AN ANALYTICAL STUDY OF SAVING AND INVESTMENT HABITS AMONG COLLEGE STUDENTS OF REWARI DISTRICT, HARYANA

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Abstract

The money that people or organizations set aside from their income or earnings for use in the future or for investments is referred to as savings. It's a reserve of money that is usually kept in a savings account, an investment, or other safe assets rather than being instantly spent. The ability to attain long-term goals and feel financially secure can both be gained via saving. The term "investment" describes the process of allocating funds, time, or resources to goods, endeavors, or projects with the hope of achieving future financial gain, profit, or value appreciation. The study discusses their demographic characteristics, saving habits, the purpose of saving, and a few other related aspects. The study is based on primary sources of data which is collected by the distribution of structured questionnaires and the data is acquired from the interviews of 100 college students for the same. A questionnaire-cum-schedule was prepared for collecting data. Data has been tabulated and analyzed with the help of statistical software. The results highlight that a good percentage of respondents save a portion of the money received by them. However, there are less number of respondents whose savings are more than their spending.

Keywords: Investment, College students, Saving Habits, Long-term goals.

Introduction

Investments, which might include stocks, bonds, real estate, or starting a business, can take many different forms. They are often undertaken to achieve long-term financial growth or a specific set of financial goals. Savings initiates investment. There is no investment without savings although not every saving is invested. It means that every investor is a saver but every saver needs not to be an investor. Investing is the need of the hour. Saving a huge amount of money is worth nothing if it is not invested. It is rightly said that less earnings and less savings are always preferable to more earnings and no savings. Corona pandemic of 2020 has taught people the importance of saving as it secures the uncertain future. The government is also initiating saving habits among people by issuing saving certificates, government bonds, and securities carrying high rates of interest and many other government saving and investment schemes like Public Provident Funds, Sovereign Gold Bonds, SukanyaSamriddhiYojana, Pradhan Mantri Jan DhanYojana, Atal Pension Yojana, etc.

However, it is in the genes of Indian people to save. Since early childhood, children are taught to save money in piggy banks. Indian women are also great savers and investors of money. They either save to buy a home, car, marriage, or probably buy gold. According to a report released by the World Gold Council (WGC) in May 2020, Indian women had about 24000 tons of gold, which can be considered the world's largest gold treasure. Investing and saving are often viewed as two complementing financial tactics where on one hand savings involve laying money away in low-risk savings and a current account or certificate of deposits etc. Investment on the other hand investing is putting the money into bonds or real estate in the hope of generating greater returns over some time. There are various avenues available for investment depending on the risk factor, interest rate, financial institute, time of investment, etc.

Important Saving Habits

Saving is a practice of keeping aside a portion of income regularly. If we follow some strategies and make some habits, the process of saving will become easier. Some of the saving habits are discussed below:

- **Find a suitable bank account:** Financial status, needs and goals, risk tolerance, liquidity needs, interest rates, account fees, investment goals, etc., are some of the factors upon

which the choice of type of bank account depends. Students should choose a bank account considering the aforementioned factors.

- **Teach the value of money:** Students should be taught that money is synonymous with hard work, and it is earned through hard work. This will make them realize the importance of money and make them believe that handling it is a responsible job.

- **Budgeting:** Preparing a monthly budget is the best way to handle the money. It is prepared by keeping in mind the sources of income and expenses of an individual. A target amount for expenditure is fixed and expenses for the whole month are done according to the fixed amount.

- **Practice no-spend days:** choose specific days in your calendar and commit not to spend on those days. Prepare your meals at home, reuse the products, and carry cash only for emergencies.

- **Prioritize savings:** A portion of income should be kept aside from the earnings of every month whether small or big. That may later be used for future emergencies.

- **Shopping strategy:** Make a shopping list, don't get carried away with heavy discounts, think before buying impulsively, and give yourself time to evaluate the worth of that product.

Things to be considered while Investing

There are several elements to be considered for ensuring informed investing decisions and managing investment risks.

- **Diversification:** Minimize risk one must spread their investment among different asset classes. Don't put all your eggs in one basket, this is a suitable idiom for this.

- **Financial goal:** There are different types of investments for both short-term and long-term financial goals. Risk Tolerance - the more the profits more the risk. The risk tolerance capacity depends on the age, earnings, financial situation, etc.

- **Cost, fees, and tax:** management fees, trading costs, taxes, etc., should be considered while investing the money. High fees & tax rates can eat up a major portion of your profits.

- **Market conditions:** market conditions may convert one asset category giving high returns to the poor/average returning asset category. Bull/bear market etc., should be considered while investing.

Saving and investing are interconnecting in many ways. Saving serves as a source of investment. High savings can lead to higher investment, a balanced saving and investment leads to balanced economic growth and saving provides necessary capital for investment.

Literature Review

Jones, G. & Martin, C. (1997), explained that although their purchasing habits may give the impression that young people have influence, it is important to consider how they are becoming adults when analyzing their spending habits. Changes in economic circumstances and domestic responsibilities brought on by young adults moving out of their parent's homes and establishing their households have an impact on consumption patterns. The social setting of young people's spending is examined in recent research. Over 2000 young people between the ages of 16 and 25 were the subjects of the study, which was based on data from the annual Family Expenditure Survey. The findings from the analysis of the 1992, 1987, and 1982 data sets are summarized in this Briefing, which also looks at how spending patterns have changed over the past ten years.

S. Hasan & ET. al. (2011), for the sake of assessing the relationship between the various marketing strategies outlined in this paper and revenue generation, the Tobit model is proposed. This paper explains ways to understand different marketing strategies when they only aim to generate revenue. The comprehensive findings of this research show that all strategic means are important for generating revenues for the goods and services being provided, and they confirm that all outlined marketing strategies and a market share growth strategy are most important in this context.

Mehta (2013), seeks to explain the long-term saving behavior and saving potentials of the household sector by analyzing trends and patterns of household saving (1950–2010) and thereby determining different saving functions. According to her findings, the household sector has contributed the most to the overall savings. Comparing the pre-economic reform period to the post-economic reform period, MPS has shown improvement. According to her research, the long-run MPS is greater than the short-run. The average propensity to save, or APS, has increased since the economic reforms compared to the earlier period. Last but not least, in the years following economic reforms, saving income elasticity has slightly decreased.

Abirami.R & Dr.S . Kowsalya (2023), the study conducted was descriptive in nature and it was aimed to evaluate "A Study on Investment Pattern of College Students with special

reference to Coimbatore City". A sample of 125 respondents was selected using the random sampling technique. The study used both primary and secondary data collected through an interview schedule and other standard sources. The survey found that return on investment was the most significant factor influencing investment decisions, and insufficient liquidity was the most major challenge encountered when making an investment. Furthermore, no significant relationship was found between educational qualification and investment purpose, monthly income and manner of investing, or gender and level of risk in investment options. It also highlight the significance of taking return on investment and liquidity into account when making investment decisions, as well as seeking professional assistance to avoid typical investment mistakes.

Selvakumaran. N, Abishek. A & Eshwar Upadhay. M (2024), the Assessment of Investment Habits Among College Students. The aim of the research project is to investigate college students' financial practices. This study will look into college students' investment preferences, practices, and attitudes concerning different investment options. The findings of this study will expand our understanding of college students' investment practices and provide assistance to financial institutions, educators, and regulators as they develop programs and initiatives to encourage young investors to make responsible financial decisions. The study's findings will provide insightful information about college students' investment practices, which may be used to develop specific financial education programs and investment approaches to aid nascent investors in making safe financial decisions.

Research Methodology

- **Need of the Study**

Savings have the potential to bridge the present of a country with the expected future. Saving is a vital economic component in a country's growth. The present study covers college students from the age group of 15-30 years which also includes the youth which is also the largest age group in India including more than 50% of the Indian population. Inculcating good saving and investment habits will lead to setting a strong financial foundation for the future.

- **Objectives of the Study**

1. To ascertain the saving pattern of college students in Rewari District of Haryana.

2. Identify the preferred investment avenues of students.

- **Population**

The population for selecting sampling units of the study includes the college students of Rewari District of Haryana.

- **Sampling Technique**

A convenient sampling technique of sampling was used.

- **Sample Size**

n = 100

- **Source and Tools of Data Collection**

Source is primary, for data structured questionnaire was used.

ANALYSIS OF THE DATA

1) Analysis of the Demographic Profile of Respondents

| Demographic Profile of Respondents			
Variable	**Parameter**	**Frequency**	**Percentage**
Age (in years)	a) 15 – 18	16	16
	b) 18 – 22	54	54
	c) 22 – 26	16	16
	d) 26 – 30	14	14
Gender	a) Male	65	65
	b) Female	35	35
Educational Qualification	a) UG Level	48	48
	b) PG level	36	36
	c) Professional	12	12
	d) Ph. D.	4	4
What is the type of accommodation/housing?	a) With Parents	56	56
	b) Hostel	10	10
	c) Paying Guest (PG)	20	20
	d) Flat	14	14
What is your means of transportation to college?	a) Public Transport	72	72
	b) Bike	24	24
	c) Car	4	4

Table-1
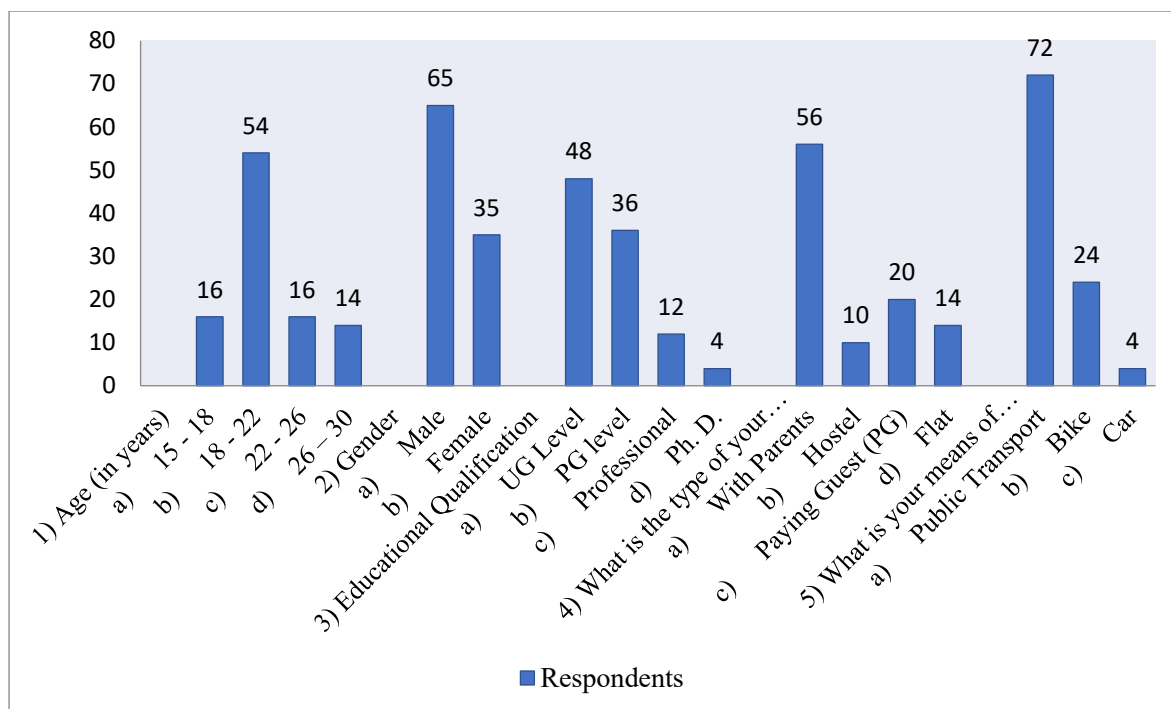
Chart 1

The analysis of the present study is made on 100 college students out of which 65% are Male and 35% are Females. Respondents between the ages of 15 to 30 are considered in the study out of which the majority of the students were between the age group of 18 – 22 years i.e., 54%. 48% were pursuing UG level, 36% were pursuing PG level, 12% were pursuing professional courses and 4% were pursuing Ph.D. A maximum of 56% of students were living with their parents. A maximum of 72% of students use public transport to come to the college.

**2) Analysis of the Saving and Investment Behaviour of Respondents**

Saving and Investment Behaviour of Respondents			
Variable	**Parameter**	**Frequency**	**Percentage**
Source of income?	a) Borrow from Parents	64	64
	b) Scholarship	6	6
	c) Part-Time Job	10	10
	d) Stock Trading	5	5
	e) Multilevel Marketing	0	0
	f) Earning from Tuition	15	15
	g) Small Business	0	0

While attending college are you currently working somewhere?	a) Part-Time	28	28
	b) Full Time	2	2
	c) Not Working	70	70
How often do you go to cinemas or other recreational activities?	a) At least once a week	10	10
	b) At least twice a week	2	2
	c) At least once a month	60	60
	d) Do not go at all	28	28
How much amount do you earn or receive from any source per month?	a) Below Rs.1000	24	24
	b) Rs.1000 - Rs.5000	56	56
	c) Rs.5000 - Rs.10000	12	12
	d) Rs10000 - Rs.15000	6	6
	e) More than Rs. 15000	2	2
Do you save something from the money you receive from any source?	a) Yes	70	70
	b) No	30	30
If Yes, how much percent of savings do you save per month?	a) Below 25%	35	35
	b) 25% - 50%	28	28
	c) 50% - 75%	7	7
	d) Above 75%	0	0
Do you have a bank account?	a) Yes	92	92
	b) No	8	8
Where do you put your money?	a) Deposit in banks	41	41
	b) Invest in Post Office Savings Schemes	20	20
	c) Invest in Stocks or Mutual Funds	5	5
	d) Keep your savings with you	4	4
What is your purpose of saving?	a) As a habit	10	10
	b) Savings for higher studies	14	14
	c) Savings for the future	33	33
	d) Savings for emergency	11	11
	e) Savings for traveling	2	2
Amount spent on last week?	a) Less than 500	8	8
	b) 500 – 1000	16	16
	c) 1000 – 1500	36	36
	d) 1500 – 2000	22	22
	e) More than 2000	18	18
How long have you been saving money?	a) Less than 1 year	13	13
	b) 1-3 years	35	35
	c) 3-5 years	14	14
	d) More than 5 years	8	8

In the following areas, what do you feel regarding your savings?	a) Savings are less than my spending	50	50
	b) Savings are equal to my spending	38	38
	c) Savings are greater than my spending	12	12

Table-2

Maximum students (64%) are not involved in any economic activity and borrow money from their parents. Maximum respondents (60%) go to cinemas and enjoy other recreational activities at least once a month. 56% of students get about 1000 – 5000 rupees per month from various sources and out of 100 respondents, 70 save a portion of their money. 50% of these 70 respondents, that is 35 in numbers save less than 25% of their savings. Out of these 100 respondents, 92 have their bank accounts 41 prefer to save their money in banks 4 prefer to keep their savings to themselves, and also 33 of them save money for emergencies. 50% of the respondents have savings less than their spending. There are 35 students out of 70 who have been saving for the last 1-3 years.

Chart 2: Saving Habits of Respondents

Do you save your money

30%

70%

■ YES ■ NO
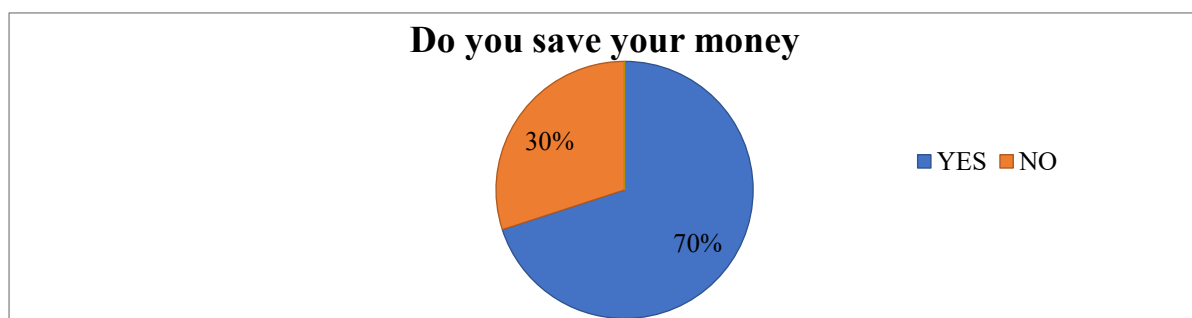
Chart 3: Purpose of respondents behind savings
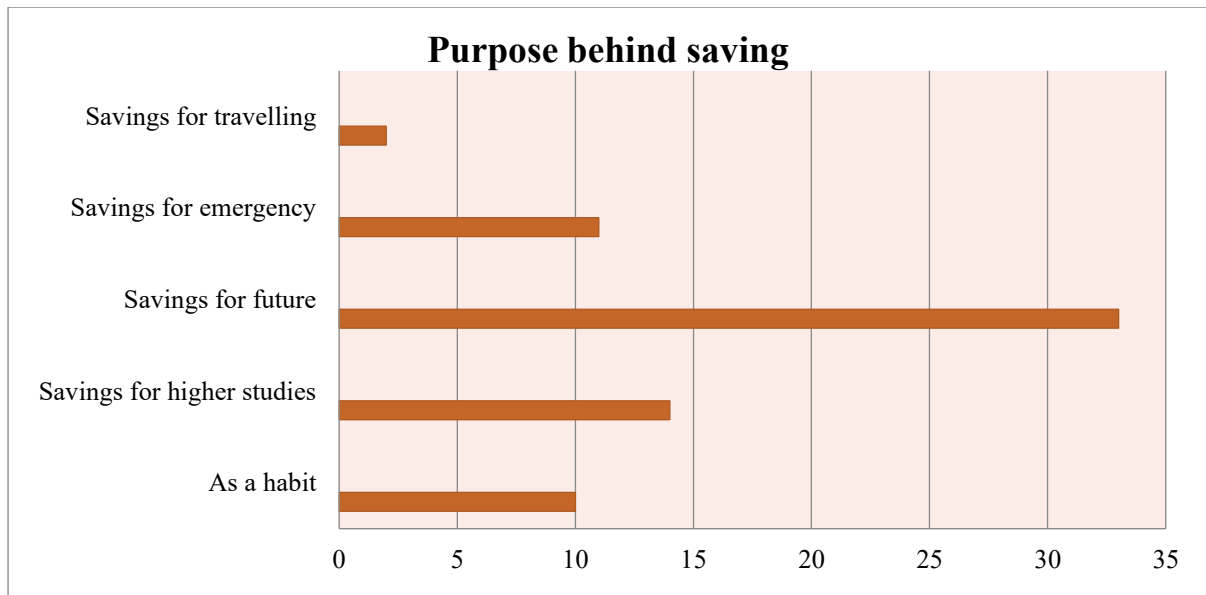
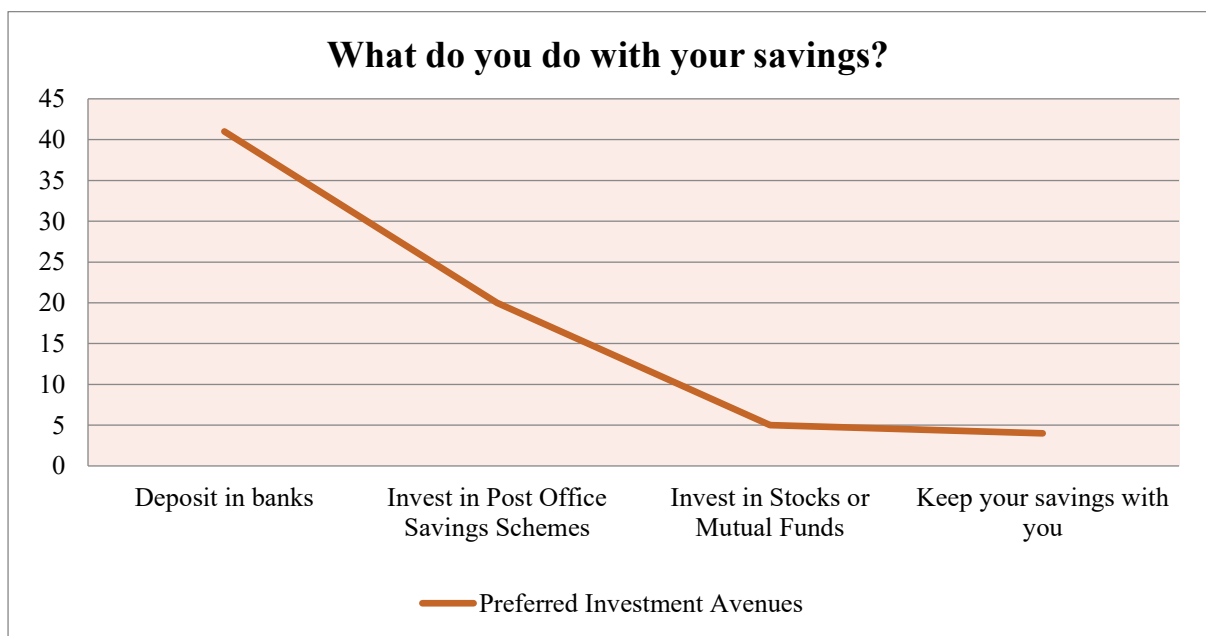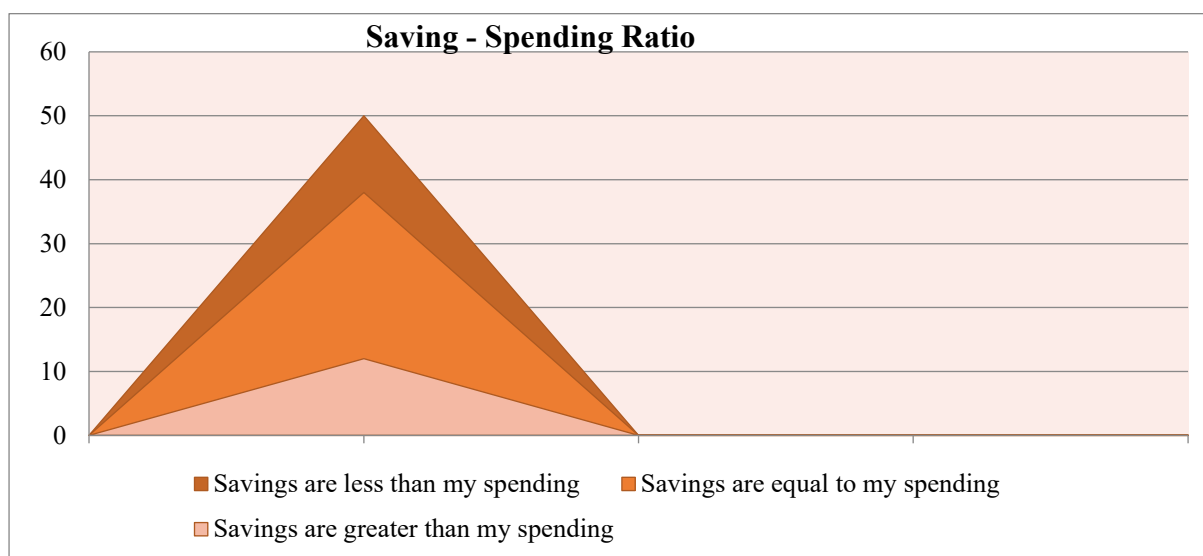**Chart 4**: Investment Avenues of Respondents

Chart 5: Saving and spending ratio of Respondents

Findings

- It was found that more than average of the students don't have any source of earnings; they borrow from their parents to meet their expenses.

- Students are not spending thrift, 60% of them enjoy recreational activities once a month and 28% of them don't do it at all but their overall expenses are more than their savings.

- 30% of the students don't have the habit of saving their money.

- Students are progressive and visionary as maximum of them are saving money for their future.

- Maximum students 41% deposit their money in the Bank accounts; hence they are unaware of other investment avenues.

Conclusion

The study was undertaken to ascertain and analyze the saving patterns, investment avenues, and spending habits of college students. A fairly good number of respondents have their bank accounts. From the analysis, it can be concluded that most of the students are not much aware of different investment avenues as most of them deposit their money in their bank accounts. When it comes to saving habits a good percentage of respondents save their money and many of them are futuristic as they are saving money for future needs. Summing up there is still an exigent need to inculcate saving habits and increase investment awareness among college students of Rewari District of Haryana.

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