

A Study of Saving, Spending and Investment Behaviour in Transitional Millennials Dink Vs Non-DINK Couples

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Abstract—India has a huge population of Millennials. With rapid urbanization we witness a change in family structure in current times majorly among millennials. As millennials transition through different phases of life including career growth, marriage and parenthood. These factors impact their saving, spending and investment behaviour. The paper is a comparative study of saving, spending and investment of two subgroups of the Millennial population- the DINK's and the Non-DINK's, between the age group of 29-35 years (referred as Transitional Millennials) in this paper. Researching on this contemporary topic will enhance the understanding on future patterns in saving, spending and investment behaviour. The significance of study is that financial approach of both the groups have an impact on economy. Therefore, for the present study survey method was found fit for data collection. The sampling technique used is convenient sampling. To draw inferences from the data collected independent t-test was run. The findings of the study exhibit significant observations such as DINK couples exhibit very different financial behaviour compared to Non-DINK couples. DINK couples save significantly more compared to Non-DINK couples, they (DINK) have high risk appetite compared to Non-DINK's and they spend more on discretionary items compared to Non-DINK couples. This study is useful for financial planners, investment consultants, policymakers and businesses so that they can offer tailor-made customized products to cater to the needs of both the segments.

Index Terms—DINK's, Non-DINK's, millennials, saving, spending and investment behaviour.

I. INTRODUCTION

With increasing urbanization, we also observe a demographic pattern which is an increase in the DINK and Non-DINK couples (Ministry of Statistics and Programme Implementation, 2020). Researching on

this area will provide us with an opportunity to understand about future quality of life and spending and investment patterns. India has a huge population of Millennials and therefore the researcher attempts to conduct a comparative study of saving, spending and investment behaviour differ in transitional Millennials in the two subgroup DINK vs Non-DINK couples. Millennials are the generation of people born between 1981-1996. This generation is also known as Generation Y. This generation is mainly characterized by tech savviness, open mindedness and their non-traditional career choices. The study of two subgroups of Millennials DINK VS Non-DINK is to understand whether they differ in their approach towards saving, spending and investment due to absence and presence of kids. The DINK couples' concept has gained popularity in recent times. The secondary data suggests, these couples like to spend their money on travel experiences, luxury dining, vacations, entertainment like concerts, movies etc., they don't wish to have kids by choice and want to enjoy the benefit of double income in single household. Their risk appetite is also high in terms of investment on the other hand, Non-DINK couples (couples with kids) tend to save more towards their children's future. They focus on long term stability and are conservative in their investment options. The comparative study is important for several reasons it tries to give an understanding about how financial behaviour changes with transition in life stages. It may help financial advisors, professional consultants, policymakers to create tailor made products for both the groups of people. It will lead to better financial planning. This comparative will enable in enhancing the understanding on differences in the financial behaviour. This study attempts to provide valuable

insights helpful for policymakers, financial planners and finance consultants to make better tailor-made products for both the groups.

II. Literature Review

According to (Hargunani, Vernekar and Vernekar, 2024), Non-DINK couples are conservative in their savings. Their savings is future oriented for their child's healthcare, education and marriage. Conversely (George, 2023) in his paper highlighted DINK couples save more for enjoying a lavish lifestyle such as luxury dining, vacations etc. While the paper shows some disadvantages such as lack of family support in old age. According to (Hargunani, Vernekar and Vernekar, 2024) (2), Non-DINK couples prioritize spending on essential daily needs over discretionary spending on leisure activities. Consumer financial Bureau (2023) showed that parent couples allocate significant percentage to specific districts schools or seeking larger homes and showing more disciplined and predictable spending patterns compared to DINK couples who are flexible in their discretionary spending. Conversely DINK couples spend huge amount of money on vacations, luxury items, fine dining etc. According to (George, 2023) (2), these couples contribute to consumer segments like adult only vacations. DINK have high risk tolerance, they invest in mutual funds, crypto and equities. (Pew Research,2022).

According to an Investopedia article DINK couples invest more compared to Non-DINK couples or people who are single as the money they could have spent on children they invest it in investment alternatives or stock market. According to Harris Poll survey 88% DINKs agree that not having children, they have more disposable income which they can invest for their partners and themselves. In DINK couples, financial goals are oriented towards achieving career goals, improving lifestyle and early retirement. The absence of child related expenses allows flexibility in fulfilling personal desires. In Non-DINK couples all financial planning revolves around their children's needs education and a comfortable life. This leads to a proper budget and high financial awareness.

The study of Mumbai city couples shows that Non-DINK couples prefer investing in investment options that provide long-term security, indicating a risk-averse attitude (Hargunani et al., 2024). Similarly, a

2024 survey conducted by Market Watch Guides show that DINK couples have lower level of financial stress compared to parent couples. This is due to the reason of few financial responsibilities and more disposable income.

According to, the Adviser Magazine (2024), the high costs related to children including- healthcare, education and childcare reduces the family's ability to save. DINK's might show less financial behaviour in some specific areas. For example, only 39% of the DINK couples revise their financial plans annually, in comparison with 50% of parent couples. Moreover approx. 60% DINK couples stick to a budget, whereas 70% of parent couples stick to strict budget. (New Payments Platform,2024). The OCBC Financial Wellness Index 2024, highlighted that half of the DINK couples have not started making plans for retirement compared to half of the parent couples (50%). Additionally, DINK couples without a retirement plan, half of them showed no intentions to start it within next one year. (Asian Banking and Finance, 2024). DINK couples are more likely to start their own business and about 25% are most likely to pursue higher education in contrast with parent couples. Additionally,52% show greater flexibility in their work schedules, and about 63% people experience high job satisfaction. (Linder, 2024).

III. RESEARCH GAP

The following research gaps could be identified from the literature review undertaken

- Limited Comparative study available on Millennial population- the existing literature either gives idea about finances of DINK couples or couples with kids.
- Most of the present studies are of other countries like UK, the USA. But very less studies are conducted with context to India.

IV. RESEARCH QUESTIONS

- Do DINK vs Non-DINK couples differ in their saving habits?
- How does having children affects discretionary spending among DINK versus Non-DINK couples?

- Do DINK and Non-DINKs differ in their risk-taking capacity in context to investment decisions?

V. RESEARCH METHODOLOGY

The research methodology for the present study uses quantitative research design. The data was collected through survey method, using structured questionnaire containing 18 questions including demographic details, questions on saving patterns, spending patterns and investment patterns. For the purpose of data collection convenient data sampling method was used. Data was collected from people of age group between 29-35 years of two sub-groups of Millennial generation- the DINK and the Non-DINK's. The Variables in the present study were as follows;

Independent Variable (IV)- there are 2 Independent Variables in this study-

DINK couples Double Income No Kids/ Dual Income no Kids. NON-DINK couples- in this context stands for double income with kids couples.

Dependent Variables (DV)- There are 3 Dependent Variables in this study-

Saving behaviour, Spending Behaviour, and Investment behaviour.

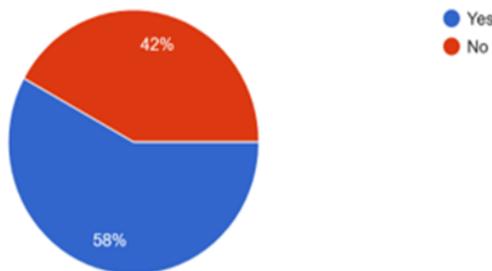
Control Variables- There are 3 control variables in the study-

Educational Qualification, Age and Income- the combined annual income of the couple.

VI. DATA ANALYSIS

6.1 Descriptive Statistics

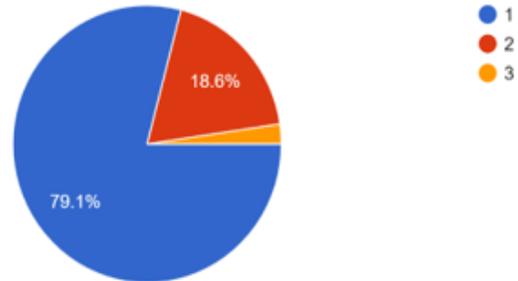
Fig 1: Percentage of DINK and Non-DINK couples as respondents



Source: Primary data

Majority of the respondents are DINK couples (58%) and Non-DINKs constitute 42% of the total sample population.

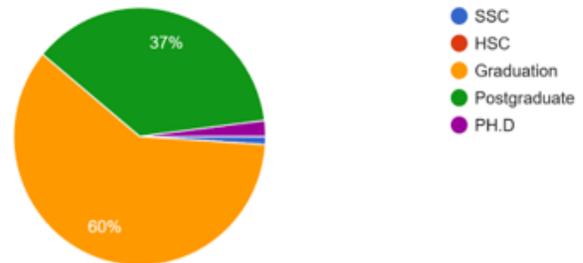
Fig 2: Percentage of Non-DINK couples with children



Source: Primary data

Among the 43 Non-DINK respondents 79.1% (34) people have only 1 kid whereas, 18.6% (8) people have 2 kids followed by 2.3% (1) respondent having 3 kids

Fig 3: Educational qualification of respondents



Source: Primary data

6.2 Inferential Statistics

- Research question 1: Do DINK vs NON-DINK couples differ in their saving habits?

H_0 - There is no difference in savings of DINK couples compared to Non-DINK couples.

H_1 - DINK couples save more compared to Non-DINK couples.

Independent Samples T-Test

Independent Samples T-Test

		Statistic	df	P
Saving percentage	Student's t	11.1*	98.0	<.001

Note. $H_a: \mu_{DINK} \neq \mu_{Non-DINK}$

* Levene's test is significant ($p < .05$), suggesting a violation of the assumption of equal variances.

Normality Test (Shapiro-Wilk)

	W	P
saving percentage	0.942	0.002

Note. A low p-value suggests a violation of the assumption of normality

Source: Primary data

This was tested using independent t-test. The t test results indicate the following observations

- The t-test statistics value 11.1 shows big difference between the two group means.
- The p value <0.001 is highly significant.
- In this case, the researcher rejects the null hypothesis and accepts the alternative hypothesis.
- DINK couples save more compared to Non-DINK couples

Research question 2: How does having children affects discretionary spending among DINK versus Non-DINK couples?

Independent Samples T-Test

Independent Samples T-Test

		Statistic	df	p
avg discretionary expenses	Student's t	9.22	98.0	<.001

Note. $H_a: \mu_{DINK} \neq \mu_{Non-DINK}$

Assumptions

Normality Test (Shapiro-Wilk)

	W	P
avg discretionary expenses	0.957	0.002

Note. A low p-value suggests a violation of the assumption of normality

Source: Primary data

This was tested using independent t-test. The t test results indicate the following observations
The p value 0.002 shows that data significantly diverges from normal distribution.

- The t-test statistics value 9.22 shows big difference between the two group means.
- The p value <0.001 is highly significant.
- In this case, the researcher rejects the null hypothesis and accepts the alternative hypothesis.
- DINK couples have a high average score in their discretionary spending

Research question 3: Do DINK and Non-DINKs differ in their risk-taking capacity in context to investment decisions.

(H0)- There is no significant difference in the risk appetite of DINK couple's vs Non-DINK couples.

(H1)- DINK couples have a high risk appetite compared to Non-DINK couples.

Independent Samples T-Test

Independent Samples T-Test

		Statistic	Df	P
risk appetite	Student's t	-6.40	98.0	<.001

Note. $H_a: \mu_{Non-DINK} \neq \mu_{DINK}$

Source: Primary data

The t test results indicate the following observations

- The p-value is less than 0.001 which is below the alpha level of 0.005.
- Therefore, the researcher rejects the null hypothesis (H0) and accepts the alternative hypothesis (H1).
- The negative value of t- test means that mean of Non-DINK couple is less than DINK couples.
- Thus, the findings indicate that DINK couples have a high risk appetite compared to Non-DINK couples.

VII. CONCLUSION

The paper is a comparative study of saving, spending and investment of two subgroups of the Millennial population- the DINK's and the Non-DINK's, between the age group of 29-35 years (referred as Transitional

Millennials) in this paper. The study shows sharp differences in the saving, spending and investment behaviour due to presence and absence of child-related expenses. The findings of the test indicate that DINK couples are able to save more compared to Non-DINK couples due to absence of child-related expenses, they have flexibility in their spending pattern and also display high risk appetite compared to Non-DINK couples. Non-DINK couples prioritize saving for their child's future and prefer to spend less on discretionary items and invest in assets that provide long term security. In contrast DINK couples show a complete opposite behaviour. They save less money and are inclined towards spending on experiences like travel, luxury items, entertainment (movies and concerts), dine-outs etc.

VIII. IMPLICATIONS OF THE STUDY

- **Better financial planning:** This comparative study helps us to understand the differences in the financial behaviour of DINK's and Non-DINK's. This study helps to provide valuable insights helpful for policymakers, financial planners and finance consultants to make better tailor-made products for both the groups.
- **Economic Impact:** the study attempts to understand the impact that DINK and Non-DINK's have on the economy. It helps to identify consumer trends in the economy. DINK's couples like to spend their money on- luxury items like- expensive watch, bags clothes or jewellery, luxury dining experiences, vacations etc. while Non-DINK couples spend more money on essential items- education of children, their needs etc. Identifying these patterns helps different industries to make customized products for both the groups of people.
- **Consumer behaviour:** this study also helps various businesses to understand people's approach towards spending and help various brands to design their products/ services to cater to the needs of both the groups separately.

IX. LIMITATIONS OF THE STUDY

The Comparison of DINK with NON-DINK couples might not consider differences in income level or employment stability. Financial behaviour might change as Millennial's age will increase beyond 29-35

years of age. The current economic condition- inflation, increasing interest rate impact financial behaviour. The findings might not be applicable if there is any change in the economic condition.

X. SCOPE FOR FUTURE RESEARCH

- The present study tries to understand the financial behaviour of a specific age group- 29-35 years only. Future studies may take a little broader age group. It can help understand the implications on older age groups
- This study only studies factors like income and presence and absence of child and its impact on the financial behaviour of both the groups. Further studies may include points like inflation, impact of culture on saving and investment behaviour as well.
- This study is limited to major metro cities in India. Similar study could be done on PAN India basis or a comparison between two countries.

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