

# Travel, insurance take over 60% of discretionary spend, shows CMS report

### Synopsis

Travel and insurance are becoming top priorities for Indian consumers, signaling a new era in discretionary spending. Essentials and lifestyle enhancements are now taking a backseat. Interestingly, cash transactions remain robust, particularly in semi-urban and rural regions, highlighting a preference for tangible spending.



Indians are spending a larger share of their discretionary income on travel

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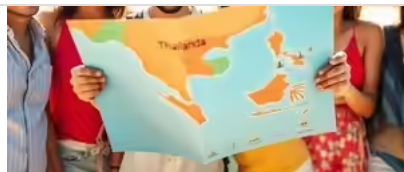


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Travel and protection crowd out discretionary spend, shows CMS Data

several traditional consumption categories, according to the latest **CMS Consumption Report**. Based on **cash management services** data from merchant outlets, CMS Infosystems—the country's largest ATM services and cash logistics provider—said travel and insurance together account for over 60% of discretionary spending on its channels.

The report shows that out of every Rs 100 spent by Indians in 2025, Rs 37 was spent on travel, making mobility the single largest draw on household wallets. Insurance followed at Rs 25, highlighting rising risk awareness and the steady formalisation of financial protection.

Essentials and selective upgrades formed the next layer of consumption. FMCG accounted for Rs 10 of spending, while consumer durables drew Rs 8, reflecting steady demand. Organised retail chains captured Rs 6, benefiting from GST-led price corrections and a renewed preference for physical stores. Education (Rs 5), media and entertainment (Rs 4), and e-commerce (Rs 3) commanded smaller wallet shares, pointing to a more cautious and prioritised approach to non-core spending.

“In a year shaped by macro headwinds and GST reforms, households are rebalancing priorities rather than cutting back, anchored by sustained cash usage, especially across semi-urban and rural India,” said Anush Raghavan,

Chief Business Officer, [CMS Info Systems](#). “Spending has become more deliberate, with a visible shift away from transient splurges toward value, protection and utility.”

Sectoral growth trends reinforce this bifurcation. Insurance premium spending surged 32% year-on-year, driven by GST reforms announced in late 2025 and festive season demand. Organised retail chains grew 22%, led by increasing formalisation. In contrast, media and entertainment spending declined 15%, reflecting changing viewing habits, while e-commerce spending fell 20% as quick-commerce absorbed essentials demand and consumers returned to offline formats for discretionary purchases, particularly in non-metro markets.

ATM withdrawal data adds another layer to the consumption narrative, underscoring the continued dominance of cash in everyday spending. In calendar year 2025, the national monthly average cash dispensed stood at Rs 1.21 crore per ATM, with southern and eastern states emerging as high-dispensation regions. Karnataka (Rs 1.73 crore), West Bengal (Rs 1.65 crore), Tamil Nadu (Rs 1.62 crore) and Odisha (Rs 1.51 crore) led the chart, while Jammu & Kashmir (Rs 0.83 crore) and Kerala (Rs 0.93 crore) remained below the national average.

Cash usage peaked in November 2025, with monthly average ATM dispensation rising to Rs 1.30 crore per ATM nationally, signalling resilient cash demand despite the growth of digital payments. Dispensation dipped to Rs 1.12 crore in June, reflecting the impact of erratic monsoons, heatwaves and pollution on mobility and consumption. Semi-urban and rural regions recorded the highest monthly average cash withdrawals at Rs 1.30 crore per ATM, compared with Rs 1.18 crore in metros and Rs 1.11 crore in urban centres.

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