

Study on Financial Discipline and Spending habits among youth with special Reference to College going students in Ernakulam District, Kerala.

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ABSTRACT: Spending and saving are two sides of one coin. Savings and expenditure are tied to one another. Human desires are limitless. When one desire is satisfied, another desire emerges. Early on, people spent more money on frivolous stuff than the required supplies. For young people, the transition from childhood to adulthood can be challenging. Young people must overcome obstacles and step up to leaving their parents starting a family and entering the working world from home. However, for students, people today have an even greater task because they must complete all of these in the midst of an economic downturn. The students being discussed here are undergraduate and graduate students. Although people in this age group are still mostly financially dependent on their parents until they are between the ages of 15 and 25, there is a marked difference in how our country's youth behave when it comes to their spending habits. The study's goal is to examine college students' spending and saving behaviours, particularly in Ernakulam. The study's primary drivers are the youth's rising spending habits and diminishing saving habits. This study also reveals a number of variables that affect students' spending and savings. A key to maintaining strong control over personal finances is to spend less than you earn and save for the future. By keeping track of your monthly spending, you may instantly spot any spare cash, which can boost your emergency fund, retirement savings rate, and even your net worth. But in practice, a lot of people struggle to set aside extra money for savings. So we should start the habit of saving and controlling our financial disbursements even from youth.

Key words: Financial discipline, spending habit, nation building, mobilising, credit cards.

Introduction

Savings and investment are the two main pillars supporting India's economic growth. Banks and other financial institutions help potential investors by utilising people's savings as capital for the production of goods and services. They act as a go-between to connect investors and savers. Therefore, an economy's expansion in saving and investment is what drives banking development. Banks now offer more services beyond just the usual deposit taking and lending to all facets of society. In addition to paying interest on deposits, banks encourage consumers to save money. When people save, the country benefits because the money is used toward nation building. Commercial banks are important in realising, mobilising, channelling, and using savings for productive rather than unproductive purposes. The policies created by banks have a significant impact on the development, contraction, and level of business operations. Commercial banks offer traders and business owners credit and funding not just for domestic commerce but also for international trade. Banks are able to provide loans to priority industries, rural areas, and underserved communities through the implementation of bank branching systems. Banks support new businesses, entrepreneurs, and even give sick sectors financing to help them recover. It also extends help to small traders, small manufacturers, marginal and small farmers, artisans, small transport operators and exporters. Thus, banks are playing a dynamic role in economic development of our nation. The secret to enjoying a secure and independent financial situation is to practise good financial discipline. A person with discipline will always be able to manage their money so they don't accrue debt or deal with unforeseen bills. As a spirit, money departs you when it sees that you are mismanaging it. In addition, it warns other kinds of money about you so they won't come to you. This explains why so many people, despite their best efforts, never have enough money to cover their basic requirements. Money doesn't live with slackers, but rather with discipline, buddy. Additionally, money isn't earned with HARD effort, but rather through SMART work combined with a fatal devotion. This means that in order to have money, you must consider how to multiply it in your possession;

this process is known as investment. How successfully you are able to adjust your spending and saving to the plans you have made to reach your financial goals is referred to as financial discipline. You lack financial discipline if all you make is what you spend. Anyone aspiring to financial independence must learn to live below their means. This is essential because, if you spend less, you will have enough money saved up for the dry season. How successfully you are able to adjust your spending and saving to the plans you have made to reach your financial goals is referred to as financial discipline. You lack financial discipline if all you make is what you spend. Anyone aspiring to financial independence must learn to live below their means. This is essential because, if you spend less, you will have enough money saved up for the dry season. However, if you keep whining that you don't make enough money to save, your financial disaster will strike like an atomic bomb.

Objectives of the study:

To study the saving, spending and banking habits' among the youth with reference to the following points:-

1. To study Profile of youth in Ernakulam by analyzing different factors like age, gender, family background, educational background, income group and working status.
2. To analyze saving and spending habits among youth.

Scope of the study:

The study's focus is limited to an evaluation and analysis of the financial behaviours of a sample of young people from Ernakulam colleges. The current study focuses on youth status, the need for financial education, and young people's saving and banking practices. Later, it thoroughly examined the respondents' banking practices. Utilization of ATMs, debit and credit cards, as well as knowledge of and use of online and mobile banking, was specifically investigated.

Methodology of the study :

The outcome of the research makes the study 'Descriptive' and 'Analytical' as well as 'Quantitative' and 'Qualitative'. The researcher has collected the primary data from youth in higher education. The following method is adopted to collect primary data.

1. Primary data is collected through questionnaires distributed among college students in Ernakulam District.
2. Questionnaires distributed to 90 students from various government/ aided and self-financing colleges.
3. Direct interview method is also used to collect data. 25 students were selected for interview method.

Findings:

The study's research and evaluation of the financial behaviours of a sample of young people from colleges in Ernakulam District is its sole emphasis.

The current study concentrates on the youth status, the requirement for financial education, and the saving and banking habits of young people. It then carefully looked into the respondents' banking practices. It was specifically looked into how people used ATMs, debit and credit cards, as well as how they knew about and used online and mobile banking.

1. money spent on food with a shift in lifestyle and more time spent outdoors due to job and school, people spend a lot on food from outside sources. The youth are drawn to restaurants like McDonald's, Pizza Hut, Domino's, and Café Coffee Day. Young people only eat at such fast food franchises as a status symbol, paying more prices for their meals than the local biriyani, sandwiches, or canteen cuisine.

2. Personal care/Health care-

All costs associated with personal care, including those for medical treatment and personal hygiene, are included. It includes money spent on items like toothpaste, shampoo, cosmetics, hair care services, makeup kits, and pricey perfumes. Branded goods and services are typically more expensive to purchase.

3. Education: College fees, coaching class fees, text books, stationery, photocopies of notes, college project work, presentations, and other related costs are all included in the category of education. In order to prepare their children for a successful job, parents today spend a significant portion of their income on giving them a quality education. In India, the price of schooling has greatly grown. As a result, lower income families also tend to save money for their children's education.

4. Entertainment/watching Movies etc.:

The need for entertainment among young people nowadays is a result of changes in views and lifestyles. Young people today like to spend money on activities like sports, physical health, video games, the internet, clubs, viewing movies with friends, socialising, and other things.

5. Transport/Vehicles: When it comes to accessibility and mobility, transportation is crucial. Ernakulam's public transportation system, despite being overcrowded, connects to every part of the city thanks to its extensive bus and metro network. Youth need not travel far to attend reputable universities in the city. Even if the cost of cars and taxis is slightly higher, public transportation is still widely used. The price is also influenced by the distance travelled. Students typically travel to and from colleges in their personal vehicles.

6. Social Participation/Group enjoyments

:Along with social lifestyles, partying and birthday celebrations a recent trend that has been on the rise have an impact on buying patterns as well. Contributing to gifts, cakes, and gatherings is therefore usual.

7. To support family:

Spending disposable income on family expenses demonstrates responsibility and concern for the family. These include general household expenses as well as providing financial assistance to family members.

8. Mobile phones/Internet: Though technological innovation in the communication industry, especially in mobile Smartphone has made life easier, the youth has got emotionally attached to them. Time is being wasted on Twitter, Facebook, WhatsApp, social networking and long conversation with friends. U.S. young adults admit that they spend too much time on cell phones. Most of the students use mobile at night. For example, obtained results showed that 42.01% of the students use mobile at night, 5.40% at morning and 25.79% in the evening. Most of the students spend only few hours without mobile (47.42%).

9. Clothes/shoes/Hand bags/wallets

:Young people are also spent enough to shop online at stores like Amazon and Flipkart, which offer a variety of goods along with simple and convenient payment methods. Additionally, goods may be returned under specific circumstances. All of these attributes draw more youthful customers, who frequently spend more on designer clothing or shoes. Ladies spend more on to purchase fashionable hand bags, wallets etc.

10. Charity: Spending for good causes brings meaning to life. One can experience pleasures by helping others. The question is whether youth are sensitized towards the needs of the society. At such young age, are they spending on charity? Therefore efforts needed to be taken by parents, schools and colleges to inculcate value system among today's youth as they are future pillars of the nation.

Recommendations/Suggestions

- Students may be directed to spend more on studies
- Conduct awareness programs about the importance of savings in college and school.
- The value of exercise and health should be emphasised to students, who should invest more money in these areas rather than on entertainment, shopping, etc.

- Students should be taught to spend first on necessity.
- Students may be directed to save more than spending.
- It is important to teach students how to distinguish between needs and wants.

Conclusion

- Parents typically give their children pocket money to spend. Given that they did not work for the money, there is a chance that they will not handle it carefully and spend their money sensibly. Compared to respondents who were students of commerce, engineering students are more financially dependent on their families.
- Youth's employment status is significantly influenced by income level. This may be due to the fact that parents in the higher income bracket do not want their kids to start working too young and are instead likely concentrating on their education. Due to poverty, young people in lower income groups begin to assume responsibilities and begin working while they are still in college.
- Male respondents, respondents who are engineering students, and respondents who are from the upper income group all have greater disposable income than female respondents, respondents who are commerce students, and respondents who are from the middle and lower income groups, respectively. As a result, it may be said that cash on hand or discretionary income varies by gender, level of education, and income bracket. Youth saving, spending, and banking behaviours will be impacted by having disposable income in hand.
- College going students spend more on the articles like clothes, shoes, handbags, watches and their beauty care products etc. They spend by receiving advices from their friend not from parents or adult members in their family.

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