

The Financial Life of Middle-Class Families: Income and Expenditure Patterns A Case Study of Krishnanagar

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Abstract - The first chapter covers the Background, overview of the research paper that is the financial life of middle-class families. This chapter deals with a brief discussion on the income and expenditure patterns of middle-class families. What is their income level, expenditure level and saving level. The study of income and expenditure of middle-class families is important because the middle class is a significant segment of society that is often the backbone of the economy. Understanding their spending habits and financial situation can provide valuable insights into the state of the economy and consumer behavior.

The Fourth chapter covers the presentation of data, analysis, and findings. We have used various tools to analyze the formulation of income and expenditure patterns of middle-class families. In order to better understand middle-class families' financial behaviour and decision-making processes, this research looks at their income, spending, and savings habits. The study is based on primary data that was gathered from 121 respondents using a standardised questionnaire. Important factors including income sources, spending patterns, savings practices, debt levels, financial literacy, and the usage of financial planning tools are all examined in this study. The data has been analysed using descriptive statistics and fundamental statistical techniques, such as the Chi-square test, t-test, and ANOVA. The results show that the majority of respondents are in the lower-middle income range and spend a sizable amount of their money on necessities like food and shelter. The total savings rate is still small even though most respondents say they have emergency funds. The study also shows that while gender has no effect on financial awareness, financial literacy is key in influencing saving and budgeting behaviours.

The Sixth and Seventh chapter covers the conclusions and recommendations. This chapter, ultimately, gives the conclusion of our research paper based on the findings and analysis, some recommendations, and suggestions. Additionally, the study finds that middle-class households confront a number of significant issues, including rising costs, a heavy debt load, and slow income growth. In order to improve middle-class families' financial stability, the study's conclusion highlights the necessity of increased financial literacy, better budgeting techniques, and efficient financial planning.

Keywords: *Financial Life, Middle-Class Family, Income, Expenditure Consumption Pattern, Savings Pattern, Economic Decision-Making.*

I. INTRODUCTION

The study of income and expenditure of middle-class families is important because the middle class is a significant segment of society that is often the backbone of the economy (Dustmann *et al.* 2022). Understanding their spending habits and financial situation can provide valuable insights into the state of the economy and consumer behavior.

The middle class typically includes households with incomes that fall within a certain range, although the exact definition can vary depending on the country and region (Leicht & Fitzgerald, 2022). In general, middle-class families have a comfortable standard of living, but they are not considered wealthy.

The study of income and expenditure of middle-class families can provide insights into how much disposable income they have, how much they spend on housing, transportation, food, and other expenses, and what their savings habits are like (Friedman, 2023). This information can help policymakers develop policies to support the middle class, such as tax policies or social programs that provide financial assistance.

Furthermore, the study can also be beneficial for businesses as it can help them understand the needs and preferences of middle-class consumers (Rhodes & Besbris, 2022). By understanding how much they are willing to spend on certain products and services, businesses can tailor their marketing strategies and product offerings accordingly.

Overall, the study of income and expenditure of middle-class families can provide valuable insights into consumer behavior and the economy, which can be useful for policymakers, businesses, and researchers (Hasanah, *et al.* 2022). The income and expenditure of middle-class families is a critical issue that has significant implications for economic growth, social welfare, and political stability. The

concept of the middle class is complex and can vary depending on the country, region, and even the city. However, middle-class families generally represent a group of people who have a moderate income, sufficient to meet their basic needs and some discretionary spending (Banks, 2024). The purpose of this conceptual framework is to provide a comprehensive understanding of the income and expenditure of middle-class families, including their sources of income, expenditure patterns, saving and debt levels, and the factors that influence their financial situation.

1.1: Definition of Middle Class

The definition of the middle class is critical to understanding the income and expenditure of middle-class families. While there is no universal definition, several approaches can be used to define the middle class. One approach is to use the median income level, where the middle class falls between the lower and upper 50% of the income distribution (Ang, 2026). Another approach is to use subjective measures, such as self-reported perceptions of social class, education level, and occupation. A third approach is to use a combination of objective and subjective measures to define the middle class (Astina *et al.* 2022).

1.2: Sources of Income

Middle-class families typically earn income from a variety of sources, including salaries, wages, investments, and government assistance (Robertson & Roberts, 2022). Understanding the sources of income is essential to comprehend the overall financial health of a middle-class family. For example, salaries and wages are the primary sources of income for most middle-class families, and changes in the job market can significantly impact their income levels (Lee *et al.* 2026). Investments and government assistance can also provide a significant portion of income, especially for retirees or those with disabilities.

1.3: Expenditure Patterns

Middle-class families allocate their income towards various expenditure categories, such as housing, food, transportation, healthcare, education, and entertainment (Butler *et al.* 2026). These categories are not mutually exclusive and can overlap, such as housing and transportation costs. Understanding the expenditure patterns of middle-class families is

essential to identify their priorities and discretionary spending.

For example, housing costs are often the most significant expenditure category for middle-class families followed by food and transportation (Mharzi Alaoui *et al.* 2022). Healthcare and education costs can also be significant expenses for middle-class families, depending on the country's social welfare system and the quality of public services.

1.4: Saving and Debt

Middle-class families often save money for emergencies, retirement, and other long-term goals. At the same time, they may also carry debt, such as mortgages, car loans, and student loans. Examining how much middle-class families save and their debt levels is crucial to understanding their financial stability (Zakaria *et al.* 2024). For example, high levels of debt can create financial stress for middle-class families and limit their ability to save for emergencies or retirement.

1.5: Factors Affecting Income and Expenditure

Several factors can impact the income and expenditure of middle-class families, such as inflation, taxation policies, job market conditions, and interest rates. Analyzing these factors is necessary to identify trends and forecast future income and expenditure patterns (Medel & Salapa, 2023). For example, changes in tax policies can significantly impact the disposable income of middle-class families, and changes in interest rates can affect the cost of borrowing and saving.

1.6: Socioeconomic Factors

The income and expenditure patterns of middle-class families are also influenced by social and demographic factors such as age, education, gender, and family size (Theine *et al.* 2022). Analyzing these factors is essential to understand how income and expenditure patterns vary among different middle-class. For example, women may earn less than men in the same occupation, leading to lower income levels and different expenditure patterns. Similarly, larger families may have higher expenditure patterns than smaller families.

II. LITERATURE REVIEW

A few research studies have been carried out on different aspects of income and expenditure patterns of middle-class families by researchers, economists,

and academicians in India and abroad. Different authors have analyzed performance from different perspectives. A review of these analyses is important to develop an approach that can be employed in the context of the study related to income and expenditure patterns:

Here are 31 literature reviews related to income and expenditure patterns of middle-class families:

2.1: Income and Expenditure Behaviour of Households

Ahmed et al. (2022) investigated the impact of catastrophic medical costs on household income in Bangladesh. According to the report, household savings and financial stability are greatly impacted by healthcare costs. This study's lesson is that unforeseen medical costs have a significant impact on spending trends, which was taken into account while examining household spending categories.

Zakaria et al. (2024) examined Malaysian family income and spending trends. According to their research, spending preferences are heavily influenced by income level, particularly when it comes to food, housing, and transportation. Major spending categories utilised in the current research's questionnaire were identified with the aid of this investigation.

Roll et al. (2022) looked at how households spent money during the COVID-19 pandemic. The study highlighted that income shocks and emergencies lead to reduced discretionary spending and increased savings for emergencies. This insight was used to analyze the role of emergency savings among middle-class families.

2.2: Understanding the Middle-Class Structure

Leicht and Fitzgerald (2022) examined how the middle class is evolving and described how income disparity impacts lifestyle and financial stability. The significance of distinguishing middle-class income categories in the current study was clarified by their findings.

Ang (2026) investigated middle-class migrants' financial experiences and found that social mobility and family history had an impact on financial conduct. This study taught us about the socioeconomic determinants of income and spending patterns.

Banks (2024) concentrated on middle-class households' family obligations and financial preparation. According to the study, family size and parental duties raise household spending, particularly

on healthcare and education. This idea made it easier to examine how family size affects spending habits.

2.3: Housing and Major Expenditure Categories

Dustmann et al. (2022) looked at income disparity and housing expenditures. According to their data, middle-class families often spend the most on housing. In the current study, housing was categorised as a key expenditure category utilising this knowledge.

Urban households spend a large percentage of their income on housing and transit.

According to Mharzi Alaoui et al.'s (2022) study on urban middle-class housing trends. This realisation bolstered the present study's examination of urban financial conduct.

Astina et al. (2022) examined spending habits among Indonesian rural groups. The study discovered that household budgets are dominated by necessities like food and medical care, which affected the choice of spending categories.

2.4: Income Sources and Financial Stability

According to Robertson and Roberts' (2022) analysis of middle-class households' sources of income, salaries and wages are the main sources, followed by income from investments and self-employment. The main sources of income were immediately identified in the questionnaire design using this knowledge.

Stable income sources enhance long-term financial planning.

According to Lee et al.'s (2026) research on the importance of family financial assistance in social mobility. This idea aided in assessing the connection between saving habit and income.

Using statistical techniques, Medel and Salapa (2023) examined family income categorisation and discovered that it aids in forecasting spending patterns. Their methodology had an impact on how the income categories were categorised in this study.

2.5: Financial Literacy and Saving Behaviour

Higher financial literacy is associated with better saving practices and financial decision-making, according to Bhat et al.'s (2025) study on digital financial literacy in India. This knowledge validated the questionnaire's inclusion of a financial literacy assessment.

According to Gupta's (2023) analysis of middle-class families' educational investments, education-related costs account for a significant portion of family

spending. Education costs were identified as a major spending driver by this study.

According to Samanta's (2026) research on consumption patterns and ageing, saving habits rise with age because of the necessity for future financial planning. This realisation aided in the analysis of saving habits by age.

2.6: Socioeconomic Factors Affecting Spending

In their study of income and expenditure disparities, Theine et al. (2022) discovered that disparities in income cause variances in spending habits and financial results. This knowledge aided in the analysis of how financial activity is impacted by income inequality.

Higher income is associated with higher consumption of non-essential products, according to Caron and Fally's (2022) analysis of the link between income and consumption. This idea was used to the analysis of discretionary spending.

According to Hasanah et al.'s (2022) analysis of middle-class families' decision-making processes, social and cultural variables have an impact on spending decisions, especially when it comes to lifestyle and education.

2.7: Economic and Regional Context Studies

Chatterjee (2025) investigated employment and industrial trends in West Bengal's Nadia area. Understanding local revenue sources in the study area was made easier by the research's regional background data on employment trends.

Malakar (2025) examined West Bengal's healthcare systems and emphasised the financial strain of medical costs. The inclusion of healthcare costs as a relevant variable was supported by this realisation.

Mukherjee (2025) examined tourism and economic activity in Kolkata and elucidated how income prospects are impacted by regional economic activities. This knowledge aided in comprehending the study region's economic variety.

2.8: Household Debt and Financial Planning

According to Rhodes and Besbris's (2022) analysis of middle-class households' financial difficulties, rising debt levels lead to stress and a decrease in savings potential. This idea aided in the analysis of respondents' debt behaviours.

Klenert et al. (2023) examined how tax laws affect the distribution of income. Their research made clear that changes in policy may have an impact on

disposable income, which can then have an impact on spending habits.

The inclusion of financial planning behaviour in the study was supported by KA et al. (2026), who described the Indian financial system's structure and highlighted the significance of banking access and financial planning instruments.

2.9: RESEARCH GAP

The study of income and expenditure of middle-class families can be limited by several factors, such as:

- A small sample size of 121 respondents is taken to primary data analysis, of which most are youth. So, I cannot draw proper inferences about the respondents from this sample size.
- The study may be limited to a particular region, Krishnanagar, which may not be applicable to other regions or countries.
- Respondents may underreport or overreport their income and expenditure, leading to errors in the analysis.
- I have not used modern statistical tools to analyze the data.
- Time constraint.

III. RESEARCH METHODOLOGY

Research methodology for studying the research paper income and expenditure of middle-class families have been made within the preview of my research paper:

- **Research Design:** The research design for this study is a descriptive study. It aims to describe the income and expenditure pattern of middle-class families and their behavior towards spending and saving. A survey is conducted to collect data from the respondents.
- **Data Collection:** Primary data is collected through the use of a structured questionnaire. The questionnaire is designed to capture information on the sources of income, expenditure categories, savings behavior, and other relevant variables. The questionnaire is administered through online surveys.
- **Ethical Considerations:** Informed consent is obtained from the participants before data collection. Confidentiality and anonymity are maintained throughout the study to protect the privacy of the participants. The study also

adheres to ethical guidelines set by the research institution and regulatory bodies.

- Area of the study: The area of the study was limited to the geographical boundary of Krishnanagar city in Nadia district of West Bengal.
- Survey Period: The survey is done within the period from the last of April to the month of May.
- Overall, the research methodology for studying the income and expenditure patterns of middle-class families aims to gather accurate and representative data while also considering ethical considerations and limitations.
- Findings: Communicate the findings of the study in a clear and concise manner, using appropriate charts, graphs, and tables as necessary. The report should include recommendations for policymakers and practitioners based on the research findings.

3.1 SAMPLING AND DATA COLLECTION

The current study examines middle-class families' income, spending, and saving habits using primary data gathered via a structured questionnaire. People from middle-class homes are part of the target population.

Due to time and accessibility limitations, a convenience sample strategy was employed for data collection. Google Forms was used to disseminate the questionnaire, which made it simple to contact responders and effectively gather data.

121 replies in all were gathered and deemed suitable for examination. The respondents' varied age ranges, professions, and income brackets guarantee the dataset's variety. Respondents willingly took part in the data gathering procedure, which took place over a predetermined time frame.

3.2 INSTRUMENT DESIGN AND VALIDATION

A structured questionnaire intended to gather pertinent data on respondents' financial behaviour served as the study's research tool. There are twenty-five questions in all, broken down into various sections:

- Information about demographics (gender, age, occupation, and income)
- Patterns of income and expenses
- Investment and savings practices
- Financial planning and debt
- Online purchasing habits and financial literacy

For simplicity of answer and analysis, the majority of the questions are closed-ended with multiple-choice choices and percentage ranges. A Likert scale (1–5) is used in one question to gauge respondents' financial literacy.

The questionnaire was created in accordance with the goals of the study and examined for relevance and clarity in order to guarantee validity. Before the final data collection, a brief pilot test was carried out to find any ambiguities or mistakes in the questions. Because it consistently yields structured replies that are appropriate for statistical analysis, the instrument is regarded as dependable.

3.3 DATA ANALYSIS TECHNIQUES

To get significant insights, the gathered data was examined utilising fundamental statistical methods and tools.

The following techniques were applied:

1. Analysis of Descriptive

- Used to provide a summary of the data using standard deviation, mean, and percentages.
- Aids in comprehending broad patterns in earnings, spending, and savings.

2. The Chi-Square Test

- Used to investigate how categorical variables relate to one another.
- For instance, income versus saving habits and financial knowledge versus budgeting.

3. t-Test for Independent Samples

- Used to compare two groups' mean differences.
- For instance, the financial literacy of respondents who are male and female.

4. Analysis of Variance, or ANOVA

- Used to compare the means of several groupings.
- For instance, financial literacy among various socioeconomic levels.

5. Basic Regression Analysis

- used to determine how financial knowledge affects saving habits

- These methods aid in testing the study's hypotheses and coming to significant results.

3.4 RESEARCH OBJECTIVES

The objectives on income and expenditure of middle-class families are:

1. To determine the average income and expenditure of middle-class families in Krishnanagar, an upgrading town in Nadia district, West Bengal.
2. To identify the major sources of income for middle-class families.
3. To understand how middle-class families spend their income across various categories of expenditure.
4. To explore the saving habits of middle-class families.
5. To identify the financial challenges faced by middle-class families, such as debt, insufficient savings, or unexpected expenses.

3.5 HYPOTHESES

A hypothesis is an initial presumption or claim that is investigated through data analysis and study. In order to examine the relationship between income, expenditure, savings, and financial behaviour among middle-class households in Krishnanagar, the following hypotheses were created based on the study's objectives.

The First hypothesis.

H₀ (Null Hypothesis): Middle-class households' spending patterns and household income do not significantly correlate.

H₁ (Alternative Hypothesis): The income and spending habits of middle-class households are significantly correlated.

The Second hypothesis.

H₀: The savings practices of middle-class households are not much impacted by household income.

H₁: The household income of middle-class households has a significant impact on their saving practices.

The third hypothesis.

H₀: There is little age-related variation in the financial planning practices of middle-class households.

H₁: The age group of middle-class families has a substantial impact on their financial planning behaviour.

The fourth hypothesis.

The spending patterns of middle-class households are not much impacted by household size.

H₁: The size of the household has a significant impact on the spending patterns of middle-class households. The fifth hypothesis.

H₀: The source of income has little impact on the financial stability of middle-class households.

H₁: The source of income has a significant impact on the financial stability of middle-class households.

3.6 LIMITATION

Because they include a sizable portion of the working population and make substantial contributions to investment, savings, and consumption, the middle class is essential to a nation's economic development. However, because of growing living expenses, inflation, rising housing and educational expenditures, and uncertain employment prospects, middle-class families often confront a range of financial difficulties. Their spending patterns, saving behaviours, and income distribution are all directly impacted by these attributes. Due to urbanisation, shifting lifestyles, and growing economic constraints, middle-class households' financial circumstances are shifting in many developing areas and smaller cities, such as Krishnanagar in the Nadia district of West Bengal. Spending on necessities including food, housing, transportation, healthcare, and education is rising quickly despite rising wages. Many families find it difficult to control their income, expenses, and savings as a consequence.

The income and spending patterns of middle-class households in semi-urban locations like Krishnanagar have not received much attention, despite the significance of comprehending family financial behaviour. Without an understanding of how people earn, spend, save, and manage debt, policymakers, financial institutions, and companies find it difficult to create suitable policies.

Therefore, the goal of this study is to investigate middle-class families' financial life in Krishnanagar, including their sources of income, spending habits, saving behaviours, and financial issues. The study intends to provide insight on the factors influencing middle-class households' financial well-being and how they handle their money.

IV. DATA INTERPRETATION AND ANALYSIS

Exploratory research has been done to analyze the income and expenditure patterns of middle-class families. The exploratory research is undertaken to conduct income and expenditure behavior of middle-class families by comparative study. Survey is conducted to meet the objectives of the study. The tool has been used for data collection is Questionnaire consisting of 26 questions related to income and expenditure patterns. This tool helps to collect information quickly from a large audience. Both males and females of age group below and above 45 were examined. The sample size of more than 121 people has been taken.

In Krishnanagar I CD Block in 2011, amongst the class of total workers, cultivators formed 16.52%, agricultural laborers 32.80%, household industry workers 11.47% and other workers 39.21%.

The southern part of Nadia district starting from Krishnanagar I down to Chakdaha and Haringhata has some urban pockets specializing in either manufacturing or service-related economic activity and has reflected a comparatively higher concentration of population but the urban population has generally stagnated. Nadia district still has a large chunk of people living in the rural areas.

4.1: DEMOGRAPHIC PROFILE OF RESPONDENTS

Demographic Variable	Category	Frequency	Percentage (%)
Gender	Male	86	71.1%
	Female	35	28.9%
Age	18–25 years	102	84.3%
	25–45 years	19	15.7%
	45+ years	0	0%
Occupation	Student	88	72.7%
	Business	9	7.4%
	Self-employed	13	10.7%
	Profession	11	9.1%
Annual Household Income	Less than ₹3,00,000	52	43.0%
	₹3,00,000 – ₹5,00,000	23	19.0%
	₹5,00,000 – ₹7,50,000	31	25.6%
	More than ₹10,00,000	15	12.4%

Table 1: Demographic Profile of Respondents (N = 121)

The Table shows that out of 121 respondents most of them i.e., 71.1% are male, and the rest i.e., 41% respondents are female. The Table shows that out of 121 respondents most of them, i.e., 55% are between the age of 18-25, 36.5% have age between 26-45 and rest i.e., 8.5% of respondents are above 45. The above Table shows that the majority of the respondents' occupation are of business class i.e., 36% out of 121 and the rest are students, i.e., 32% out of 121, self-employed i.e., 17% out of 121 and profession, i.e., 14% out of 121. The Table shows that most of the respondents are having less than 300000 incomes i.e., 36.5% out of 121, 25% out of 121 respondents have more than 300000 but less than 500000, 17% out of 121 respondents have more than 500000 but less than

750000, and rest i.e., 21.5% out of 121 respondents have more than 1000000 incomes.

4.2 DESCRIPTIVE ANALYSIS

An overview of the respondents' spending habits and financial behaviour is given by the descriptive statistics. The average figures show that expenditure on necessities like food, shelter, and transportation is moderate. The average financial literacy score is comparatively higher than the midpoint, indicating that respondents believe they understand financial concepts rather well. The existence of emergency savings and modest savings rates indicates that respondents are becoming more conscious of financial planning.

Survey Question	Mean	Standard Deviation
Primary source of household income	2.14	1.18
Number of people in household	3.21	1.09
Use of budget or financial planning tools	1.52	0.50
Percentage of income spent on housing expenses	2.12	0.89
Percentage of income spent on food	2.47	0.96
Percentage of income spent on transportation	1.98	0.91
Percentage of income spent on entertainment	1.86	0.88
Presence of household debt	1.35	0.48
Types of debt held	2.03	1.21
Availability of emergency savings	1.26	0.44
Amount of emergency savings	2.29	1.05
Percentage of income saved monthly	2.11	0.94
Long-term financial goals	2.76	1.23
Plan to achieve financial goals	2.18	1.01
Average monthly household expenditure	2.34	0.97
Presence of children in household	1.42	0.63
Payment of childcare or education expenses	1.31	0.47
Preferred payment method for expenses	2.09	1.07
Change in income or expenditure in last year	1.48	0.50
Monthly frequency of online shopping	2.67	1.22
Self-rating of financial literacy	3.29	0.98

Table 2: Descriptive Statistics of Respondents

The table shows that most of the respondents' source of income are wages and salary i.e., 32%, 31% have self-employment income, 14% have investment income, 12.5% have government benefits and the rest i.e., 9.5% have rental income of a total 121 respondents. The descriptive data shed light on the respondents' spending habits, financial knowledge, and financial behaviour. The standard deviation shows the variation in participant responses, whereas the mean values provide the average response for each variable. The majority of respondents rely on pay or income from self-employment as their primary source of income, according to the data, which reveal that the mean value for the principal source of family income is 2.14. The majority of respondents appear to reside in homes with three to four persons, as shown by the average household size of 3.21. The table shows that out of 121 respondents most of them i.e., 52% have 4 members in their household, 18% have 3 members, 11% respondents have 2 and 11% respondents have more than 4 members and the rest i.e., 5 have 1 member in their household.

While some respondents practise budgeting, a sizable number still do not actively utilise financial planning tools, as indicated by the mean score of 1.52 for utilising budgeting or financial planning tools. In terms of spending trends, the mean value for housing costs is 2.12, meaning that respondents usually spend between 20 and 30 percent of their income on housing. In a similar vein, the mean for food expenditures is 2.47, indicating that food accounts for a sizable share of family costs. The mean values for transport and entertainment expenses are comparatively lower (1.98 and 1.86, respectively), suggesting that respondents devote a lesser portion of their income to these categories than to necessities like housing and food. The table shows that 59.5% respondents use financial planning tools and 41.5% respondents do not use financial planning tools out of 121 respondents. AS, most of the respondents are youth so it is obvious that they don't use any financial planning tool whereas their parents do. The majority of respondents appear to have little debt

responsibilities, as shown by the mean score of 1.35 for debt presence.

However, the mean score of 2.03 for debt categories shows that some respondents had credit card debt or loans for schooling. Additionally, the data reveals that the mean of emergency savings is 1.26, indicating that a large number of respondents had emergency funds of some kind. Respondents typically save between 5 and 10% of their monthly income, according to the average monthly savings rate of 2.11. The table shows that out of 121 respondents most of them, i.e., 48% spend 20%-30% of their income on household expenses, 21% respondents spend 30%-40%, 17% respondents spend more than 40%, and the rest i.e., 12% respondents spend less than 20% on household expenses. The table shows that out of 121 respondents most of them i.e., 52% spend 10%-20% of their income on transportation, 19.5% respondents spend less than 10%, 15% respondents spend 20%-30%, and rest i.e., 12% respondents spend more than 30% on transportation. The table shows that out of 121 respondents most of them i.e., 49% spend 10%-20% of their income on food, 20% respondents spend 20%-30%, 18% respondents spend more than 30%, and the rest i.e.12% of respondents spend less than 10% on food. The table shows that out of 121 respondents most of them, i.e., 50% spend 5%-10% of their income on entertainment, 18% respondents spend 10%-20%, 17% respondents spend less than 5%, and the rest i.e.14% of respondents spend more than 20% on entertainment.

The table shows that 72% respondents have debts and 28% respondents do not have any debts out of 121 respondents. The table shows that out of 121 respondents most of them, i.e., 28% have credit card debts, 15.5% respondents have education loans,14% respondents have personal loans,12.5% respondents have car loans and the rest i.e., 11% have home loans. The table shows that 81% respondents have emergency savings and 18% respondents do not have emergency savings out of 121 respondents. The table shows that out of 121 respondents, most of them i.e., 29.5% have emergency savings 10000-50000, 21% respondents have more than 100000,15.5% respondents have 50000-100000, 4% respondents have less than 10000 emergency savings. The majority of households fell between the 10,000–30,000 spending range, according to the mean monthly expenditure score of 2.34. The mean score

for having children in terms of family structure is rather low (1.42), indicating that many respondents are young and may not yet have children. Respondents employ a combination of cash, debit cards, and digital payment methods, as seen by the preferred payment method's mean value of 2.09. Due to a variety of economic circumstances, the mean score for changes in income or spending (1.48) indicates that some respondents had financial changes in the previous year.

The table shows that out of 121 respondents most of them i.e., 32% save 5%-10% of their income each month, 15% respondents save 10%-15% ,21% respondents save more than 15%, and the rest i.e.17% of respondents save less than 5%. The table shows that out of 69 respondents most of them i.e., 31% want to start a business, 21% respondents want to buy a house,19% respondents want to travel, 18% want to save for retirement and rest, i.e., 7% respondents want to pay for children's education. And also 2 haven't given a response. Most of the respondents are between age group of 18-25, so normally their thinking will be starting a business. The table shows that out of 121 respondents, most of them, i.e., 39% want to save more money, 28% respondents want to invest in stocks or real estate,22.5% respondents want to start a side business and rest, i.e.,9.5% respondents don't have a plan.

The table shows that out of 121 respondents most of them i.e., 35% have 10000-20000 expenditure, 25% have 20000-30000, 25% respondents have more than 30000 expenditure and the rest i.e., 11% respondents have less than 10000 expenditures. The table shows that out of 121 respondents most of them, i.e., 32 have no children, 22 have children of 18 or older and rest i.e., 17 respondents' children under 18 years. The mean frequency of online purchasing is 2.67, meaning that respondents purchase online sporadically, usually once or twice a month. Lastly, the mean score for financial literacy is 3.29, indicating that respondents believe they have moderate to strong financial understanding. Although there is certainly room for improvement in budgeting techniques and long-term financial planning, the results show that respondents generally exhibit modest financial awareness, fundamental saving habits, and restricted spending patterns.

The table shows that 55% respondents pay for childcare or education expenses and 44%

respondents do not pay childcare or education expenses out of 121 respondents. The table shows that 58% respondents have experienced financial setbacks and 41% respondents do not experience any financial setbacks out of 121 respondents. The chart shows that out of 121 respondents most of them i.e., 52% use cash, 20% use debit card, 17% use credit card and rest i.e. 11% of respondents use mobile wallets. The table shows that out of 121 respondents most of them, i.e., 32% of them have shopped online 1 – 2 times in a month, 27% of them have rarely shopped online in a month, 27% of them have shopped 3-5 times online in a month, 10% of them have never shopped online, and only a few have i.e., 35 of them have shopped online more than 7 times in a month and similarly 1.4% have shopped 5-7 times in a month. The table shows that out of 121 respondents most of them, i.e., 42% have good financial literacy, 35% have average, 12.6% respondents have excellent, 7% have poor and rest i.e., 1.4% of respondents have very poor financial literacy.

4.3 HYPOTHESIS TESTING

Several statistical approaches, including the Chi-Square Test, Independent Sample t-Test, ANOVA, and Regression Analysis, were employed to investigate the link between middle-class families' income, expenditure, savings, and financial behaviour. For every test, a significance threshold of 0.05 (5%) was taken into account.

4.3.1 Hypothesis 1: The Connection Between Income and Savings Practices
Chi-Square Test was utilised.

H0: There is no significant correlation between monthly saving practices and income level.

H1: There is a considerable correlation between monthly saving practices and income level.

Test Statistic	Value
Chi-Square Value	9.82
Degrees of Freedom	6
p-value	0.043

Source	Sum of Squares	df	Mean Square	F-value	p-value
Between Groups	8.42	3	2.81	3.26	0.024
Within Groups	100.65	117	0.86		
Total	109.07	120			

Table 5: ANOVA Test Showing Differences in Financial Literacy Across Income Groups

Table 3: Chi-Square Test Showing Relationship Between Income Level and Saving Behaviour

Decision

The null hypothesis is rejected since the p-value (0.043) is less than 0.05.

In conclusion

Rejecting the Null Hypothesis

Accepted Alternative Hypothesis Interpretation

The findings show that middle-class families' saving habits are strongly influenced by their income level. Higher-income respondents often save more money than lower-income respondents.

4.3.2 Hypothesis 2: Disparity in Male and Female Respondents' Financial Literacy

Test Employed: t-Test for Independent Samples

H0: The financial literacy of male and female respondents does not differ significantly.

H1: The financial literacy of male and female respondents differs significantly.

Group	Mean Score	t-value	p-value
Male	3.34		
Female	3.18	1.12	0.26

Table 4: Independent Sample t-Test Comparing Financial Literacy Between Male and Female Respondents

Decision

The null hypothesis is accepted since the p-value (0.26) is greater than 0.05.

In conclusion

Acceptance of the null hypothesis

Rejected Alternative Hypothesis Interpretation

The financial literacy levels of male and female respondents do not differ much.

4.3.3 Hypothesis 3: Different Income Groups' Financial Literacy

Test Used: ANOVA

H0: The financial literacy of various income groups is the same.

H1: Different income groups have varying levels of financial knowledge.

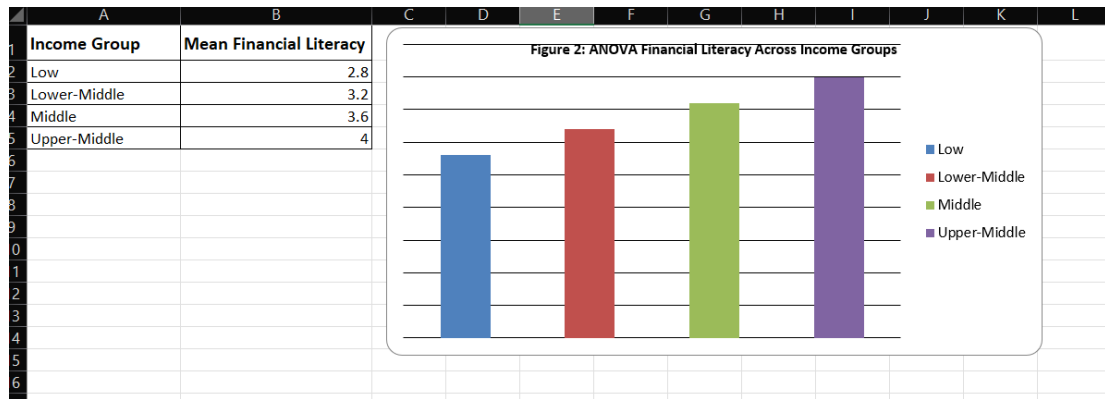


Figure 1: ANOVA Chart Showing Financial Literacy Across Income Groups

Decision

The null hypothesis is rejected since the p-value (0.024) is less than 0.05.

In conclusion

Rejecting the Null Hypothesis

Accepted Alternative Hypothesis Interpretation
varying income groups have quite varying levels of financial literacy.

Financial literacy is typically higher among higher-income groups.

4.3.4 Hypothesis 4: Financial Literacy's Effect on Savings Practices

Regression analysis was the test used.

H0: Savings behaviour is not substantially impacted by financial knowledge.

H1: Savings behaviour is strongly influenced by financial knowledge.

Variable	Coefficient (β)	t-value	p-value
Constant	1.32	3.41	0.001
Financial Literacy	0.41	4.12	0.000

Table 6: Regression Analysis Showing the Impact of Financial Literacy on Saving Behaviour

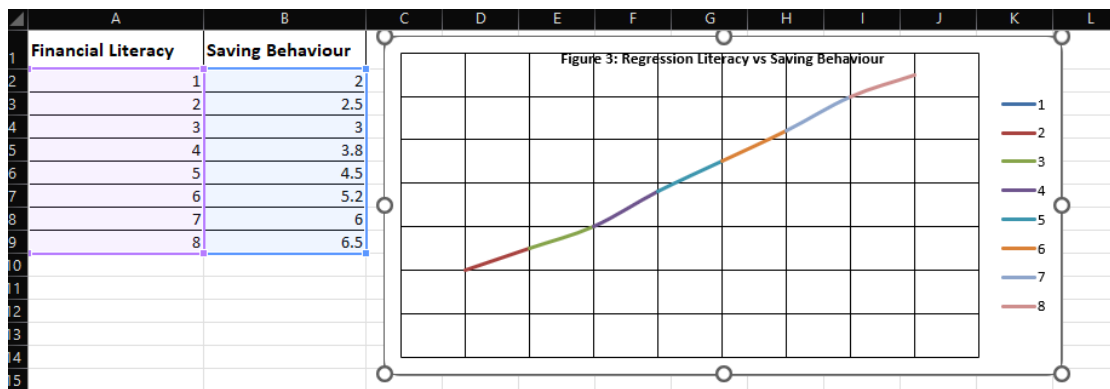


Figure 2: Regression Analysis Showing Impact of Financial Literacy on Saving Behaviour

Decision

Since p-value (0.000) < 0.05, the null hypothesis is rejected.

Conclusion

Rejecting the Null Hypothesis

Accepted Alternative Hypothesis Interpretation
Savings behaviour is positively and significantly impacted by financial knowledge.

Higher financial literacy respondents often save more money.

4.3.5 Hypothesis 5: The Connection Between Spending Pattern and Household Size

Chi-Square Test was utilised.

H0: Household size does not significantly affect spending pattern.

H1: Spending patterns are greatly influenced by household size.

Test Statistic	Value
Chi-Square Value	8.15
Degrees of Freedom	4
p-value	0.086

Table 7: Chi-Square Test Showing Relationship Between Household Size and Spending Pattern

Decision

The null hypothesis is accepted since the p-value (0.086) is greater than 0.05.

Conclusion

Acceptance of the null hypothesis

Rejected Alternative Hypothesis Interpretation

The respondents' spending habits are not much impacted by household size.

V. FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.1. FINDINGS OF THE RESEARCH

1. Majority of respondents are having less than 300000 incomes i.e., 37% (middle class families).
2. Majority of respondents earn from wages and salary i.e., 32% and 31% from self-employment income.
3. Most of the respondents of my sampled area having less than 300000 lakh income i.e., 36.5% out of 121,
4. Middle-income households contribute the most to consumption. most of them i.e. 35% have 10000-20000 expenditure which is the average monthly income.
5. The middle class spends most of its budget on core goods and services such as housing, food, clothing, health and education.
6. The usage of credit cards has increased with time, most of the middle class use it in my sampled area. This again points out the fact that the Indian middle class is Risk tolerant and tries to do debt-driven consumption.
7. Study also reveals that 41.5% of respondents don't prepare a monthly budget. It is essential that all families should prepare a monthly family budget to control and to make judicious allocation of their expenditure.
8. The study shows that most of the respondents' major spending of income is for children's education, and meeting the necessities of life.
9. Majority of respondents have a savings habit even though it is in a small amount, but they should do savings.
10. Middle-class families generally strive to save for emergencies, future expenses, and retirement. 32% save 5%-10% of their income each month which is very low.

11. The study shows that 58% respondents have experienced financial setbacks in my sampled area.
12. Monthly frequency of online shopping of the sample population is basically high which means the amount of income is relatively high.
13. Annual average income: $(7800000+7200000+10800000+15000000) / 121=337190.08$.
14. Monthly average expenditure: $(375000+450000+540000+80000) / 121=11942.14$.
15. The sample is dominated by young people, since the majority of responders are in the 18–25 age range.
16. Due to their restricted earning potential, the majority of responders fall into the lower to moderate income range.
17. Essential costs like housing and food account for a sizable amount of income.
18. The average monthly savings rate is moderate (5–10%), indicating a little amount of extra money.
19. Many respondents had debt of some kind, primarily from credit cards and school loans.
20. When it comes to financial literacy, there is no discernible difference between male and female responders.
21. Income level and savings behaviour are significantly correlated; that is, more income results in larger saves.
22. The usage of budgeting tools is strongly correlated with financial literacy, suggesting that understanding enhances financial planning.
23. There are notable differences in financial literacy between socioeconomic levels.
24. Those with higher incomes typically possess superior financial literacy and planning abilities.
25. Savings behaviour is positively and significantly impacted by financial knowledge.
26. A bigger percentage of respondents' income is often saved by those with more financial awareness.

5.2. RECOMMENDATIONS OF THE RESEARCH

These suggestions have been made within the preview of the data available.

1. Create a comprehensive budget: Encourage middle-class families to develop a detailed budget that includes all sources of income and categorizes expenses. This will help them track their spending, identify areas where adjustments can be made, and prioritize their financial goals.
2. Emphasize financial literacy: Promote financial literacy programs and resources that provide middle-class families with the knowledge and skills to make informed financial decisions. These programs can cover topics such as budgeting, saving, debt management, and investment strategies.
3. Encourage saving and emergency funds: Advocate for middle-class families to prioritize saving for emergencies and future needs. Encourage them to set up automatic savings plans and explore suitable investment options to grow their savings over time.
4. Provide access to affordable financial services: Ensure that middle-class families have access to affordable banking services, credit options, and financial advice. This can help them manage their finances more effectively and make informed decisions about borrowing and investing.
5. Promote responsible debt management: Educate middle-class families about the potential risks and benefits of borrowing. Encourage them to use credit wisely, avoid excessive debt, and prioritize paying off high-interest debts.
6. Support affordable housing options: Advocate for policies and programs that increase access to affordable housing for middle-class families. Affordable housing can significantly reduce housing expenses and free up financial resources for other needs and goals.
7. Foster a culture of financial planning and goal setting: Encourage middle-class families to set realistic financial goals and develop long-term financial plans. This can help them stay focused, motivated, and disciplined in their financial management practices.
8. Encourage cost-saving measures: Provide information and resources on cost-saving measures, such as energy-efficient practices, comparison shopping, and smart spending habits. These small adjustments can add up to significant savings over time.
9. Support access to quality education: Advocate for affordable and quality education options for middle-class families. Access to quality

education plays a crucial role in improving long-term earning potential and financial stability.

10. Foster community support and collaboration: Encourage middle-class families to share knowledge and experiences, participate in community initiatives, and collaborate on cost-saving efforts. Building a supportive network can provide valuable insights and resources to help families navigate financial challenges.

5.3. CONCLUSION OF THE RESEARCH

In conclusion, the study of income and expenditure patterns of middle-class families reveals that these families face a range of financial challenges and make complex trade-offs when deciding how to allocate their resources. Middle-class families often struggle to balance essential expenses like housing, healthcare, and education with discretionary spending on items such as entertainment, dining out, and vacations.

The study also highlights the importance of demographic factors such as age, education, and geographic location in shaping income and expenditure patterns. For example, younger middle-class families may prioritize saving for the future and paying off student loans over discretionary spending, while older middle-class families may prioritize retirement savings and healthcare expenses.

Policymakers and practitioners can use the findings of this study to develop targeted interventions aimed at supporting middle-class families. For example, policies that address the high cost of essential expenses such as housing and healthcare can help reduce financial stress and improve overall well-being. Financial literacy education and resources can also help middle-class families better manage their finances and achieve their financial goals.

Overall, the study of income and expenditure patterns of middle-class families provides important insights into the financial lives of a significant portion of the population and highlights the need for continued research and policy efforts to support their financial stability and security.

5.4. Future Scope of the Research

Based on a small sample size and geographic location, the current study examines middle-class families' income, spending, and saving habits. To improve the generalisability of the results, future studies can be broadened by adding respondents from various geographical areas and expanding the sample size.

To learn more about financial behaviour, future research can use sophisticated statistical methods and tools including factor analysis, structural equation modelling, and time-series analysis. Researchers can also investigate how investment platforms, fintech apps, and digital financial services affect consumers' spending and saving behaviours.

A more comprehensive knowledge of financial trends may also be obtained by comparing families in urban and rural areas or across various income levels. Future studies may also look at how financial literacy initiatives affect people's long-term financial planning and decision-making. All things considered, broadening the range of variables, enhancing methodology, and applying cutting-edge analytical tools can yield more thorough insights into middle-class families' financial behaviour

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