

Spending & Saving habits of Youth in Maharashtra.

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Abstract—Background: Understanding the financial behaviour of youth is critical for economic development and individual financial well-being. With India's demographic dividend and Maharashtra's position as an economic powerhouse, examining the saving and spending habits of young adults aged 18-30 years provides valuable insights for policymakers, financial institutions and educators.

Objective: The Objective of the research is to comprehensively analyse the saving and spending habits, consumption behaviour, and financial literacy of youth aged 18–30 in Maharashtra

Methods: This research employs a descriptive cross-sectional survey design for Maharashtra. A multi-stage stratified random sampling technique will be used to ensure representation across urban and rural areas, educational backgrounds, and employment status. Data will be collected through a structured questionnaire measuring demographic characteristics, income sources, saving behaviour, spending patterns, financial literacy, and behavioural factors. Statistical analyses including descriptive statistics, correlation analysis, regression analysis and structural equation modelling will be employed.

Expected Outcomes: The study is expected to reveal patterns in saving and spending behavior, identify key determinants of financial behaviour, assess financial literacy levels, and provide evidence-based recommendations for financial education programs and policy interventions targeting youth in Maharashtra.

Index Terms—Youth financial behaviour, saving habits, spending patterns, financial literacy, Maharashtra, India, young adults, financial well-being.

I. INTRODUCTION

1.1 Background and Context

India stands at a unique demographic juncture, with approximately 65% of its population below the age of 35 years, representing one of the world's largest youth populations. This demographic dividend presents both opportunities and challenges for economic development and social progress. Maharashtra, as

India's second-most populous state and a major economic hub contributing approximately 14% to the national GDP, plays a pivotal role in shaping the financial landscape of young Indians. The age group of 18-30 years represents a critical life stage characterized by significant financial transitions. Young adults in this cohort typically experience their first employment, begin earning independent income, make initial investment decisions, and establish financial habits that often persist throughout their lives. Understanding the financial behavior of this demographic is essential for multiple stakeholders, including policymakers, financial institutions, educators, and the youth themselves.

Recent economic transformations in India, including digital payment adoption, fintech proliferation, and changing employment patterns, have fundamentally altered how young people interact with money. The COVID-19 pandemic further accelerated these changes, impacting employment opportunities, income stability, and financial priorities among youth. In this dynamic context, examining the saving and spending habits of Maharashtra's youth provides crucial insights into their financial well-being and future economic prospects.

1.2 Significance of the Study

This study holds significance for several reasons. First, financial behavior established during young adulthood significantly influences long-term financial well-being and wealth accumulation. Research indicates that young adults with savings accounts are more likely to accumulate diverse assets and achieve financial stability in later life. Understanding current patterns can inform interventions to promote healthy financial habits. Second, financial literacy among Indian youth remains a concern despite increasing educational attainment. Studies have documented gaps in financial knowledge, with working young adults in urban India

showing varied levels of financial literacy across different dimensions. Maharashtra, with its diverse urban-rural landscape and educational institutions, provides an ideal setting to examine these variations. Third, the findings can inform policy interventions and financial education programs. Evidence suggests that financial literacy significantly impacts investment decisions, savings behavior, and overall financial management among young adults. Tailored programs based on empirical evidence can enhance financial capability and promote economic participation among youth. Fourth, this research addresses the specific context of Maharashtra, where limited systematic studies have examined youth financial behavior comprehensively. While studies have explored financial literacy in Pune and investment patterns in Mumbai a broader state-level investigation encompassing diverse demographic segments is needed.

II. LITERATURE REVIEW

2.1 Financial Behavior of Youth: Global Perspectives

Financial behavior among young adults aged 18-30 has garnered significant research attention globally. Rutherford et al. (2010) assessed financial wellness among young adults in this age group, finding that only 47% met liquidity ratio guidelines and 35% met asset allocation ratios. Financial wellness was found to depend on credit management, healthcare coverage, financial satisfaction, spending behavior, planning horizon, and attitude toward financial risk. This multidimensional perspective highlights the complexity of youth financial well-being. The role of personality traits in financial outcomes has been established, with conscientiousness and financial literacy consistently predicting asset accumulation among young Americans (2014). A one-standard-deviation increase in conscientiousness correlated with a 40% increase in net worth, demonstrating the importance of behavioral factors beyond knowledge alone. Young adults face substantial challenges, including high student loan debt and unemployment, which impact their financial trajectories.

Financial literacy has emerged as a critical determinant of financial behavior across contexts. Paul et al. [3] found that financial literacy strongly influences Generation Z and Millennials' expenditure,

saving, and investment behavior, explaining 79.9% of the variance. Higher financial literacy correlates with sound financial decisions, while behavioral biases show insignificant influence among financially literate individuals. This underscores the protective effect of financial education. The transition to financial independence presents significant challenges for emerging adults. Fresh graduates face financial struggles including debt, budgeting issues, and difficulties with savings, leading to rising youth bankruptcy rates. Many are unprepared for financial independence, highlighting the need for early financial literacy interventions and comprehensive personal finance education.

Savings behavior established in adolescence predicts financial outcomes in young adulthood. Friedline et al. (2011) found that young adults with savings accounts as adolescents are more likely to maintain savings accounts later, with academic achievement and future orientation serving as significant predictors. This suggests the importance of early financial inclusion and education.

2.2 Financial Literacy and Youth in India

Financial literacy among Indian youth has been extensively studied, revealing both strengths and areas for improvement. Agarwalla et al. (2013) conducted comprehensive investigations of financial literacy among working young adults in urban India across six cities. Their research found that 68% of employed youth exhibited positive financial behavior, with 90% strongly inclined to assess affordability before purchases and 66% avoiding borrowing by using savings during financial difficulties. Notably, all respondents saved some money in the past 12 months, demonstrating a strong savings orientation.

However, the study also revealed significant variations based on socio-demographic factors. Gender emerged as a significant determinant, with women showing inferior financial behavior compared to men. Education played a crucial role, with absence of college education negatively impacting desirable financial behavior. Family income also influenced behavior, with movement from the lowest to middle income levels positively affecting financial practices. Importantly, India-specific factors such as joint-family structures and consultative decision-making processes

significantly influenced financial literacy dimensions (2015). Financial literacy varies significantly across educational streams and age groups. Research indicates that respondents in Business/Management/Commerce/Law streams exhibit more saving-oriented financial behavior compared to those from other streams (2022). Young people in the 15-19 age group and students in Class 5-9 and Class 10-12 appear to possess greater financial knowledge, suggesting that targeted education during these formative years could be particularly effective. The relationship between financial literacy and financial behavior is mediated by attitudes and confidence. Vaghela et al. (2023) found that university students in Gujarat demonstrated high financial literacy scores averaging 70%, with high literacy correlating with positive financial attitudes and more desirable financial behavior. This interrelationship between literacy, attitude, and behavior highlights the need for holistic financial education approaches.

2.3 Saving Patterns Among Indian Youth

Saving behavior among Indian youth reveals diverse patterns influenced by multiple factors. Shankar et al. (2022) examined Generation Z's financial well-being using structural equation modeling with 271 university students. They found that 98% of respondents held bank accounts, with 59.4% regularly managing them. Regarding savings, 43.9% saved when they had enough money, 30.3% saved the same amount each month, and 32.1% saved for the long term regularly. Only 38.7% had investment experience, indicating a gap between saving and investing behavior.

Investment patterns among youth show preference for safety and security. Saikia (2018) found that saving accounts in banks are the most common way of saving and investing among college-going students in Mumbai. Mutual funds, particularly through Systematic Investment Plans (SIP), are favored by young investors, especially the salaried class. However, youngsters need guidance on active investing despite awareness of available options. Lodaya et al. (2020) revealed concerning trends in Mumbai youth's saving behavior. Only about 23% of youth save monthly, with 69.59% saving up to Rs. 5000. Over 60% of youth do not invest, with 48.97% never investing. The primary reasons cited were preferring cash in hand (39.46%) and lack of

knowledge (34.96%). Financial literacy levels were found to be low, with 78.72% facing problems investing, primarily due to lack of awareness (28.93%) and fear of losses (29.75%).

Generation Z's saving habits differ significantly across gender, age, and family income, with increasing reliance on their own earnings for financial independence (2023). Their investments are largely influenced by higher saving proportions and family members' investing experience. Gen Z invests long-term in assets like equity shares, mutual funds, fixed deposits, and gold/silver, with influencing factors including rate of return, long-term gains, and historical performance.

2.4 Spending Behavior and Consumption Patterns

Spending behavior among youth is influenced by multiple factors including financial literacy, peer pressure, and digital platforms. Research on high school students in Hyderabad found that higher financial literacy was linked to slightly lower impulse buying and more frequent money-related conversations with parents (2025). While influencer content is visible, teens reported being more influenced by peers and parents than social media influencers. Interestingly, fixed pocket money showed no significant link to reduced peer pressure or improved financial discipline. The adoption of digital payment platforms has transformed spending habits. Prajapati et al. (2025) studied college students in Ahmedabad, finding that trust, financial awareness, and spending behavior influence the adoption of digital payment apps. The prominence of tech-savvy youth in digital payment adoption highlights the changing landscape of financial transactions among young Indians.

Financial behavior is positively related to financial well-being among youth. Shankar et al. (2022) found that 42.1% of university students regularly keep expense records, demonstrating financial discipline. However, financial behavior positively influences financial well-being, while financial fragility negatively impacts it. Demographic characteristics such as gender, age, parental education, employment status, and monthly income significantly influence financial well-being.

Consumption patterns reflect both traditional values and modern influences. Bharucha et al. (2016) emphasized that keeping personal financial records is crucial for developing cautious spending habits. Young individuals must cultivate disciplined money management to save for future expenses like higher education, buying a house or car, and managing a family. This discipline in tracking expenses ensures financial prudence.

2.5 Factors Influencing Financial Behavior

Multiple factors influence financial behavior among youth, operating at individual, family, and societal levels. Parental influence emerges as one of the most significant determinants. Kaur et al. (2023) found that parents significantly influence children's financial attitudes and behavior, with students more likely to save if parents actively involve them in financial decisions. Chawla et al. (2022) confirmed that perceived parental financial behavior significantly impacts young adults' financial literacy, which in turn positively influences their investment behavior.

Financial socialization through family plays a crucial role in shaping financial management behavior. Utkarsh et al. (2020) examined the impact of financial socialization, financial literacy, and attitude towards money on financial well-being using a multi-state Indian student sample. The study highlighted financial socialization, financial literacy, and attitude towards money as key determinants of financial behavior and well-being. Educational background significantly influences financial literacy and behavior. Students in private schools demonstrate higher financial literacy (mean score 3.12) compared to government schools (mean score 2.65) (2023). Commerce students show more interest in finance (32.8%) than general management (27.8%), science (25.1%), and arts (14.4%) students. This suggests that both school type and academic stream shape financial knowledge and attitudes. Age impacts financial literacy and decision-making, with older students generally showing stronger financial attitudes (2023). Financial literacy itself is a crucial determinant, enabling better financial decisions and understanding of financial products. The study by Vaghela et al. (2023) demonstrated that high financial literacy leads to positive financial attitudes, which result in more desirable financial behavior.

Demographic factors including gender, education, and family income significantly influence financial behavior. Agarwalla et al. (2013) found that women show inferior financial behavior compared to men, absence of college education negatively impacts desirable behavior, and family income positively influences financial practices. Additionally, absence of financial planning and budgeting negatively affects financial behavior.

2.6 Financial Behavior Studies in Maharashtra

Maharashtra, particularly Mumbai and Pune, has been the focus of several studies on youth financial behavior. Kaur et al. (2023) examined financial literacy among high school students in Pune using both descriptive and inferential methods with 418 students and 95 parents. The study employed t-test, ANOVA, and regression analysis to examine hypotheses related to financial behavior and demographic factors, providing valuable insights into the Pune context. Mumbai-specific studies have explored investment patterns and saving behavior. Saikia et al. (2018) investigated investment patterns among college-going students aged 17-25 in Mumbai who had just begun to earn, focusing on income, saving patterns, financial goals, risk appetite, and investment preferences. Shaikh et al. (2022) examined the impact of investment strategy and patterns among young people in Mumbai, investigating their savings and investment habits, financial literacy, risk perception, and influencing factors.

Lodaya et al. (2020) studied saving and investment patterns of youth in Mumbai using a descriptive research design with 194 respondents aged 15-30. The study employed non-probability convenience sampling and collected data via Google Forms, analyzing patterns using descriptive statistics. The findings revealed low saving rates and investment participation, highlighting the need for financial education interventions. While these studies provide valuable insights into specific cities within Maharashtra, a comprehensive state-level investigation encompassing diverse geographic areas, educational backgrounds, and employment statuses remains limited. This study aims to fill this gap by providing a broader perspective on youth financial behavior across Maharashtra.

2.7 Research Gap

Despite growing interest in youth financial behavior, several gaps exist in the literature. Most Indian studies focus on specific cities, primarily Mumbai and metropolitan areas, with limited representation of smaller cities and rural youth. Additionally, while financial literacy has been extensively studied, the interplay between literacy, attitudes, actual saving and spending behavior, and contextual factors requires deeper investigation. Furthermore, existing research often examines saving or spending in isolation, without comprehensively analyzing the relationship between these behaviors and their determinants. The influence of emerging factors such as digital payment platforms, social media, peer influence, and changing family structures on youth financial behavior in the Indian context remains underexplored.

This study addresses these gaps by providing a comprehensive examination of saving and spending habits among youth across Maharashtra, incorporating multiple dimensions of financial behavior, literacy, and influencing factors within a theoretically grounded framework.

III. RESEARCH METHODOLOGY

3.1 Research Design

This study adopts a descriptive research design to examine the spending and saving habits of youth in Maharashtra. Descriptive research is appropriate for this study as it helps in systematically describing financial behaviour, saving patterns, and spending preferences among young individuals. The research focuses on understanding how demographic, income-related, and behavioural factors influence financial decisions.

3.2 Population of the Study

The population for this study consists of youth residing in Maharashtra between the ages of 18 and 30 years. This group includes students, employed individuals, self-employed individuals, and unemployed youth who actively participate in financial decision-making related to income, spending, and saving.

3.3 Sampling Technique

The study uses a stratified sampling technique to ensure representation from different demographic

groups. Respondents are categorized based on factors such as education level, employment status, and place of residence (urban and rural). This approach helps obtain a more balanced and representative sample of youth in Maharashtra.

3.4 Sample Size

The study targets 100 respondents from different parts of Maharashtra. The respondents are selected through online surveys to ensure participation from both students and working youth.

3.5 Data Collection Methods

A. Primary Data

Primary data is collected through a structured questionnaire designed to gather information about demographic characteristics, income sources, saving habits, spending patterns, and financial literacy levels of the respondents.

The questionnaire consists of five sections:

- Demographic information
- Income and sources of income
- Saving habits
- Spending patterns
- Financial literacy and financial attitudes

Most questions are in multiple-choice format and Likert scale format to make responses easier to analyze statistically.

B. Secondary Data

Secondary data is collected from various sources such as:

- Research journals
- Academic articles
- Government reports
- Financial literacy studies
- Books and online financial databases

These sources help in developing the literature review and theoretical background for the study.

3.6 Data Analysis Techniques

Primary data was collected through a structured questionnaire consisting of 20 questions covering demographic factors (age, gender, income) and spending and saving behavior of youth across Maharashtra. The collected responses were systematically organized, coded, and tabulated to ensure accuracy and ease of analysis. A quantitative

research approach was adopted to analyze the relationship between different categorical variables.

The Chi-Square Test of Independence was applied to examine whether there is a significant association between variables such as income, gender, and financial behavior.

Contingency tables were prepared, and observed frequencies were compared with expected frequencies to compute the Chi-Square statistic.

Based on the test results and level of significance, the null hypothesis was accepted or rejected, leading to meaningful conclusions about the spending and saving habits of youth in Maharashtra.

3.7 Limitations of the Study

The study has certain limitations:

- The research is limited to youth in Maharashtra, so results may not represent the entire country.
- The data is based on self-reported responses, which may sometimes include personal bias.
- The sample size may not fully represent the diverse financial behavior of all youth in the state.
- Time constraints and accessibility may limit the number of respondents.

3.8 Objective of the study

- This study aims to comprehensively investigate the saving and spending habits, financial literacy levels and factors influencing financial behaviour among youth aged 18-30 years in Maharashtra state, India.
- To examine the saving habits of youth aged 18–30 years in Maharashtra.
- To analyse the spending patterns and consumption behaviour among youth.

3.9 Hypothesis

- H0: Financial literacy has no significant impact on saving behaviour among youth in Maharashtra.
- H1: Financial literacy has a significant impact on saving behaviour among youth in Maharashtra

IV. DATA INTERPRETATION & ANALYSIS

4.1 Descriptive Analysis

Your Age?
100 responses

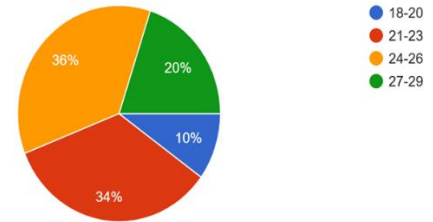


Figure: 4.1.1

Analyses: -

Most respondents are aged 21–26, with 24–26 (36%) and 21–23 (34%) forming the majority. The 27–29 group has moderate representation at 20%. Only 10% are aged 18–20, making it the least represented group.

Gender
100 responses

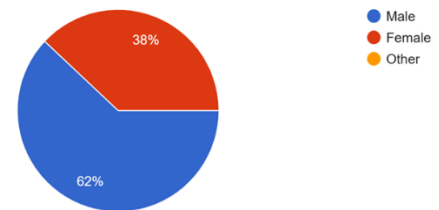


Figure: - 4.1.2

Analyses: -

The majority of respondents are male (62%), while 38% are female. There are no responses recorded under the “other” category. This shows a gender imbalance with male participants dominating the survey.

Education Level
100 responses

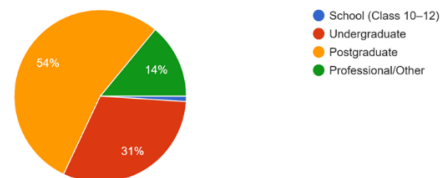


Figure: - 4.1.3

Analyses: -

The 54% of responded are Postgraduate, while 31% are Graduate.

Only 1% of responded are in School (Class 10-12)

This shows the Education level is very high of the respondents

Occupation Status?
100 responses

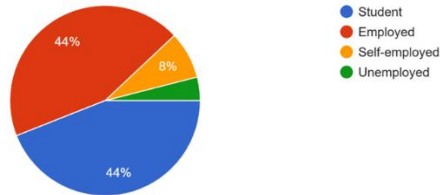


Figure: - 4.1.4

Analyses: -
Equal split: 44% students and 44% employed.
Indicates a mix of earning and dependent population, useful for comparative insights.

Residence
100 responses

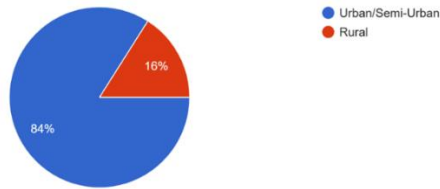


Figure: - 4.1.5

Analyses: -
84% urban/semi-urban, only 16% rural.
Results are more reflective of urban financial behaviour.

Average Monthly Income/Allowance
100 responses

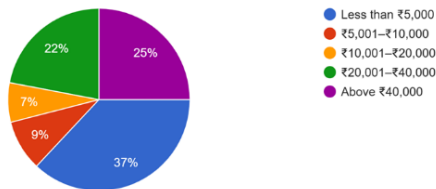


Figure: - 4.1.6

Analyses: -
Largest group (37%) earns below ₹5,000, indicating many students.
However, 25% earn above ₹40,000 → presence of financially independent youth.

Primary Source of Income
100 responses

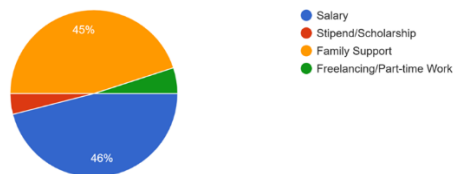


Figure: - 4.1.7

Analyses: -
Almost equal: Salary (46%) & Family Support (45%).
Shows dual dependency: self-earned + family-backed finances.

Do you manage your finances independently?
100 responses

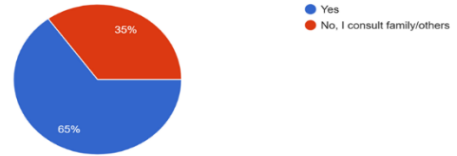


Figure: - 4.1.8

Analyses: -
65% manage finances independently.
Indicates growing financial responsibility among youth

Do you have a savings account/digital wallet?
100 responses

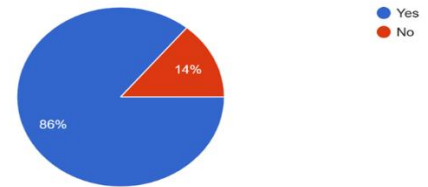


Figure: - 4.1.9

Analyses: -
86% have savings account/digital wallet → strong financial inclusion.

How often do you save money?
100 responses

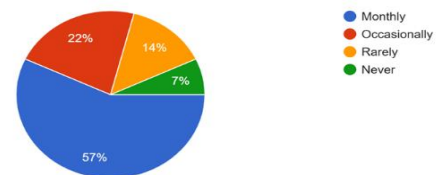


Figure: - 4.1.10

Analyses: -
57% save monthly, showing disciplined saving behaviour.
Only 7% never save → positive sign overall.

Approximate % of Income you save:
100 responses

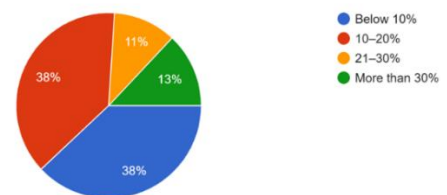


Figure: - 4.1.11

Analyses: -
Majority save below 20% (76%).
Indicates low saving capacity despite awareness.

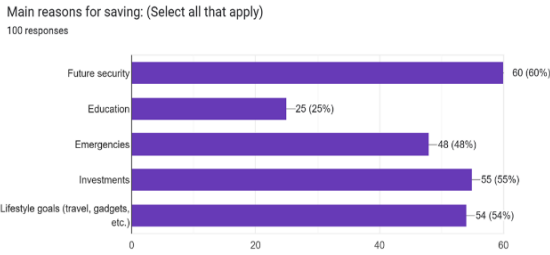


Figure: - 4.1.12

Analyses: -
Top reasons:

- Future security (60%)
- Investments (55%)
- Lifestyle goals (54%)
- Education is least priority (25%).

Shows future-oriented mindset but also lifestyle-driven savings

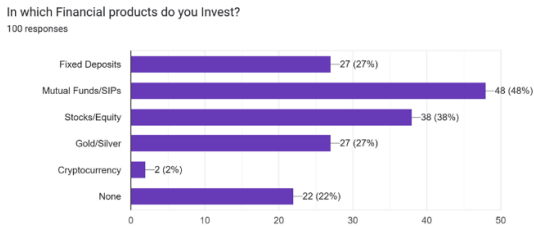


Figure: - 4.1.13

Analyses: -

- Most popular: Mutual Funds (48%)
- Followed by Stocks (38%)
- Very low crypto adoption (2%)

Indicates moderate risk-taking with preference for structured investments

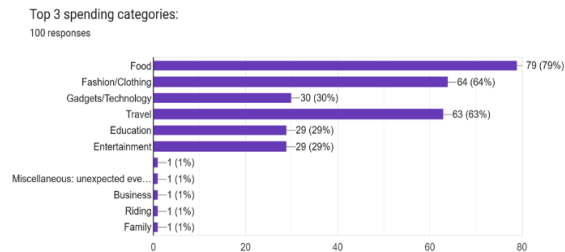


Figure: - 4.1.14

Analyses: -
Highest: Food (79%), Fashion (64%), Travel (63%)
Education & entertainment lower (~29%)

Youth spending is lifestyle-oriented rather than necessity-driven

Do you track monthly expenses?
100 responses

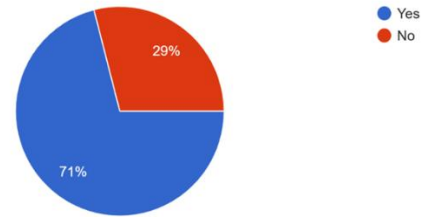


Figure: - 4.1.15

Analyses: -
71% track expenses
Indicates good financial discipline

What's the frequency of your Impulsive Purchase?
100 responses

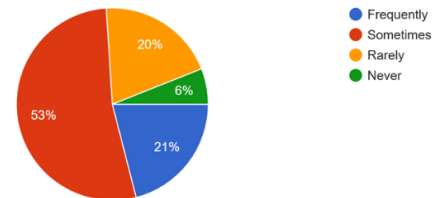


Figure: - 4.1.16

Analyses: -
53% sometimes, 21% frequently
Shows high tendency toward impulsive spending

Preferred mode of payment
100 responses

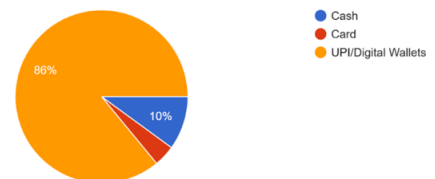


Figure: - 4.1.17

Analyses: -
86% prefer UPI/digital wallets
Very low use of cash/cards
Strong digital adoption among youth

Do peer pressure/social media influence your spending?
100 responses

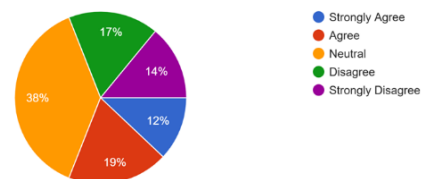


Figure: - 4.1.18

Analyses: -

Mixed response:

- 31% agree (influenced)
- 31% disagree
- 38% neutral

Influence exists but not dominant

Analyses: -

90% are at least somewhat confident

Only 10% not confident

Confidence is high, but may not match actual knowledge (gap)

Are you Confident in managing finances (budgeting, saving, investing)?
100 responses

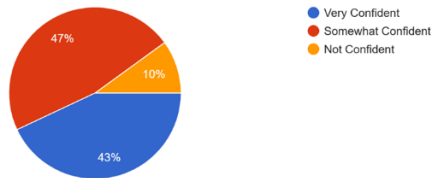


Figure: - 4.1.19

4.2 Data Table

Section A: Demographics			
AGE	18-20	10	10%
	21-23	34	34%
	24-26	36	36%
	27-29	20	20%
GENDER	Male	62	62%
	Female	38	38%
	Others	0	0%
EDUCATIONAL LEVEL	School	1	1%
	Undergraduate	31	31%
	Post Graduate	54	54%
	Professional/others	14	14%
OCCUPATION	Student	44	44%
	Employed	44	44%
	Self-Employed	8	8%
	Unemployed	4	4%
RESIDENCE	Urban/Semi-Urban	84	84%
	Rural	16	16%
Section B: Income & Sources			
Average Monthly Income/Allowance	Less than Rs.5,000	37	37%
	Rs.5,000 to Rs.10,001	9	9%
	Rs.10,000 to Rs.20,001	7	7%
	Rs.20,000 to Rs.40,001	22	22%
	Above Rs.40,000	25	25%
Primary Source of Income	Salary	46	46%
	Stipend/Scholarship	4	4%
	Family Support	45	45%
	Freelancing/ Part-time work	5	5%
Do you manage your finances independently?	Yes	65	65
	No, I consult Family/others	35	35
Section C: Saving Habits			
Do you have a savings account/digital wallet?	Yes	86	86%
	No	14	14%
How often do you save money?	Monthly	57	57%
	Occasionally	22	22%
	Rarely	14	14%
	Never	7	7%

Section D: Spending Patterns			
Approximate % of Income you save:	Below 10%	38	38%
	10-20%	38	38%
	21-30%	11	11%
	More than 30%	13	13%
What's the frequency of	Frequently	21	21%
	Professional/Other	Post Graduate	Under Graduate
Yes	11	32	22
No	3	22	10
Total	14	54	32
your Impulsive Purchase?	Sometimes	53	53%
	Rarely	20	20%
	Never	6	6%
Preferred mode of payment	Card	4	4%
	Cash	10	10%
	UPI/Digital Wallets	86	86%
Do peer pressure/social media influence spending?	Strongly Agree	12	12%
	Agree	19	19%
	Neutral	38	38%
	Disagree	17	17%
	Strongly Disagree	14	14%
Section E: Financial Literacy & Attitudes			
Have you attended a financial literacy program/course?	Yes	36	36%
	No	64	64%
Are you confident in managing finances (budgeting, saving, investing)?	Very Confident	43	43%
	Somewhat Confident	47	47%
	Not Confident	10	10%

4.3 Hypothesis Testing

Observed Frequency: -

Particular	Professional/Other	Postgraduate	Undergraduate	Total
Yes	11	32	22	65
No	3	22	10	35
Total	14	54	32	100

Expected Frequency: -

Particular	Professional/Other (A1)	Postgraduate (A2)	Undergraduate (A3)	Total
Yes (B1)	9.1	35.1	20.8	65
No (B2)	4.9	18.9	11.2	35
Total	14	54	32	100

Groups	Observed Frequency (O)	Expected Frequency (E)	(O-E)	(O-E) ^2	(O-E) ^2/E
A1B1	11	9.1	1.9	3.61	0.3967
A1B2	3	4.9	-1.9	3.61	0.7367
A2B1	32	35.1	-3.1	9.61	0.2738
A2B2	22	18.9	3.1	9.61	0.5085
A3B1	22	20.8	1.2	1.44	0.0692
A3B2	10	11.2	-1.2	1.44	0.1286
Total					2.1135

$$\begin{aligned} \text{Degree of Freedom} &= (2-1) * (3-1) \\ &= 1*2 \\ &= 2 \end{aligned}$$

For Chi-Square: If Calculated Value (C.V) i.e. 2.1135 < Table Value (T.V) 5.99 then accept the Null Hypothesis (Ho).

$$\text{Chi-Square} = 2.1135$$

This means we fail to reject the null hypothesis.

Why the Null Hypothesis is Accepted: -

1. Uniform Saving Orientation: Regardless of education level, most youth show a tendency to save something, but not in a way that differs significantly across groups. This suggests cultural or social norms (family influence, peer behaviour) may be stronger drivers than literacy.
2. Behavioural & Contextual Factors: The document highlights that saving/spending habits are shaped by family support, peer influence, digital payment adoption, and income levels. These factors dilute the direct impact of financial literacy.
3. Sample Characteristics: With 65% of respondents managing finances independently and 46% relying on salary, saving behaviour seems more linked to income stability than education or literacy.
4. Gap Between Literacy and Practice: Even financially literate youth may prefer liquidity (“cash in hand”) or avoid investing due to fear of losses. This weakens the link between literacy and actual saving behaviour.

The Chi-Square test result supports acceptance of the null hypothesis (H_0).

- Financial literacy, as measured by education level, does not significantly impact saving behaviour among youth in Maharashtra.
- Instead, saving behaviour appears to be influenced more by income levels, family support, cultural attitudes, and digital adoption trends than by literacy alone.

V. FINDINGS, SUGGESTION & CONCLUSION

5.1 Findings:

- Financial literacy does not significantly impact saving behavior- Chi-square results show no strong relationship between education level and saving habits, meaning other factors influence savings more.
- Youth show a positive saving habit but low saving percentage- Majority (57%) save monthly, but most save only below 20% of income, indicating limited financial planning.
- Income source and stability play a major role in saving - With 46% salary-based and 45% family-

supported income, saving behavior is more dependent on income stability than knowledge

- Digital payment adoption is extremely high among youth - Around 86% prefer UPI/digital wallets, showing a shift toward a cashless economy.
- Spending is highly driven by lifestyle and essentials - Major expenses include food (79%), fashion (64%), and travel (63%), reflecting lifestyle-oriented spending patterns.
- Impulse buying and weak financial discipline still exist - About 74% (frequently + sometimes) engage in impulsive purchases, indicating lack of budgeting control.

5.2 Suggestion:

- Increase financial literacy programs - Since 64% have not attended any financial literacy program, awareness initiatives should be expanded in colleges and workplaces.
- Promote disciplined saving habits - Youth should be encouraged to follow structured methods like 50-30-20 rule or SIP-based saving.
- Encourage investment over just saving - Many youths save but fewer invest financial institutions should promote mutual funds, SIPs, and long-term planning.
- Control impulsive spending behavior - Awareness on budgeting tools and expense tracking should be increased to reduce unnecessary spending.
- Strengthen financial independence among youth - Although 65% manage finances independently, guidance is needed to make better financial decisions without over-reliance on family.
- Leverage digital platforms for financial education - Since digital adoption is high, apps and fintech platforms can be used to teach saving, investing, and budgeting habits.

5.3 Conclusion

This study shows that youth in Maharashtra are slowly becoming more responsible with money. Most of them have savings accounts and try to save regularly, which is a good sign. However, the amount they save is still quite low, and many focus more on short-term needs rather than long-term financial planning. It’s also clear that while many young people are starting to manage their own finances, family support still plays a big role, especially for students. Income and job status also

affect how much and how often they save. A very important insight is that financial literacy really matters. Those who understand money better are more confident and consistent in saving.

Overall, youth are moving in the right direction, but they still need better financial awareness and guidance. With the right knowledge and habits, they can build a more secure and stable financial future.

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