



## Participation Of Working Women in Household Budgeting And Expenditure

### KEYWORDS

Household budgeting; working women; Pattern of saving; Expenditure pattern

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### ABSTRACT

The present study was conducted in Bihar with an effort to analyze participation of working women in household budgeting and expenditure. The ex post facto research design was used for the study. Total three hundred working women randomly selected for the purpose from Patna town. A survey schedule was developed for the collection of data based on pre-testing. To analyze the participation of working women in household budgeting and expenditure the schedule was developed in terms of investigating their pattern of monthly saving, expenditure pattern, mode of spending, income-expenses relation and how do they plan for big purchases. Overall participation of working women in household budgeting and expenditure were measured on the basis of Score obtained by the respondents. Findings suggest that more than half of the respondents (54.7%) exhibit higher participation in activities of household budgeting and expenditure followed by 45.3 per cent of the respondents who were in the medium participation group.

### INTRODUCTION

Mostly women save money for future needs but the approach is to save surplus money without preparing household budgets, without prioritizing personal financial goals, without properly allocating investments in different asset classes and without understanding the real rate of return (after adjusting for inflation). Center For Work- Life Policy (2010) in their study stated that women constitute one third of the total forty eight crore job holder in India and estimated that each year 5.5 million educated women enter the workforce. Such working women class needs proper income management to strengthen their status in society besides being only income earning person of the family.

India is among the world's most efficient financial markets in terms of technology, regulation and systems. It also has one of the highest savings rate in the world - our gross household savings rate, which averaged 19 per cent of gross domestic product (GDP) between 1996-97 and 1999-2000, increased to about 23 per cent in 2003-04 and has been growing ever since According to the annual Macro-economic and Monetary Developments report released by the Reserve Bank, household savings declined from a high 25.2 per cent in 2009-10 to 22.3 per cent in 2011-12. It had stood at 23.5 per cent in 2010-11. And it is estimated to be 24.4 for 2014-15. While people in India prefer to save, where the savings are invested is a cause for concern. Investments by households have been more into either bank fixed deposits, risk free government-backed securities and low-yielding instruments, or in non-financial assets. A majority of our households do not use modern financial markets. As per an RBI report, only 1.4 per cent of household savings was invested in equity, mutual funds and debentures in 2003-04. Though this went up to about 4 per cent in 2005-06, it is still very small. Unless the common person becomes a wiser investor and is protected from wrong doings, wealth creation for the investor and the economy will remain a distant dream. We need to convert a country of savers into a nation of investors. Keeping this in view the present study was carried with the objective; -

1. To study the socio-economic profile of the respondents.
2. To study the women's involvement in household budgeting and expenditure.

A Null Hypothesis was formulated;-

$H_0$  Participation of working women in household budgeting and expenditure would be minimal.

### Methodology

The 'Ex-post facto' research design was followed in the investigation. Sample size of three hundred working women from different professions (teaching, banking, business, self employed, clerical, enterprises etc.) were selected randomly from the research area of Patna town. The data were collected through personal interview & mailed questionnaire and analyzed statistically for frequency & percentage. The challenges of household cash management under difficult circumstances with few resources to fall back on could be accentuated by the lack of skills or knowledge to make well-informed financial decisions.

In the present study to measure the involvement of working women in household budgeting expenditure a no. of research paper related to this were reviewed and based on that the most frequently used indicators were considered and a schedule was developed using six indicators viz. percentage of monthly salary saving, pattern of saving, expenditure pattern, mode of spending, income-expenses relation and how do they plan for big purchases. Their responses were recorded on three point continuum rated as 3, 2 and 1.

Again to know the overall involvement of working women in household budgeting and expenditure, the total scores obtained by the respondents were categorized into three level as Lower participation group ( 0-6 ), Medium participation group ( 6-12 ) and Higher participation group ( 12-18).

### RESEARCH Findings

### Socio-Economic profile of working women

The socio-economic background of selected working women was investigated with respect to their age, marital status, education, ownership of the house, Family type, size of family and Personal assets owned. The information has been presented in Table 1.

(Table 1 about here)

The pooled data from table 1 indicated that the majority of the respondents (64%) was of middle age group (36 -50 years) and married (86.3). The working women enjoyed nuclear family (95.3%) with majority, however, half of them (50%) having four to six members. Nearly 45.3 per cent of the respondents had their own house and 54.7 per cent reside in house on rent. The data revealed that more than half of the respondents (58.7%) had a higher education degree and about 20 per cent of them had obtained professional education. Again on the basis of the personal assets score forty five per cent of the respondents owned medium level of personal assets, thirty seven percent respondents owned lower level of personal assets while only 18 percent respondents belongs to a higher personal asset group.

### Women's Involvement In Household Budgeting And Expenditure

In the present study working women's involvement in household budgeting and expenditure was investigated into six aspects presented in Table 2

(Table 2 about here)

It is evident from Table 2 that more than half of the respondents (54%) were saving less than twenty percent of their monthly income while another 46 percent of the respondents were saving up to 20 to 50 percent of their monthly income. None of the respondent's saving was more than fifty percent. In terms of pattern of saving half of the respondents (50%) save whatever left after expenditure while 46 percent of the respondents save as per planned schedule and merely 4 percent of the respondents don't save regularly. Again 46.6 percent of the working women don't spend in a planned way while 33.3 percent of the working women follow a definite monthly expenditure pattern and rest 20 percent of the respondents carelessly plan big purchases.

Further it can be concluded that majority of the respondents (80%) were used to spend money in cash followed by 20 percent of the respondents who were making payment by both in cash as well as through Debit or Credit card. None of the respondents was found using credit card. In terms of Income – expenses relation most of the respondents (80%) expenditure was found well within their income while 20 per cent of the respondent's expenditure was nearly equal to their income. None of the respondent's expenditure exceeds their income. For big purchases more than half of the respondents (54%) rely on credit and loan, 33 percent rely on help from friends and relatives while nearly 13 per cent of the respondents were found to plan carefully and save the estimated amount before purchasing.

Overall involvement of the respondents in household budgeting and expenditure were assessed and presented in Fig.1

(Figure 1 about here)

On perusal of Fig.1 it can be concluded that more than half of the respondents (54.7%) exhibit higher participation in activities of household budgeting and expenditure followed by 45.3 per cent of the respondents who were in the medium participation group. None of the respondents were in the lower participation group so it can be concluded that working women were actively participating in their household budgeting and expenditure.

Therefore the null hypothesis (H0<sup>1</sup>) that Participation of working women in household budgeting and expenditure would be minimal is rejected.

### CONCLUSION

The socio economic profile study of the respondents revealed that the majority of the respondents was married, belongs to the nuclear family, having family members up to 4 to 6, obtained higher education and owned medium level of personal assets. The presented data also concluded that the participation of women in household budgeting and expenditure was maximum for higher participation groups. This finding was in conformity with the findings of Khan & Khan (2007) who also found that women as head of household, women's education, and ownership of assets, family size, household poverty, women's marital status (married women), women living in nuclear families and loan availed by the household had a positive effect on the contribution of women in their household budget. The study concluded that due to increase in the age of the woman, first of all the contribution increases and then decreases.

Higher participation in household budgeting also support the findings of Financial literacy foundation of Australian government (2008) which found that ninety one percent Women are highly confident in their ability to budget, but around a half say that they don't budget regularly. Women and men report similar attitudes and behaviors when it comes to saving, but women (52%) are more likely to say they save before they spend. The result is in conformity with findings of Center for work- life policy (2010) which stated that forty five per cent of the total forty eight crore job holders women in India actively participate in their family expenditure.

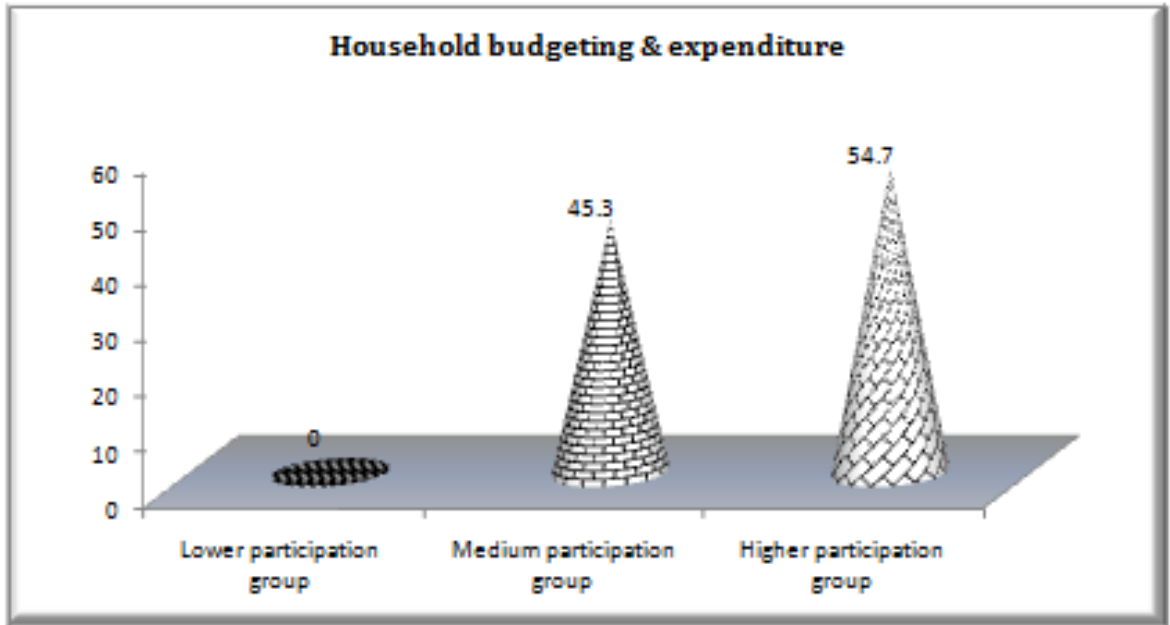
**TABLE 1**  
**SOCIO-ECONOMIC PROFILE OF THE WORKING WOMEN**

Variable	Category	Percentage
Age	Young (Up to 35 yrs.)	22.0
	Middle (36-50 yrs.)	64.0
	Old (Above 50 yrs.)	14.0
Marital status	Unmarried	9.0
	Married Widow	86.3 4.7
Ownership of house	Divorcee	0
	Rented Owned	54.7 45.3
Family type	Nuclear	95.3
	Joint	4.7
Family size	Small (1 to 3 members)	36.0
	Medium (4 to 6 members)	50.0
	Large (7 to 9 members)	14.0
Education	Illiterate	0
	Primary (up to 5th std.)	0
	Middle school (up to 8th std.)	4.3
	High school (up to intermediate)	9.0
	Graduation & above	58.7
	Professional	28.0
Personal Assets	Lower PAG (personal asset group)	37.0
	Medium PAG (personal asset group)	45.0
	Higher PAG (personal asset group)	18.0

**TABLE 2**  
**WORKING WOMEN'S INVOLVEMENT IN HOUSEHOLD**  
**BUDGETING AND EXPENDITURE**

<b>Indicator</b>	<b>Category</b>	<b>Frequency (n=300)</b>	<b>Percentage</b>
<b>Percentage of monthly salary saving</b>	Less than 20 %	162	54.0
	20 to 50 %	138	46.0
	Above 50 %	0	0.0
<b>Pattern of saving</b>	As per plan schedule	138	46.0
	Whatever left	150	50.0
	Don't save regularly	12	4.0
<b>Expenditure pattern</b>	Definite monthly expenditure pattern	100	33.3
	Carefully plan big purchases	60	20
	Don't spend in a planned way	140	46.6
<b>Mode of spending</b>	Always in cash	240	80
	Cash as well as credit/debit card	60	20
	Mostly on credit card	0	0
<b>Income – expenses relation</b>	Expenses well within income	240	80
	Expenses nearly equal to income	60	20
	Expenses exceed income	0	0
<b>For big purchases</b>	Save before buying	39	13.0
	Rely on credit/loans	162	54.0
	Rely on help from friends/relatives	99	33.0

**FIGURE 1**  
**FREQUENCY DISTRIBUTION OF THE RESPONDENTS AS PER THEIR PARTICIPATION IN HOUSEHOLD BUDGETING AND EXPENDITURE**

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