

# A STUDY ON SAVING AND BANKING HABITS AMONG COLLEGE STUDENTS IN COIMBATORE CITY

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## Abstract

*To improve and lessen the financial load of times, save more often. The purpose of the study is to investigate student saving behaviour, hence I choose to title it "A Study on Saving and Banking Habits Among Youths in Coimbatore City". To determine the spending habits of college students, to assess how well they manage their money, and to pinpoint the factors that influence both their spending and saving habits. It's crucial to comprehend young people's financial situations and saving, banking, and investment behaviour in order to steer them in the proper route. The study's goal is to examine young people's spending and saving patterns as well as the factors that influence them.*

**Keywords:** savings, banking, behaviour

## INTRODUCTION

Money is a necessary resource that enables us to manage our daily lives. Therefore, it should be used in an efficient and effective way. A successful existence depends on a person's ability to handle his finances. All members of society, including college students, need to use effective financial management techniques. The golden rule for managing personal finances well is to spend less than you earn and save for the future. But in fact, a lot of people struggle to set aside extra money for savings. Similar to this, young people are now more cautious in their daily activities to maintain their sense of self-worth and to stay in their current social circles or advance within them. The spending and saving patterns of young people have altered throughout time as a result of the revolution in India's retail industry and the emergence of mall culture. Youth now spend a significant portion of their income on devices and entertainment, and they are also more brand aware. One instrument that has the potential to promote both youth development and financial inclusion is youth saving accounts, maybe even in a way that is financially sustainable. The purpose of this study is to examine how, where, and why college students spend their money. The segment of society that is immortalized in advertisements is the 18 to 30 age bracket. In the west, students are portrayed as being emotionally and financially independent, but this is not the case in India. The way our nation spends its money has undergone a significant change. The goal of this study is to examine college students' spending and saving behaviors. This study demonstrates how college students manage their income and expenses as well as the numerous saving and spending options available to them.

## OBJECTIVE OF THE STUDY

- To determine demographic profile of the respondents.
- To study the savings & spending habits of the college students.
- To identify the saving and spending status of college students

## STATEMENT OF THE PROBLEM

This study has been undertaken to analyse the saving and spending habits of college students. With the revolution in the retail sector in India and advent of mall culture, the spending and saving habits of youth have changed over the years. Youth has turned to be more brand conscious and also spend a considerable amount of their income on entertainment and gadgets. Youth savings accounts are one tool with the potential to encourage both youth development and financial inclusion possibly even in a financially sustainable way. Hence this research paper aims to analyze the spending and saving habits among the young generation.

## SCOPE OF THE STUDY

With the cultural shift to westernization in India and advent mall culture, the spending and saving habits of the students have changed over the years. College students have started to spend more money on entertainments and lifestyles and have become more brand conscious. With the increase in the standard of living of adult, the young have also been empowered with more money and have got more spending power similarly the saving habits in college students is drastically declining over the years. This study is conducted to understand the savings and spending habits of college students. The scope of the study is limited to the college students of Coimbatore locality.

## RESEARCH METHODOLOGY

Research methodology refers to the theoretical analysis of the methods appropriate to a field of study or to the body of methods and principles particular to a branch of Due to the limited period of study, only 50 customers selected as sample unit from the population. The study is conducted on the basis of the responds of the selected sample and findings are drawn based on their responds.

### Resource of data Primary data

The first-hand information was collected by the researcher after finalizing the study area. Through well-structured questionnaire primary data was collected. It was collected from 50 respondents.

### Secondary data

The secondary data was collected from the study related websites, journals, and magazines. It was collected through the library to facilitate proper understanding of the conceptual frame work about the study.

### Area of the study

The study is conducted in Coimbatore city.

### Area of period

The study is conducted period for a period 2<sup>nd</sup> Jan to March 31, 2023

### Sample size

Due to the limited period of study, only 50 customers selected as sample unit from the population. The study is conducted on the basis of the responds of the selected sample and findings are drawn based on their responds.

**Tools used by Analysis**

- Percentage analysis
- Chi square

**Limitation of study**

- Selected Sample is limited to 50. Hence findings cannot be generalized.
- Respondents may be biased. So the collected data may not be reliable.
- Customers' preferences and opinions are supposed to change from time to time.

**REVIEW OF LITERATURE**

The saving and spending behaviour of college students were explored by **P. Jeevitha and R. Kanya Priya (2019)** with reference to the city of Coimbatore. The study's findings showed that the majority of students saved less than they spent, yet The spending fields varied. The respondents frequently choose to save money through savings accounts.

**Kanting Sechaba Thobejane, Olawale Fatoki (2020)** investigated whether there is a sizable gender difference in university students' budgeting and spending habits in his paper, "Budgeting and spending habits of university students in South Africa." The study's conclusions demonstrate that the majority of college students do not have a written budget. Additionally, the majority of college students spend money on fast food and groceries. In comparison to male students, female students are more likely to have a budget. University students' spending and budgeting practises are urged to be improved.

The analysis of **Folorunsho M. Ajide's (2022)** study, "The Spending Pattern Among the Youths in Lagos, Nigeria," revealed that male and female adolescents' spending patterns differed significantly. And their primary source of income was pocket money received from friends and family. Additionally, it was claimed that there was a strong positive correlation between spending habits and pocket money. It was found that in Nigeria, young people spend the majority of their cash on fast food, entertainment, and transportation.

**OVERVIEW OF THE STUDY****Automatically transfer funds to savings.**

The simplest approach to save money is to set up automatic transfers. Set up an automatic weekly transfer of a few dollars to your savings account to move closer to your goals. For instance, set up an automatic transfer of \$42 per week into your savings account if your goal is to save \$1,000 in six months for a trip or a new computer.

**Prepare a shopping list.**

Plan out your shopping trips rather than rushing to the pharmacy to grab a few things here and there. Make a list of everything you wish to buy, along with an estimate of your budget. You'll be more successful at avoiding impulsive purchases and picking up products you don't truly need by making a list and following it. Need the same holds true for online purchases. Before making a purchase, decide what you truly need, how much you can afford to spend, and give yourself at least a few days to think about it. Try to wait 30 days before adding an item to your cart if it is not absolutely necessary.

**Save money by making replacements.**

Focus on your top priorities and invest the most money there. Consider cutting costs or looking for less expensive options in categories that aren't as important to you. Don't deny yourself of your preferred Roquefort if you enjoy fine cheese. Get the generic brand, though, if you could care less what kind of peanut butter is in your sandwich.

**Pay your own bills first.**

Make a budget to ensure that you aren't overspending. Pay yourself first, though, if you want your funds to grow. That entails conserving money as soon as you receive a paycheck and then surviving off the remainder. You run the danger of not having enough money saved up to achieve your long-term objectives if you only pay yourself after all of your bills and costs have been paid. To accomplish this, set up an automatic transfer of funds into a savings account or set aside a certain amount of your monthly take-home pay.

**DATA ANALYSIS AND INTREPRETATION**

This chapter analyzes and interprets changes in consumer behavior patterns. A sociological study of people visiting a mall, particularly in the city of Coimbatore. A specimen of 50 respondents selected from Coimbatore city is presented. The opinion and relevant information of respondents were collected through a questionnaire consisting of personal and learning factors. The collected data were classified and tabulated and completed according to the research objectives by using statistical tools

**Percentage analysis**

Table No.1 Describes the Socio-economic background of the respondents.

Demographic variable		Frequency	Percentage
Age	18-20	20	40
	20-23	10	20
	23-26	14	28
	Above 26	6	12
	<b>Total</b>	<b>50</b>	<b>100.0</b>
Gender	Male	24	48
	Female	26	52
	<b>Total</b>	<b>50</b>	<b>100.0</b>
Education qualification	UG	14	28
	PG	16	32
	M.PHIL	15	30
	PHD	5	10
	<b>Total</b>	<b>50</b>	<b>100.0</b>
Accommodation	With parents	30	60
	Hostel	8	16
	Paying guest	11	22
	With cousins	1	2
	<b>Total</b>	<b>50</b>	<b>100.0</b>

From the above table 1, it is clear that the general profile of the respondents shows that

- 40% of the respondents are 18-20 , and 20% of the respondents are 20-23 and 28% of the respondents are 23-26 and 12% of the respondents are above 26 age groups.
- 48% of the respondents are male and 52% of the respondents are female.
- 28% of the respondents are UG and 32% of the respondents are PG and 30% of the respondents are M.PHIL and 10% of the respondents are PHD.
- 60% of the respondents are with parents and 16% of the respondents are hostellers 22% of the respondents are paying guest and 2% of the respondents are with cousins.

### Chi-Square analysis

Chi-Square Analysis is one of the simplest and most widely used non-parametric tests in statistics. He is used to the independents of attributes or factors. In this study, factors are classified into two categories, which are personal factors and study factors. Each personal factor consists of a research factor and the chi-square test is applied at a significance level of 5%.

Table no:1 describes the

Ho: There is no significant relationship between online or offline shopping preference which types of groups.

H1: There is a significant relationship between online or offline shopping preference which types of group.

	Value	Asymp.sig.

### FINDINGS

- Most of 40% of the respondents are 18-20 year age group.
- Majority 26% of the respondents are females.
- Majority 32% of the respondents are PG studying peoples .
- Most of 60% of the respondents are staying with our parents.

### SUGGESTION

Interpret the results and relate them to the literature reviewed in the study. Discuss the implications of the findings for college students in Coimbatore city, as well as for policymakers, financial institutions, and educators.

Set a savings goal: Having a specific goal in mind can help motivate you to save. Decide what you're saving for, whether it's a down payment on a house, a vacation, or an emergency fund, and set a specific dollar amount that you want to save.

Remember, developing a saving habit takes time and effort, but it's worth it in the long run. Start small and be consistent, and you'll be on your way to financial stability and security.

## Conclusion

Summarize the main findings and contributions of the study, as well as its limitations and directions for future research. Developing a saving habit is crucial for achieving financial stability and security in the long run. By saving a portion of your income regularly, you can build an emergency fund, make large purchases, and invest in your future. It requires discipline and dedication to stick to a savings plan, but the rewards are worth it. Creating a budget, setting financial goals, and automating savings are some effective ways to develop a saving habit. Additionally, it's important to avoid impulse purchases and unnecessary expenses that can derail your savings efforts. With persistence and determination, anyone can cultivate a saving habit and improve their financial well-being.

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