

A Study on Savings and Spending Habits Among Youngster with Special Reference to Coimbatore City

Dr. R. Devi Prasanna¹ and Ms. Jenifer Jancy G
Assistant Professor, PG Department of Commerce¹
Nirmala College for Women, Coimbatore, India

Abstract: *The spending and savings habits of youngsters has changed drastically in past few years as a result of Westernization and higher spending power. Youngsters have become more brand conscious and have begun to spend more money on entertainment and leisure. With the rise in adult living standards, young people have been hired with more money and have greater spending power. Similarly, youngsters saving habits have been steadily diminishing over a time. This study is an attempt to investigate the spending and saving habits of youngsters, with special reference to Coimbatore city. The objective of the study is to analyze the various modes of savings and spending habits of youngsters. Both primary and secondary data were used in the study. Primary was collected through the well-structured questionnaire with the help of Google form and secondary data was collected through journals, article etc. The sample size of the study is 100 respondents. The respondents of this study are youngster from Coimbatore city only. The data was analyzed using Percentage Analysis and Chi-Square Test. The study concludes that majority of youngster spend a large portion of income on entertainment, cloth, accommodation and food. The study further indicates that most of the youngsters savings are less than their spending but their savings and spending avenues are different from each other.*

Keywords: Savings habits, Spending pattern.

I. INTRODUCTION

Savings and spending are two sides of a coin. Saving and spending are mutually interrelated. For many young people, the transition from childhood to adulthood is difficult. Young people must overcome the hurdles of leaving their parental home, entering the workforce, and starting a family. However, the task for today's young people is even greater because they must achieve all of this while dealing with a failing economy. Increased pocket allowances and employment possibilities allow the youngsters to become one of the most powerful spending forces. The youngsters spending and saving patterns reveal not only economic and lifestyle trends, but also bigger social trends of the country. Two basic characteristics associated with the spending behavior of the youngsters preference for shopping online and the increasing brand awareness.

OBJECTIVES OF THE STUDY

To analyze the various modes of savings and spending habit of youngsters.

RESEARCH METHODOLOGY

RESEARCH DESIGN: Descriptive research design

SOURCES OF DATA:

- Primary Data: The primary data was collected based on the structured questionnaire with the help of google form.
- Secondary Data: The secondary data for the study have been collected from books, magazines, journals, articles and various websites.

SAMPLING TECHNIQUE: Simple random sampling.

AREA OF STUDY: Coimbatore city.

TOOLS USED FOR THE STUDY

The SPSS Package is used for the study

- Percentage Analysis
- Chi-Square Test

II. REVIEW OF LITERATURE

Harinarayan K.R (2021)¹ “A Study on Spending and Saving Habit of College Students in irinjalakuda.” The objective of the study is to find out the spending pattern of the students in Christ college irinjalakuda. This study is based on both primary and secondary data Primary data is collected from respondents through questionnaires and secondary data is collected from different websites, journals and from other articles. The Sample size of 50 respondents has been collected. The tool used for data analysis is percentage analysis. From this, the study concludes that the youngsters have savings but they spend more than they save and the youngsters are less aware about importance of saving.

Saumya Singh and Snehil Gupta (2020)² “A study on Savings and Spending behavior” Thus, this study has focused on determining the spending behavior of 138 university students on Delhi & Mumbai using descriptive research design. A structured questionnaire was used for data collection. The research used ANNOVA and T-TEST to analyze the difference between spending pattern of the entire three groups as well as gender. Thus, the study concludes that gender, being outstation or being based in the city were the key determinants that made the difference on spending behavior

III. ANALYSIS AND INTERPRETATION

TABLE 1: PERCENTAGE ANALYSIS

PARTICULARS	CATEGORY	FREQUENCY	PERCNTAGE	
Gender	Male	49	49%	
	Female	51	51%	
	TOTAL	100	100%	
Age	15 – 20	13	13%	
	21 – 25	53	53%	
	26 – 29	34	34%	
	TOTAL	100	100%	
Monthly Income	Family	Less than Rs. 30,000	24	24%
		Rs. 30,001 – 50,000	34	34%
		Rs. 50,001 – 1,00,000	30	30%
		Above Rs. 1,00,000	12	12%
	TOTAL	100	100%	
Source of Income	Part time employee	15	15%	
	Trading	31	31%	
	Pocket Money	40	40%	
	Others	14	14%	
	TOTAL	100	100%	
Modes of Savings	Bank Deposits	31	31%	
	Post Office Savings	22	22%	
	Chit funds	27	27%	
	Shares	20	20%	
	TOTAL	100	100%	
Monthly Spending	Food	15	15%	
	Education	7	7%	
	Clothing	15	15%	

	Entertainment	53	53%
	TOTAL	100	100%
Factors Influencing for Spending	Product Advertisement	13	13%
	Discount Sales or Promotion	37	37%
	Current Fashion	32	32%
	Brand Conscious	18	18%
	TOTAL	100	100%
Savings and Spending Status	Savings less than spending	41	32%
	Savings equal to spending	27	27%
	Savings more than spending	32	41%
	TOTAL	100	100%

Source: Primary Data

CHI-SQUARE

TABLE 2: COMPARISON BETWEEN GENDER AND FACTORS OF SPENDING

H₀: There is no significant relationship between Gender and factors of spending. H₁: There is a significant relationship between Gender and factors of spending.

FACTORS	CALCULATED VALUE	D.F	P.VALUE
Food	4.262 ^a	7	0.749
Entertainment	4.211 ^a	7	0.755
Health and fitness	5.992 ^a	7	0.541
Mobile/Laptop expenses	11.260 ^a	7	0.128
Transport/Fuel	10.523 ^a	7	0.104
Cosmetic/Beauty care	0.513 ^a	7	0.998
Shopping clothes	0.887 ^a	7	0.996
Accommodation	4.818 ^a	7	0.777

Source: Computed

TABLE 3: COMPARISON BETWEEN AGE AND FACTORS OF SPENDING

H₀: There is no significant relationship between age and factors of spending. H₁: There is a significant relationship between age and factors of spending.

FACTORS	CALCULATED VALUE	D.F	P.VALUE
Food	42.747 ^a	14	0.003
Entertainment	24.001 ^a	14	0.293
Health and fitness	21.889 ^a	14	0.406
Mobile/Laptop expenses	10.572 ^a	14	0.970
Transport/Fuel	16.123 ^a	14	0.584

Cosmetic/beauty care	18.398 ^a	14	0.430
Shopping clothes	30.820 ^a	14	0.077
Accommodation	38.295 ^a	14	0.032

Source: Computed

TABLE 4: COMPARISON BETWEEN GENDER AND MODES OF SAVINGS

H₀: There is no significant relationship between gender and modes of savings.

H₁: There is a significant relationship between gender and modes of savings.

FACTORS	CALCULATED VALUE	D.F	P.VALUE
Bank Deposits	26.641 ^a	9	0.001
Post Office Savings	17.189 ^a	9	0.028
Chit Funds	11.226 ^a	9	0.189
Shares	14.127 ^a	9	0.079

Source: Computed

TABLE 5: COMPARISON BETWEEN AGE AND MODES OF SAVINGS

H₀: There is no significant relationship between age and modes of savings.

H₁: There is a significant relationship between age and modes of savings.

FACTORS	CALCULATED VALUE	D.F	P.VALUE
Bank Deposits	8.101 ^a	4	0.088
Post Office Savings	9.106 ^a	4	0.058
Chit Funds	6.045 ^a	4	0.196
Shares	10.834 ^a	4	0.028

Source: Computed

IV. FINDINGS AND CONCLUSION

FINDINGS FROM PERCENTAGE ANALYSIS:

- Majority (51%) of the respondents are female.
- Majority (53%) of the respondents are between the age group of 21 – 25 years.
- 34% of the respondents monthly family income falls between Rs.30,001–50,000.
- 40% of the respondents are getting pocket money from the parents.
- 31% of the respondents are investing their savings in the bank.
- Majority (53%) of the respondents spending more money on entertainment.
- 37% of the respondents spending are influenced by discount sales or promotion.
- 41% of the respondents have savings less than their spending.

FINDINGS FROM CHI-SQUARE TEST:

- There is no significant relationship between gender and factors of spending habits of youngster.
- There is no significant relationship between age and factors of spending except food and accommodation.
- There is significant relationship between gender and modes of savings except chit funds and shares.
- There is no significant relationship between age and modes of savings except shares.

V. CONCLUSION

“Never Spend Money before you have it”

-Thomas Jefferson

With the revolution in technological development, the spending and saving of youth changed significantly while conducting the study in Coimbatore city we can understand that youth’s spending is highly influenced by income. They spend a large portion of their income on entertainment, cloth, accommodation and food. Youth’s saving decision influenced more by family and relatives. Increased cost of living and low income has minimized the savings of youngsters. Here the youth consider spending rather than saving. More of them save their income for future safety. Expecting a regular return they invest their savings into investment. Majority of the youngsters, prefer to save money in banks.

Spending less than earning and saving for the future is most essential habit that should to be built in every individual at the initial stage of growing up through the saving pocket money in piggy banks which creates the saving habit and financial management strategies for all the members of society.

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