



A Study of Determinants of Saving Behaviour Among The College Students

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Abstract - The research paper A study of determinants of saving behavior among the college students is based on the survey which is conducted amongst the youth & this research paper is the effort to analyze what exactly the youth thinks about the savings. There are various factors which creates the impact on the same .This factors may be social as well as the personal. Many times youth do not have the knowledge about the importance of the saving .However it is analyzed that there is need of financial literacy among the youth. Many students do not have the source of income they are dependent on their parents. Proper guidelines about the financial market will help them to earn the money.

Keywords - Savings, Financial Planning, Financial Goal

Introduction-

Saving 's & Investment are one of the vital concept. People rely on this from the point of view of future perspective. What people save & invest today can be utilize for the future purpose. Many times the purpose are certain many times it is uncertain. Many times people thinks that habit of savings are mostly associated with the women .People have different mindsets at the every stage of age for savings & investments. However everyone wish to have safe secured & liquid form of investments. Understanding the pattern of behavior of the people from the point of view saving & investment is necessary. As it will help to analyze the practical approach of the individual in current scenario.

Various studies shows the factors which causes to change the behavioral pattern of the investment. However many times the decision of the investment is based on factors like choice of investment, Time of investment ,amount of investment & reason of investment.

$$\text{Savings} = \text{Income} - \text{Consumption}$$

Many times savings influence the economic conditions of the country. There are various factors which creates impact on savings. This paper focus on behavioral factors which takes towards savings .Many times individual savings are depends on income & the materialistic conditions of his life. Saving is a macroeconomic variable. Savings are important as it is creating impact on the growth of the country.

As people grow older they are able to realize that they will no longer work .So for these days people require money .The students have different goals of finance in their mind. However it is necessary to develop the habits of savings among the youth

The present study is focus on the youth & there behavior of savings. There are various factors which are creating impact on the same. This factor can be social or personal.

Literature Review-

(Lusardi, 2008) states that individual are always care about their financial security after the retirement. But for this purpose they must have the adequate knowledge about the financial literacy. This paper focus on the population of U.S.& It is observed that half of the population of middle age is not aware about the social security .Low literacy & lack of information are two major factors highlighted by the author.

(Kassie, 2017) States that saving is one of the best way to accumulate the capital for the purpose of industrial growth. A country like Euthopia also depends on mercy of weather for the agriculture purpose. This paper is focusing on the saving behavior of household. The households in euthopia needs to adopt saving behavior though they are earning small income there is need of planning of finance.

(Suman Chakraborty) states that investment



is the one of the most important concern from every individual point of view. It is also tends to mentioned that the women concentrates more on savings compared to male. This study is based on primary data & it focus on different categories of individual. Salaried & self employed people are more concerned about there retirement life so it is found that these people are keen to save more.

Research Objectives-

1)To understand the concept of Saving behavior

2)To study in detail factors influencing Savings behavior of students.

Research Methodology-The present study is depends on the Primary data which is collected from the Under Graduation & Post Graduation students .These students are from the pune area.

Limitations of the Study-The present study is limited to the Pune Area. This study is limited to the 73 educated respondent. This Research paper concentrates on Youth only.

Data Analysis-

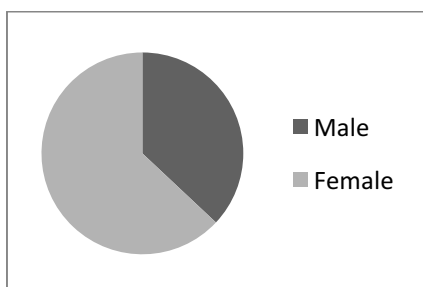


Fig 1.1.Gender of the Respondent

Out of the 100% there are 63% are the female respondent & 37% are the male respondent for the questionnaire.

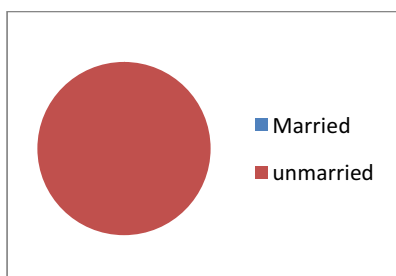


Fig.1.2.Marital Status

Out of the total respondent 100% respondent are unmarried. It highlights that they have the less family responsibility.

The course of the study mentioned by the respondent is B.Com & M.B.A.

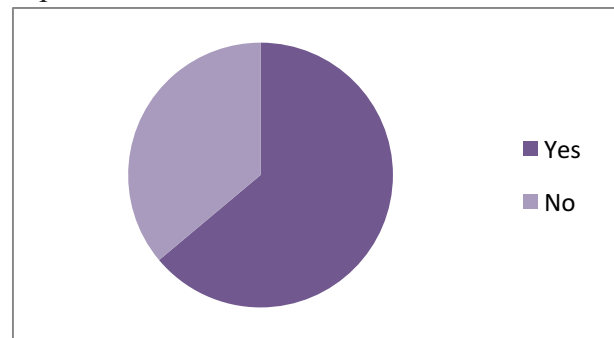


Fig1.3.Part time Job Holders

Out of the total respondents only 9.60% respondents were positive about the part time & they are holding the same.The overall remain the 96.40% youth didn't have the part time income.

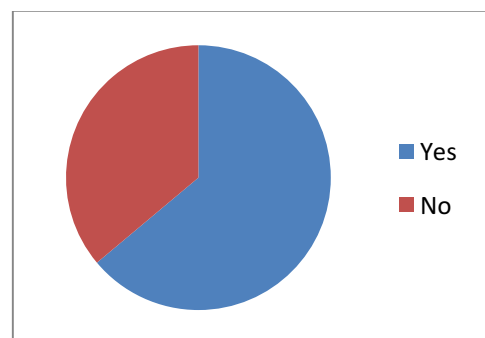


Fig 1.4.Monthly allowance from the Parents

The most of the respondent youth is depend on their parents for pocket money purpose.63.9% youth respondent are receiving the monthly allowance & 36.1% are not able to get monthly money from their parents.

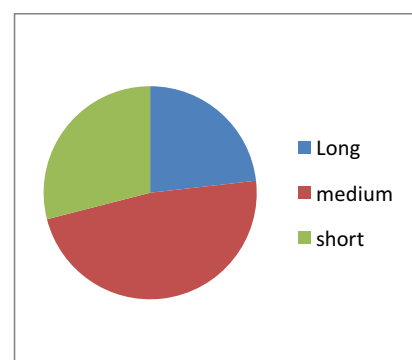


Fig1.5.Better understanding of Investment

The most of respondent said near around 47.9% they have better understanding of investment.47.9% mentioned that they may or may not have idea about the investment.4.1%



said that they do not have the idea about the investment options. From this it can be analyzed that there is need of financial literacy.

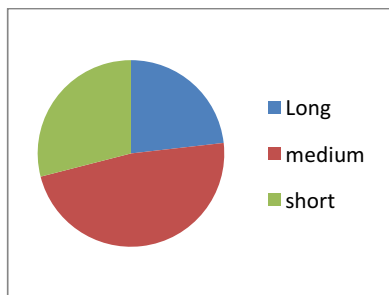


Fig.1.6. Monthly budget preparation

Out of the total respondent 62.5% said that they prepare monthly budget & spend money accordingly .It gives idea that there proper allocation of monthly expenses.25% mentioned that they are not able to prepare the budget.12.5% said that they may or may not prepare the budget. They prepare the same according to the demand of time.

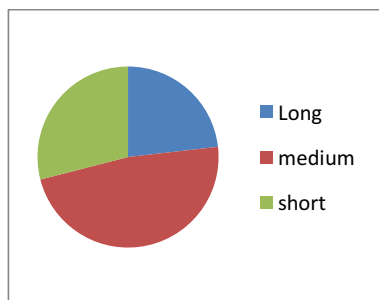


Fig1.7.Facing difficulties in managing money

38.4% respondent are facing the problem of managing the money. Many times they face the problem of managing the liquidity.35.6% mentioned that they are not facing the difficulties in managing money.26% mentioned that they are not facing the difficulties for managing the money.

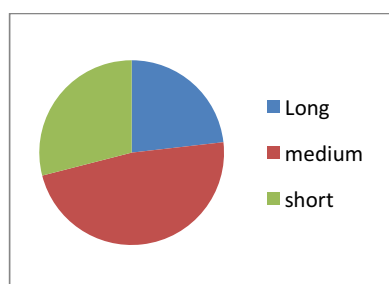


Fig 1.8.

Knowldege about financial instruments

Out of the total respondent 48.6% mentioned that they have the idea about the financial instruments available in the market.12.5/5 said that they do not have a single idea about the financial instruments .However 38.9% mentioned that they may or may not have the idea about the same.

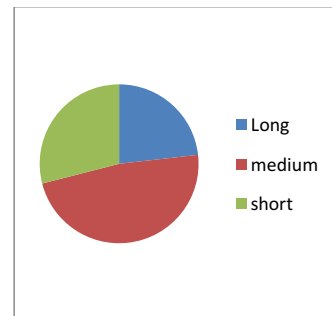


Fig 1.9.Comparison of savings & Spending

Many respondent mentioned that they have influence of their friends (30.1%).61.6% said that they do not care about the spending of the others & 8.2% said that they might have influence about the same.

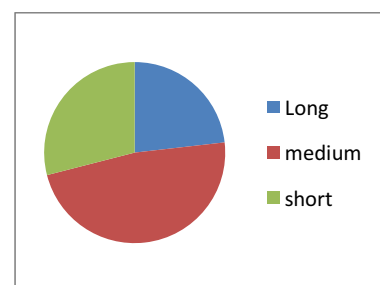


Fig1.10.Time period of savings

23.2% respondent care about the long term need of finance. However major part of the respondent(47.8%) care about medium term of finance.29% concentrates on the short term requirement of finance.

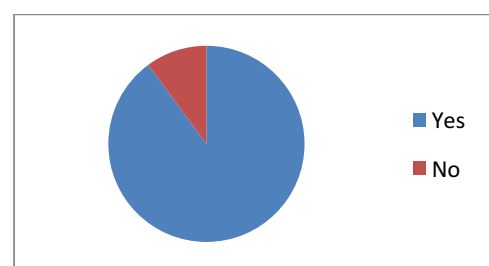


Fig1.11.Emergency Factor impact

Out of the total respondent majority of them



care for the emergency factor. They mentioned that emergency factor influence them to save more.

Conclusion-The Financial literacy awareness program needs to be the part of the basic education .This programs will help to improve the financial decision making .Most of the students are getting monthly allowance from their parents. On the basis of the same they prepare the budget. With the help of the same they can start the small saving options. The respondent who have the well defined budget they mentioned that they face little difficulties for managing the money compared to those who do not planned the same. It is necessary to create awareness about the financial instruments knowledge among the youth so that they will able to learn the opportunities of finance. Many times the respondent also mentioned that if their

friends are saving it is creating the impact on them that they also need to save regularly. So from this it can be analyzed that the social factor is also influenced the savings. According to the respondent the medium term investment is most important for them .As youth is considered as respondent medium term finance influence the saving behavior. Emergency of liquid cash is one of the major influential factor among the youth.

There are many factors which influence the saving behavior. These factors are personal as well as social .However it is analyzed that the financial literacy needs to be a part of basic curriculum for everyone despite of their course of study. Finance is the most important & savings are necessary for the every stage of life. This saving behavior will help the youth in their future to plan the expenses of life.