



A STUDY ON SAVING AND SPENDING HABIT OF YOUTH WITH SPECIAL REFERENCE TO THRISSUR DISTRICT

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ABSTRACT

Saving is, income not spend or differed consumption. Methods of savings include putting money aside in, for example, a deposit account, a pension account an investment fund or cash. Savings also involves reducing expenditure. Spending means paying money for a particular thing or a particular service. Consumption or spending is increased year by year. This research can be carried out to compare the spending and saving habit of youth. Convenience sampling method is used for this study. 100 sample taken from Thrissur district. Ranking method, Rating technique and correlation are used for this study.

KEYWORDS: *Saving Habit, Spending Habit, Investment Schemes, Consumption Pattern*

INTRODUCTION

Saving and spending are two sides of a particular coin. Both savings and spending are closely interrelated. Human wants are unlimited. When one want is fulfilled then another want will arise. In early years people spend more on unnecessary items than the necessary items.

The transaction from childhood to adulthood can be a tough time for young people. Young; people face the challenges and up the level of leaving their parental home moving into the world of work and beginning to build a family. But for the young people today the challenge for them is even more difficult because they must do all of this in the midst of a struggling economy. The increased pocket allowances and employment opportunities to earn and spent make the youth of this country as one of the most important forces in spending. Spending and saving habit of this youngster not only indicate the economic and lifestyle trends but also larger social trends of the country.

To basic characteristic associated with the shopping behavior of the young generation is its preference for shopping online and increasing brand consciousness with information just a click away

youngsters spend considerable time comparing various products.

REVIEW OF LITERATURE

Thrissur is a cultural capital of Kerala with the cultural shift the habit of the individual has been changed significantly. As the cultural deviation from one place to another place influence individual spending behaviour. In older days the peoples in Thrissur, they save their income for future uncertainty. They have more saving opportunity like bank deposit, post office deposit, insurance, chitties, and kuries etc. In olden days the people mainly concentrate on saving habit. But today, as apart of modernization a lot of changes occur in Thrissur. Spending and saving opportunities are also changed. The advent of mall culture the spending and saving habit of youth have changed over the year. Today in Thrissur, the spending habit of youth is increasing. The women's highly consume cosmetics products and other fashion products. The youth and citizen always spend their income on alcoholic product and other entertainment. As a part of technological development new branded smartphones and other electronic devices are available in Thrissur. This always effect the spending habit of youth in Thrissur.

Jones and Martin (1997) Different households have different way of living and similarly different spending patterns. In the western culture, the young individuals are more independent at the age of 18 and start their earning and living separate than their parents home and this is known as the transitional nature of the young individual. **Joshi (2005)** Marketing director of Levi Strauss, India said in 2005 that they have tripled their sales in Bangalore city in the last three years. According to him this was largely due to the effect of disposable income coming into the hands of the 1822 age group employed in BPO jobs. **Hasan et al., (2012)** It is noted that both the male and female youth have different spending patterns with a slight similarity. Thus, this paper is a healthy insight for the marketing professionals focusing their brand inventions for the youth as their target market. **Dr. Rekha Atri (2012)** Spending and saving habit of youth in the city of Indore with the age group of 14-30 years were studied. There is a radical difference observed in the spending behaviour of the youth of our country. The study concludes that there is a huge influence of peer groups in the youth below 19 years while making purchase decisions. A difference was also observed on the gender wise purchase behaviour and their saving habits. **Abhijeet Birari & Umesh Patil (2014)** The research conducted in Aurangabad city shows the total average spending per month made by junior, graduate and postgraduate students is rupees 2196, rupees 2652 and rupees 4920 respectively.

There are significant differences in spending of junior, graduate and postgraduate students in 8 out of 11 spending categories. There are no gender wise significant differences in 7 out of 11 spending categories. Youth spend a large portion of their money on shopping, fast food, and mobiles

OBJECTIVES

- To analyze methods of savings and spending among youth .
- To analyze the influential factor of saving and spending pattern of youth.
- To analyze the relationship between satisfaction level of spending and saving.

RESEARCH METHODOLOGY

Descriptive research design is used for this study. sample size is 100 youth respondents from Thrissur District. Samples collected on the basis of convenience sampling method. This study is based on primary and secondary data. Primary data has been collected through questionnaires. Secondary data has been collected from websites, journals and articles being published on the topic in various magazines and newspapers. Ranking method, Rating method. Correlation are used as data analysis tools.

DATA ANALYSIS AND INTERPRETATION

Objective 1: To analyze methods of savings and spending among youth

RANKING METHOD

Table 1
Categories of spending

Sl no	Particulars	6	5	4	3	2	1	Total	Mean	Rank
1	Entertainment	34	21	18	12	7	8	100	4.39	I
		204	105	72	36	14	8	439		
2	Cloth	22	24	15	15	11	13	100	3.92	II
		132	120	60	45	22	13	392		
3	Electronic	17	19	20	16	18	10	100	3.71	III
		102	95	80	48	36	10	371		
4	Food	15	17	22	12	14	20	100	3.47	IV
		90	85	88	36	28	20	347		
5	Cosmetics	7	11	12	26	12	32	100	2.79	V
		42	55	48	78	24	32	279		
6	Others	5	8	13	19	38	17	100	2.72	VI
		30	40	52	57	76	17	272		

(Source: primary data)

While ranking factors affecting spending, the sample respondents are ranked the first position is entertainment and the second rank is given for

consumption of electronics. The third rank is given to food and last two ranks are given for cosmetics and others.

Table 2
Investment avenues

Sl no	Particulars	6	5	4	3	2	1	Total	Mean	Rank
1	Bank	31	18	17	14	11	9	100	4.17	I
		186	90	68	42	22	9	417		
2	Post office	22	26	18	15	11	8	100	4.09	II
		132	130	72	45	22	8	409		
3	Insurance	17	21	22	14	16	10	100	3.79	III
		102	105	88	42	32	10	379		
4	Mutual fund	8	12	11	12	25	32	100	2.70	V
		48	60	44	36	50	32	270		
5	Equity Shares	10	6	12	23	21	28	100	2.77	VI
		60	30	48	69	42	28	271		
6	Others	17	17	20	22	16	13	100	3.48	IV
		72	85	80	66	32	13	348		

While ranking investment scheme the sample respondents are ranked the first position is a post office and the second rank is given for bank deposit. The third rank is given for insurance. The fourth

rank is given for mutual fund and the last two ranks given for shares and other investment schemes.

Objective 2: To analyze the influential factor of saving and spending pattern of youth

RATING METHOD

Table 3
Factors influencing spending

Sl no	particulars	Very important	important	neutral	unimportant	Very unimportant	Total	Mean	Rank
1	Advertising	73	24	3	6	0	100	4.7	I
		365	96	9	0	0	470		
2	Celebrity Endorsing	58	20	17	5	0	100	4.2	II
		290	80	51	10	0	422		
3	Impulse buying	23	57	8	6	6	100	3.8	III
		115	228	24	12	6	385		
4	Product labelling	7	63	17	10	3	100	3.6	IV
		35	252	51	20	3	361		

The descriptive analysis of opinion on spending pattern by sample respondents shows that advertisement is the prominent attribute. The other

important attribute rated by them are celebrity endorsing and impulse buying. Last rated attribute is product labelling.

Table 4
Factors influencing saving

Sl no	particulars	Very important	important	neutral	unimportant	Very unimportant	Total	Mean	Rank
1	Future safety	12	39	9	26	4	100	5.77	I
		60	156	27	130	4	377		
2	Set concrete goal	24	36	3	35	2	100	3.45	V
		120	144	9	70	2	345		
3	Aims to be debt free	48	23	12	14	3	100	3.99	III
		240	92	36	28	3	399		
4	Maintain an emergency fund	66	32	2	-	-	100	4.64	II
		330	128	6	0	0	464		
5	Investing any surplus fund	43	26	9	13	9	100	3.81	IV
		215	104	27	26	9	381		
6	Refine your spending habit	23	29	18	17	13	100	3.32	VI
		115	116	54	34	13	332		

The descriptive analysis of opinion on saving by sample respondents shows that future safety is the prominent factor. The second and third rank is

given for maintaining emergency fund and aims to be debt free . Last two ranks are given for setting concrete goals and refine spending habit.

Objective 3: To analyze the relationship between satisfaction level of spending and saving

CORRELATION

The correlation coefficient between the satisfaction level of spending and saving

Table: 5

Spending (x).	255	72	72	14	0
Saving (y)	265	80	45	24	

(Source: primary data)

Table: 5.1

Computation the correlation coefficient between the satisfaction level of spending and saving

X	Y	XY	X ²	Y ²
255	265	65025	70225	67575
72	80	5184	6400	5760
72	45	5184	2025	3240
14	24	196	576	336
0	0	0	0	0
413	414	75589	79226	76911

(Source: primary data)

$$\begin{aligned}
 &= \frac{n\sum xy - \sum x \sum y}{\sqrt{n\sum x^2 - (\sum x)^2} \sqrt{n\sum y^2 - (\sum y)^2}} \\
 &= \frac{5 * 76911 - 413 * 414}{\sqrt{5 * 75589 - (413)^2} \sqrt{5 * 79226 - (414)^2}} \\
 &= \frac{384555 - 170982}{\sqrt{377945 - 170569} \sqrt{396130 - 171396}} \\
 &= \frac{213573}{\sqrt{207376} \sqrt{224734}} = \frac{213573}{455.38 * 474.06} = \frac{213573}{215877.44289}
 \end{aligned}$$

=0.9

The result of correlation test shows that there is a highly positive correlation satisfaction level of spending and saving

FINDINGS

Most of the respondents are male and the respondents coming under the category of the age below 30. Respondents spending is greater than saving most of the respondents spend 50-75% of their income. A major portion of the income spend on an entertainment program Youth take investment after getting income and they never put all the money in a single investment option. Almost every youngster converts their savings into investment expecting a regular return they consider the bank as the topmost investment avenue. Most influenced factor of spending is advertisement. It is verified and validated that there is a high positive correlation between the satisfaction level of spending and saving.

CONCLUSION

With the revolution in technological development, the spending and saving of youth changed significantly while conducting the study in Thrissur we can understand that youth's spending is highly influenced by income. There is a significant difference in spending of students employees and part-time job holders. They spend a large portion of their income on entertainment, cloth, electronics and food. Youth's saving decision influenced more by family, relatives. Increased cost of living and low income has minimized the savings of them. Here the youth consider spending rather than saving. More of

them save their income for future safety. Expecting a regular return they put their savings into investment. Bank has topmost importance. Youth donot interested in the unorganized money market. Most of the youth in this area is not highly aware of the capital market most of them are satisfied with their current saving habit.

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