



## “SAVINGS HABIT AMONG YOUNGSTERS IN IT INDUSTRY”

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### **Abstract:**

Saving is an essential instrument for capital accumulation and formation which further enhance economic growth and development through investing the saved fund. This study examined saving habits among youngsters in IT industry. The objectives of the study were to: examine saving habits of the employees in the IT industry. The saving habit of individual helps them to grow individually and as whole society.

The impression has, however, not been scientifically tested and substantiated due to lack of reliable data on income, consumption and saving behaviour of employees

**Key Words:** Savings, IT Sector, Individual, Behavior

### **Introduction.**

The developing countries like India need funds for economic development and growth. For this proper cash management is required. While planning the management of cash, the twin objectives of financial management-liquidity and profitability are kept in mind. The cash balances must be adequate to meet obligations in right time otherwise a large cash reserve may be wasteful which could be better employed elsewhere.

Saving habits of employees sector is determined by their expectations from the various preferred avenues. Preference may vary due to various considerations i.e. Safety, Liquidity and Marketability, returns, tax benefits, risk involves etc. savings also depends upon the awareness about investment opportunities, level of knowledge and how these investment opportunities are evaluated and selected. The appropriate investment decisions requires a comprehensive understanding of various subjects like finance, tax, economics, accountancy, business laws etc. However employees owing to the lack of education are not able to comprehend such subjects

The topic is carried out to understand the habit towards savings in the IT industry. The main purpose is to understand the importance given by young employees towards savings (in IT sector) in various kinds of savings likes post office savings, bank FD.

## **Research Methodology**

### **Objectives**

The objectives of the study were to:

- To assess the behavioural pattern of investment among salaried employees of IT industry.
- To analyse the factors that influence savings and expenditure.
- To identify the attitude of savings towards banks FD/RD and post office saving schemes.

### **Type of Research**

Descriptive research is more suitable for this study.

Descriptive research is used to describe characteristics of a population or phenomenon being studied.

This methodology focuses more on the “what” of the research subject rather than the “why” of the research subject.

### **Sources of Data**

For the present study the data will be collected through survey as a primary data, journals, books etc. and secondary data.

### **Primary data**

The questionnaire, personal interview, sampling survey will be used as a primary source for data.

### **Secondary data**

It will be sourced from reference books, newspaper, internet, journals.

### **Sampling**

#### **Sampling Type**

There are two types of sampling i.e., probability sampling and non-probability sampling for this study non probability sampling in which convenience sampling method will be used for data collection.

Convenience sampling is a statistical method of drawing data by selecting people because of the ease volunteering or selection units because of their availability or easy access.

### Sampling Frame

It has been taken from the employees who is working in the IT industry.

### Sampling Unit

The sample has been taken from the people working in the IT sector by taking the interview from the respondent.

### Sample Size

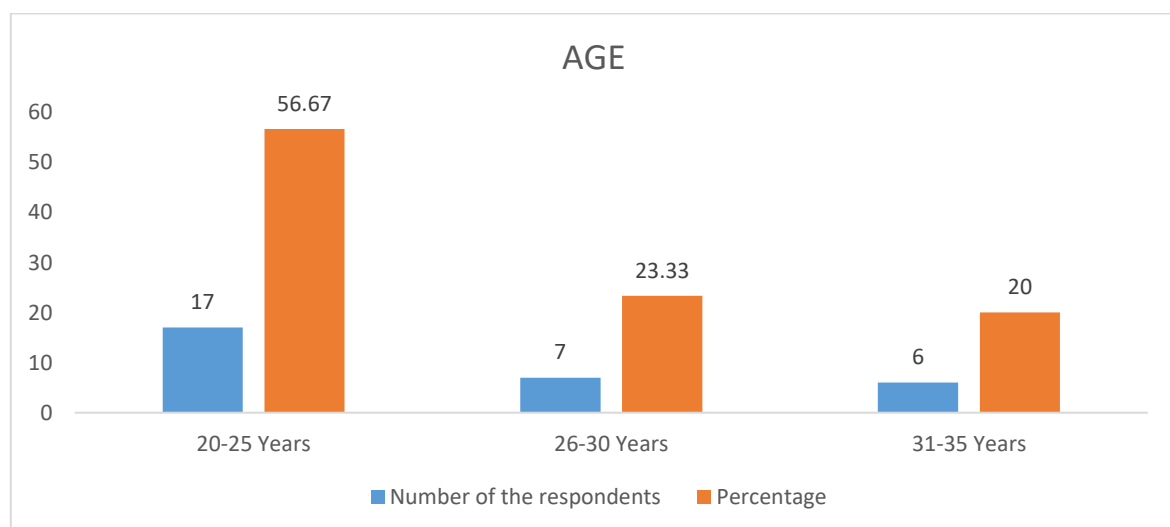
The sample size is 30 will be taken for the study.

### Tools for Data Collection

Questionnaire, documents, records, interview and observation are used as a tools for collecting the data.

### Data Analysis:

Age	Number of Respondents	Percentage
20-25 Years	17	56.67
26-30 Years	7	23.33
31-35 Years	6	20



## 1. Age

### Interpretation:

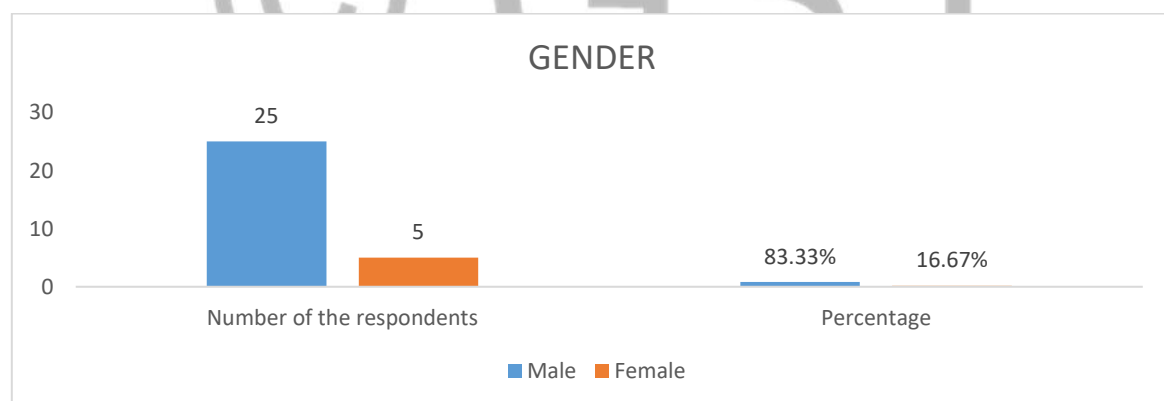
It is inferred from the table that 56.67 % of the respondents belongs to age category of 20-25 years.

It is inferred from the table that 23.33% of the respondents belongs to age category of 26-30 years.

It is inferred from the table that 20% of the respondents belongs to age category of 31-35.

## 2. Gender

Gender	Number of Respondents	Percentage
Male	25	83.33%
Female	5	16.67%



## GENDER

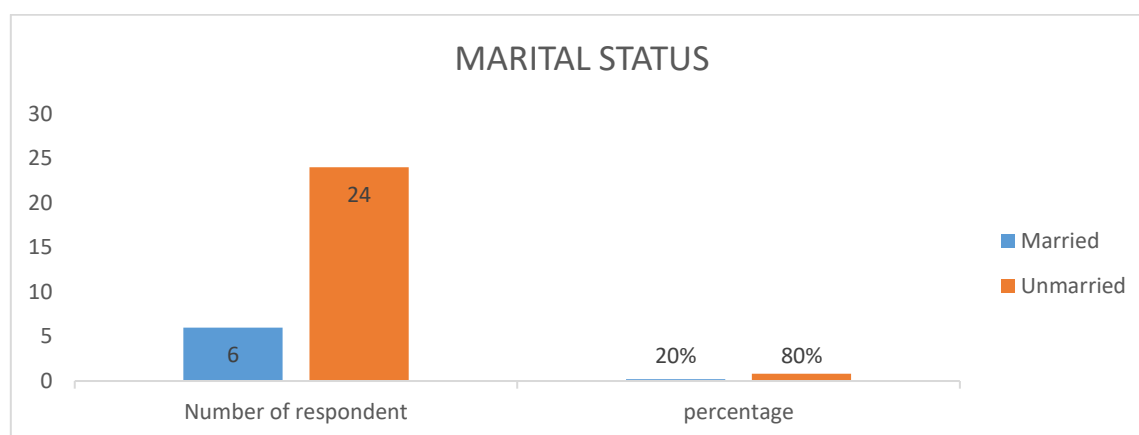
### Interpretation:

It is inferred from the table that 83.33% of the respondents belongs to male category.

It is inferred from the table that 16.67% of the respondents belongs to female category.

### 3. Marital Status

Marital status	Number of Respondents	Percentage
Married	6	20%
Unmarried	24	80%



#### Interpretation:

It is inferred from the table that 83.33% of the respondents belongs to male category.

It is inferred from the table that 16.67% of the respondents belongs to female category.

#### Literature Review:

Lino (1990) conducted a study on factors affecting expenditure of single-parent households. He viewed that single – parent households often face constraints. The study examined the factors influencing the housing, transportation, and food and clothing expenditures. After – tax income significantly affected all four expenditures in a positive direction. One or more expenditures were affected by household size, sex, age, education and employment status of the single parent and automobile ownership.

Yang and Magrabi (1990) conducted a study to investigate the relationship between the wife's employment status and expenditure for purchased services – specifically meals in restaurants, clothing care, child care and domestic services. The results indicated that amount of time the wife spent on work was positively related to expenditure on child care services, but not other services. Compared with non-employed – wife households, full-time – employment – wife

households were found to spend more on child services. Expenditures for meals in restaurants were found to be higher for full-time employed wife. Education of wife and household income were found to be significant factors in expenditures for most services.

Chauhan and Moorti (1993) studied the income, expenditure, savings and investment behavior of tribal areas of Himachal Pradesh. They found that sheep rearing was the major source of income and investment. Income was found to be more unevenly distributed among small farmers, but income inequality was not higher overall for tribal people. Savings increased according to farm size. Food grains were the most important item of household expenditure for all farm size groups.

Rwelamira (1993) examined the technical and financial constraints affecting women's contribution to household food and agricultural development of Lesotho. This study showed that 52 per cent of the women studied were actively involved in small business ventures to generate income in order to improve themselves and their households. The major areas of expenditure were food, children's education, health services, clothing, home investment, agricultural tools and inputs and some saving in the bank.

Meenakshi and Poleman (1994) examined the impact of agricultural prices and technology on farmer's income and assessed its growth linkage implications for rural employment and wages.

Chakravarti (1995) reported a countrywide survey commissioned by India Today and conducted by marketing and research group. The results revealed that 88 per cent respondents were of the view that more than one person in a household should work due to rising prices and to improve standards of living.

### **Limitations of the Study**

- The study is limited to the performance of employees in IT sector.
- Questionnaires are confined to limited respondents.
- The responses from the respondents are based on their own perception.
- The study is limited to only IT sector people.

### **Conclusion**

It can be inferred from the study that majority of the employees (80) have knowledge about the industrial securities, cross-tabulation of knowledge about securities and income level reveals that as the income of the employee's increases, awareness about securities also increases. Though 80 percent of the employees are aware of industrial securities but only 8

percent of them are investing in it. Further, analysis shows that some employees have invested in equity shares and very few in debentures while most of the employees do not invest in industrial in industrial securities. Further, none of the employees are satisfied with such savings.

