

# A Study on Awareness of Savings and Spending Habits of Youngsters with Special Reference to Coimbatore City

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## Abstract

Savings and Spending Habits of Individual plays a major role towards youngsters who are the backbone of our country. Savings and Spending is two sides of coin. , it gives a feeling of self-reliance. The spending habits of Youngsters is mainly focused on Entertainment purposes. Here the Sample Size is 50. This Study has been mainly depends on changes of Life style among Youngsters in demographic Elements. Youngsters spend their money for the basic requirements like Mobile phones, Bike, Car, Internet etc.

Keywords: Savings ,Spending habits, Youngsters.

## Introduction

Saving money can help you to pay for your entire purchases, avoid debt, reduce your financial stress and provide you with great sense of financial freedom of spending habit. "Habit" is something that you do regularly that is almost involuntary. Many of the Youngsters spends their savings on Travel and Experiences, Cosmetics and Social Media. In the Age of 15-28 there is huge difference by the Youngsters by spending their money on Higher Interest. Savings plays a Major role in Maintaining Healthy Financial situation.

## Statement of the problem

Youngsters have started to spend more money in their Lifestyles. Saving Habits of Youngsters is gradually decreasing over the years. This Study is based upon Savings and Spending knowledge of student's and the sample belongs only within Coimbatore City.

## Objectives of the study

- To Study about Demographic profile of respondents.
- To know the level of awareness among the youngsters about Spending and Saving avenues
- To know the satisfaction level Of Youngsters towards

## Hypothesis:

**H<sub>1</sub>**-There is significant relationship between the gender of the respondents and their Saving Habits.

**H<sub>1</sub>**-There is significant relationship between Income level and Interest on Savings.

## Limitation of the study

- The duration of the study was very short
- Limited Sample size was taken for Consideration.
- The Respondents of the study was only Students.

## Review of literature

On 2008 LEE talked about group people are the reason under the Age of 30 years, are the Fastest Age for Bankruptcy. Due to rise in Loan Debt the Youngsters Are Committing suicide due to Credit Card.

On 2011 According to ICICA Youth Financial Literacy Conducted the Research that Parents are the only source of Financial Information.

On 2010 RAJASEKARAN PILLAR ET AL 2009, Conducted a study. In this Study he explores the Spending Habits and Researched about Seven Countries. In India most of the Teenagers spending is based upon Clothes and Car.

On 2017 (MORGAN and TRINCH) Says that how Individual person should manage their own Retirement Savings and Pension. Financial Literacy is Increasing because the need is high on Pension Plan.

On 2012, The Research which was Conducted by ICICA Youth Financial Literacy. Parents are the only Source and Conference of Financial Information Financial Information for the Youngsters. Being Parent they are the role model in deciding upon Financial matters. Canadian Institute of Chartered Accountants.

**Research methodology**

Research Methods is defined as “tools or instruments used to accomplish the goals and attributes of study”.

**Method of data collection**

The data was collected for this study is

- **Primary data:** The primary data are those which are collected as fresh for the primary time.
- **Secondary data:** Secondary data is collected from journals, magazines and books, newspaper and internet.

**Area of study:** This study was conducted in Coimbatore city.

**Sample size:** The sample size is 50.

**Tools used for analysis:** Data analysing tools are Simple percentage and Chi-square test.

**Simple percentage:** Percentage base analysis helps to find which factors is significant among a number of factors.

**Chi-square:** A chi-square statistic is used to test the measures of expectation.

**Analysis and Interpretation**

Demographic profile of the respondents

| S.no | Demographic               |                 | No of respondents | Percentage |
|------|---------------------------|-----------------|-------------------|------------|
| 1    | Gender                    | Male            | 21                | 42         |
|      |                           | Female          | 29                | 58         |
| 2    | Educational Qualification | School          | 3                 | 6          |
|      |                           | Under Graduate  | 26                | 52         |
|      |                           | Post Graduate   | 14                | 28         |
|      |                           | Others          | 7                 | 14         |
| 3    | Monthly Income            | Less than 5000  | 12                | 24         |
|      |                           | 5000-10000      | 17                | 34         |
|      |                           | 10000-15000     | 14                | 28         |
|      |                           | More than 20000 | 7                 | 14         |
| 4    | Do you have Savings       | Yes             | 47                | 94         |
|      |                           | No              | 3                 | 6          |

**Interpretation:** Table 1 clearly states the demographic profile of the sample respondents. Most of them are Female. Most of them are Under Graduates Students. Majority of them are Private Sector. Majority of respondents are Saving money above 5000-10000. Most of the Respondents having Saving Habit.

Chi-Square Analysis Formula:

$$\chi^2 = \sum (O_i - E_i)^2/E_i$$

**Degree of Freedom =(r-1)(c-1)**

**H<sub>1</sub>** - There is significant relationship between the gender of respondents and their saving Habits.

**Chi-Square Table**

| O  | E     | (O-E) <sup>2</sup> | (O <sub>i</sub> - E <sub>i</sub> ) <sup>2</sup> /E <sub>i</sub> |
|----|-------|--------------------|---|
| 19 | 19.74 | 0.5476             | 0.0277  |
| 2  | 1.26  | 0.5476             | 0.4346  |
| 28 | 27.26 | 0.5476             | 0.0200  |
| 1  | 1.74  | 0.5476             | 0.0315  |
|    |       | Total              | 0.5138  |

Source: Primary data

Significant level = 0.05

**Result:** Calculated Chi-Square value is (0.5138) is less than (3.841) table value. Hence the hypothesis is accepted.

Therefore, it is found that there is significant relationship between

respondents Gender and their Saving Habit.

**H<sub>1</sub>:** There is a significant relationship between Income Level and Interest on Savings.

**Chi-Square Table**

| O | E    | (O-E) <sup>2</sup> | (O <sub>i</sub> - E <sub>i</sub> ) <sup>2</sup> /E <sub>i</sub> |
|---|------|--------------------|---|
| 6 | 5.52 | 0                  | 0   |
| 3 | 4.8  | 3                  | 0.625   |
| 3 | 1.44 | 2                  | 1.39  |
| 0 | 0.24 | 0                  | 0   |
| 6 | 7.82 | 3                  | 0.38  |
| 9 | 6.8  | 5                  | 0.73  |
| 2 | 2.04 | 0                  | 0   |
| 0 | 0.34 | 0                  | 0   |
| 7 | 6.44 | 0                  | 0   |
| 7 | 5.6  | 2                  | 0.377   |
| 0 | 1.68 | 3                  | 1.785   |
| 0 | 0.28 | 0                  | 0   |
| 4 | 3.22 | 1                  | 0.310   |
| 1 | 2.8  | 3                  | 1.071   |
| 1 | 0.84 | 0                  | 0   |
| 1 | 0.14 | 1                  | 7.14  |
|   |      | Total              | 13.308  |

Source: Primary data

Significant level = 0.05

**Result:** The Chi-Square Value is (13.308) which is less than (16.919) table value hence the hypothesis is accepted.

Therefore, there is significant relationship between Income Level and Interest on Savings.

**Result and Discussion**

1. Majority (58%) of respondents are Female.
2. Majority (62%) of respondents are Unmarried.
3. Majority (72%) of respondents are in the Joint Family.
4. Majority (44%) of respondents are having 4-6 members in their Family.

5. Majority (52%) of respondents are Under Graduates.
6. Majority (44%) of respondents are having their source as Pocket Money.
7. Majority (34%) of respondents are above 5000-10000 has their Monthly Income.
8. Majority (94%) of respondents are Aware about their Savings.
9. Majority (32%) of respondents are Saving Per Month.
10. Majority (17%) of respondents had their Saving above 10000-15000.
11. Majority (23%) of respondents are Investing their Savings through Bank Deposits.
12. Majority (46%) of respondents are aware about Investment Avenues in Post Office Savings.
13. Majority (50%) of respondents are Spending their Money for the Food.
14. Majority (40%) of respondents come to know the Financial Information through Online.
15. Majority (92%) of respondents said Yes about Market Risk associated with Different investment.
16. Majority (36%) of respondents Deposit their Money once a Month.
17. Majority (38%) of respondents had their purpose of Savings as a Habitat.
18. Majority (54%) of respondents Save less than spending.
19. There is significant relationship between Gender and their Saving Habits.
20. There is significant relationship between Income Level and Interest on Savings.

### **Suggestion**

The Majority of the respondents was not aware about Chit Funds. The Awareness would increase Investment Avenues. Most of the respondents are giving important only to Bank Deposits but not interested in Investing in Shares. Through Online, respondents may gain Financial Knowledge. To create Awareness about Financial policies the government have to utilize Websites.

### **Conclusion**

The study reveals that the respondents have their Saving Habits. Most of the samples are investing their Savings only through Bank Deposits and Post Office. I have learned how to approach people to get the information that is needed for the study. The study has provided exposure about the Financial Knowledge, Savings and Spending Habits of the people. The study has provided Savings plays a major role in Economy. The Youngsters should realize the worth of money before they spend.

### **Reference**

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2. <https://www.collinsdictionary.com>