

**A STUDY OF SPENDING & SAVING HABITS AMONG THE COLLEGE
STUDENTS IN DOMBIVLI REGION**

By Dr. Jyoti Pohane

ABSTRACT

A person's ability to manage his money is essential to being successful in life. Effective financial management strategies are important for all members of society, including college students. The research has proved that student's financial management capability is pivotal to their overall academic success and retention. Hence this research paper aims to analyze the spending and saving habits among the young generation in dombivli region.

INTRODUCTION:

Spending less than the earnings and saving for the future is a golden rule for having a good control over the personal finance. By paying attention to what you buy each month, you quickly identify any leftover money, which can increase your retirement savings rate, emergency fund and even your net worth. But in reality many people fail in budgeting their income and saving more.

In a study conducted by Rick, Cyder, and Loewenstein published in the *Journal of Consumer Research*, participants' brains were scanned as they pretended to make buying decisions. Researchers observed activity in an area of the brain called the insula, which is stimulated when you experience something unpleasant. The more stimulation in the insula, the less likely you are to keep doing what you're doing. When it comes to money, insula stimulation can stop your spending.

On the other hand, the act of saving – either by having cash in a bank or by experiencing a significant savings on a product or service – brings savers intense pleasure. The victory of a good bargain makes everyone feel good, but savers feel the rush even more since it's a relief from the discomfort of needing to spend.

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 in dombivli region.

OBJECTIVES:

1. To Study the Spending habit of the students.
2. To Study the Saving habit among the students.

HYPOTHESIS :

- 1) **H₀** There is no significant difference in saving habits of boys and girls.
H₁ There is significant difference in saving habits of boys and girls.
- 2) **H₀** There is no significant difference in Saving habits and Faculty of the Students.
H₂ There is significant difference in Saving habits and Faculty of the Students.

RESEARCH METHODOLOGY

a) Source of Data: The present study is based on primary data which was collected using questionnaire method.

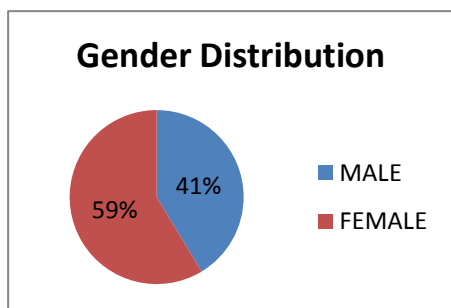
b) Sample Size: Seventy Five Students from Arts, Commerce and Science Faculty of Undergraduate College in Dombivli are selected.

c) Data Collection: The data was collected using questionnaire in colleges. Both open ended and closed ended questions were included in the questionnaire to get answers of the objectives laid down in the study.

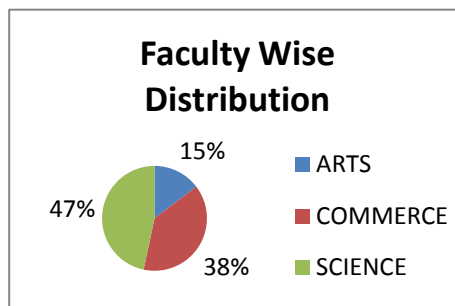
d) Statistical Tools: Percentage is used to analyze the data.

RESPONDENTS PROFILE

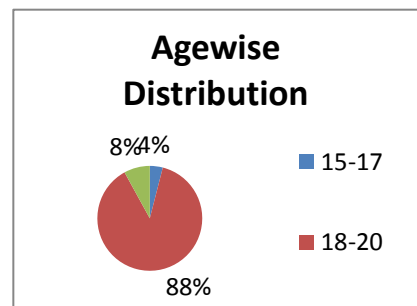
Graph No. 1



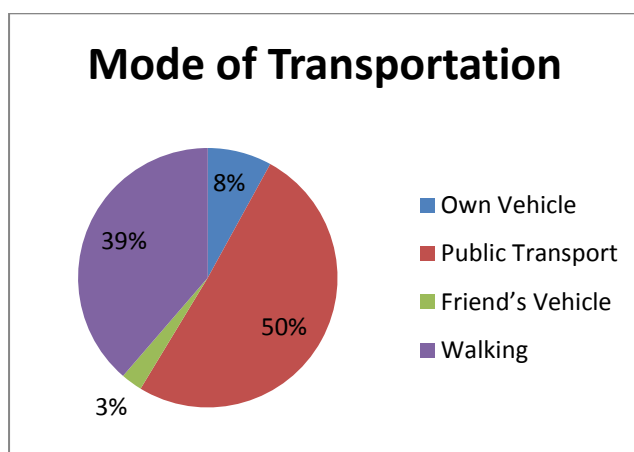
Graph No. 2



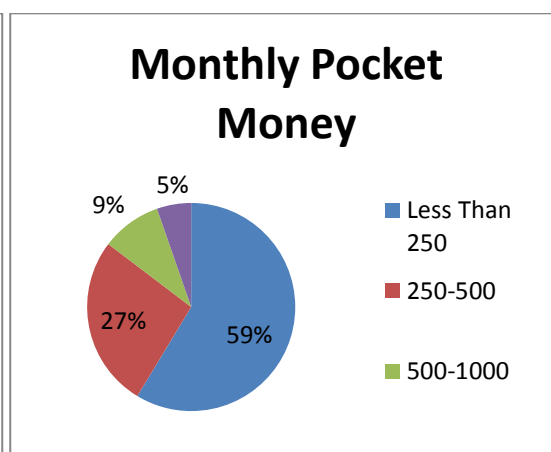
Graph No. 3



Graph No. 4



Graph No. 5



SPENDING HABITS OF STUDENTS

Table No. 1 : Percentage Of Spending On Various Type Of Expenses

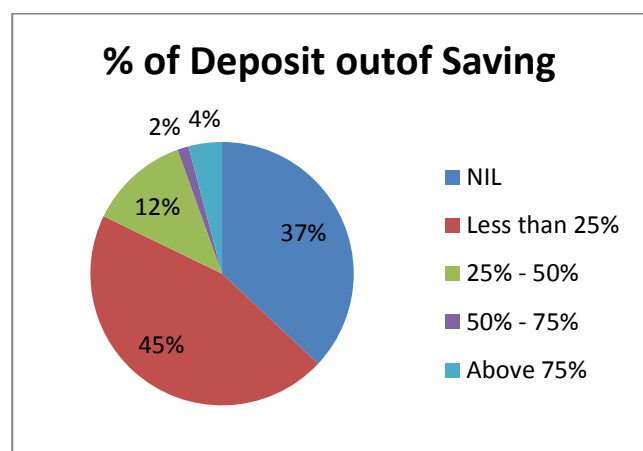
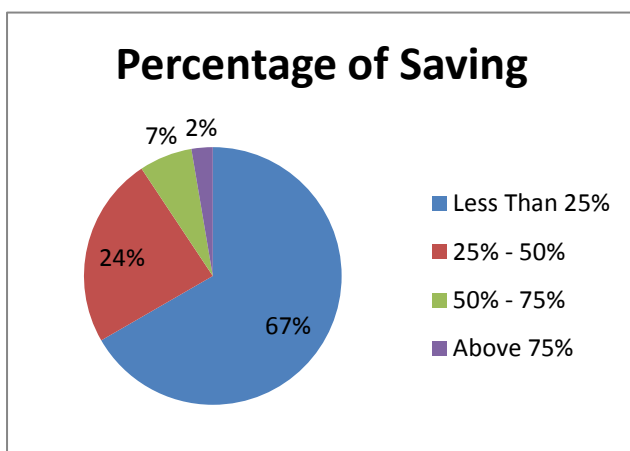
Percent out of Pocket Money	Transportation Exps.		Food Consumption		Entertainment Expenses		Mobile Expenses	
	<i>f</i>	%	<i>f</i>	%	<i>F</i>	%	<i>F</i>	%
NIL	24	32	17	22.66	27	36	17	22.66
Less than 25%	32	42.66	37	49.33	33	44	36	48
25% - 50%	11	14.66	09	12	09	12	12	16
50% - 75%	04	5.33	06	8	01	1.33	04	5.33
Above 75%	03	4	05	6.66	03	4	06	8
Total	75	100	75	100	75	100	75	100

From the above table it is observed that the students are spending their pocket money very carefully. They are balancing their spending over the various types of their needs such as transportation, food, entertainment and mobile expenses. Very few students are expending more on only one or two types of the expenses.

SAVING HABITS OF STUDENTS

Graph No. 6

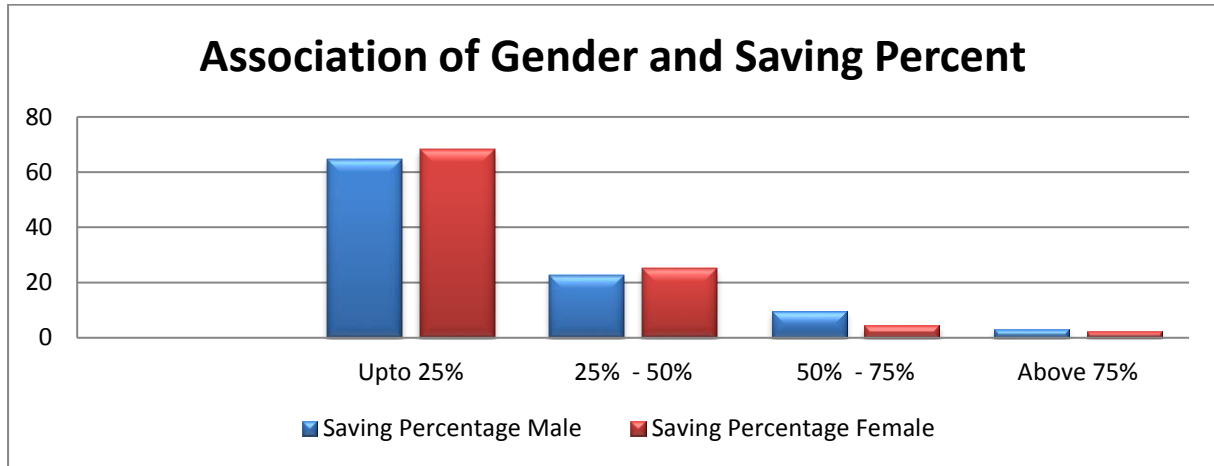
Graph No. 7



Association of Gender & Percentage of Saving

Table No. 2: Gender wise Saving Percentage

Saving Percentage	Gender				Total	
	Male		Female			
	<i>f</i>	%	<i>f</i>	%	<i>f</i>	%
Upto 25%	20	64.52	30	68.18	50	66.67
25% - 50%	07	22.58	11	25.00	18	24.00
50% - 75%	03	09.68	02	04.55	05	6.67
Above 75%	01	03.23	01	02.27	02	2.66
Total	31	100	44	100	75	100

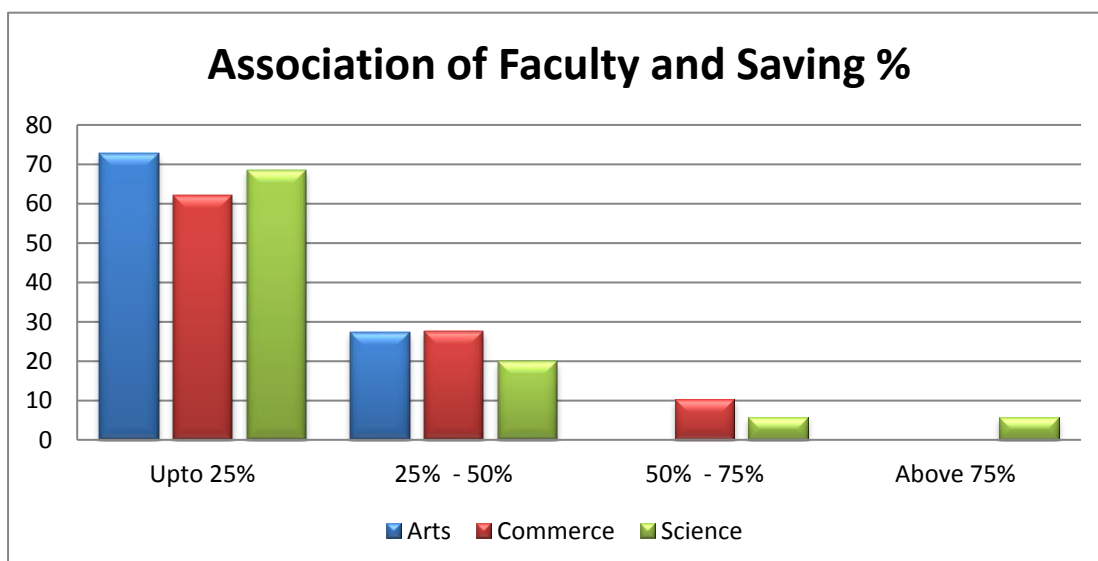


Association of Faculty and Saving Percentage

Table No. 3: Faculty Wise Saving Percentage

Saving Percentage	Faculty						Total	
	Arts		Commerce		Science			
	<i>f</i>	%	<i>f</i>	%	<i>f</i>	%	<i>f</i>	%
Upto 25%	8	72.73	18	62.07	24	68.57	50	66.67
25% - 50%	3	27.27	8	27.59	7	20.00	18	24.00
50% - 75%	0	0	3	10.34	2	5.71	05	6.67
Above 75%	0	0	0	0	2	5.71	02	2.66
Total	11	100	29	100	35	100	75	100

Graph No. 9



Findings:

1) From table no. 2 and graph no. 8 it is observed that there is no significant difference in saving habits of boys and girls. Hence the **null hypothesis** that there is no significant difference in saving habits of boys and girls is **accepted**.

2) From table no. 3 and graph no. 9 it is observed that no significant difference in saving habits of students from different faculties. Hence, the **null hypothesis** that there is no significant difference in saving habits and faculty of the students is **accepted**.

CONCLUSION :

- ✓ Students spend their pocket money cautiously.
- ✓ Many students have developed the habit of saving.
- ✓ Average level of the awareness was seen as per as operating and maintaining bank account.

RECOMMENDATION:

The students should be taught to use the banking facilities to put their savings which will earn the returns for them.

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