

An Investigation of the Saving Level of Households in Gujarat: A Comparative Approach

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Abstract:

The present research study is an investigation of exploring saving levels as well as disparities among the various selected regions. The quantitative research method has been used for the present research with cross-sectional design and comparative analysis too. There are Primary data collection undertaken with a sampling frame of 300. The research areas containing Gujarat state and the regions like Ahmedabad, Anand, Vadodara and Surat regions have been included. The key result of the study has no significant difference found in the saving level regionally as well as groups-wise. The chi-square and Fisher exact test also evidence of the non-significance and no association of region to saving level.

Keywords: Investigation, Saving Level, Households, Gujarat, Comparative Approach

1) Introduction:

Saving is essential for the precautionary motive as well as to survive daily activities. As per the Budgeting function, the individual needs to distribute savings, debt, and consumption at such a rate. Just consume about 50 percent of needs, 30 percent of wants and desires, and 20 percent for saving or debt. **Thaler (2004)** indicated that the saving rate is around 30 to 40 percent on the earnings of an individual. **Keynes (1936)** explains the saving as after the rest of the individual consumption. It distributed saving in three parts,; Precautionary which consists of emergency second speculative which consists of future liquidity while transitive motive consists of expenses that are already in the budget or plan of an individual. **The Friedman M. (1957)** saving criteria divided into two parts where the first one is long-term based on permanent earnings while the second for short-term depends on temporary income.

2) Objective:

- Identify and Analyze household saving Level
- Explore Regional Disparities under Saving Level

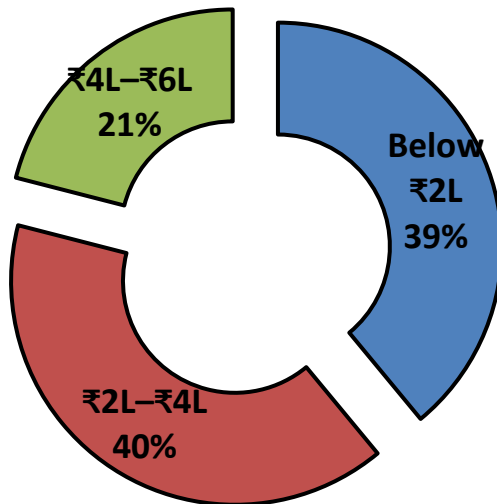
3) Tools & Methods:

The present research study depends on the Quantitative Research Approach. The study has primary data collection through survey methods. There have been 300 total samples collected from Ahmedabad, Anand, Surat & Vadodara of the Gujarat state. Out of 300 samples, 200 samples were found actively involved in saving activities under different groups. The cross-sectional design and comparative analysis have been undertaken for the present research study.

4) Result:

The **Table:1** shows the regional saving level with different segments.

Figure:1
% Distribution of Saving Level



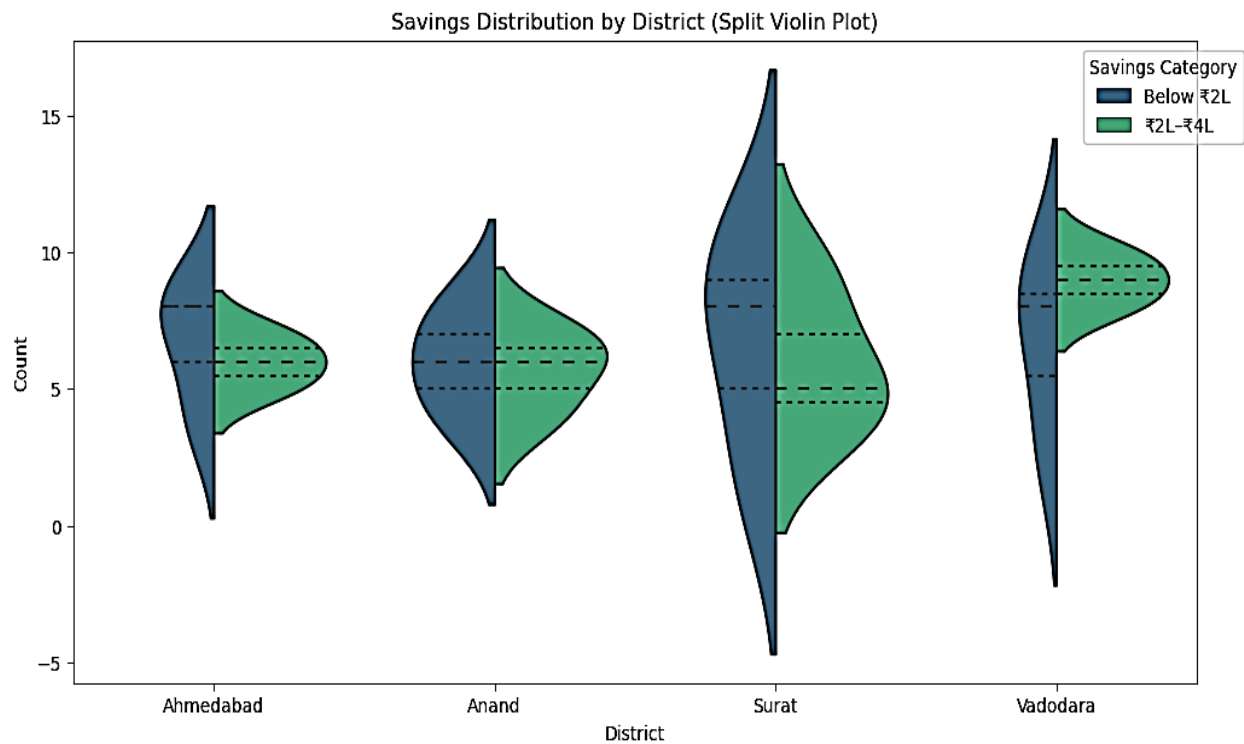
The highest saving level goes into 2 to 4 lakh as a 40 percent distribution. The below 2 lakhs saving level groups has been found with 39 percent distributions. The lowest 21 percent distribution in saving level of the 4 to 6 lakhs during the period.

Table:1
Regional Saving Level of Households

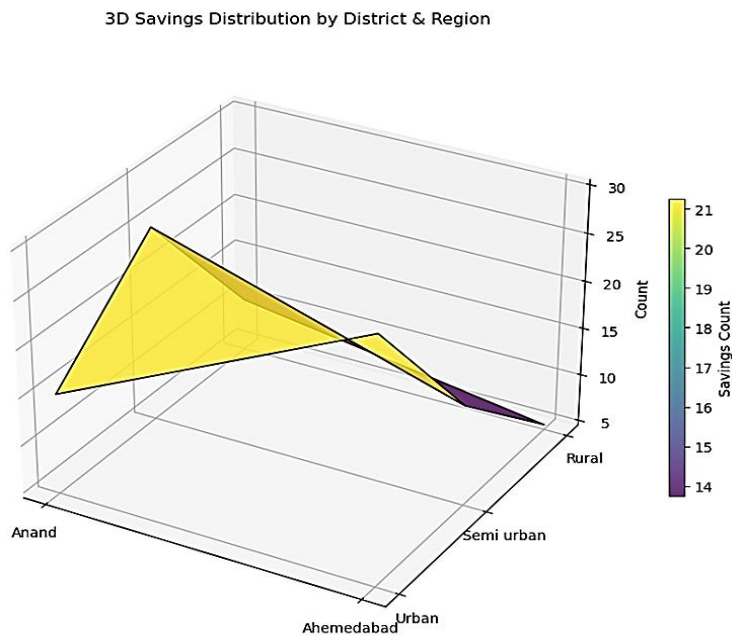
Savings		Below ₹2L	₹2L-₹4L	₹4L-₹6L	Aggregate
District	Region				
Ahmedabad	Rural	8	7	2	17
	Semi urban	4	5	3	12
	Urban	8	6	3	17
Anand	Rural	6	6	6	18
	Semi urban	4	4	1	9
	Urban	8	7	4	19
Surat	Rural	2	5	7	14
	Semi urban	8	9	8	25
	Urban	10	4	1	15
Vadodara	Rural	8	8	1	17
	Semi urban	3	9	3	15
	Urban	9	10	3	22
Aggregate		78	80	42	200

Under the regional distribution of saving level, the highest saving is found in the Surat District with 27 percent and around the same goes to the Vadodara region too. Ahmedabad and Anand have the same 23 percent distribution during the period. The highest Rural saving level found in the Anand region while Ahmedabad and Vadodara found in second highest in Rural savings.

Figure: 3



The saving level distribution is much split found in the Surat region which is clearly shown in **Figure: 3**. it indicated a wider widespread balance distribution than others. Vadodara has second second-highest split after Surat while Ahmedabad seems to concentrate in between more. The 3D saving distribution also indicates higher saving generation by households in Urban areas than in Rural areas. The graphically clearly shows very conservative in rural areas against a wider split in the Urban area during a period.



ANOVA Result for Regional Disparities:

Table: 2

ANOVA for Saving Level Disparities Among the Regions

Source	Sum Sq	df	F-value	p-value
District	51.42	3	2.24	0.132
Region	29.25	2	1.91	0.176
Residual	110.25	18	-	-

Table:2 provides statistical results of ANOVA of saving levels among different selected regions. The Df= (3,2), F=(2.24,1.91) p=0.132 & 0.176 are greater than 0.5 which has no evidence to reject the null hypothesis of equality of saving level under the different regions.

Fisher's Test & Chi-square Test:

Under the **Fisher test**, **p=0.4474** indicates to fail to **reject H0** so there are no significant differences in saving levels between the Rural and Urban Levels.

While **Chi-square statistics 17**, **p=0.385** has failed to reject the H0 null hypothesis which indicates that saving levels are independent of region so no association between region and saving levels. The statistical similarity of distribution saving is found in the present test.

Expected Frequency	Chi-Square Statistic:	17
[[0.33333333 0.33333333 0.33333333 0.66666667 1 0.33333333 0.33333333 0.33333333 0.33333333] [0.33333333 0.33333333 0.33333333 0.66666667 1 0.33333333 0.33333333 0.33333333 0.33333333] [0.33333333 0.33333333 0.33333333 0.66666667 1 0.33333333 0.33333333 0.33333333 0.33333333]]	P value=	0.3856

5) Conclusion:

The present research identified no significant difference in saving levels within or among regions/districts. Moreover, it has no significant difference in saving levels between rural and urban. The homogenous saving level behaviour has been found from the statistical evidence.

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APPENDIX

