

“A STUDY ON SAVINGS AND SPENDING HABITS AMONG EMPLOYED YOUTH WITH SPECIAL REFERENCE TO KOTTAYAM DISTRICT

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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. The transaction from childhood to adulthood can be a tough time for young people. Young people face the challenges and up the level of leaving their parental home moving into the world of work and beginning to build a family. But for the young people today the challenge for them is even more difficult because they must do all of this in the midst of a struggling economy. The increased pocket allowances and employment opportunities to earn and spend make the youth of this Country as one of the most important forces in spending. The research has proved that employed youth's financial management capability is pivotal to their overall success and retention. Hence this research paper aims to analyze the spending and saving habits among the employed youth with special reference to kottayam District. **Key words-** Bank deposits, Fixed deposits, Demand deposits, recurring deposits etc...

INTRODUCTION:

Savings and spending are two sides of a particular coin. Both savings and spending are closely interrelated. Human wants are unlimited. When one want is fulfilled then another want will arise. The saving and spending habits among employed youths in India have changed over the years. The studies have shown that youth spends more money on shopping especially on branded items and also spend a considerable amount of their income on entertainments.

Both the male and female youth have different spending patterns with a slight similarity. Major portion of their income spends towards shopping, food, mobile phone expenditures, investment and transportation. The youth should save and invest more in fixed deposits, mutual funds, gold etc. It is a huge opportunity for online advertisers, shopping complexes, retail shops, hotels, fast food restaurants, mobile phone companies which should tap the youth spending for their benefits.

An over exposure to marketing communication activities of companies the youth has turned to be more brand conscious and also spend a considerable amount of income on entertainments and gadgets. This study address the question of why, where and how the youth spend? The youth referred to here are employed persons up to the age of 35 years.

OBJECTIVES

1. To analyze methods of savings and spending among youths.

2. To analyze the influential factors of saving and spending pattern of youth.
3. To know the purpose of savings.

SIGNIFICANCE OF THE STUDY

Saving and spending habits among employed youth is relevant topic in current scenario. The main reason behind the study is the youth spend more than their income and saving habit is declining. It is important to study that how will they manage their expenses with their income.

It is expected that, the result of the study will help to understand the various saving and spending patterns of employed youth and how they maintain their financial requirements with limited income and high expenses.

RESEARCH METHODOLOGY

Descriptive research design is used for this study Sample size is 100 youth response from Kottayam District. Samples collected on the basis of convenience sampling method. This study is based on primary and secondary data. Primary data has been collected through questionnaires. Secondary data has been collected from websites, journals and articles being published on the topic in various magazines and newspapers.

PRIMARY DATA

Primary data are those data which are collected for the first time and are original in character. They are in the nature of raw materials from which the investigator draws conclusions by applying statistical methods for analysis and interpretation. Questionnaire is used.

SECONDARY DATA

Secondary data are those data which have already been collected by some other persons and have already passed through the statistical machine at least once. They are in the nature of finished products as they have already passed through the statistical machine. Secondary data is collected by copying down from some published and unpublished sources.

SAMPLE SIZE

The population being large the survey was carried among 100 respondents. They will be considered adequate to represent the characteristics of the entire population.

SAMPLING TECHNIQUE

Sampling is a technique of inspecting or studying only a selected representative and adequate fraction of the population and drawing conclusions based on the study. It is a process of learning about the population on the basis of samples drawn from it. Convenient sampling is used.

TOOLS FOR ANALYSIS

Data has been represented with the help of bar diagram, tables, pie diagram etc.

STATEMENT OF THE PROBLEM

A study revealed that, the spending and saving habit of youth has changed over the years. With the increase in standards of living adults, the young have also been empowered with more money got more spending power. This paper is attempt to understand the and youth. From this point the current study states as-"A study on saving spending habits among employed youth with special reference to Kottayam District."

LIMITATIONS

Since sample study, it study based on "savings and spending habits employed youth".

Only this may not have been replica population, solution may not be holistic.

An interpretation of the study is based on the assumption that the respond given correct information.

Besides:

1. Due to lack of time an extensive study was not possible.
2. Lack of expensive in conducting such a study was another limitation. 3. Limitation of place and resource.
- 4 The sample size was small and so the finding may not represent opinion of whole respondents.

REVIEW OF LITERATURE

Gunnarsson and wahlund,(1997) are of the opinion that everyone has to manage his or her personal finance in one way or another. Some tend to save a lot some like to collect information before each purchase, some like to follow there gut feelings. Private investors are not a homogeneous group but rather individuals with various financial practices combined with different levels of experience, anxiety and interest in financial matters.

Arangasami (1992) study analyses the effectiveness of small saving schemes in Tamilnadu with special reference to Madras district during 1981-1982 to 1990-1991.The author has observed that more and more dependence on mobilization of resources through small saving will ensure and promote self-reliance of individuals in particular and the nation in general. Thus, the author concluded that the central government should give proper assistance and encouragement to the small saving agencies, which will be useful not only in mobilization of fund but also for the economic development of the nation.

Shanmugam R and Muthuswamy P (1998) empirical study aimed to evaluate the decision making process of individual investors in the Coimbatore city , Tamilnadu.The study throws light on areas like views of individual shares investors about their equality portfolio.

This study was carried out with 201 investors. They were divided into three groups namely tax savers, traditionalists and risk takers. The findings of the study revealed that majority of

shareholders are salaried people. They were young mostly first generation investor's. The time spend on investment analyses was inadequate and equity portfolio diversification was moderate. Regional industry had its impact on industrial portfolio. Educational level of investors had its impact on the use of technical analysis. Occupational category had an impact on the use of fundamental approach.

Gavin and Atma (1999) research paper focused on the investors "awareness towards post office savings schemes. They study found, reasons cited for saving in urban areas by the investors are: social considerations, tax benefits, and provisions for old age.

On the contrary, rural investors prefer to save for their old age security. The study also found that among the post office schemes, India Vikas Patra (IVP), Kissan Vikas Patra (KVP) and post office recurring deposit account (PORD) were the most popular, in both urban and rural areas.

Joshi,(2005) Vishnu Ramachandran, regional head(consumer banking),standard chartered bank, India, estimate that India adds around 3 million young earners in the age group 20-24 annually. These first time earners account for 7-8% of its credit card base of 1.4 million-a figure that is expected to more than double in the next few years. Klamath (2006) the age group of 17-25 year spends more on apparel and was becoming more brand consciousness because of the easy availability of information on

Just a click away.

The time of India, (2007) according to the NSSO survey, Indians seemed to be spending more on trendy clothes, mobiles and cars. Major change has been seen in ready-made apparel showing a massive growth as 75% of Indians purchased readymade garments. Increment in the demand of cars and motor bikes had also seen substantial increase over 11 year. About 4.6% urban households owned motor cars in 2004-2005 compared to 1.2 % in 1993-94

Mobile behavior, 2008 according to global youth panel a survey was conducted on spending habits of youth all over the world and age group was 14-29 years. Their main aim to conduct this survey was to find out the factors influencing youth decision making process.

The result pointed that 43% respondents liked to purchase only after carrying out online research about the product, 40% were influenced by family or friends and 17% were influenced by TV or magazines advertisements, product design or just make on a whim purchase decision. They also come up with 3 major areas of spending in various countries.

In Singapore and south corea, youth spends more on food (45% and 30% respectively), clothing (27% and 25% respectively) and entertainment (14% and 15% respectively). In UK and Amsterdam youth mostly like to spend on going out ie.,52% and 32% respectively and Hongkong and US, youth spend mostly on clothing ie.,40% and 52% respectively.

Change agent, 2005 according to young Asian survey by synovate, today's young Asian is a multitasking, interactive, digital-driven consumer. Conducted in conjunction with MSMN, MTV and Yahoo; young Asian surveyed over 7000 respondents aged 8 to 24 across Hongkong, Singapore, Taiwan, Malaysia, Thailand, Indonesia, Philipppians and India. The study revealed the hearts and minds of Asia's connected youth, exposing their favorite brand, spending habits, dreams and aspiration.

According to a survey conducted by keycorp (2005), 55% of the people surveyed said that they were decent savers. The survey also found that 49% respondents said that cable TV and satellite television were essential for their lifestyle, 46% need cell phones, 44% need high speed internet access, and 32% spend on entertainment movies and dining.

Joshya, 2005 marketing director of levy-Strauss, India said in 2005 that they have tripled their sales in Bangalore city in the last 3 years. According to him this was largely due to the effect of disposable income coming in to the hands of the 18-22 age group employed in BPO jobs.

Rajasekharan Pillai (2010) in 2009, when recession hit all over the world, the researchers were keen to know about the spending habits and reactions of teens towards the recession. 75% of teens behaved in the same way and spend in the same way as they were spending in the previous year.

The research results of 7 countries including India showed that, teens are basically focusing on saving for 3 things that is clothes (57%), college (54%) and a car (38%) [Meredith, 2009]. It was also pointed out that the young generation rarely practiced basic financial skills, such as budgeting, developing a regular savings plan or planning for long term requirements.

Jhon and Martin (1997) different household how different way of living and similarly different spending pattern. In the western culture, the young individual are more independent at the age of 18 and starts their earning and living separate than their parents home and this is known as the transitional nature of young individual.

Subhani (2011) other research study have indicated the age and compulsive buying are strongly related to each other in respect of the younger consumers. It is also seen that when there is impulse and compulsive buying situation then the younger consumers are the answer.

Kasen & Lee with the passage of time, the percentage of younger consumers as increased in compulsive buying and overall buying behaviour [O'Quinn & Faber, 1989]. This certain behaviour is due to their impulsive tendency towards unrestrained ability towards the advertising and marketing activities they are surrounded by. They have not much of self-control on their actions. One can see less compulsive buying/spending pattern in the collectivist cultures than individualist cultures.

THEORETICAL FRAMEWORK

A) BANK DEPOSITS

Bank deposits consist of money placed into banking institutions for safekeeping. These deposits are made to deposit accounts such as savings accounts, checking accounts, and money market accounts. The account holder has the right to withdraw deposited funds, as set forth in the terms and conditions governing the account agreement. The different types of deposit by a commercial bank are;

1) FIXED DEPOSIT OR TIME DEPOSIT

A fixed deposit is a financial instrument provided by banks or NBFCs which provides investors a higher rate of interest than a regular savings account, until the given maturity date. It may or may

not require the creation of a separate account. It has to surrender to the bank on the due date for getting back the deposit amount together with interest.

General Features

- Involves placing fund with the bank for fixed term for a certain stipulated amount of interest.
- The ideal investment time for bank FDs is 6-12 months as normally interest on bank less than 6 months FDs likely to be low.
- No cheque can be withdrawn on demand
- Fixed deposit fetches higher rate of interest as the depositor parts with liquidity for a definite period
- While making a fixed deposit a receipt known as fixed deposit receipt (F.D.R) acknowledging the receipt of money on deposit account is issued by the banker.
- Interest is usually paid on the due date of fixed deposit.
- A fixed deposit receipt is not a negotiable instrument and hence it cannot be transferred from one person to another.
- If fixed deposit receipt is lost, a duplicate receipt can be obtained from the bank by submitting an indemnity bond.
- A fixed deposit can be renewed for a further period from the date of maturity by surrendering the fixed deposit receipt. On renewal new receipt is issued.

2) CURRENT DEPOSIT OR DEMAND DEPOSIT

Current Deposit means a form of non-interest bearing demand deposit wherefrom withdrawals are allowed, any number of times, depending upon the balance in the account or up to a particular agreed amount and will also include other deposit accounts which are neither Savings Deposits nor Term Deposits.

General Features

- Current account holder can issue cheque to third party against his account.
- A current account is open by a customer for convenience in making payment by cheque. This relieves him of handling cash by himself and to take the risk inherent therein.
- Generally, no interest is given to current account holders. This is because the banker cannot profitably employ the fund in the current account as it can be demanded by the customer at any time.

3) Saving Deposit

A savings account is an interest-bearing deposit account held at a bank or other financial institution. Though these accounts typically pay a modest interest rate, their safety and reliability make them a great option for parking cash you want available for short-term needs.

General Features

- It is meant for middle and low income groups who can deposit only small amounts.
- The purpose of saving deposit is to inculcate the habit of the thrift among the public

- There are restrictions regarding the number and the amount of withdrawals within a specific period.
- A customer can deposit any amount of money and any number of times.
- At the time of opening a saving account the depositor is given a passbook which contains the amount, number, name, address, occupation etc.
- Cheque facility will be given to saving accounts holders on interest.

4) Recurring Deposit

A Recurring Deposit, commonly known as RD, is a unique term-deposit that is offered by Indian Banks. It is an investment tool which allows people to make regular deposits and earn decent returns on the investment. The period for which such a deposit is opened varies between one year to ten years. On maturity the depositor gets back the amount deposited together with the interest accrued.

General Features

- Some fixed amount is deposited at monthly intervals for a pre fixed term.
- Earn higher interest than savings bank account.
- Helps in the savings of fixed amount every month.

B) POST OFFICE SAVING SCHEME

Postal savings scheme provides depositors who do not have access to banks a safe and convenient method to save money. Many nations have operated banking systems involving post offices to promote saving money among the poor. The following are the major saving schemes offered by the Indian postal department.

1) Saving Bank [SB] Account

A savings account refers to a bank or other financial entity holding interest-bearing savings account. While usually, these accounts pay a moderate interest rate, their stability and reliability make them a great choice for parking cash that you want to be available for short-term needs. Cheque facility is also available in this account. Tax benefit is another important attraction because interest on post office saving bank is absolutely tax free.

2) Recurring Deposit [RD] Account

A recurring deposit is a special kind of term deposit offered by Indian banks which help people with regular incomes to deposit a fixed amount every month into their recurring deposit account and earn interest at the rate applicable to fixed deposits. Insurance cover facility is also available with some conditions.

3) Time Deposit [TD]

A time deposit or term deposit is a deposit in a financial institution with a specific maturity date or a period to maturity, commonly referred to as its "term". Time deposits differ from call deposits, such as savings or checking accounts, which can be withdrawn at any time, without any notice or

penalty. There is no maximum limit for the amount of deposit. Investment in TD eligible for tax benefit under section 80C. Only individual can open TD account. Group account and institutional account are not permissible.

4) Monthly Income Scheme [MIS]

A monthly Income Scheme (MIS) is an investment scheme that promises the investor guaranteed returns at an interest rate of 6.60% per annum. These returns can be availed as fixed monthly income. Post Office Monthly Income Scheme (POMIS) is an investment scheme of the Indian postal service. The rate of interest is 8.50%. The minimum amount of deposit is rupees 1500 in both single and joint account.

C) SHARE

A share is the interest of a shareholder in a company. The capital of a company divided in to certain indivisible units of a fixed amount. These units are called shares. The companies at 2030 states that the share means share in the share capital of a company and included stock. It not only a sum of money but also an interest carrying with it various rights contained in the articles.

The share capital of a company limited by shares shall be of two kinds

Namely:

- a. Equity Share Capital
- b. Preference Share Capital

EQUITY SHARE CAPITAL

With reference to any company limited by shares means all the share capitals which are not preference capital. The holders of these shares are entitled to dividend after the foxed dividend on preference shares has been paid. The dividend to equity shareholders will vary with the amount of profit available for distribution. In any year if the profit is insufficient, the equity shareholders may not get dividend at all.

PREFERENCE SHARE CAPITAL

With reference to any company limited by shares, means that part of the issued share capital of the company which carries or would carry a preferential right with respect to payment of dividend and repayment of capital in the case of winding up when the company goes into liquidation.

The preference in both cases is over other type of shares. The preference shareholder enjoys more security regard to income and capital than other shareholders. The dividend on preference shares is fixed by the articles of the company.

D) MUTUAL FUND

A mutual fund is a professionally managed investment fund that pools money from many investors to purchase securities. It is a trust that collects money from a number of investors who share a

common investment objective. Then, it invests the money in equities, bonds, money market instruments and/or other securities. Each investor owns units, which represent a portion of the holdings of the fund. The income/gains generated from this

Collective investment is distributed proportionately amongst the investors after deducting Certain expenses, by calculating a scheme's "Net Asset Value or NAV.

The fund Manager invests the fund collected from investors in different types of securities like, shares, debentures etc. The income earned through these investment and capital appreciation realized by the scheme are shared by the unit holders in proportion to the number of unites owned by them.

Key Features

- The mutual fund is organized in the form of a trust
- It is a financial intermediary
- The ownership is joint and proportional to the amount contributed by unit holders.
- The investor gets back units of the mutual fund in written for the money invested.

E) REAL ESTATE

Every investor has some part of their portfolio invested in the real estate. Almost every individual and corporate investor invests in residential and office building respectively. Apart from these others includes:

- Agriculture land
- Semi-urban land
- Commercial property
- Raw house
- Farm house etc.

F) GOLD

Gold is the most popular as an investment. Investors generally buy gold as a way of diversifying risk, especially through the use of futures contracts and derivatives. The gold market is subject to speculation and volatility as are other markets. The few benefits of investing in gold:

- Investing in gold is a good option as it is a hedge against inflation. In the past few years, the price of gold is constantly rising. Investors tend to buy gold when the other investment avenues like stocks are falling. Factors like thus help to boost gold prices and over a period of time, the returns you get by investing in gold, are in the rate of inflation.
- Gold investments can help investors avoid financial disasters. The price of gold is relatively correlated to the equity market. when the equity markets crash, gold generally rises. Considering gold as an investment will help sustain the losses that you might incur on stocks and bonds.

- Gold is a highly liquid asset can be easily converted into cash. It involves no paperwork and cash can be passed on from generation to generation.
- Gold is considered a commonly acceptable asset all over the world

G) LIFE INSURANCE AND GENERAL INSURANCE

Life can be defined as a contract between an insurance policy holder and an insurance company, where the insurer promises to pay a sum of money in Insurance exchange for a premium, upon the death of an insured person or after a set period. Insurance contracts that do not come under the ambit of life insurance are called general insurance. The different forms of general insurance are fire, marine, motor, accident and other miscellaneous non-life insurance.

There are different types of insurance which are as follows:

- Endowment insurance policy
- Money back policy
- Whole life policy
- Term insurance policy
- General insurance for any kind of assets

SPENDING HABITS

The economy is constantly evolving. The basic factor of economy is saving and spending. The previous generation struck a comfortable balance between both but the younger generation seems to be more on the spending side.

Spending habits of the youth in India have changes a lot in the recent years. The elders invested on assets to ensure that their springs enjoying a comfortable lifestyle. But the youth of modern India do not have the same mind set.

Young Indians are ready to travel all over the world to earn lucratively. This is reflected in the increase of per-capita income which has increased by 11.7% from the previous year. It is important to understand the spending habits of young consumer too for a better understanding of the economy. The opportunity to earn more money through part time jobs, internship, etc. has increase. Moreover, there is an alternative income-the pocket money. Parents are earning in abundant and are able to keep aside small amount as pocket money for their children to spend.

For earlier generation, the concept was not popular. Apart from having such sources of income, the areas to spend lavishly have also increased. Apart from the basic items of food, clothing, travel and entertainment, the head such as mobile phone expenses, internet, junk food, liquor and hobbies, spending on peers etc. have also increased.

SPENDING HABIT OF YOUTH ON ENTERTAINMENT

Youth is the backbone of our country. They form robust part of our Indian economy. The term youth is considered to be period of maximum that is maximum energy and maximum potency. They are also considered as nation builders. It is very important to understand them in terms of their needs, desires, aspirations, activity etc.

In this time, youth has become more confident, independent and is willing to be as powerful and capable. The scientific advancement in 20th century followed by 21st century has drastically changed their lifestyle. Tendency of the youth is to do the activity which pleasure is giving and not to do the activity which is pain giving.

India is one of the developing countries and there is too much flow of luxury items. Night clubs, discotheque culture has further attracted the youth. They spend lion share of their income to enjoy the modern facilities. Youth of weaker section of society is also attracts towards luxury life style. A criminal attitude has cropped up among the youth of the section of society because they adapt unfair means to meet the need of expensive life. Some time because of financial constraints, good number of youth is not able to enjoy all luxuries of life available and they undergo some kind of frustration. They indulge into consumption of intoxicants and pose great threat to their health and society as well. To overcome these problems, they seek the support of some kind of recreation. Night clubs, theatres and cinema halls are their common recreational centers.

On the country, saving money or investing money helps a person to build a bright future. For example, a person who spends more money on his dressings in every year saves that some for four years; he may be able to buy a car very soon. And also a person can spend that money for his educational purpose. Since whatever learnt will never fade that will be a huge life time investment. Another thing that people need to consider is the fact that beauty is not external. Even how much we spend on today it will waste when we are growing old. Therefore, spending for good will be wasted one day.

To sum up, even it is better to be nice by spending money for fashionable dresses; the best thing is to use more money for other important thing such as savings or investment. But the way of thinking is varying with the attitude of the people, whether important is to get a good impression or build a successful future.

Nowadays, most of the people are concerning about their appearance and how to get attraction by others. For that they spend more and more money on clothes, shoes, haircuts and so on.

However, some people argue that there are better ways to spend money. Although seems like both of the arguments are considerable. I believe it is good to spend money for more important things that beauty products and all.

It is true that people should concern about their beauty and the way how they look like. Because by being good looking, there are many social benefits can be gained. Firstly, it helps to increase the confidence of a person.

People, who are having makeups and wearing nice clothes are more forward than the others. Secondly, wearing neat clothes always have affected to get a positive image from the others. As clothing way has become a one of the measurements of a person, people tend to spend more money on that. So one side, even spending money on appearance may be seemed unimportant

DATA ANALYSIS AND INTERPRETATION
MONTHLY INCOME WISE CLASSIFICATION

Response	Number	Percentage
Less than 10000	16	16%
10000-20000	54	54%
20000-50000	30	30%
More than 50000	0	0%
Total	100	100%

Table: 4.1. Source: Primary data

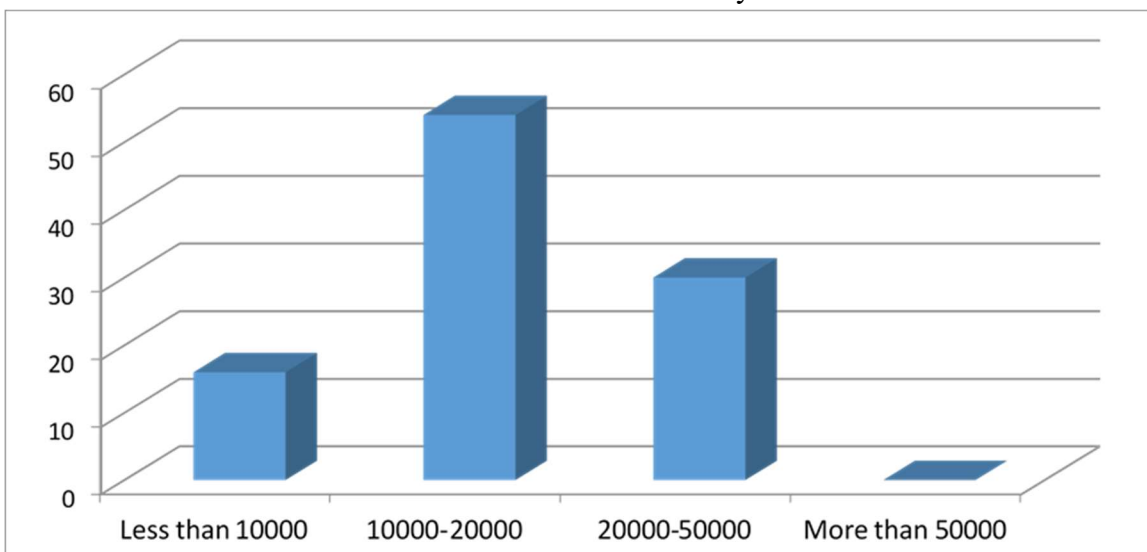


Figure: 4.1

Inference: Out of 50 respondent 16 % are in the monthly income below 10000 and 54% between the groups of 10000 - 20000, 30% between 20000-50000 and none of them have an income above 50000

GENDER WISE CLASSIFICATION

Response	Number	Percentage
Male	56	56%
Female	44	44%
Total	100	100%

Table: 4.2. Source: Primary data

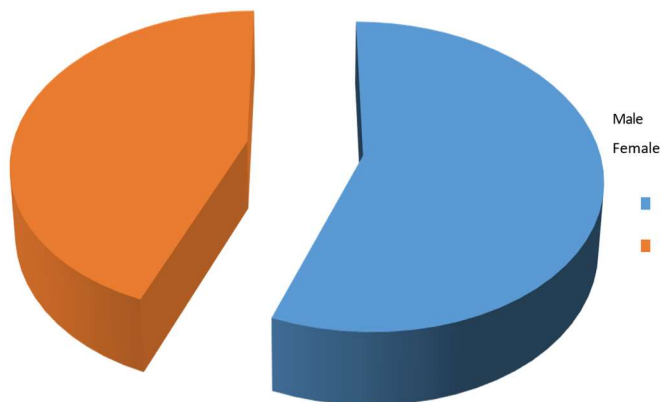


Figure: 4.2

Inference: The above analysis shows that 56% of the respondents are Male and remaining 44% are Female.

EDUCATION WISE CLASSIFICATION

Response	Number	Percentage
+2	20	20%
Degree	40	40%
P.G	10	10%
Others	30	30%
Total	100	100%

Table: 4.3. Source: Primary data

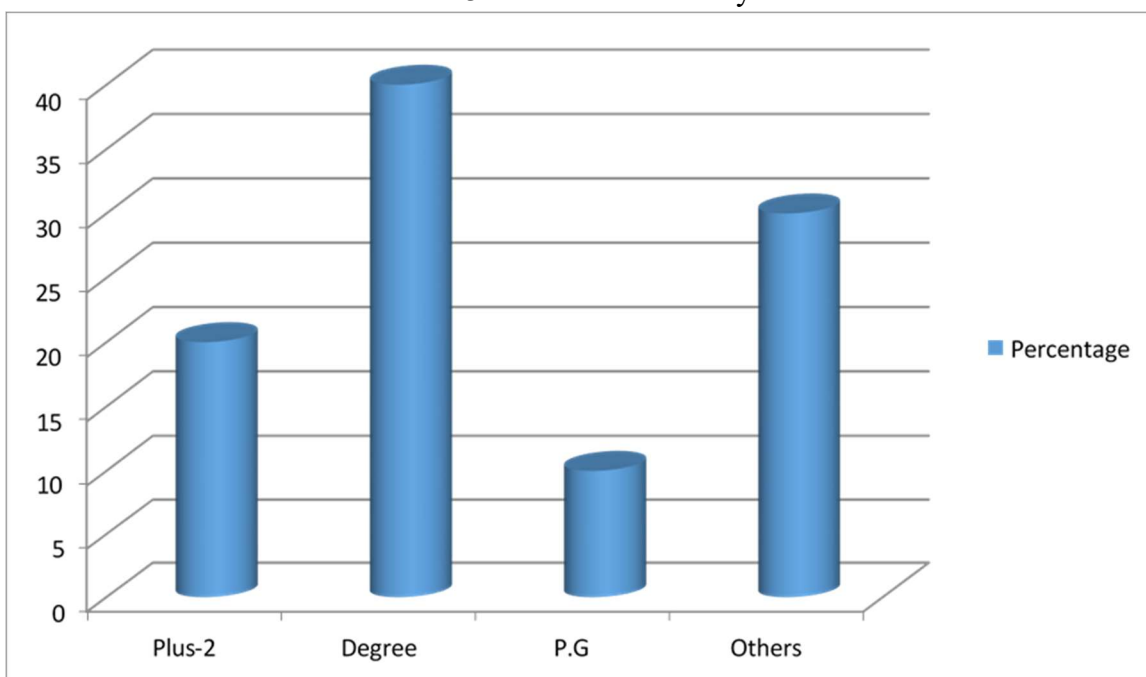


Figure: 4.3.

Inference: The above analysis shows that 20% of the respondent's educational qualification +2, 40% of the respondents are Degree, 10% of the respondents are PG and 30% of the respondents are from other.

MARITAL STATUS

Response	Number	Percentage
Married	50	50%
Unmarried	50	50%
Total	100	100%

Table: 4.4. Source: Primary



Figure: 4.4

Inference: Out of 100 respondents 50% of them are married and remaining 50% are unmarried.

SAVINGS PER MONTH

Response	Number	Percentage
Less than 1000	16	16%
1000-5000	54	54%
5000-10000	20	20%
More than 10000	10	10%
Total	100	100%

Table: 4.5. Source: Primary data

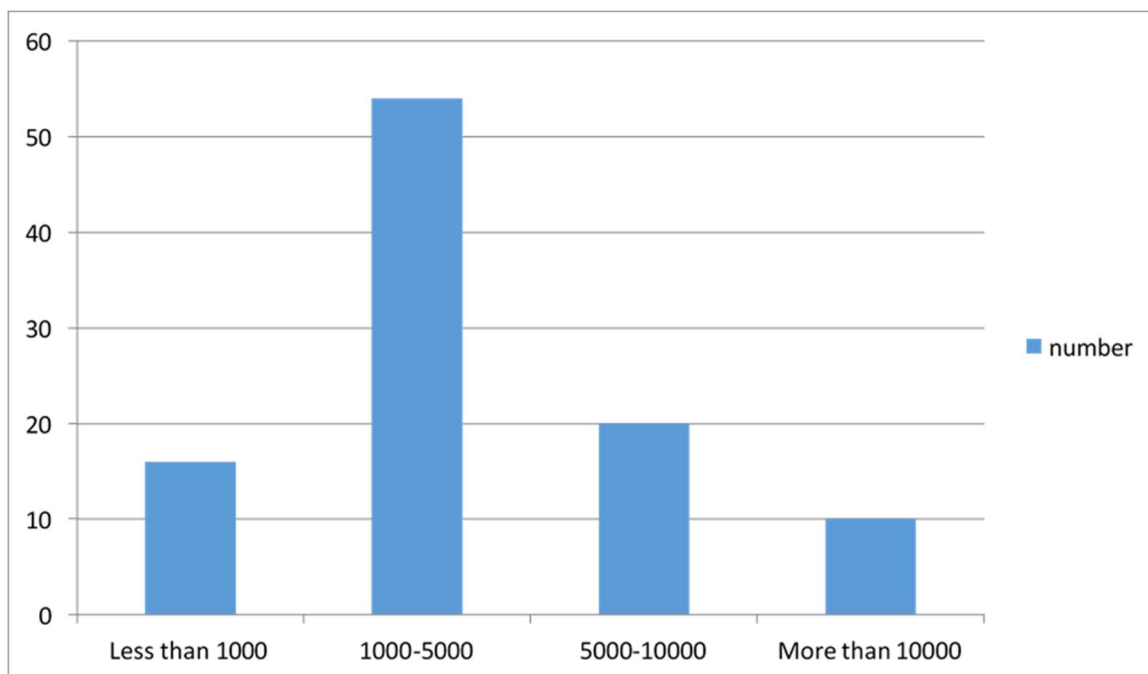


Figure: 4.5

Inference: From the above table and chart it is clear that 16% save less than 1000 per month, 54% saves in class 1000-5000, 20% saves in class 5000 10000 and only 10% save more than 10000 per month

MOTIVATORS TO INVEST MONEY

Response	Number	Percentage
Relatives	64	64%
News paper	6	6%
Friends	16	16%
T.V	0	0%
Internet	0	0%
Others	14	14%
Total	100	100%

Table: 4.6. Source: Primary

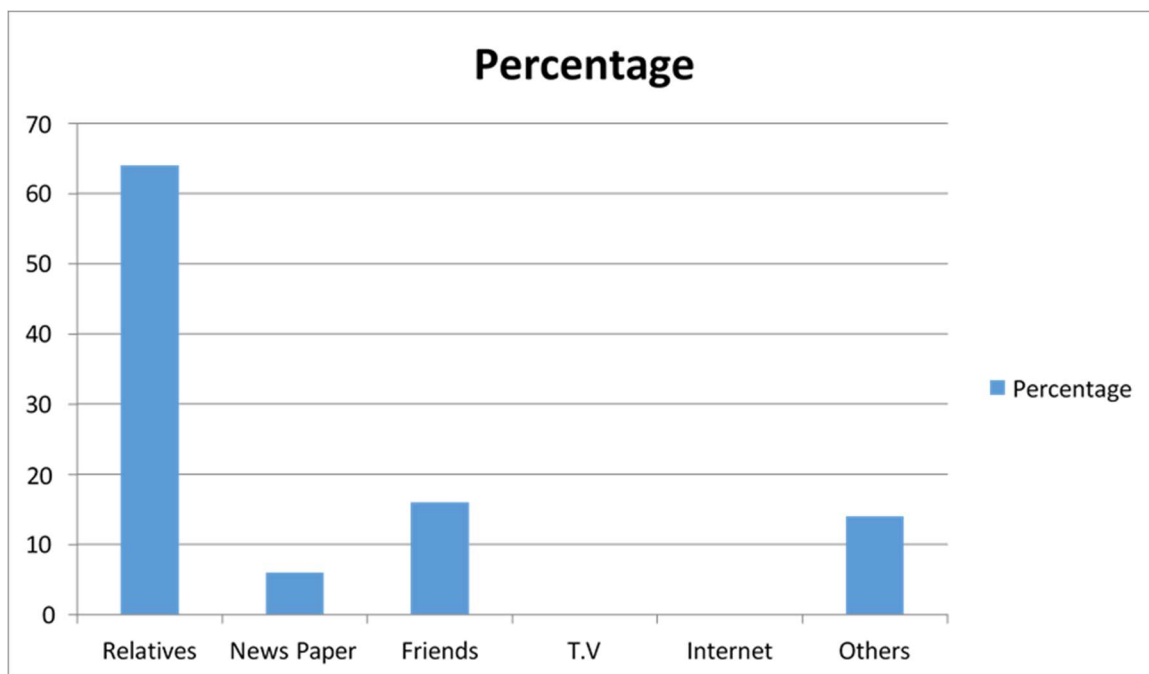


Figure: 4.6

Inference: The above analysis show that 16% of the respondents are motivated by friends, 64% by relatives, 6% by Newspaper, 14% by other and none of them are getting motivated by T V and Internet.

PROPORTION OF SAVING AND EXPENDITURE

Response	Number	Percentage
10:90	40	40%
20:80	30	30%
30:70	10	10%
40:60	0	0%
50:50	20	20%
Total	100	100%

Table: 4.7. Source: Primary data

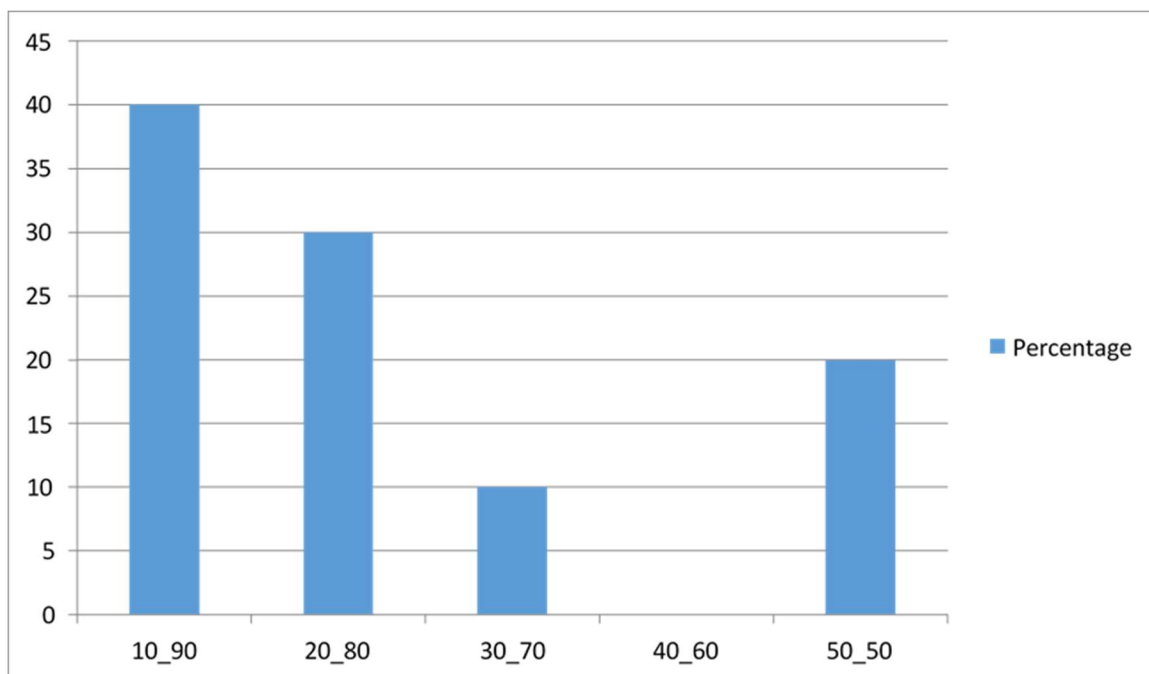


Figure: 4.7

Inference: The above table and chart shows the proposition of savings and expenditure 40% of respondents having proportion of 10% savings and 90% expenditure (10:90), 30% having 20:80, 10% having 30:70 and 20% having ratio equilibrium status, that is saving is equal to expenditure.

INVESTMENT AVENUES

Response	Number	Percentage
Bank deposit	64	64%
Mutual fund	6	6%
Gold	14	14%
Shares	0	0%
Real estate	0	0%
Post office saving	16	16%

Table: 4.8. Source: Primary data

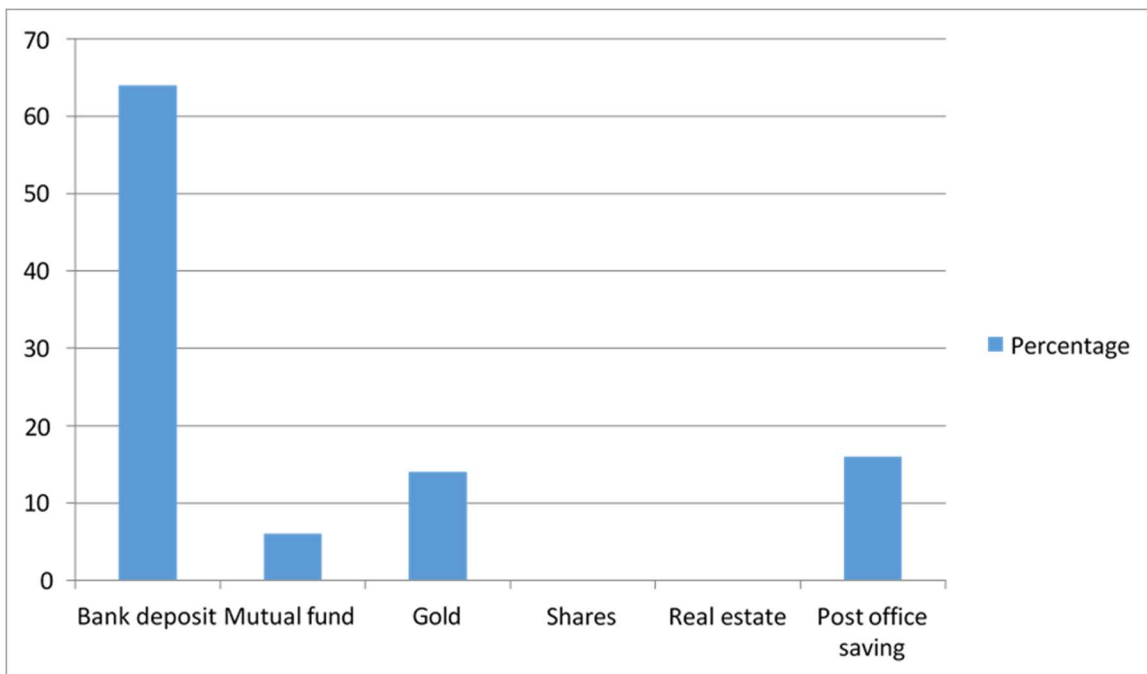


Figure: 4.8

Inference: The above table shows the way in which respondents invest their money out of 50 respondent 64% Invest their money as Bank deposits, 6% of them into Mutual Funds, 14% of them into Gold and 8% of the into Post Office savings and none of them make investment if Shares and Real estates.

PREFERENCE GIVEN WHILE CHOOSING AN INVESTMENT OPTION

Response	Number	Percentage
Safety	70	70%
Liquidity	0	0%
Return	16	16%
Other factors	14	14%
Total	100	100%

Table: 4.9. Source: Primary data

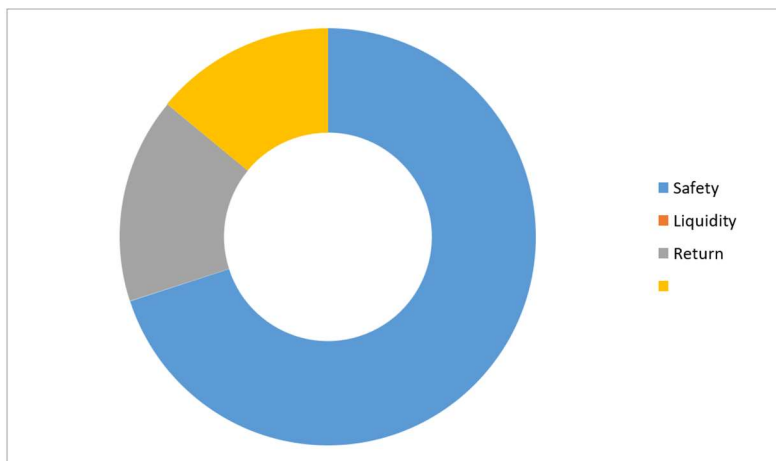


Figure: 4.9

Inference: The above table and chart shows the performance of respondents while choosing investment option 70% of the respondents gives preference to safely, 16% of them for return, 14% of them gives preference to many other factors.

TIME PERIOD OF SAVING

Response	Number	Percentage
Less than 1 year	34	34%
1 year-3 year	26	26%
3 year-5 year	10	10%
More than 5 year	30	30%
Total	100	100%

Table: 4.10. Source: Primary data

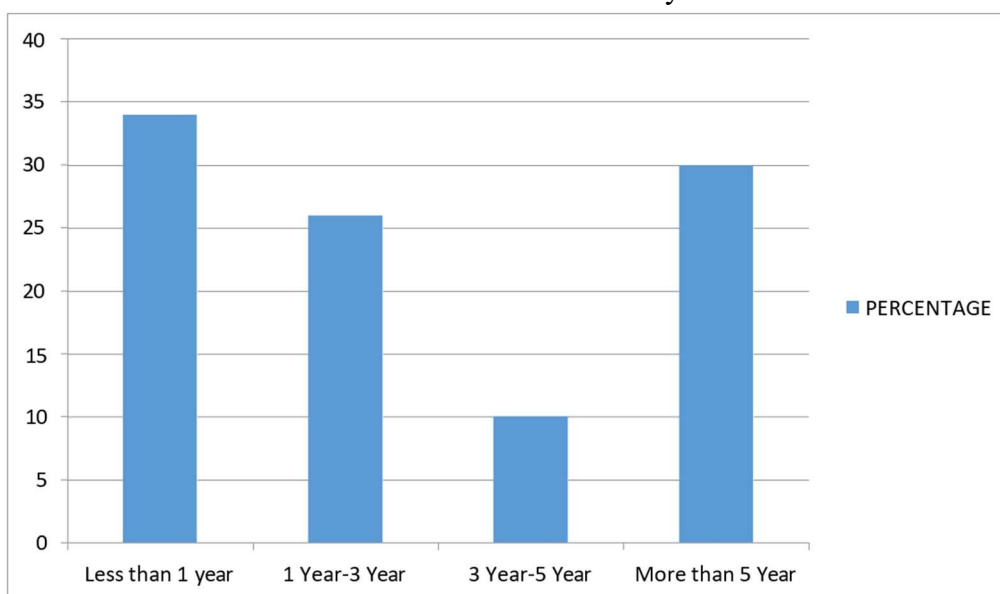


Figure: 4.10

Inference: From the above analysis 34% of the respondents started their savings below 1 year, 26% of them in between the class 1-3 years, 10% of them between the class 3-5 years and 30% of them saves their money for more than 5 years.

REGULARITY OF INVESTMENT

Response	Number	Percentage
Monthly	94	94%
Quarterly	6	6%
Half yearly	0	0%
Yearly	0	0%
Total	100	100%

Table: 4.11. Source: Primary data

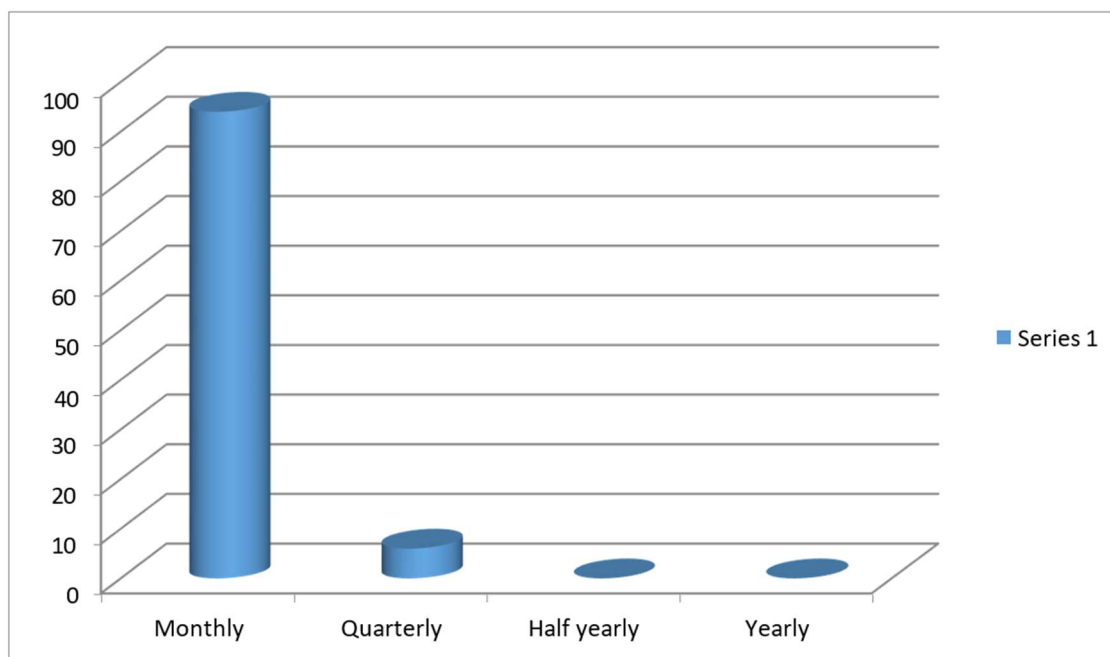


Figure: 4.11

Inference: The above table and chart shows that 94% of the respondents saves their money on a monthly basis and 6% of the respondents save on a quarterly basis.

PURPOSE OF SAVING AND INVESTMENT

Response	Number	Percentage
Children's education	34	34%

Children’s marriage	0	0%
Old age pension	20	20%
Entertainment	46	46%
Total	100	100%

Table: 4.12. Source: Primary data

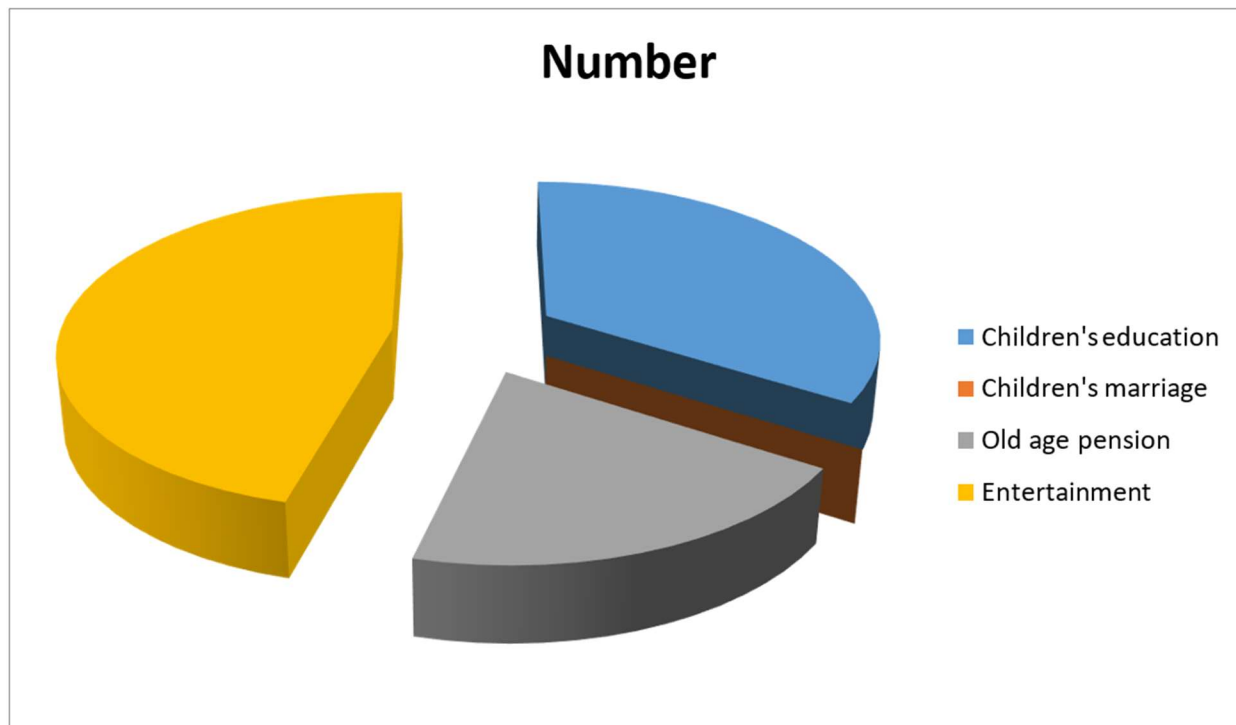


Figure: 4.12

Inference: The above analysis shows that 34% of the respondents save their money for children's Education, 20% of them for Old age Pension and 46% of them for entertainment.

SATISFACTION LEVEL OF SAVINGS

Response	Number	Percentage
Highly satisfied	14	14%
Satisfied	50	50%
Neutral	20	20%
Dissatisfied	16	16%
Highly dissatisfied	0	0%
Total	100	100%

Table: 4.13. Source: Primary data

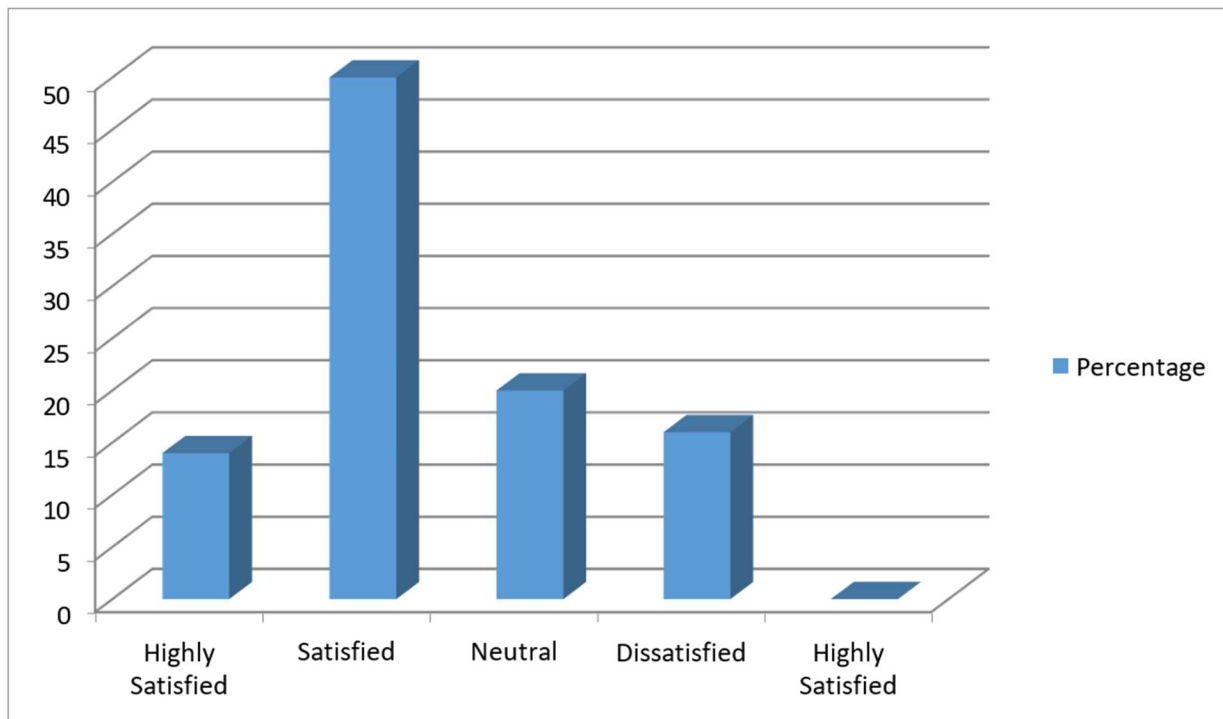


Figure: 4.13

Inference: The above analysis shows that 14% of the respondents are highly satisfied with the growth rate of their savings, 50% of them are satisfied, 20% of the are neutral and 16% of them are dissatisfied none of them are highly dissatisfied

ASSISTANCE FOR MAINTAINING INVESTMENT

Response	Number	Percentage
Yes	60	60%
No	40	40%
Total	100	100%

Table: 4.14. Source: Primary data

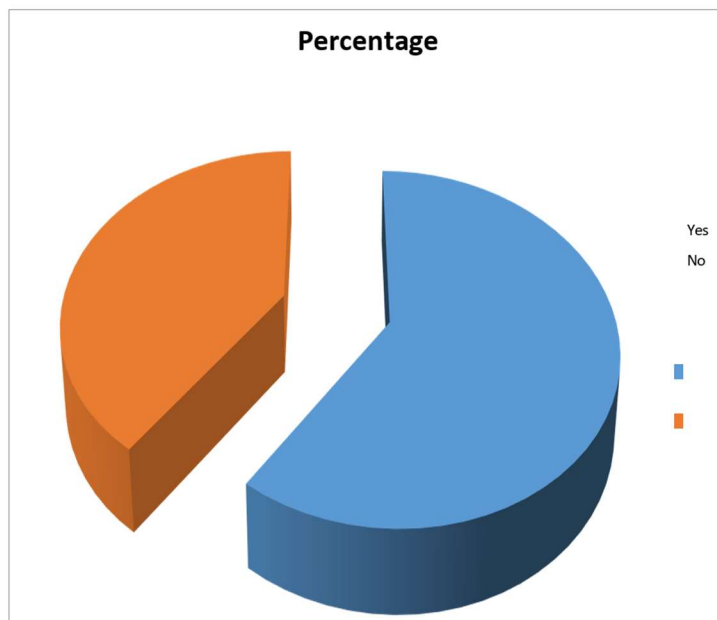


Figure: 4.14

Inference: From the above analysis it is clear that 60% of the respondents get assistance for maintaining their investment and remaining 40% are not get any assistance.

PREFERENCE OF SPENDING

Response	Number	Percentage
Entertainment	22	22%
Shopping	20	20%
Food	22	22%
Transportation and petrol	24	24%
Cosmetics and beauty care	12	12%
Total	100	100%

Table: 4.15. Source: Primary data

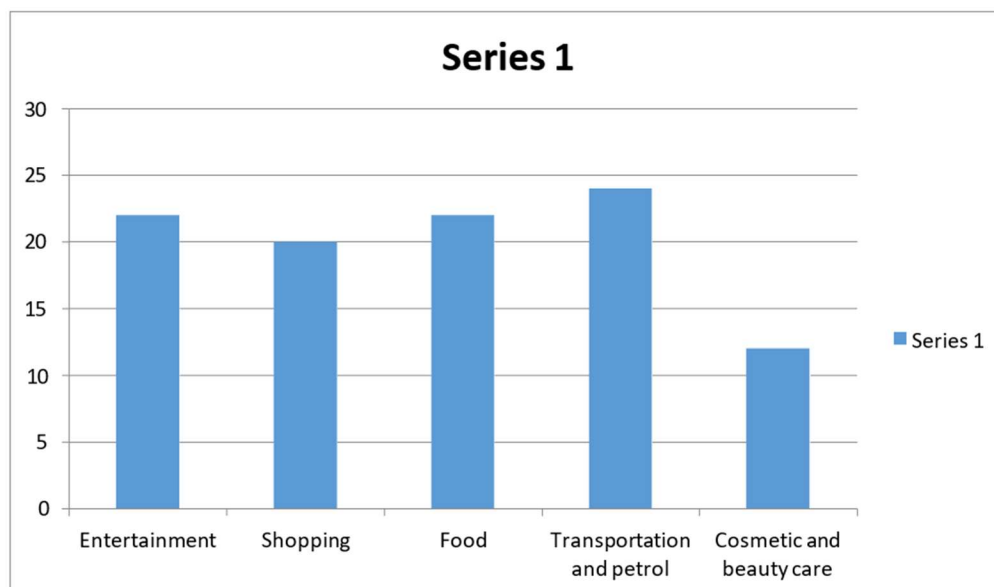


Figure: 4.15

Inference: From the above analysis it is clear that 24% of the respondents give preference to transportation and petrol, 22% to entertainment, 22% to food, 20% to shopping and remaining 12% to cosmetics and beauty care.

FINDINGS, SUGGESTIONS AND CONCLUSION

Data were collected, based on convenience sampling and the observation based on the analysis of data is presented. In our study out of 100 respondents 50 of them are married and remaining 50 are unmarried.

- Majority of the respondents (40%) possess degree level qualification.
- Majority of our respondents (54%) get income per month in between 10000-20000. Only a minor portion (16 %) of respondents getting income below 10000.
- Majority of our respondents (54%) saves more than 1000 but less than 5000.Only a minor portion (16%) of respondents saves more than 10000.
- Among respondents majority (64%) of them are motivated by relatives for investing money and none of them are influenced by TV and Newspaper.
- When we study the saving avenues most of the respondents (64%) uses bank deposit for their saving. It may be secure way of saving. Minor portion of respondents (6%) use mutual fund as their savings avenues. Respondents are not familiar with other saving method.
- Most of the respondents saves their income for safety (70%) and none of them give preference to liquidity.
- Majority of the respondents (94%) saves their money on monthly basis and rest of them (6%) saves on quarterly basis.
- Most of the respondents (46%) save their income for entertainment and minor portion (20%) of them for old age pension.

- Among respondents majority (50 %) of them are satisfied with their level of saving and minor portion (14%) of the respondents are highly satisfied.
- Majority of the respondents get assistance for maintaining their investment.
- Our study shows most of the respondents spend more than they save.

SUGGESTIONS

- It was observed that the respondents are motivated by relatives and friends. Nowadays the influence of internet among youth is increasing. So it would be better if the different investments plans are given through internet.
- Youth commonly use bank deposit and post office savings as investment avenues. They should literate about saving avenues like shares, real estate.
- Majority of the youth saves for entertainment. They should give more importance on future aspects such as old age pension, child education. and child marriage.
- It was observed that majority people spends more than their savings, in this point they have to think rationally before spending the money and should be more aware about various savings and investment avenues available in the market.

SCOPE FOR FUTURE STUDIES

The study and finding observed there in 100 respondents. The sample size can be expanded and the study can be expanded to different categories. It can be further studied that whether the spending and saving habits change after getting higher job or employment or not. Spending habits of adults i.e. above 35 years of age is also an interesting area for study. It may be significantly different from youth. Also a study on savings and spending habits can be carried among male and female.

CONCLUSION

The study conducted on "Savings and spending habits among employed youth was undertaken to know the saving and spending habit of youth. It was found that most of our respondents spend more than they save but their spending avenues are different. Most of The respondents have savings and they know the importance of savings. Youth commonly prefer bank deposits and post office savings as their savings avenues.

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