

Declining Employment and Earnings Under MGNREGA in FY 2025–26

Key MGNREGA employment & income trends

LibTech India

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About This Report

This report is situated in the context of a major policy transition. The Mahatma Gandhi National Rural Employment Guarantee Act was repealed in December 2025, and a new framework Viksit Bharat-Guarantee for Rozgar and Ajeevika Mission (Gramin)(VB-GRAM G) is being rolled out. As a result, the period from January to March 2026 represents a transition phase, and trends during these months need to be interpreted with caution.

At present, there is considerable uncertainty around how this transition will unfold on the ground. The Government of India has made an interim allocation of around ₹30,000 crore at the national level for this period, but clarity on the design and implementation of the new framework remains limited. At the same time, the Union government [stated](#) that the shift is expected to strengthen employment provisions which will enhance rural household incomes and livelihood security.

Against this backdrop, this report analyses the implementation of MGNREGA in the country during FY 2025–26, with reference to data from the previous financial year, 2024–25. For 2024–25, the analysis relies on data from [LibTech India's previously published report](#), allowing for consistent year-on-year comparison with 2025–26 trends. The data, sourced from <https://nrega.nic.in/> as of 7th April 2026, provides insights into the status of the programme in the country. The objective is to inform citizens and stakeholders about key trends and developments during this critical period.

To keep the analysis manageable and focused on broader national trends, this report excludes a few states and Union Territories with relatively smaller MGNREGA employment volumes. List of states excluded from the report are Arunachal Pradesh, Assam, Goa, Ladakh, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, Tripura, Andaman and Nicobar, Dadra and Nagar Haveli and Daman and Diu, Lakshadweep and Puducherry.

About LibTech

We are a team of engineers, social workers, and social scientists who are interested in improving public service delivery in India. We have been working as a team in multiple states of the country for more than 10 years—though individually, some of us have been involved for even longer.

Over the years, we have been consistently releasing reports on the implementation of MGNREGA for multiple states along with a few reports at the national level. Some of our reports have been quoted, and our policy recommendations have been engaged with and, in some cases, acted upon by state governments and the Ministry of Rural Development (MoRD), Government of India reflecting the impact of our work on shaping conversations around welfare governance.

1. Key Findings

- **3.2% increase in registered households:** Households registered increased from 14.98 crore in FY 2024-25 to 15.46 crore in FY 2025-26 [Section 2.2]
- **44 lakh less households & 67 lakh less workers employed:** A notable 8.2%(44 lakh) & 9.1%(67 lakh) fewer households & workers employed in FY 2025-26 when compared with its previous year [Section 2.2]
- **21.5% drop in persondays:** Persondays generated declined significantly from 268.44 crore to 210.73 crore [Section 2.3]
- **14.5% drop in average persondays per household:** Average persondays dropped considerably from 50.18 in FY 2024-25 to 42.92 in FY 2025-26 [Section 2.3]
- **40.5% drop in households completing 100 days:** Households completing 100 days dropped substantially from 0.37 crore to 0.22 crore in FY 2025-26 [Section 2.3]
- **15 out of 20 states recorded a drop in persondays:** 15 states recorded a decline in persondays, 4 states registered an increase, while West Bengal generated no persondays in either year [Section 2.4]
- **57.71 crore persondays loss across all quarters:** Q1 registered a loss of 7.19 crore persondays. The severity intensified in Q2 and Q3, with a loss of 11.21 crore and 20.12 crore persondays respectively. Q4 saw a loss of 19.19 crore persondays, recording nearly the same loss as in Q3 [Section 2.5]
- **45.4% of all workers and 9.5% of active workers did not complete eKYC:** 11.58 crore of all workers and 0.95 crore of active workers did not complete eKYC as on 7th May 2026 [Section 3]
- **₹11,569.88 crore decline in wage expenditure :** Wage expenditure dropped from ₹67,834.79 crore in FY 2024-25 to ₹56,264.91 crore in FY 2025-26; a loss of ₹11,569.88 crore. The rise in average wage earned would have led to increased wage expenditure but large scale decline in the persondays had offset this effect [Section 4.1]
- **₹15,408.57 crore potential wage loss in FY 2025–26:** If the total persondays remained at the level of FY 2024-25(268.44 crore), workers would have potentially earned ₹71,673.48 crore than the actual ₹56,264.91 crore; a loss of ₹15,408.57 crore [Section 4.2]
- **₹1,221 drop in average household income:** Average household income fell from ₹12,680.49 in FY 2024-25 to ₹11,459.64 in FY 2025-26. This decline occurred *despite* an increase in the average wage rate from ₹252.7 to ₹267.0, because average persondays per household fell from 50.18 to 42.92 [Section 4.2]
- **₹1,938.42 potential income loss per household on average:** If the average persondays generated per household remained at the level of FY 2024-25(50.18), average household income would have been ₹13,398.06 which is ₹1,938.42 more than the actual earnings in FY 2025-26 [Section 4.2]

2. Employment generation

2.1. Policy and Programme Context

MGNREGA, as a demand-driven programme, is meant to respond to workers' needs for wage employment. However, in recent years, MGNREGA implementation has been shaped by tight Union budget controls, along with uneven political will and administrative capacity across states, affecting outcomes on the ground.

In FY 2025–26, stricter technological requirements such as eKYC, mandatory NMMS-based attendance, and facial recognition along with changes in implementation protocols added to these challenges. Although this report does not isolate their specific impact on employment, they form an important part of the broader context.

Section 3 of VB-GRAM G mandates state governments to make a scheme consistent with the act within six months from the date of commencement of the act. This makes January to March 2026 a transition phase for FY 2025-26; a transition from MGNREGA to VB-GRAM G. This shift, combined with administrative and policy changes such as restrictions on permissible works at the Gram Panchayat level may have further disrupted programme performance. Against this backdrop, the report examines persondays trends in each quarter along with other key employment indicators in the following sections.

2.2. Household and Worker Trends Under MGNREGA

44 lakh less households and 67 lakh less workers employed in FY 2025-26

	FY 2024-25 (A)	FY 2025-26 (B)	Change (%) ¹ ((B-A)/A)*100
Households registered (in crore)	14.98	15.46	+3.2
Households worked (in crore)	5.35	4.91	-8.2
Workers employed (in crore)	7.33	6.66	-9.1

Table 1: Households & Workers Trends; FY 2024-25 vs FY 2025-26

Table 1 illustrates that the households registered in MGNREGA recorded a slight increase of 3.2% which is a positive trend. However, this increase did not translate into greater employment access,

¹ This column represents the increase/decrease in the indicators. A negative('-') sign indicates decline while a positive('+') sign indicates incline in indicators.

as 8.2% fewer households and 9.1% fewer workers were employed in FY 2025–26. This indicates a contraction in employment generation during FY 2025–26.

2.3. Employment Generation

57.71 crore fewer persondays generated & 40.5% drop in the number of households completing 100 days.

At national level, MGNREGA witnessed a consistent decline across key employment indicators in FY 2025-26 when compared with its previous year. This happened despite the fact that households registered witnessed a slight increase as discussed in the previous section.

	FY 2024-25 (A)	FY 2025-26 (B)	Change (%) ² ((B-A)/A)*100
Households worked (in crore)	5.35	4.91	-8.2
Persondays generated (in crore)	268.44	210.73	-21.5
Average persondays per household ³	50.18	42.92	-14.5
No. of households completing 100 days of wage employment (in crore)	0.37	0.22	-40.5
% of households completing 100 days ⁴	7	4.5	

Table 2: Comparison of employment generated; FY 2024-25 vs FY 2025-26

Persondays generated took a significant decline of 21.5%. The number of households employed also declined by 8.2%, indicating reduced access to employment under MGNREGA in FY 2025-26. Because both persondays and employed households declined in FY 2025–26, average persondays per household also fell sharply by 14.5%.

Also the number of households completing 100 days dropped substantially from 0.37 crore to 0.22 crore in FY 2025-26; a 40.5% drop. As a result, the share of households completing 100 days declined sharply with only 4.5% households completing 100 days of employment in FY 2025-26 as against 7% in FY 2024-25. Refer to Table 2 for more details.

² This column represents the incline/decline in the indicators. A negative('-') sign indicates decline while a positive('+') sign indicates incline in indicators.

³ Average persondays per household = (Persondays generated/households worked)

⁴ % of households completing 100 days = No of households completing 100 days/households worked)*100

2.4. State wise persondays generated

15 out of 20 registered a drop in persondays while only 4 states improved in FY 2025-26.

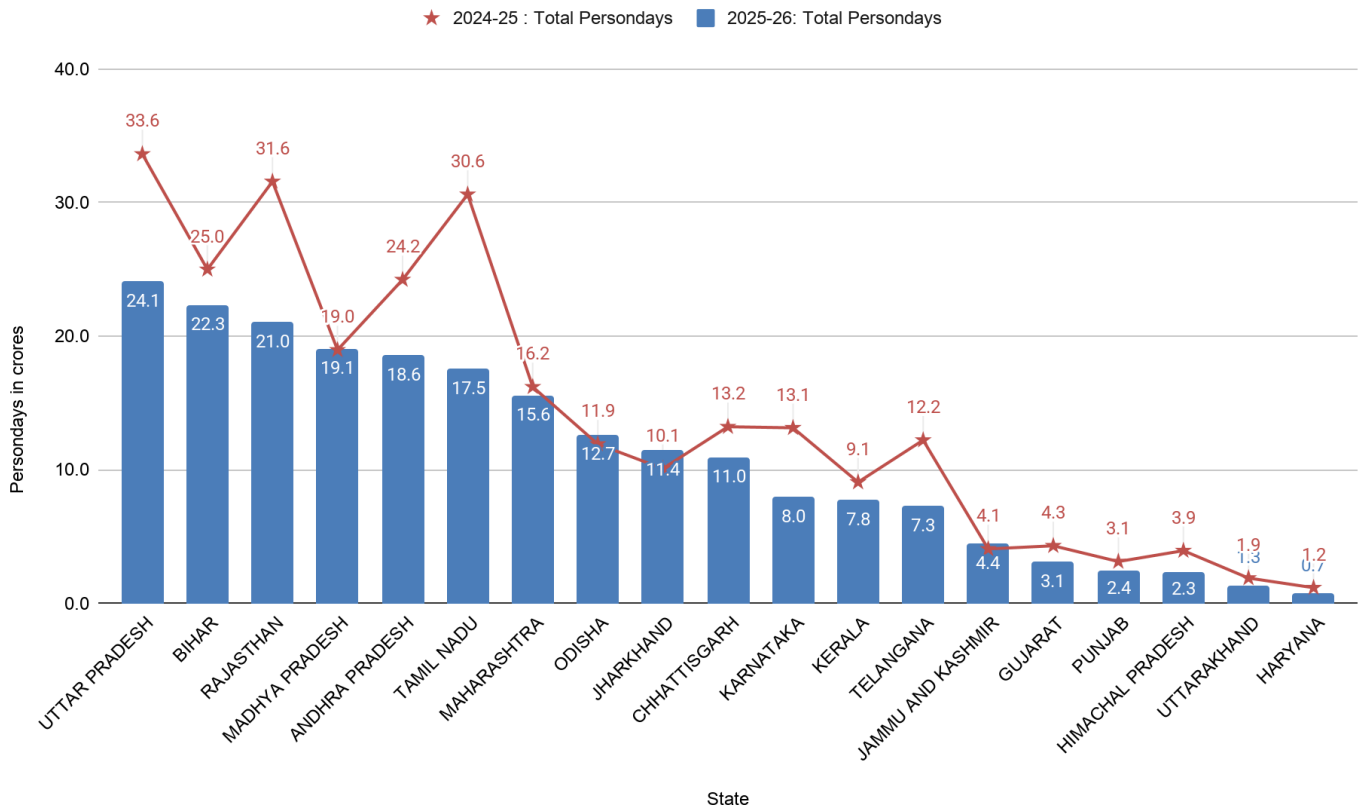


Figure 1: State wise persondays generated: FY 2024-25 vs FY 2025-26.

At state level, only 4 states saw an increase in persondays in FY 2025-26 when compared to FY 2024-25 while West Bengal generated no persondays in both the years and was excluded from the graph. In other words, 15 states in India registered a drop in persondays in FY 2025-26.

Across the country, 7 states witnessed a substantial drop between 31.6% to 42.8% while 7 other states noted a varying drop between 10.8% to 28.3% except Maharashtra that registered a 3.7% drop yet a considerable loss of 60 lakh persondays. This indicates that the decline in persondays was geographically widespread and not confined to any particular region of the country.

Tamil Nadu(42.8%) saw the highest drop in persondays followed by Haryana(41.7%), Himachal Pradesh(41%) and Telangana(40.2%) while Jharkhand(12.9%) saw the highest increase in persondays followed by Jammu and Kashmir(7.3%) and Odisha(6.7%). Madhya Pradesh had a marginal increase of 0.5% in persondays in FY 2025-26. Refer to figure 1 and Annexure 1 for more details. The reasons behind the increase in persondays in a few states require separate examination and may reflect state-specific administrative, political, or implementation factors.

2.5. Quarterly Trends in Persondays

The highest loss of 20.12 crore persondays occurred in Q3 of FY 2025-26 which is 35.4% drop.

Quarter(Q) wise persondays trends reveal a consistent decline across four quarters when compared with FY 2024-25. Persondays in FY 2025-26 began with a notable decline in Q1(Apr-Jun) and then the loss continued to increase in Q2(Jul-Sep) and Q3(Oct-Dec) with Q4 recording nearly the same loss as its predecessor. However, there is a clear variation in the proportional as well as an absolute loss of employment across four quarters.

Quarterly Persondays

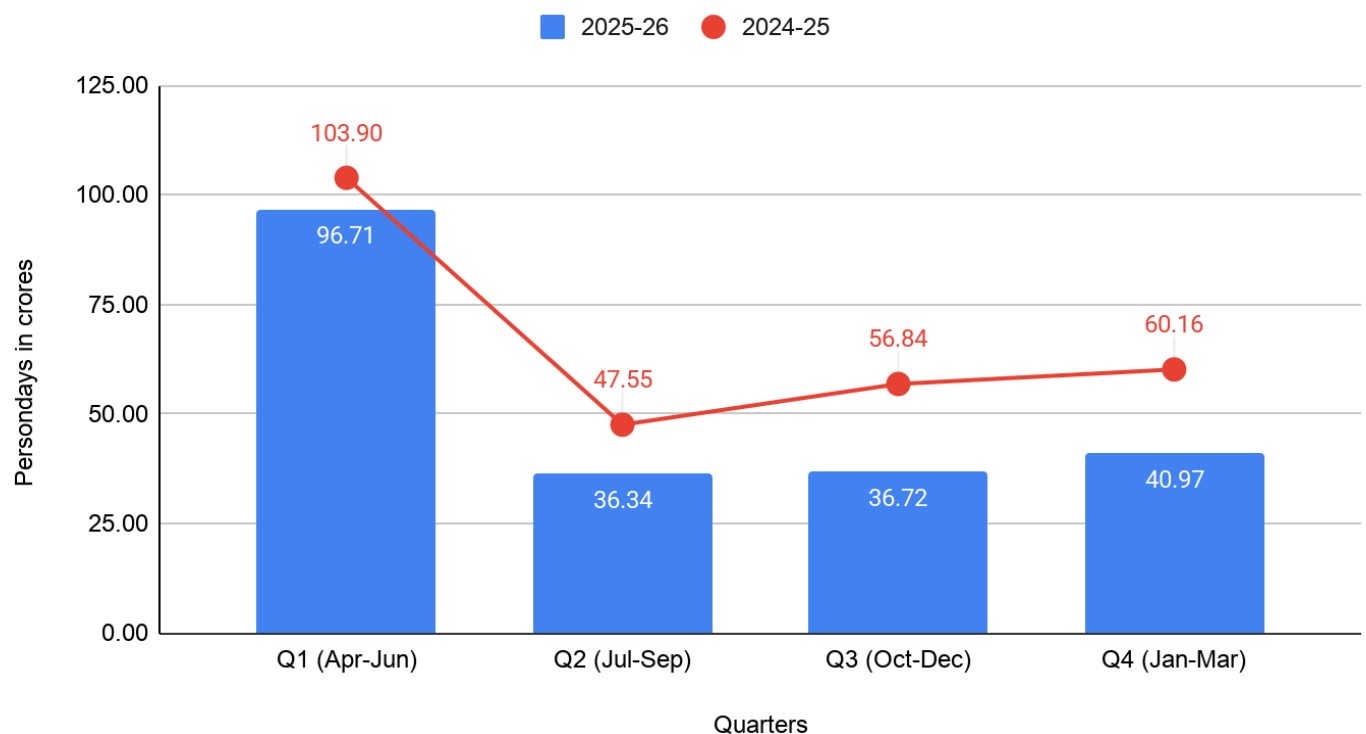


Figure 2: Quarter wise trends of persondays: FY 2024-25 vs FY 2025-26

Every year, Q1 is crucial for MGNREGA as a significant amount of employment gets generated during this period. However, Q1 in FY 2025-26 witnessed a notable 6.9% drop in persondays when compared to its previous year. This translates into a loss of 7.19 crore persondays, highlighting the initial setback to employment generation.

Q2 generally records a seasonal dip every year. However, Q2 in FY 2025-26 recorded 11.21 crore less persondays than its previous year which represents a significant 23.6% drop. Q2 registered a higher proportional as well as absolute loss in persondays when compared to Q1; increasing the scale of employment loss.

Q3 in FY 2025-26 recorded the highest absolute and proportional loss of persondays. Q3 saw a pronounced 35.4% decline in persondays compared to the corresponding quarter of FY 2024-25, translating into a loss of 20.12 crore persondays. This quarter too continued to increase the scale both in terms of proportional loss as well as absolute loss of persondays from Q2.

Q4 witnessed a loss of 19.19 crore persondays which represents a dramatic drop of 31.9%. While the timing aligns with the transition to the VB-GRAM G framework, the data only suggests a possible association, and the observed disruption may also reflect a combination of administrative, policy, and technological changes during this phase.

Across all four quarters, both the proportional and absolute decline in persondays remained severe, with Q3 recording the highest loss on both counts. This indicates a persistent loss of employment across the year with a significant loss during the transitioning phase of VB-GRAM G.

3. eKYC Status of NREGA Workers

11.58 crore all workers and 0.95 crore active workers are yet to complete eKYC

eKYC completion has become a mandatory prerequisite for workers to access work under NREGA. Workers without completed eKYC face the risk of being unable to register their demand for work, being marked absent on muster rolls, and consequent denial of employment under the programme — irrespective of their willingness or eligibility to work.

As of 7th May 2026, 11.58 crore registered workers (45.4%) and 0.95 crore active workers (9.5%) are yet to complete eKYC. (For state level data refer to Annexure 2)

	Total workers (crore) (A)	e-Kyc not done (crore) (B)	e-Kyc not done (%) (B/A)*100
All workers	25.53	11.58	45.4
Active workers	9.97	0.95	9.5

Table 3: eKYC status of all workers and active workers as on 7th May 2026

4. Wage Expenditure

4.1. Wage Expenditure Loss

Workers earned ₹11,569.88 crore less in FY 2025–26

Although wage rates increased during FY 2025–26, reduced employment generation offset these gains and led to an overall decline in aggregate worker earnings. Wage expenditure is an important indicator to understand the scale of income of workers employed in a given financial year. Wage expenditure is determined by the average rate per day by workers multiplied by the total number of persondays generated in a particular financial year.

	Average wage rate per day per person(₹)	Wage expenditure in crore ⁵
FY 2024-25	252.7	67,834.79
FY 2025-26	267.0	56,264.91
Fall in Wage expenditure in crore ⁶		11,569.88

Table 4: Comparison of Wage expenditure; FY 2024-25 vs FY 2025-26

At national level, workers earned ₹11,569.88 crore less in the form of total wage expenditure in spite of a rise in average wage rate per day per person in FY 2025-26. Under normal circumstances, an increase in wage rates would generally result in higher overall wage expenditure. However FY 2025-26 recorded a decline in wage expenditure due to lower persondays being generated when compared to FY 2024-25.

4.2. Household Incomes Loss

₹15,408.57 crore as potential wages loss at aggregate level and ₹1,938.42 as average potential income loss to households in FY 2025-26

Average household income is determined by the average wage per day per person and the average number of persondays generated per household in a particular financial year.

⁵ Wage expenditure in crore = (average wage rate per day per person * persondays generated)

⁶ Fall in wage expenditure in crore = Subtracting the wage expenditure in crore for FY 2025-26 from the total wage expenditure in crore for FY 2024-25

	Avg wage earned per day per person(₹) (A)	Average Persondays per household ⁷ (B)	MGNREGA HH Income(₹) (A*B)
FY 2024-25	252.7	50.18	12680.49
FY 2025-26	267.0	42.92	11459.64
FY 2025-26 ⁸ (A counter factual scenario)	267.0	50.18	13398.06

Table 5: Average household earnings; FY 2024-25 vs FY 2025-26

The average wage earned per day per person rose from ₹252.7 to 267.0; a 5.7% rise. Under a normal scenario, this should notably increase the average MGNREGA household income. However, this effect was offset by the considerable decline of the average number of persondays generated per household in FY 2025-26. As a result, average MGNREGA household earnings declined by ₹1,221; from ₹12,680.49 in FY 2024-25 to ₹11,459.64 in FY 2025-26.

If the average number of persondays generated per household remained the same as in FY 2024-25 along with FY 2025-26 average wage earned, it would have resulted in the average household income of ₹13,398.06 which is ₹1,938.42 more than the actual earnings in FY 2025-26, indicating a significant income loss for households in MGNREGA.

At the aggregate level, if the total persondays generated had remained at FY 2024-25 levels, it would have resulted in the wage expenditure of ₹71,673.48 crore which is 27.4% higher than the actual earnings of ₹56,264.91 crore. In other words, workers lost ₹15,408.57 crore due to the decline in employment in FY 2025-26. This indicates that workers lost substantial incomes at aggregate level, in spite of rise in average wage rate, due to decline in the total persondays generated in FY 2025-26, indicating the greater consequences on incomes due to loss of employment.

⁷Average persondays per household = (Persondays generated/households worked)

⁸ Assuming FY 2024-25's average persondays per household and FY 2025-26's average wage earned per day per person

5. Conclusion

FY 2025–26 witnessed a consistent decline in key MGNREGA employment indicators when compared with FY 2024–25. Although households registered under the programme increased marginally, fewer households and workers were employed, total persondays declined sharply, and average persondays per household fell considerably. As a result, substantially fewer households completed 100 days of employment during the year.

The decline was geographically widespread, with 15 out of 20 states registering a drop in persondays generated. Quarterly trends also reveal a sustained reduction in employment across the year, with the sharpest declines occurring in Q3 and Q4. While the decline began earlier in the year, these sharper reductions coincided with the repeal of MGNREGA and the transition towards the VB-GRAM G framework. Although the data does not permit causal attribution, the timing and scale of the decline suggest that the transition period may have contributed to disruptions in employment generation.

Despite an increase in average wage rates, reduced employment generation led to a significant decline in total wage expenditure and average household earnings in FY 2025–26. The findings indicate that employment availability, rather than wage rates alone, remains central to rural income security under public employment programmes.

Overall, the trends point towards a weakening of employment generation during FY 2025–26 amid broader administrative, technological, and policy changes. As the transition towards VB-GRAM G unfolds, ensuring accessible and reliable employment generation systems will remain critical, particularly for vulnerable rural households that continue to depend on public works programmes as an important source of livelihood security.

Team Behind This Report:

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Annexure 1

State-wise persondays generated; FY 2024-25 vs FY 2025-26

(The total sum of persondays here might vary with the Table 2 due to rounding of the values)

[In crores]

State	2024-25 : Total Persondays (A)	2025-26: Total Persondays (B)	Change (%) ⁹ ((B-A)/A)*100
TAMIL NADU	30.6	17.5	-42.8
HARYANA	1.2	0.7	-41.7
HIMACHAL PRADESH	3.9	2.3	-41.0
TELANGANA	12.2	7.3	-40.2
KARNATAKA	13.1	8	-38.9
RAJASTHAN	31.6	21	-33.5
UTTARAKHAND	1.9	1.3	-31.6
UTTAR PRADESH	33.6	24.1	-28.3
GUJARAT	4.3	3.1	-27.9
ANDHRA PRADESH	24.2	18.6	-23.1
PUNJAB	3.1	2.4	-22.6
CHHATTISGARH	13.2	11	-16.7
KERALA	9.1	7.8	-14.3
BIHAR	25	22.3	-10.8
MAHARASHTRA	16.2	15.6	-3.7
MADHYA PRADESH	19	19.1	+0.5
ODISHA	11.9	12.7	+6.7
JAMMU AND KASHMIR	4.1	4.4	+7.3
JHARKHAND	10.1	11.4	+12.9

⁹ This column represents the incline/decline in the indicators. A negative ('-') sign indicates decline while a positive ('+') sign indicates incline in indicators.

Annexure 2

All Workers e-KYC not done in Lakhs

[In lakhs]

States/UTs	Total No. of Workers (A)	e-KYC not done (B)	e-KYC not done (%) (B/A)*100
GUJARAT	98.43	74.29	75.5
MAHARASHTRA	329.25	229.45	69.7
HARYANA	26.08	17.80	68.3
JHARKHAND	106.15	67.88	63.9
KERALA	58.08	31.44	54.1
HIMACHAL PRADESH	26.95	13.47	50.0
BIHAR	272.17	128.21	47.1
RAJASTHAN	228.58	106.17	46.4
UTTAR PRADESH	245.37	110.92	45.2
KARNATAKA	162.68	72.98	44.9
TELANGANA	100.84	44.12	43.8
PUNJAB	26.03	11.27	43.3
MADHYA PRADESH	181.09	72.17	39.9
ODISHA	103.09	38.34	37.2
UTTARAKHAND	14.06	4.82	34.3
WEST BENGAL	256.24	80.15	31.3
ANDHRA PRADESH	114.29	23.26	20.4
TAMIL NADU	104.43	20.59	19.7
JAMMU AND KASHMIR	21.03	2.98	14.2
CHHATTISGARH	78.12	7.76	9.9

Annexure 3

Active Workers e-KYC not done in Lakhs

[In lakhs]

States/UTs	Total No. of Workers (A)	e-KYC not done (B)	e-KYC not done (%) (B/A)*100
WEST BENGAL	0.09	0.03	33.3
JHARKHAND	35.91	7.82	21.8
BIHAR	87.15	15.25	17.5
UTTARAKHAND	7.80	1.08	13.8
GUJARAT	20.47	2.64	12.9
ANDHRA PRADESH	88.96	10.27	11.5
ODISHA	56.22	6.43	11.4
HARYANA	7.03	0.75	10.7
RAJASTHAN	103.95	10.94	10.5
UTTAR PRADESH	104.31	10.95	10.5
HIMACHAL PRADESH	12.02	1.03	8.6
MADHYA PRADESH	89.47	7.44	8.3
MAHARASHTRA	84.37	6.77	8.0
PUNJAB	11.85	0.80	6.8
TELANGANA	49.82	3.31	6.6
JAMMU AND KASHMIR	14.16	0.80	5.6
TAMIL NADU	80.96	3.54	4.4
KARNATAKA	63.84	2.78	4.4
CHHATTISGARH	58.81	1.76	3.0
KERALA	20.29	0.59	2.9