A STUDY ON SAVING AND SPENDING HABITS OF COLLEGE STUDENTS WITH REFERENCE TO COIMBATORE CITY

P.Jeevitha¹ & R.Kanya Priya²

¹Assistant Professor in Commerce, Sri Ramakrishna College of Arts and Science for Women Coimbatore, TamilNadu, India.
²Assistant Professor in Mathematics, Sri Ramakrishna College of Arts and Science for Women Coimbatore, TamilNadu, India.

Received: February 03, 2019 Accepted: March 18, 2019

ABSTRACT: In this context, the study attempts to examine the extent of students saving and spending habits of college students. The survey was administered among 200 college going students. Each of the survey responses was entered and analyzed using Chi-square test.

Key Words: Saving, Spending habits, College Students.

1. INTRODUCTION

With the revolution in the retail sector in India and advent of mall culture, the saving and spending habits of college students have changed over the years. An over exposure to marketing communication activities of the companies, the students has turned to be more brand conscious and also spend a considerable amount of their income on entertainment and gadgets. With the increase in spending power of adults, even the young have become free-hand spenders and spendthrifts in some cases.

This study address the question of why, where, and how the college students spend their money. The age group of 15-25 years is that part of the society which is immortalized in advertisements. The west depicts students as financially and emotionally free, but in India the case is not the same. Despite being financially dependent on the parents till about an age of 15-25 years, there is a radical difference observed in the spending behavior of the students of our country.

Students savings accounts are one tool with the potential to encourage both development and financial inclusion possibly even in a financially sustainable way. For individuals, a financial cushion such as savings is clearly useful in mitigating the impact of economic shocks. Research has shown that making formal sector savings accounts available can boost this financial cushion among students.

The study has been undertaken to analyses the saving and spending habit of college students. The main reason behind the study is the college students saving habit is declining spend more than their income. This study shows the various saving and spending avenues for college students and how they maintain their financial requirements with limited income and high expenses.

1.1. STATEMENT OF THE PROBLEM

With cultural shift to westernization in India and advent of mall culture, the spending and savings habits of the students have changed over the years. College students have started to spend more money on entertainment and lifestyle and have become more brand conscious. With the increase in standard of living of adults, the young have also been empowered with more money and have got more spending power. Similarly the saving habit in college student is drastically declining over the years. This study is conducted to understand the saving and spending habits of college students.

1.2 OBJECTIVES

➢ To analysis the various modes of saving habit among college students.
➢ To find out the spending pattern among college students.
➢ To identify the saving and spending status of college students.

1.3 METHODOLOGY OF THE STUDY:

This part presents the design of the study and the approaches adopted for field study the measurement concept and the statistical procedure employed for the analysis of the data collected.
RESEARCH DESIGN
A detailed outline of general research. A research design will typically include how data is to be collected, what instrument will be employed, how the instruments will be used and the intended means for analyzing data collected.

DATA SOURCES
The study was undertaken in Coimbatore City in Tamil Nadu. It is also known as “Manchester of South India”. It is one of the fastest growing city in India and a major textile, industrial, educational, information technology, health care and manufacturing hub of Tamil Nadu.

SAMPLING SIZE
For preparing the research report the survey was conducted among the sample size of 200 respondents. Convenient Sampling method was used to select the respondents. The respondents are College going Students.

SAMPLING METHOD
Primary Data: the primary data is collected with well structured questionnaire.
Secondary Data: Secondary data is collected through various books, journals, Magazines and relevant websites.

1.4 LIMITATIONS
- The study is purely based on the view of 200 respondent only
- The area of the study is confined only in Coimbatore city
- In depth analysis could not be carried out because of shorter time period
- The questionnaire has a set of 16 questions and hence respondents were not very patient in answering the questions.

2. LITERATURE REVIEW:
1. Abhijeet birari, Umesh patil (2014), spending and saving habits of youth in the city of Aurangabad, The standard International Journals, ISSN: 2321-242X, volume 2, No 3, May 2014. in his study “spending and saving habits of youth in the city of aurangabad” the spending and saving of youths in India has changed drastically in past few years as a result of westernization and higher spending power. The studies have shown that youth spends more money on shopping and especially on branded items. It was also noted that both the male and female youths have different spending patterns with a slight similarity, the youth should cultivate habit of rational spending and should save and invest more in fixed deposit, mutual funds, gold etc.
It is huge opportunity for hotel, mobile company, retail shop, fast food restaurants which should tap the youth spending for their benefit.
2. Folorunsho M Ajide (2015), The spending pattern among the youths in Lagos, Nigeria, ISSN: 2278-487X, volume 17, No 4, April 2015. in his study “The spending pattern among the youths in Lagos, Nigeria” the analysis showed that there were significant differences in the spending pattern among male and female youths. and the major source of their income was pocket money got rom relatives and family. It was also reported that a significant positive relationship existed between pocket money and spending pattern. it was concluded that the youth spend most of their income towards fast food, movies, transportation in Nigeria.
3. Kanting sechaba thobejane, Olawale fatoki (2017) Budgeting and spending habits of university students in South Africa, IFE centre for psychological studies, ISSN: 1596-9231, Volume 15, No 3, 2017. In his study “Budgeting and spending habits of university students in South Africa” examined if there is a significant gender difference in the budgeting and spending habits of university students. The findings of the study show that the majority of university students do not have a written budget. In addition, the majority of university students spend on on groceries and fast food. Female students are more likely than male students to have a budget. Recommendations to improve the budgeting and spending habits of university students are suggested.

3. DATA ANALYSIS AND INTERPRETATION

| Table: 1 |
|------------------|---------|---------|---------|
| Is college students interested in savings | 0       | E       | (O-E)   | \(\psi^2 = \frac{(O - E)^2}{E}\) |
| Yes               | 126     | 100     | 26      | 6.76     |

Research Paper
\[ \psi^2 = \frac{(O-E)^2}{E} = 13.52 \]

For \( v= n-1 = 2-1 = 1, \psi^2_{0.05} = 3.84 \)

The calculated value of \( \psi^2 \) is greater than the table value. The hypothesis is rejected. Hence there is a significant difference between saving habit and non saving habit of college students.

### RANK CORRELATION:

<table>
<thead>
<tr>
<th>Spending money in different fields</th>
<th>No. Of Students</th>
<th>Rank 1</th>
<th>Purpose of savings</th>
<th>No. Of Students</th>
<th>Rank 2</th>
<th>( D^2 = (R1 - R2)^2 )</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entertainment</td>
<td>25</td>
<td>4</td>
<td>As a habit</td>
<td>18</td>
<td>6</td>
<td>4</td>
</tr>
<tr>
<td>Recharges</td>
<td>35</td>
<td>2</td>
<td>For higher studies</td>
<td>34</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>Studies</td>
<td>14</td>
<td>6</td>
<td>For future</td>
<td>47</td>
<td>1</td>
<td>25</td>
</tr>
<tr>
<td>Shopping</td>
<td>26</td>
<td>3</td>
<td>For emergency</td>
<td>26</td>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td>Beauty care</td>
<td>78</td>
<td>1</td>
<td>Outing</td>
<td>30</td>
<td>4</td>
<td>9</td>
</tr>
<tr>
<td>Transportation</td>
<td>22</td>
<td>5</td>
<td>Luxury Items</td>
<td>45</td>
<td>2</td>
<td>9</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>200</strong></td>
<td></td>
<td></td>
<td><strong>200</strong></td>
<td></td>
<td><strong>( \Sigma D^2 = 52 )</strong></td>
</tr>
</tbody>
</table>

Rank Correlation \( \rho = 1 - \frac{6 \sum D^2}{N(N^2-1)} \)

\[ \rho = 1 - \frac{6 \times 52}{6(6^2-1)} = 1 - 1.4857 = -0.4857 \]

A perfect negative correlation means the relationship that exists between two variables is negative 100% of the time.

### 4. FINDINGS:

**Chi – Square:**

From table 1 it is found that there is a significant difference between saving habit and non saving habit of college students.

**Rank Correlation:**

From table 2 it is found that there is no relationship between spending money in different fields and purpose of saving money.

### 5. SUGGESTIONS:

- Students should cultivate their habit of savings.
- Students should invest their savings in productive channels like bank, post office.
- Students should consult their parents (or) guardian for budgeting before spending.
- Students are requested to spend more money in studies.

### 6. CONCLUSION

The study conducted on "The saving and spending habits of college students" was undertaken to know the spending and saving habits of college students. It was found that most of our respondents saved less than they spend but their spending avenues are different. Most of the students have savings and they know about the importance of savings. Students commonly prefer saving bank account as their saving avenues. Students save for their emergency situation. From the study on spending pattern of students, they are spending higher amount in transportation and studies.

### REFERENCE:

1. **Dr. Rekha Attri (2012)**, spending and saving habits of youths in the city of Indore, baudhik, ISSN: 2277-4955, volume 3, No 2, Augest 2012, in his study "spending and saving habits of youths in the city of Indore" the analysis shows there is a huge influence of peer group 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. The youth also does not believe in spending more on entertainment, gadgets, eating out and personal grooming.

2. Mebin John Mhews (2017), An analysis on spending and saving pattern of college students in idukki district, International Journal Management, ISSN: 0976-6510, volume 8, No 3, June 2017. In his study “An analysis on spending and saving pattern of college students in idukki district” clearly shows that only few students are interested to earn while learning to meet their own expenses and expecting from parents for their personal expenses. Majority of the students are not having saving habit. If the student aware about it they will definitely save their part of earnings. If they invest their saving into the productive channel it will be used to developed individual earnings and others can avail the loan from particular channel.

QUESTIONNAIRE

1. Name
2. Age
3. Gender
   a) Male  b) Female
4. Educational qualification
   a) UG level  b) PG level  c) M.Phil  d) Ph.D
5. Source of income
   a) Pocket money  b) Scholarship  c) Part time job  d) Other ways
6. How much amount will you earned per month
   a) Less than Rs.500  b) Rs.500-Rs.800  c) Rs.800-Rs.1,000  d) More than Rs.1,000
7. Do you have savings?
   a) Yes  b) No
8. How much amount will you save per month?
   a) Rs.100-500  b) Rs.500 -1,000  c) More than Rs.1000
9. In which way you make savings?
   a) Bank A/C  b) Post office savings  c) Piggy bank  d) Other ways
10. Do you have your own bank account?
    a) Yes  b) No
11. How often do you deposit money in your bank account?
    a) Once a week  b) Once a month  c) Once a year  d) More than once a year  e) Not at all
12. Do you have regularity in savings?
    a) Yes  b) No
13. What is your purpose of savings?
    a) As a habit  b) For higher studies  c) For future  d) For emergency  e) Other reasons
14. How long have you been saving money for?
    a) Less than 1 year  b) 1-3 years  c) 3-5 years  d) More than 5 years
15. From the following areas where did you spend more money?
    a) Entertainment  b) Recharges  c) Studies  d) Shopping  e) Fitness  f) Beauty care  d) Transportation
16. What is your saving and spending status?
    a) Saving less than spending  b) Saving equal to spending  c) Saving greater than spending