A STUDY SAVING BEHAVIOR AND CHOICE OF ASSETS OF HOUSEHOLDS

[1]Ms. Nathika S and [2]Mrs. Dr. TR. Kalai lakshmi

[1]Student, School of Business Administration

[2]Assistant professor, School of Business Administration

Sathyabama Institute of science and Technology. Chennai 600119, Tamil Nadu, India.

ABSTRACT

Savings can be known as the cash or physical products set aside for future use. An Investment is an asset acquired or invested in to build wealth and save money from the hard-earned income or appreciation. The present study aims at investigating the percentage of salary saved by households, factors affecting the saving behaviour, and types of savings by households and determinants of the saving behavior of the rural households in the district of Trichy. The data of 136 sample households has been collected from rural households. This paper investigates the factors behind what determine household saving behaviour. An individual and a consumer is led by their culture, their social class, their membership groups, their family, their personality, their psychological factors, etc.. In my study size of 136 was drawn from the population using the descriptive sampling techniques. The results ultimately reveals that the age of the head of the household, gender, income and expenditure are significantly influencing the saving behavior in the entire study area.

KEYWORDS: Income, Consumption, Household Savings in rural area.

INTRODUCTION

Saving is defined as an understand on how people save in a country in order to realize the economic condition and an important macroeconomic variable to be studied under the preview of the economic arena on an individual as well as household basis. Today's saving mainly in rural areas consists of the assets in form of animals, metals and Also due to some awareness about the saving institutions available nearby encourages people to save as to opt the rate of interest from the amount saved from time to time. In most of the households, the only source of income has been resulting in originating from various other sources. People can save their money in few common types like gold, bonds, shares, bank deposit etc. The present study tries to analyse the determinants and pattern of saving behaviour in rural household in Tamilnadu.

OBJECTIVES OF THE STUDY

The Primary objectives of this study the saving behavior and choice of assets of households in Trichy District. The Secondary objectives of this study identify the percentage of salary saved by each individual, to know about the factors affecting the saving behavior of household, to the types to saving preferred by Individual household and to know the perception of individual household on the need to save.

REVIEW OF LITERATURE:

Deepika and Sushil (2019) is perceived through this investigation that to achieve their objectives; individuals ought to be made all the more Financially educated so they can coordinate with hazardous with non-unsafe resources.

Piyarat (2015) This paper found that saving in financial market is low, If regulator and financial institutions eliminate the obstacle that makes people not to choose to invest in that particular instrument, there will be more opportunity for saver to get into financial markets

Ramya and Mohamed Ali (2016) A buy choice is the consequence of all of these elements. At first the buyer attempts to discover what products he might want to devour, at that point he chooses just those wares that guarantee more prominent utility.

Sam Jeyachandran (2016) Investment funds are basic for supporting and creating country enterprises. They give a few advantages to families straightforwardly. Reserve funds could be utilized for speculations.

Subhashree Nayak (2016) The increment in mindfulness among individuals for their future security as through the unanticipated cases like abrupt demise of a relative, health related crisis and some other monetary emergency, schooling of their kids, marriage of a relative has made individuals slanted to save.

RESEARCH METHODOLOGY

Based on my study, the sample size of 136 was drawn from the population using the descriptive sampling techniques with a duration of 3 month. I use questionnaire as a primary data and secondary data from books and websites. This article is prepared by analyzing the research paper. The structure of the question is was designed with the demographic factor questions, multiple choice question for analyze respondent saving behaviour.

ANALYTICALTOOLS:

The present study uses the following statistical tools for analyzing the collected data. Percentage, Anova analysis, Chi-square analysis.

ANOVA ANALYSIS

Age of respondents and average monthly savings of respondents.

H0 (Null Hypothesis) There is no significant relationship between age of respondents, average monthly savings.

H1 (Alternate Hypothesis) There is a significance relationship between age of respondents, average monthly savings.

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
18-30 years	61	3.21	1.743	.223	2.77	3.66	1	6
31-40 years	34	2.79	1.610	.276	2.23	3.36	1	6
41-50 years	30	3.03	1.351	.247	2.53	3.54	1	5
51 and above	11	3.73	1.191	.359	2.93	4.53	1	5
Total	136	3.11	1.595	.137	2.84	3.38	1	6

ANOVA

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	8.409	3	2.803	1.105	.350
Within Groups	334.937	132	2.537		
Total	343.346	135			

AGE	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
18-30 years	61	4.16	.840	.108	3.95	4.38	2	6
31-40 years	34	4.26	.963	.165	3.93	4.60	2	6
41-50 years	30	4.10	1.185	.216	3.66	4.54	2	6
51 and above	11	3.91	1.136	.343	3.15	4.67	1	6
Total	136	4.15	.973	.083	3.99	4.32	1	6

Anova

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	1.170	3	.390	.407	.748
Within Groups	126.587	132	.959		
Total	127.757	135			

HO > H1: H0 is accepted

INFERENCE

- From the above analyzed data, it is interpreted that the anova .350, .748 which is above the significance level 5, therefore reject the null hypothesis and accept the alternative hypothesis. Thus, there is significance influence between the age of the respondents.

SUGGESTIONS

- The majority of people suggest to invest to Buy land and gold for safety and liquidity.

- The majority (40%) of respondents feels that private chits are safe to invest.

- The majority of people preferred to save 50 % of their income for their future.

- According to respondent's concern Investment plays a best role to save an income for a future use.

- The majority of the respondents are feeling secured to invest their income.

- Most of the respondents agree that it is wiser to avail loan to buy assets instead of saving and buying assets.

CONCLUSION:

The study analyzes factors of household savings based on data collected from Trichy district through descriptive sampling technique. It is revealed that age has a positive relationship. Education of household head, sex and marital status of the household head are significantly and inversely affecting household savings. Total income of the household, family size and Occupation has a significant direct positive relationship with household savings. Saving is one of the important variables in the theory of economic growth, which helps to maintain a higher level of investment in an economy. Saving has achieved a greater importance in the Indian Economy, particularly with the advent of planning the state has become the main instrument of welfare. Savings provides for the future wants of individuals to meet the unexpected events. The present study concludes about the Households' Savings Behavior of Trichy District, Tamil Nadu.

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