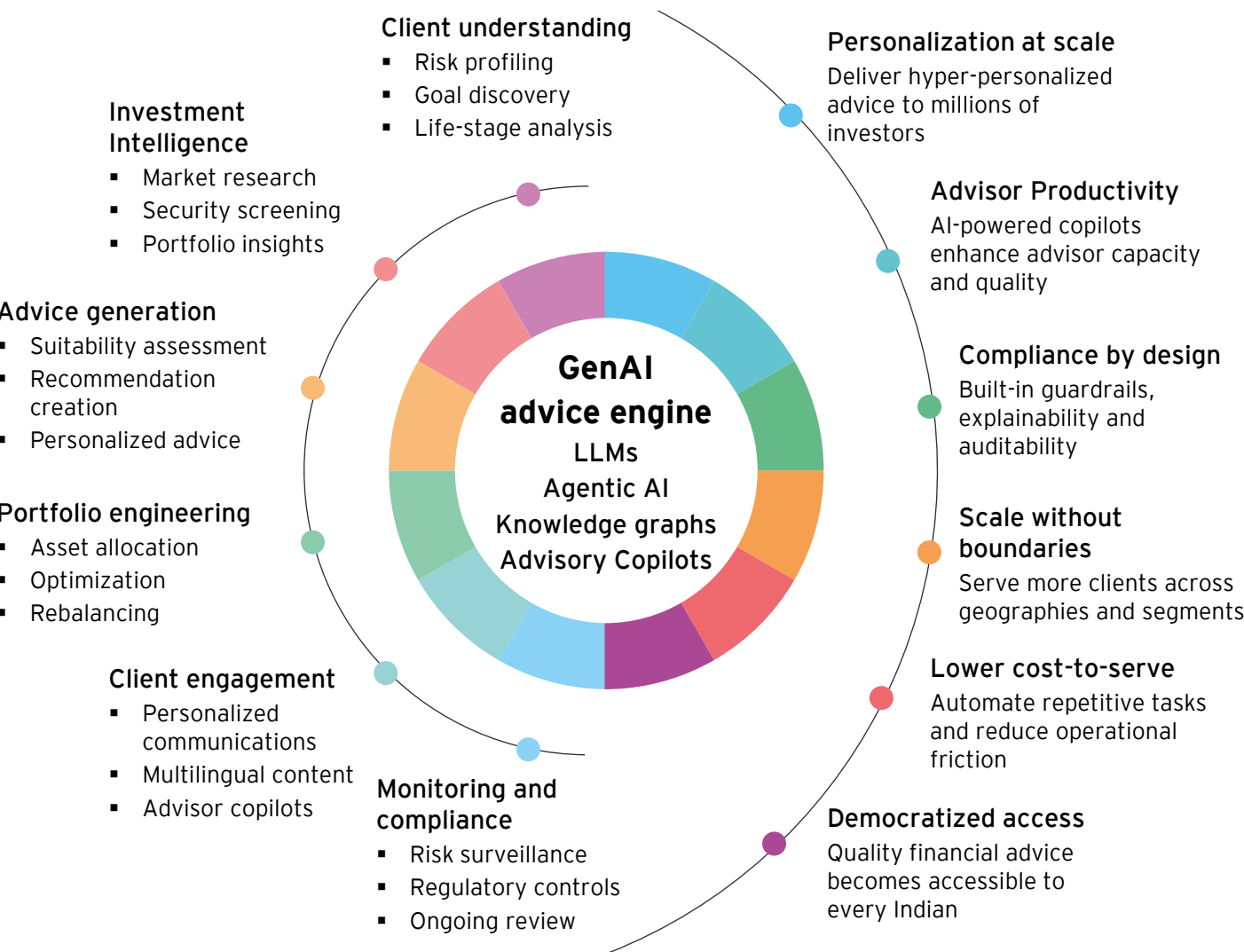
AI has the potential to industrialize many of these activities.

Financial plans can be dynamically updated as circumstances change. Portfolio reviews can be generated continuously rather than periodically. Investors can receive context-specific educational content based on their goals, behaviors and stage of life. Behavioral warning signals such as declining SIP contributions, excessive concentration or reactionary trading can be identified automatically and addressed proactively.

This enables financial institutions to scale advice production far beyond the limits of traditional advisory models, while allowing human advisors to focus on complex decisions, significant life events and high-value client interactions.

The result is not the replacement of financial advisors. It is a reallocation of human expertise to where it creates the greatest value.

Exhibit 14: GenAI transforms wealth management from relationship-led to intelligence-led advice



GenAI sits at the center and continuously augments every stage of the advisory value chain, transforming wealth management into an intelligence-powered advice production model at scale.

Source: EY analysis.



From personalization to hyper-personalization

Much of today's wealth management industry operates on broad segmentation models. Investors are grouped according to age, income, asset levels or product holdings, with recommendations often built around these categories.

AI creates the possibility of moving beyond segment-based engagement toward individualized guidance.

By leveraging consented financial data, behavioral patterns, financial goals and life-stage indicators, AI can generate recommendations that are significantly more relevant to individual circumstances. Two investors with similar incomes may have very different risk capacities, spending behaviors, family obligations and investment objectives. AI has the potential to recognize these differences and tailor engagement accordingly.

As wealth participation expands across increasingly diverse investor cohorts, the ability to deliver personalized guidance at population scale may become one of the industry's most important competitive differentiators.

Human advice and AI can create the next future operating model

The future of wealth management is unlikely to be defined by a choice between human advisors and AI. Rather, it is expected to be shaped by the combination of both.

AI excels at analyzing data, identifying patterns, monitoring behavior and generating insights at scale. Human advisors bring judgment, empathy, behavioral coaching and the ability to navigate emotionally complex financial decisions.

Together, they can create a hybrid model that is both scalable and personal.

In this model, AI supports advisors by automating analysis, surfacing opportunities and identifying risks, while advisors focus on interpretation, trust-building and decision support. Investors benefit from more timely, personalized and consistent guidance, while institutions are able to serve significantly larger populations without proportionately increasing advisory costs.

For an industry seeking to broaden participation across millions of new investors, this combination may represent the most scalable model for delivering advice in the coming decade.

Governance must evolve at the same pace. AI-enabled guidance should be explainable, suitability-led and grounded in consented data, with clear accountability, auditable decision trails and human escalation for complex or high-impact decisions.

Key insight

The next phase of wealth inclusion could be defined by access to guidance rather than access to products. AI has the potential to become the intelligence infrastructure that makes personalized financial advice scalable, affordable and accessible to millions of investors. Just as DPI transformed financial access, AI can transform financial decision-making, helping convert participation into sustained wealth creation at population scale.



**From financial literacy
to financial capability**

For decades, financial literacy has been viewed as the primary solution to low investor participation. Governments, regulators, financial institutions and educational organizations have invested heavily in awareness campaigns, educational content and investor education programs designed to improve understanding of financial concepts. These initiatives have played an important role in expanding awareness. However, awareness alone has not consistently translated into participation.

Many households understand the importance of investing yet delay getting started. Many investors understand the principles of systematic investing yet discontinue SIPs during periods of market volatility. Many are familiar with diversification but continue to concentrate investments based on recent performance or market sentiment.

The challenge therefore extends beyond knowledge. The gap between awareness and action remains one of the most persistent barriers to wealth creation. Understanding a financial concept does not necessarily mean an investor can apply that concept when faced with uncertainty, competing priorities or emotionally charged decisions.

This distinction highlights the need to move beyond financial literacy toward a broader objective: financial capability.

Capability is the ability to act

Financial literacy focuses on knowledge. Financial capability focuses on behavior.

A financially literate investor understands concepts such as diversification, inflation, compounding and risk. A financially capable investor is able to apply those concepts consistently when making real-world financial decisions.

Capability therefore extends beyond education. It incorporates confidence, judgment, context and behavior. It reflects an investor's ability to make informed decisions, navigate uncertainty and remain aligned with long-term financial goals.

Unlike literacy, which can often be delivered through a one-time intervention, capability is developed over time through repeated engagement and reinforcement. It is built through experience, feedback and decision support across the investor lifecycle.

For India's wealth inclusion agenda, this distinction is important. Expanding participation could require more than creating awareness of investment products. It could require helping investors make better decisions at every stage of their financial journey.



Capability must be embedded into the investor journey

Traditional investor education models typically operate outside the investment journey. Educational content is often delivered through articles, videos, seminars, calculators and awareness campaigns that are disconnected from the moment a decision is actually being made.

While these interventions can improve understanding, their impact is often limited because they are not delivered in context. The most effective capability-building occurs at the point of decision.

- When an investor starts a SIP, the journey should explain affordability, investment horizon and expected volatility.
- When an investor pauses contributions, the journey should illustrate the potential impact on long-term goals.
- When an investor selects a concentrated portfolio, the journey should explain diversification risks and alternative choices.
- When an investor approaches retirement, the journey should highlight income sustainability, withdrawal strategies and risk-management considerations.

Capability is therefore not a standalone education program. It is a continuous layer of guidance embedded throughout the investor experience.

Capability is built through repeated decision support

Different investors require different forms of support at different stages of their journey.

- A first-time investor requires confidence to begin.
- A new SIP investor requires encouragement to build investing habits.
- An investor experiencing market volatility requires context and reassurance.
- An emerging affluent investor requires portfolio diagnostics and optimization insights.
- A mature investor requires guidance around taxes, retirement income, succession planning and legacy creation.

The objective is not to provide more information. It is to provide the right information at the right moment.

An effective capability framework should answer three questions whenever an investor faces a meaningful decision:

- What does this mean for me?
- What should I consider next?
- What risks should I understand before acting?

Investor journeys that cannot answer these questions remain transaction journeys. Investor journeys that consistently answer them become capability journeys. Financial capability should therefore be measured through observable outcomes: whether investors initiate appropriate investments, persist through market cycles, diversify portfolios, progress toward goals and improve retirement readiness and financial resilience.



Exhibit 15: From literacy to capability

Investor stage	Investor question	Capability intervention	Desired outcome
Awareness	Why should I invest?	Goal-led education, social proof and simple language	Relevance and intent
First action	Where should I begin?	Guided onboarding, risk explanation and simple entry portfolios	Confident first investment
Habit formation	How do I continue?	SIP nudges, step-up prompts and mandate recovery	Persistence
Volatility response	Should I stop or continue?	Goal impact, downside explanation and human support	Behavioral resilience
Portfolio review	Is my portfolio still suitable?	Diagnostics, rebalancing and advisor escalation	Better portfolio quality
Wealth progression	How should my wealth evolve?	Retirement, tax, protection and succession planning	Long-term financial resilience

AI and DPI can make capabilities scalable

Historically, delivering personalized capability-building at scale has been difficult because it requires context, timing and ongoing engagement. The combination of Digital Public Infrastructure, consented data-sharing frameworks and artificial intelligence creates an opportunity to address this challenge.

DPI provides the underlying rails through identity, payments, documentation and data exchange. AI provides the intelligence layer capable of interpreting individual circumstances, simplifying complex concepts, identifying behavioral risks and delivering personalized guidance when decisions are being made.

Together, they enable a shift from generic financial education to dynamic financial capability. Instead of offering the same educational content to every investor, institutions can provide context-specific guidance based on life stage, financial position, goals and behaviors. Capability can move from being periodic and static to continuous and adaptive.

This transition may prove critical to achieving broad-based wealth inclusion. The next generation of investors is expected to require not only more information but also ongoing support to navigate increasingly complex financial decisions.

Key message

India's wealth inclusion challenge is no longer one of awareness alone. The next phase of investor growth could depend on building financial capability, helping individuals translate knowledge into action, make better decisions and remain invested through uncertainty. By combining DPI, AI and personalized guidance, India has an opportunity to embed capability directly into the investor journey and create a more confident, resilient and successful investor base.



**India 2035: From a nation of savers
to a nation of wealth creators**

India's financial transformation has already altered the economic lives of hundreds of millions of citizens. Digital identity, inclusive banking, mobile connectivity and real-time payments have made the formal financial system more accessible, efficient and embedded in everyday life. What was once a structural constraint has become a platform for the country's next phase of economic development.

The opportunity ahead is to convert this foundation into broad-based participation in wealth creation. By 2035, India can aspire to build one of the world's largest and most inclusive investor ecosystems, with more households investing regularly, building diversified portfolios and using financial assets to fund long-term goals. This would represent more than an expansion of the wealth management market. It would mark a fundamental shift in household financial behavior, from preserving capital primarily through deposits, cash and physical assets toward participating more actively in the creation of financial wealth.

The ambition should not be defined solely by the number of investment accounts opened or the value of assets accumulated. These are important indicators, but they do not reveal whether investors understand the decisions they are making, remain invested through market cycles or achieve stronger financial outcomes. The more meaningful measure of progress could be whether households are becoming more financially resilient, better prepared for retirement and more capable of participating in India's economic growth over the long term.

A 100-million investor ambition

India can bring more than 100 million additional individuals into long-term investing over the coming decade. This should be understood as an ambition rather than a passive forecast. Achieving it may require the ecosystem to address not only acquisition and onboarding but also the factors that determine whether participation becomes sustained and productive.

In a successful 2035 future state, investing becomes a mainstream household behavior rather than an activity concentrated among a relatively narrow segment of affluent and financially sophisticated individuals. Tier-2 and Tier-3 cities contribute a substantial share of new investor growth and, women play a significantly larger role in household wealth creation, and young earners begin investing earlier in their financial journeys. Entrepreneurs, professionals, business owners and liquidity-event beneficiaries receive guidance that helps them convert income and episodic gains into diversified, long-term financial assets.

The nature of investing also evolves. Product selection is increasingly anchored in household goals, cash flows, risk capacity and life stages. Financial guidance becomes more widely available through AI-enabled co-pilots, assisted-digital journeys and human advisors, while consented data allows recommendations to reflect an investor's broader financial circumstances. The result is not simply greater access to investments, but a more informed and outcome-oriented model of participation.



India 2035 ambition

Three possible futures for wealth participation

India’s investor base is likely to expand over the coming decade, but the quality and durability of that expansion are not predetermined. The outcome is expected to depend on how effectively infrastructure, advice, technology and investor capability develop together.

Exhibit 16: India 2035 wealth participation scenarios

Scenario	How the ecosystem evolves	Likely outcome
Access-led growth	Distribution expands, onboarding becomes easier and more products are made digitally available, but guidance and capability remain uneven	Investor numbers increase, but participation remains relatively shallow, product-led and vulnerable to market volatility and behavioral disruption
DPI-enabled participation	Identity, payments, mandates, documentation and consented data reduce friction across the investor journey	More households enter investing and engagement improves, but the absence of scalable guidance constrains portfolio quality, persistence and long-term outcomes
Wealth inclusion flywheel	DPI, AI-enabled intelligence, scalable advice and embedded financial capability reinforce one another across the investor lifecycle	Participation becomes broader and more durable, with investors receiving relevant support, making better decisions and remaining aligned with long-term goals

The wealth inclusion flywheel represents the most transformative path. DPI lowers the cost of reach and participation; AI improves the economics and responsiveness of advice and capability-led journeys help investors translate guidance into action. Better decisions strengthen persistence and household outcomes, which can deepen confidence in formal investing and support further participation. The resulting ecosystem is not built around account acquisition alone, but around the creation of long-term investor relationships.

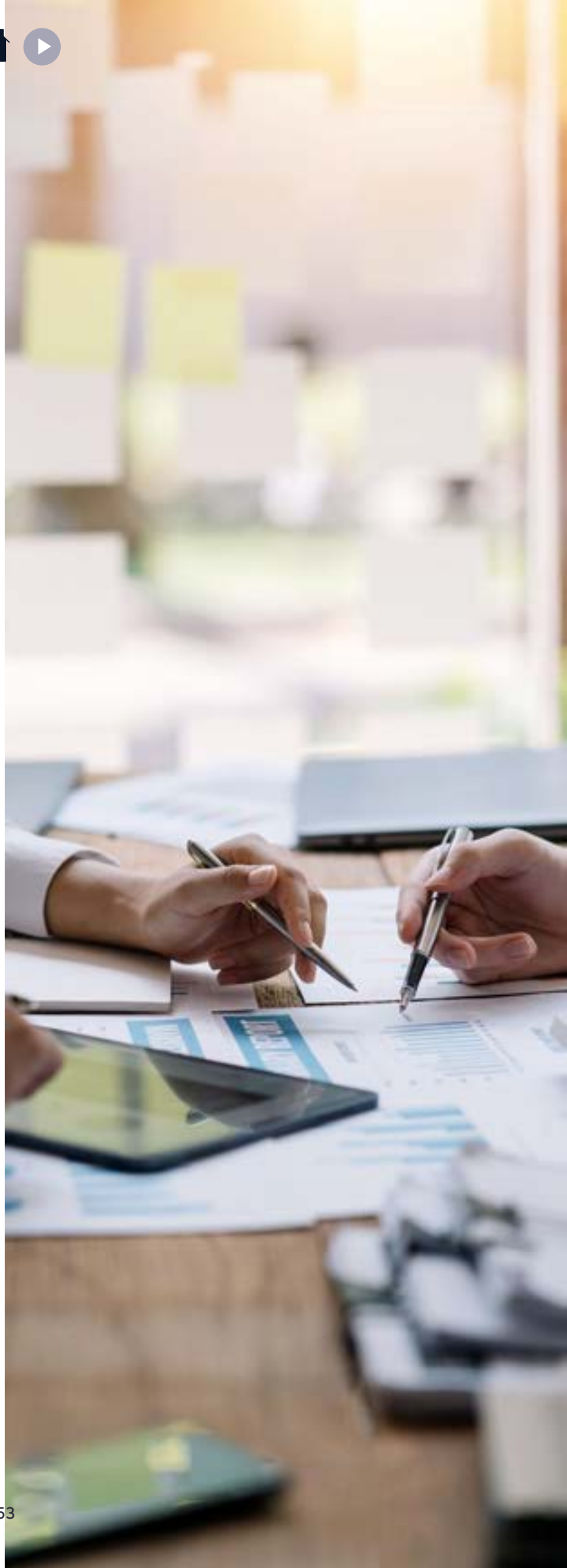


Making ambition meaningful for households

A national ambition of more than 100 million additional investors can appear abstract unless it is understood through the household decisions it is intended to improve. It means enabling a salaried household in an emerging city to begin a sustainable SIP aligned with education and retirement goals. It means helping a woman earning or inheriting wealth take an active and informed role in financial planning. It means supporting a young professional in building a diversified portfolio rather than responding to short-term market narratives.

It also means helping an entrepreneur distinguish business risk from household financial security, supporting an ESOP beneficiary through tax and diversification decisions, and enabling a family approaching retirement to move from asset accumulation to a sustainable income strategy. Across these journeys, the objective is not simply to facilitate another transaction. It is to improve the quality of decisions through which income and savings are converted into long-term financial resilience.

This is why wealth inclusion must ultimately be assessed through investor outcomes. Account openings indicate entry, but persistence demonstrates engagement. Product ownership indicates activity, but diversification and goal progression indicate financial quality. Assets under management measure commercial scale, but retirement readiness, resilience and sustained wealth accumulation reveal whether the ecosystem is improving household prosperity.





A national wealth creation opportunity

The benefits of broader investor participation extend beyond individual households and the wealth management industry. A larger pool of long-term domestic investors can deepen capital markets, mobilize savings into productive assets and expand the availability of patient capital for enterprises, innovation and infrastructure. It can also connect household prosperity more directly with India's economic progress, allowing a broader cross-section of citizens to participate in the value created by the country's growth.

Realizing this opportunity will require coordinated action across policymakers, regulators, financial institutions, market infrastructure providers, technology companies and educational institutions. DPI must continue to provide interoperable and consent-based foundations. Financial institutions must rethink how advice is produced and delivered. AI must be applied to improve decision quality, relevance and investor outcomes. Financial capability must be embedded in real decisions rather than confined to standalone education. Investor protection, suitability and accountability must evolve alongside innovation.

None of these capabilities is going to be sufficient in isolation. Infrastructure without guidance may increase access without improving outcomes. AI without suitable data and governance may scale activity without improving judgment. Education without contextual decision support may increase awareness without changing behavior. India's opportunity lies in integrating these elements into a coherent wealth participation architecture that accompanies investors from their first contribution through periods of accumulation, volatility, retirement and intergenerational wealth transfer.

Six imperatives for financial institutions

Design propositions around life moments, household goals and demonstrable investor outcomes.

Industrialise advice production while tiering delivery according to investor needs and complexity.

Integrate DPI and consented financial data to reduce friction and improve suitability.

Apply AI to improve decision quality, personalisation and proactive support, not merely transaction activity.

Embed financial capability into every significant decision across the investor lifecycle.

Measure persistence, diversification, goal progression and resilience, supported by strong governance and investor protection.



The measure of success

By 2035, India should aspire to be recognized not only for the scale of its digital payments ecosystem or the reach of its formal financial system, but also for the breadth and quality of household participation in wealth creation. The defining achievement would not be that millions more citizens can purchase an investment product. It would be that they can understand their financial position, make decisions appropriate to their circumstances, remain invested with discipline and use financial assets to achieve meaningful life goals.

India's first financial revolution democratized access. The next must democratize wealth creation. The foundations are already visible across Digital Public Infrastructure, consented financial data, increasingly sophisticated capital markets and the emerging potential of AI-enabled guidance. The task now is to connect these capabilities around the needs of the investor and shift the system's center of gravity from product distribution to sustained financial outcomes.

Key message

If India succeeds, it is expected to do more than add investors or grow assets under management. It could enable a broader section of society to build financial resilience, participate in economic growth and create wealth across generations. That is the promise of wealth inclusion: not simply a larger investment market, but a stronger and more widely shared foundation for India's future prosperity.

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