

A study on saving and spending attributes with special reference to genz's in india

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Abstract:

This paper aims to investigate the motivations, patterns, and reasons behind the spending habits of the Gen Z population in India. Growing up in a developing country, India has experienced significant economic growth over the years, which has been especially evident in the middle class's increased financial strength. This positive shift in monetary status has not only empowered adults but has also elevated the spending power of youth, or the generation that will face the nation's future—the Gen Z generation. A significant increase in technology in this modern world has both affected and benefited the global population sideways.

This study intends to highlight the significance of conserving wealth more effectively, in addition to analysing the spending habits of the Generation Z population. Recognising the economic backdrop of a developing country such as India, the goal of this research goes beyond just examining expenditure trends. It intends to dive into the spending behaviours of the Gen Z generation while emphasising the need of developing efficient saving habits. The research intends to raise awareness about the need of saving, contributing to financial stability, and responsible fiscal behaviour among India's Gen Z population by providing light on the variables impacting expenditure habits. The ultimate purpose is to argue for the significance of building a solid foundation, not only to understand how they spend, establishing a strong basis for future financial well-being. The study comprises of 710 Respondents, were in the audience are diversified from students to working professionals and homemakers. The research demonstrates that the majority of them were keen towards saving, but were not successful enough to save as much as they get satisfied. Peer pressure, social media etc had lead the spendings ratio to be higher in this case meanwhile majority of the respondents knows the basics financial education which helps in financially planning our daily needs regularly.

Keyword: *genz's, saving, spending habits, financial literacy*

Introduction:

This study explores at the Genz's saving and spending habits, with the goal of determining the impact of peers, parents, and self-perceived financial knowledge on individual financial behaviours. This age group, born between 1997 and 2012, is representative of the GenZ demographic.

The research report explores thoroughly into the dynamic environment of Generation Z, investigating the tremendous influence of their numerical strength, significant spending power, and ample free time on consumer behaviours. Taking advantage of technology breakthroughs, Generation Z emerges as a vital force with unrivalled commercial impact.

In contrast to adults dealing with the obligations of rent and expenses, Generation Z has a unique position, marked by significant financial advantages shown in a different spending mentality. The Internet, on the other hand, has a significant impact on Generation Z, pushing speedy and impulsive purchases, particularly of non-essential things. This behaviour is characterised by a desire to keep current, submit to social influence, and make purchasing decisions based on friends' digital activity. In this age of immediate connectedness, the attractiveness of trends and the persuasive power of online networks combine to create a particular pattern of impulsive buying among Generation Z. This study tries to deconstruct the variables in social media that lead to hasty acquisitions of non-essentials, with a focus on the effect of trends and peer behaviour. The study helps to a better understanding of how social media influences Gen Z purchasing patterns in the setting of by identifying these interactions, the study advances our knowledge of how social media influences Gen Z spending patterns in the context of influential and trend-driven spending habits.

This study explores at the Genz's saving and spending habits, with the goal of determining the impact of peers, parents, and self-perceived financial knowledge on individual financial behaviours. This study delves into the world of Generation Z, attempting to understand the complexities of their financial choices and the rhythm of their financial decisions. By taking this excursion, the study hopes to shed light on the interesting interaction between spending and saving within the particular setting of Gen Z, giving significant insights for a thorough knowledge of their economic behaviours.

Our research paper aims to create awareness among the youth and at the same time studies the current behaviour of savings and spending patterns among them. The questions asked to them are in general in nature and related to their day to day walks of life. Our research would take place in two modes, first is through conducting a survey by the mode of Online interactions with the GenZ youths within the demographic regions of India by the portals such as Discord. Another mode of our Survey would be conducted through software called google forms, which will help us gain responses of individuals networks (Genz Specific). This will help us in strengthening our survey with concludable results.

The United Nations Member States adopted Agenda 2030 for Sustainable Development in 2015, which includes 17 Sustainable Development Goals (SDGs).

Among all these goals, there were two that we believe will have beneficial effects on saving attributes.

1. [GOAL 1: End Poverty](#)
2. [GOAL 4: Quality Education](#)

Our research will result in the following outcomes:

Our research will help in studying the saving patterns of the Genz, and would help in creating more awareness regarding how to use wealth effectively, wisely and efficiently. This would not only help that current youth but also help the upcoming generations in understanding and comparing the current youth's saving patterns with the future's one. Another possible outcome might be, the authorities might apply certain regulations and limitations or

awareness programmes which would help the current youth and generations in changing their mindsets upon spending and saving attributes.

Statement of Problem:

A Study, a observation of today's Gen Z the Youth of today's world are attracted more towards spending more over the earnings while purchasing things on EMI, Loan basis. This give rise to high debt over earnings which in fact would lead to unhealthy economy of a country.

The financial behaviours of India's Gen Z generation have changed significantly as a result of the continuous cultural transition to modernization and the rise of standard of living of people i.e improvement in their lifestyle. Notably, there has been a noticeable shift in spending and saving patterns among Generation Z individuals, as seen by a greater emphasis on pleasure, habits, and a rising preference for brand-conscious purchases. The higher standard of life enjoyed by the elder generation has simultaneously empowered the Gen Z group, resulting in increased spending power. However, throughout this period of cultural and economic change, Gen Z's saving habits have declined significantly. As financial empowerment spreads, the traditional emphasis on savings looks to be fading. This study is designed to analyse and grasp the complexities of both spending and saving behaviours within the Gen Z cohort, providing insights into the emerging financial dynamics affected by cultural influences and shifting economic paradigms.

Scope of Research:

1. This study helps in creating awareness about how savings plays a crucial role in wealth management of one's own life .
2. To shed light on the various negative and positive prospects of savings and spendings.
3. It will help the researchers to further initiate the updated study on the topic in the coming time.

Literature review:

(Furnham, 1985), pp. 354-373 : Why Do People Save? Attitudes To, And Habits Of, Saving Money In Britain. This research paper has been studied to understand the past beliefs and behaviours of people in the past decades and to get clear view of the differences between the generations. This research sought to investigate the elements that influence people's attitudes and behaviours towards saving. Contrary to previous ideas, the study found that attitudes towards saving are complicated, encompassing factors such as perceptions about the advantages and futility of saving, preferred saving strategies, and the perceived wealth-securing component. Notably, the traditional concept that saving money consistently correlates with positive aims, maybe linked to the Protestant Work Ethic, was questioned. This emphasises the need of conducting sophisticated analyses of attitudes towards saving in certain cultural and economic circumstances.

(McNeill, 2009), ISSN 1747-3616 : Spending Their Way To Adulthood: Consumption

Outside The Nest, New Zealand. This article examines the spending behaviours of young adults as they become more responsible with their finances after leaving home. Prior study on young adult consumption has shown a rise in impulsive spending and credit utilisation. This study aims to expand on previous studies by investigating how young customers behave.

(Attri, 2012), EISSN 2277-4955 : Spendings And Saving Habits Of The Youth In The City Of Indore. This research sheds light on the changing environment of spending and saving patterns among today's young people. Peer influence appears as a dominating element in purchasing decisions, particularly among those under the age of nineteen, with the 15-19 age group seeing the most impact. As people age, they tend to make their own decisions, emphasising the importance of personal judgement in moulding choices. Significant differences in gender-specific purchase and saving behaviours emphasise the complexities of teenage consumer dynamics. Importantly, the youth's preference for spending on quick gratifications such as entertainment, technology, dining out, and personal grooming highlights a distinguishing trait of modern financial views. These findings have important implications for stakeholders looking to better understand and engage with the changing preferences of the youth generation.

(Shaliza Alwi, 2015), ISBN - 978-1-63415-762-9: Factors Affecting Savings Habits Within Millennials In Malaysia: Case Study On Students Of Taylor's University. The study focused on millennial university students in metropolitan areas and found key factors influencing their saving behaviours. The study found that financial literacy affects millennials' confidence and self-dominance in financial planning and savings, depending on their demographic background and study preferences.

(İrfan Ersin, 2017), ISSN - 2149-8407: Measuring The Waste-Conscious And Saving Habits Of The Youth In Turkey: The Sample Of Istanbul Medipol University. This research papers studies that savings are a key driver of economic growth. A lack of savings forces countries' economy to rely on foreign resources. This raises the country's debt. As a result, savings are extremely vital to the country's economy. The formation of the savings is linked to culture. Acquiring this culture is a phenomena that can happen at an early age. This study attempted to examine the saving practices and waste-consciousness of young people in Turkey. As a result, a rise in young people's spending habits decreases savings, whereas an increase in waste awareness improves saves. Furthermore, greater credit card use diminishes the desire to save.

(Kanting sechaba thobejane, 2017), ISSN: 1596-9231, Volume 15, No 3, 2017 - Budgeting And Spending Habits Of University Students In South Africa, IFE centre for psychological studies. This paper states and examines the "Budgeting and spending habits of university students in South Africa" and studies if there is significant difference in gender base saving and spendings patterns. The study says that majority of the respondents/ students doesn't have/ maintain a written budget or expense management sheet. Majority of Female College students follow the patterns of planning their monthly expenses than male college students . This concludes by recommending and spreading awareness regarding budgeting and spending among the students.

(Gulati, 2017)_ISSN- 2350-0530(O), ISSN- 2394-3629(P) Vol.5 (Iss.6): Impact Of Peer

Pressure On Buying Behaviour, Delhi. The findings of this study revealed that peers have a ubiquitous influence in a variety of circumstances, making their impact vital to our everyday lives. Their impact, which functions practically as a precondition for the definition of the word, should not be ignored. Although views of this influence differ, its positive impact on purchase behaviour is undeniable. Purchasing and consumption, like other factors, are susceptible to behavioural adjustments caused by peer pressure. Peer influence operates as a motivating force, driving and amplifying the degree and frequency of purchase actions, and therefore acting as a catalyst. While teens are often thought to be more vulnerable, peer pressure has an impact on people of all ages, as seen by broad brand awareness. Several variables affecting purchase decisions have been discovered in the literature, with peer pressure appearing as a significant and influential subconscious influence.

(Chavali, 2019)) , ISSN- 2394-5125 Vol 7, Issue 2, 2020 - Saving And Spending Habits Of Youth In Sultanate Of Oman. The purpose of this study was to investigate the factors that impact juvenile saving and spending behaviours, with an emphasis on critical variables such as peer influence, parental influence, and financial literacy. The study found a significant link between juvenile saving and spending patterns and the influence of peers, parental advice, and financial knowledge. This research had examines recent research in order to give insight on the linked dynamics of these determinants and their consequences for young people's financial decision-making processes.

(M. Császár, 2019) 562-585, The Impact Of The Spending Habits Of International Students On The Economy Of University Cities - Case Study: Hungary. The report emphasises the important economic impact of overseas students, putting their total expenditure at 46.2 million euros each year. Accommodation, basic needs, education, recreation, and transit are among the most important cost categories. In addition to the immediate financial benefits, the presence of overseas students boosts local economies by producing revenue, creating jobs, and nurturing a robust service industry. Universities, as significant economic players, play an important role in urban development, with international students' tuition costs being critical to their financial survival. Overall, this research demonstrates the complex influence of foreign students on local economies, emphasising the significance of attracting and maintaining them for long-term economic success.

(Priya2, 2019) Volume 6 I Issue 1 I Jan. – March 2019, A Study On Saving And Spending Habits Of College Students With Reference To Coimbatore City. The study was undertaken to better understand college students' financial behaviours. It was discovered that the majority of respondents spent more than they saved, and their spending habits differed. Despite their proclivity for spending, a sizable proportion of students saw the need of saving and frequently chose to open savings bank accounts. Students' incentive to save was generally prompted by the need to plan for unanticipated catastrophes. Furthermore, the survey discovered unique spending habits, with students contributing more money to transportation and school expenditures.

(1Dr. Thahirunissa Arshath, 2021), ISSN-2349-5162 Volume 8, Issue 6 An Analysis Of The Spending And Saving Pattern Of The Students Of The University Of Technology And Applied Sciences, Muscat. The outcomes of this study demonstrate that the sample respondents' spending and saving practices were unaffected by their socioeconomic status.

Instead, students' income levels and financial knowledge were identified as the key drivers of saving behaviours. Interestingly, demographic characteristics had no discernable relationship with the students' spending and saving tendencies. Parental supervision was critical in moulding kids' financial decisions, particularly the acquisition of information about spending and saving. Notably, credit cards were the favoured method of payment among students. The study also found a consistency in spending patterns across disciplines and income levels, with no significant relationship between spending behaviours and income or financial knowledge.

(Suvittawat, 2023), ISSN: 2424-8975: Consumer Adjustment Spending Habits Due To The Covid-19 Pandemic In Nakhon Ratchasima Province, Thailand. This study looks at how the COVID-19 issue affected consumer spending and saving behaviors in Nakhon Ratchasima Province, Thailand. As the epidemic progressed, concerns of social distancing measures and industrial closures caused a significant drop in consumer expenditure. The findings of this research paper demonstrate a considerable recognition of the crisis's economic impact and influence on consumer purchasing. Notably, consumer products continued to be purchased, but in smaller quantities and with lesser quality. The government assistance programme appeared as a positive influence, lowering the cost of living, and affecting consumer spending habits. For low-income earners, responding to the crisis required a deliberate shift in spending habits, with a concentration on necessary costs.

(Magdalena, 2024), ISBN 9780999855133, pp. 12784-12805 : Pocket Money As One Of The Instruments Used To Shape Children's Financial Attitude And Savings Behaviors, Poland. The analysis conducted in this paper satisfactorily verifies the hypothesised assumption that pocket money is a common technique used by parents in Poland for financial socialisation. The results of a CAWI research study with 1100 Polish participants confirm that a sizable share of the population receives pocket money. Even when data from interviews spanning four generations (1930–2001) are taken into account, the incidence of pocket money remained continuously high, topping 80%. This research gives unique insights into the lasting character of parental financial practices, indicating that allowances remain a consistent and noteworthy function as a crucial instrument in the financial socialization tactics adopted by parents throughout generations in Poland.

Objectives:

1. To explore the behaviour of Genz's towards savings and to understand the spending attributes preferences.
2. To create awareness regarding importance of savings and how effective well planned wealth management helps in framing a better future.
3. To examine the understandability of the financial jargons among the Genz's.

HYPOTHESIS:

Hypothesis 1:

Null Hypothesis(H0): There is no significant difference between saving habit and non saving habit of Genz's

Alternative Hypothesis(H1): There is a significant difference between saving habit and non saving habit of Genz's

Data Set:

- 1) What is your saving and spending status?
- 2) Do you think planning your daily and monthly expenses is important ?

Hypothesis 2:

Null Hypothesis(H0): There is no inter-relation between the financial literacy among the Genz's and their spending attributes

Alternative Hypothesis(H1): There is inter-relation between the financial literacy among the Genz's and their spending attributes

Data Set:

- 1) How often do you engage in financial planning for your future?
- 2) Do you believe having financial goals positively impacts your spending and savings habits?

Hypothesis 3:

Null Hypothesis(H0): Social media and Technology is not playing a key role in deciding Genz's behaviour towards spending and savings.

Alternative Hypothesis(H1): Social media and Technology is playing a key role in deciding Genz's behaviour towards spending and savings.

Data Set:

- 1) To what extent do you think technology, especially social media, influences your spending decisions?
- 2) Have you ever made a purchase based on a trend or recommendation seen on social media?

Parameter	Hypothesis 1	Hypothesis 2	Hypothesis 3
R Value	0.768	0.921	0.835
P Value	<0.004	<0.008	<0.005
Level of Significance	Significant	Significant	Significant

Interpretation :

Alternate Hypothesis is accepted.

Research Methodology:

The research is Pure, Exploratory and Quantitative in nature.

Genz's are the targeted audiences selected as samples. Research being conducted in two modes, one through interview with close – ended questions and another one through convenience sampling method i.e through detailed survey forms were distributed among the targetted age group accordingly.

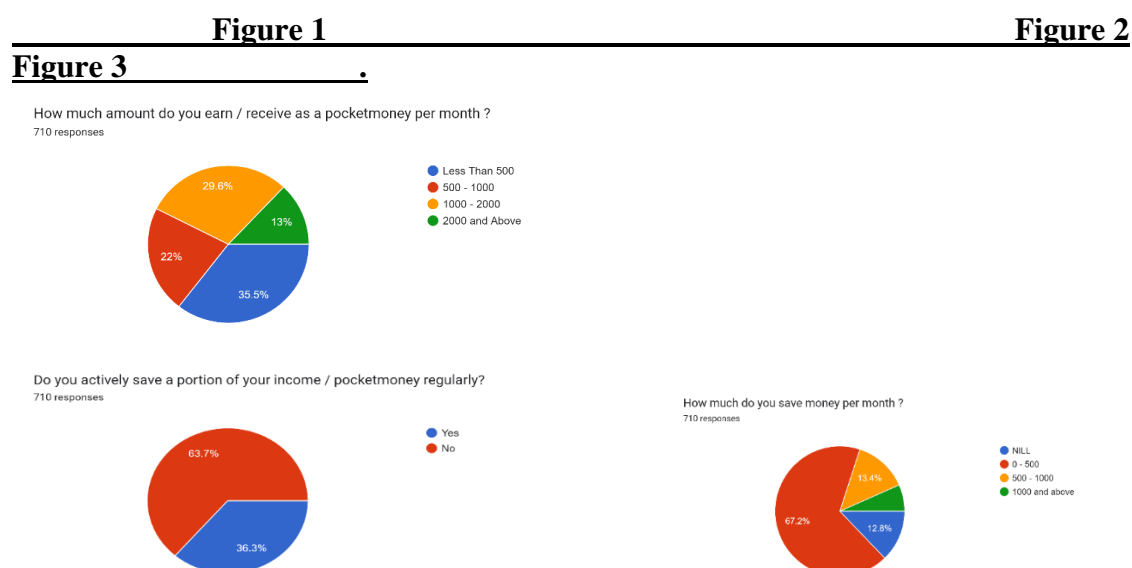
Convenience Sampling was used in which a Google form was circulated. Within the form the sampling frame focused upon were Genz's including Business Professions, Students and Housemakers. Age group of **16 to 26+** years were considered for this sample as majority of Genz's belongs to this age group as of date today (2024). The sample size obtained through the questionnaire were **710** participants. The sampling frames were provided close ended questions to respond.

Interviews we held offline as well as online whereby, close and open handed questions were asked to the targeted audience to get more insights and a perspective view on the research.

DATA COLLECTION

The research paper is made from a collection of Primary and Secondary data. |

Data Analysis & Findings:



In figure 1 , The Respondents were given 4 options in which they have to select their monthly earnings / pocketmoney received followed by figure 2 and 3 which indicates how much they are able to save accordingly.

Inference:-

Respondents out of 710 in Figure 1, 35.5% receive/earn less than 500 followed by 500 – 1000 I.e 22%, then 1000 – 2000 i.e 29.6% and 2000 & above which is 13%.

This states that majority of out respondents get a average of 500 for their monthly expenses.

Figure 2 states that 63.7% of our respondents faces problems in saving money, thereby 36.3% of the, were able to manage and maintain monthly savings.

Figure 3 states that majority of our respondents were able to save certain amount of money,

where in 12.8% among the respondents were not able to maintain savings regularly.

Figure 4

Figure 5

Figure 6

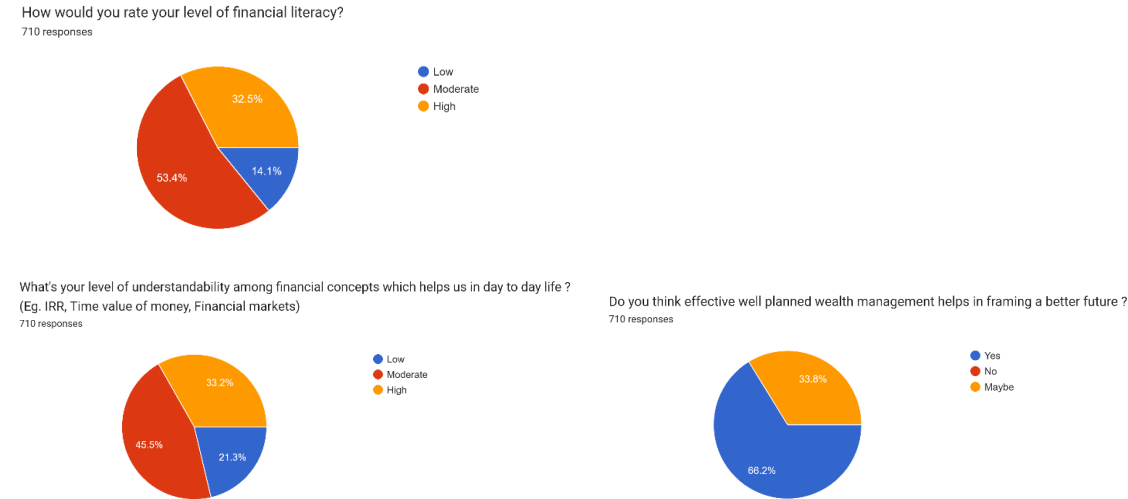


Figure 4 graphically represents the financial literacy of the respondents, whereas figure 5 indicates a follow up to it whether the respondents have a basic knowledge of financial terms that may be helpful in day to day walks of life. Figure 6 expresses the point the view of respondents by knowing their views on wealth management.

Inference:-
Following Figure 4 and Figure 5 studies the rate of level of financial literacy and their understandability towards the basic day to day financial concepts in which majority of the respondents says they have moderate and high knowledge of it accordingly.

Figure 6 indicates that around 66.2% of the total respondents says and rest of them thinks and believes that wealth management helps in framing a better future and is necessary.

Figure 7

Figure 8

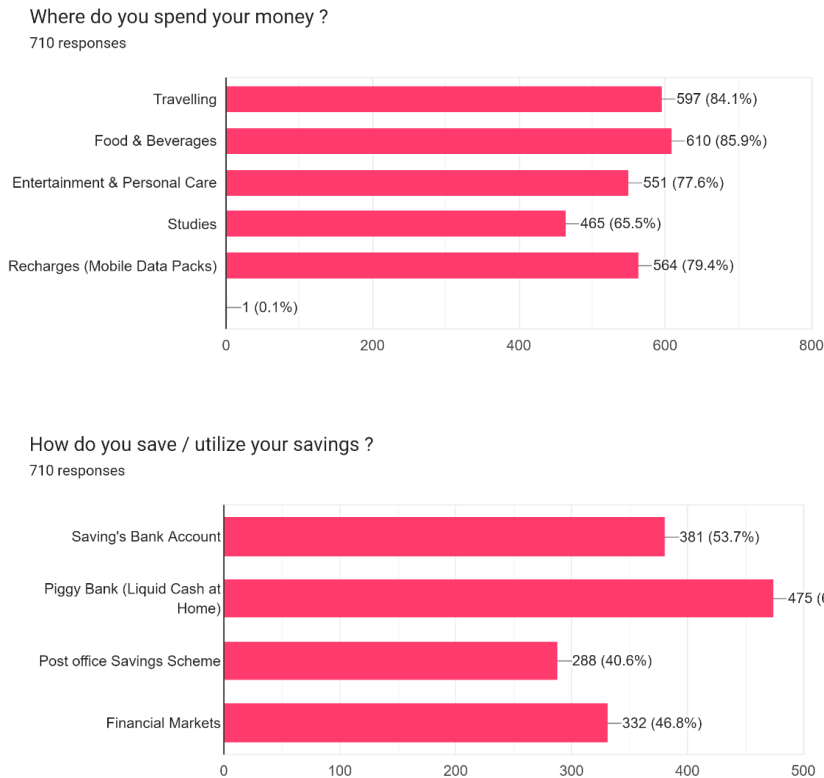


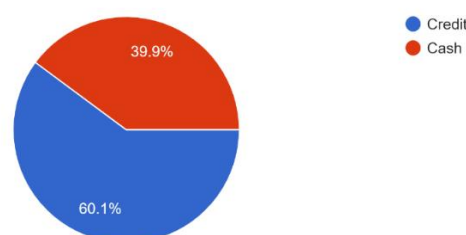
Figure 7 and Figure 8 is all about how the respondents are saving and spending money.

Inference:-
Figure 7 states that majority of the respondents spend money on food and beverages, followed by mobile recharges and travelling. They spend least among the others in entertainment and personal care and stationery category. Figure 8 studies that most of them doesn't invest their money and have their savings in a liquid form, then the 53.7% of them have a savings bank account where they save their money followed by 46.8% people are investing their savings in Financial markets and the others in the post office savings scheme.

Figure 9
Figure 10

What option would you choice while purchasing goods / services ?

710 responses



Which modes do you prefer mostly while purchasing things ?

710 responses

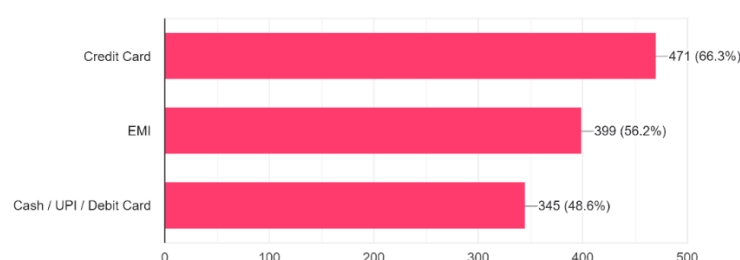


Figure 9 indicates that ratio between cash and credit in which choice of respondents have given a choice to choose their priorities. On the other hand in Figure 10 states the respondents current usage and preferences of payment methods.

Inference:

60.1 % respondents opted to go for credit usage over the cash remained by the responses of 39.9% in Figure 9. Figure 10 Indicates that majority of the respondents have shifted to opt for credit and EMI over cash and other options.

Limitations:

1)The accuracy of the secondary data in our research paper is dependent on the authenticity of data in the primary research conducted by the researchers of the referenced papers.

2)The future researcher will also be required to conduct a more in-depth analysis on savings and spendings habits and particular financial behaviour of the respondents during the time of research. Thorough Marketing research and trends will also be needed to proceed with extended research.

Recommendation:

The findings of this study emphasise the importance of focused actions across several sectors to improve Generation Z's financial well-being. Comprehensive financial literacy

programmes should be included into curriculum to ensure that students learn the skills they need to make educated financial decisions. Policymakers should push for policies that prioritise financial education, acknowledging its critical role in creating responsible financial behaviours among young people. Financial institutions are urged to provide youth-oriented products that reflect Gen Z's interests, promoting responsible spending and saving practices. Employers should create workplace financial wellness programmes to provide young employees with the tools they need to organise their finances effectively. Parents and guardians play an important role in encouraging open discussions about finances at home by giving practical insights and direction.

Authorities must create awareness programmes, campaigns with the help of influencers that help the Genz's understand the real difference between the savings and spendings attributes

Conclusion:

This study sheds light on the complex dynamics of spending, saving, and financial literacy among Generation Z (Gen Z), providing vital insights into their financial habits and the significance of education in reaching long-term objectives. The distinctive financial environment of Generation Z, marked by significant effect on market trends and particular tastes, emphasizes the need of comprehending their financial landscape. The findings highlight the importance of financial knowledge in influencing spending patterns and developing strong savings habits. As Gen Z faces the challenges of a fast changing economic world, the link between financial literacy and informed decision-making becomes more obvious. This would also help in contributing the sustainable goals nos 1 and 4 By summarizing significant research conclusions, emphasizing the necessity of financial literacy, and giving practical recommendations, this study hopes to contribute to the empowering of Z navigate their financial path. Policymakers, schools, financial institutions, and families must all work together to engage in projects that promote financial education, providing Generation Z with the skills and information they need to achieve long-term financial success. The changing nature of financial landscapes needs ongoing study and adaptation methods to safeguard Generation Z's resilience and prosperity in the face of shifting economic forces.

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