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Original Research Paper

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STATUS OF SAVINGS PATTERNS AMONG MIDDLE-CLASS FAMILIES WITH SPECIAL REFERENCE TO SUBURBAN CITIES IN COIMBATORE

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ABSTRACT This study, middle-class families' saving habits are examined, with particular attention to Coimbatore's suburban areas. Evaluating economic stability and making plans for future financial growth require an awareness of the saving habits of the middle class, which is growing as urbanization picks up speed. Finding out what factors—such as income levels, family sizes, financial literacy, spending patterns, and access to financial products and services—affect middle-class suburban households' saving behaviors is the main goal of the study. The study also looks at how socioeconomic variables including work position, cultural influences, and educational background affect savings. Important conclusions show that although a sizable percentage of families place a high priority on saving, there is a wide range in saving practices impacted by factors such as household income, financial literacy, and investment opportunities. This essay seeks to shed light on the financial management practices of middle-class suburban families while identifying areas in which financial literacy and planning need to be strengthened.

KEYWORDS :

INTRODUCTION

This study investigates middle-class families' saving habits in the Tamil Nadu suburb of Coimbatore, where traditional values coexist with urban influences. It looks at how financial literacy, occupation, income, and education affect people's saving habits. Financial security is a top priority for middle-class families in these locations, who strive for objectives including retirement planning, homeownership, and children's education. In addition to highlighting issues like fluctuating income and growing living expenses, the study explores popular saving options such as digital wallets, fixed deposits, and informal savings strategies. In encouraging better saving practices and financial inclusion, the findings are intended to serve as a guidance for financial institutions and policymakers.

Objectives Of The Study

1. To examine the savings patterns among middle-class families in suburban Coimbatore.
2. To identify the factors influencing their savings behavior.
3. To analyze the preferred savings instruments (such as bank accounts, gold, insurance, mutual funds, etc.).

Research Methodology

- **Research Design:** Descriptive Research
- **Area Of Study:** Coimbatore
- **Sampling Technique:** Simple Random Sampling
- **Data Collection:** Primary Data (**Sample Size:** 120 respondents)
- **Tools For Analysis:** Percentage Analysis, Ranking Analysis

Review Of Literature

Chitra Devi's(2012): This study focused on the influence of socio-economic variables on investment behavior among salaried and business individuals in Coimbatore. The research revealed that factors such as education, financial knowledge, and age significantly impacted investment decisions. Individuals with higher education levels and better financial awareness tended to explore diverse investment options. Similarly, age played a critical role, with younger individuals preferring low-risk options and older individuals investing based on long-term planning and retirement considerations.

Das and Kumar (2015): This study explored saving and investment behaviors in middle-class Indian households, aiming to determine whether these behaviors were tied to employment type or income. The findings indicated that saving habits were fairly consistent across employment types and monthly income levels. This suggests that savings are often driven by necessity and personal values rather than professional status. However, individuals' ability to invest was strongly influenced by income level, indicating that surplus funds are a prerequisite for investment decisions.

Burghate's (2018): This research focused on understanding the saving and investment behaviour of middle-income households, stressing the need to explore saving motives. The study argued that an individual's purpose for saving—whether for emergencies, education, or future investments—plays a pivotal role in choosing the saving instruments they use. By identifying these motives, financial institutions can develop more relevant and attractive saving products for the target population.

Kumawat's (2019): This literature review delved into the changing dynamics of saving preferences among small investors, noting a gradual shift from traditional methods to modern instruments. The study found that the rise in Gross Domestic Product (GDP) and overall economic development had a notable influence on investment behavior. With rising incomes and urbanization, more individuals began exploring investment options like mutual funds, SIPs, and real estate, departing from conventional saving habits.

Samue et al. (2024): This study analyzed the investment behavior of middle-class families in the Dakshina Kannada district. It emphasized the role of demographic attributes like age, education, occupation, and family size in shaping investment decisions. These factors were found to influence not only the amount saved but also the level of risk individuals were willing to take. The findings suggested that people with higher education levels and smaller family sizes were more open to investing in equity markets and mutual funds.

Analysis And Interpretation

Section A: Percentage Analysis

Table No: 1 Primary Purpose For Saving

Method	Usage Percentage (%)	Responses (out of 120)
Leisure activities	34	28.33
Future investments	32	26.67

Emergency needs	29	24.17
Education	25	20.83
Total	120	100

Source: Primary Data

The above data shows that 28.33% of the respondents choose Leisure activities as primary purpose for savings, 26.67% of the respondents choose Future investments as primary purpose for savings, 24.17% of the respondents choose Emergency needs as primary purpose for savings, 20.83% of the respondents choose Education as primary purpose for savings.

Table No: 2 Preferred Saving Medium

Method	Usage Percentage (%)	Responses (out of 120)
Cash at home	42	35.0
Fixed deposits	35	29.17
Bank savings account	23	19.17
Digital wallets (e.g., Google Pay, Paytm)	20	16.67
Total	120	100

Source: Primary Data

The above data shows that 35% of the respondents choose Cash at home as preferred saving medium, 29.17% of the respondents choose Fixed deposit as preferred saving medium, 19.17% of the respondents choose Bank savings account as preferred saving medium, 16.67% of the respondents choose Digital wallets (e.g., Google Pay, Paytm) as preferred saving medium.

Table No: 3 Primary Influences On Savings Behavior

Response	No. of Respondents	Percentage (%)
Financial knowledge	37	30.83
Social media/Financial content	32	26.67
Peer influence	26	21.67
Family guidance	25	20.83
Total	120	100.0

Source: Primary Data

Interpretation:
The above data shows that 35% of the respondents choose Cash at home as preferred saving medium, 29.17% of the respondents choose Fixed deposit as preferred saving medium, 19.17% of the respondents choose Bank savings account as preferred saving medium, 16.67% of the respondents choose Digital wallets (e.g., Google Pay, Paytm) as preferred saving medium.

Section B: Chi Square Analysis

Variable 1	Variable 2	Chi-Square Value	Degrees of Freedom	p-Value	Interpretation
Gender	Plan	173.14	6	0	There is a statistically significant association between Gender and Plan. This means that the distribution of Plan varies depending on Gender.
Age	Saving_Frequency	303.12	12	0	There is a statistically significant association between Age and Saving_Frequency. This means that the distribution of Saving_Frequency varies depending on Age.
Education	Medium	250.75	12	0	There is a statistically significant association between Education and Medium. This means that the distribution of Medium varies depending on Education.
Occupation	Purpose	246.24	12	0	There is a statistically significant association between Occupation and Purpose. This means that the distribution of Purpose varies depending on Occupation.
Income	Barrier	248.68	12	0	There is a statistically significant association between Income and Barrier. This means that the distribution of Barrier varies depending on Income.

Findings
The above data shows that 35% of the respondents choose Cash at home as preferred saving medium, 29.17% of the respondents choose Fixed deposit as preferred saving medium, 19.17% of the respondents choose Bank savings account as preferred saving medium, 16.67% of the respondents choose Digital wallets (e.g., Google Pay, Paytm) as preferred saving medium. The above data shows that 35% of the respondents choose Cash at home as preferred saving medium, 29.17% of the respondents choose Fixed deposit as preferred saving medium, 19.17% of the respondents choose Bank savings account as preferred saving medium, 16.67% of the respondents choose Digital wallets (e.g., Google Pay, Paytm) as preferred saving medium. The above data shows that 35% of the respondents choose Cash at home as preferred saving medium, 29.17% of the respondents choose Fixed deposit as preferred saving medium, 19.17% of the respondents choose Bank savings account as preferred saving medium, 16.67% of the respondents choose Digital wallets (e.g., Google Pay, Paytm) as preferred saving medium.

CONCLUSION
This study explored the savings behavior of middle-class families in the suburban areas of Coimbatore, based on demographic and socio-economic parameters. The data collected revealed a strong inclination toward weekly savings and informal saving methods like storing cash at home. Statistically significant associations were found between demographic variables and saving-related behaviors and challenges. Additionally, occupation plays a crucial role in influencing the monthly saving capacity of individuals. The findings underline the need for focused financial literacy programs, occupation-based financial planning support, and a shift toward formal and digital saving channels. Promoting structured savings habits and addressing the specific barriers faced by different demographic groups will help improve financial resilience among suburban middle-class families.

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