A Study on Savings Behaviour in Households of Small Farmers in Raipur District, Chhattisgarh, India

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Authors' contributions

This work was carried out in collaboration between both authors. Both authors read and approved the final manuscript.

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ABSTRACT

Every economy relies heavily on the savings generated by the household sector to expand. They are the primary driver if capital accumulation and the determinants of economic investment possibilities. Numerous factors, both internal connected directly to a certain household and external unrelated to it influence how families behave financially in terms of conserving money. The aim of this paper was to analyse savings behaviour of households of farmers in Raipur district (Chhattisgarh) in 2019, 2020 and 2021. Analyses were conducted on saving ability, saved, Extent able to survive to event to no income, Objectives and Forms of savings accumulation by households of various socio-economic groups. Analyses showed that in saving ability of household was maximum in year 2021, compared to year 2019, 2020. Most people were saved between 20-40% of their total income. Most of people can survive for over 6 months up to annual without any income using their saved income. Presents the savings preferences of different categories of farmer households. The analysis concludes that the primary savings objectives for households

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were covered. Households that had savings often declared that they deposited it as fixed expenditure, medical bills and Purchase for durable goods. Most people were like to save in banks. This may be because households find banks safer than other savings options.

Keywords: Households; financial behaviour; saving ability; savings; income.

1. INTRODUCTION

Savings are a vital aspect of any country's economy. Money functions as a driver for the country's progress since people save in many ways available to them. Saving is a crucial activity for anybody since it protects the future from unforeseen events. As a result, saving necessitates meeting financial obligations. Saving refers to a portion of income that is not immediately used but is saved for future investment, consumption, or unforeseeable events. It is a means of reducing the danger associated with the inability to anticipate the future by serving as a preventative measure. As a result, it is seen as a critical component in bridging the financial gap faced by households [1].

Savings created by the household sector are a significant contributor in any economy's growth. They are the primary source of capital accumulation, determining a country's investment potential. Increased savings offer circumstances for increased future expenditure from the perspective of a household [2], showing their financial standing [3] and the standard of life of a certain family.

Many factors influence household financial behaviour in terms of savings accumulation, both internal (i.e., directly related to a certain household) and external (i.e., unrelated to it) [4]. External factors include, first and foremost, socio-economic elements, such as the overall economic state and future prospects, supply constraints on certain items, geographical considerations, such as reference groups, and information and educational aspects, such as market knowledge [5].

2. MATERIALS AND METHODS

Any good result from a scientific investigation of a problem requires the use of appropriate techniques and procedures. This chapter makes an effort to outline and explain the study's setting as well as the method for selecting participants and developing an interview schedule. [6]

2.1 Sampling Methodology

2.1.1 Method of data collection

Following the completion of the research design and interview schedule, the data was collected using the personal interview method. The aims were achieved using the field survey strategy. The researcher contacted each responder directly to collect the data. The researcher presented himself to the participants and asked for their participation in the study while also outlining the purpose of the visit, the study's goals, and its importance. After building a rapport with them, specific information was elicited from them in accordance with a predetermined schedule, and their responses were noted [7] [8].

Using descriptive data, the saving behaviour of farming households were compared to those of other socioeconomic groups. The percentage of households declaring ownership savings in relation to their height, destination, and types of investing, defined as the propensity to save, was determined for all households in Raipur district as well as certain socioeconomic groupings [9]. On the basis of increases in the absolute values of the examined attributes, changes in households saving behaviour between 2019, 2020 and 2021 were identified. The value of the C-Pearson

Table 1. List of selected blocks and villages from Raipur district

District	Block	Villages	Farmers
Raipur	Arang	Farfoud	50
		Chhatouna	50
	Abhanpur	Dhusera	50
		Patewa	50
Total	**2**	**4**	**200**

contingency coefficient and its statistical significance, based on a test, were used to define the strength of the relationship between the propensity to save and the economic and social groups [10].

3. RESULTS AND DISCUSSION

3.1 Saving ability of Households in Different Categories of Farmers in 2019, 2020 and 2021

Household finances are managed in part by household members decisions on how much of their resources should be spent and how much should be preserved. According to the statistics in Table 2, the ability to save in marginal farmers, small farmers, medium farmers, and large farmers grew in 2021, 2020, compared to 2019 [11], [12].

Obviously, the increased ability to save among all households in the research area in 2021, 2020, compared to 2019, may have indicated a boost in their income and improved financial status, i.e., changes in the overall society's standard of living. Many studies have found that income growth has a favorable impact on saving behavior when measured in various ways. A rise, on the other hand [13], [14]

Households selected based on the primary source of income varied in terms of able to save. Analysis of the data given in Table 2, shows that in the years 2019, 2020 and 2021 the greatest able to save was found for households of large farmers. Marginal farmers saved 27.11% in 2019, 28.81% in 2020, 44.06% in 2021, small farmers saved 29.95% in 2019, 30.90% in 2020, 39.13% in 2021, medium farmers saved 30.25% in 2019, 31.17%in 2020, 38.56% in 2021, and large farmers saved 31.45% in 2019, 31.55% in 2020, 36.98% in 2021. It is clear from this result that in 2021, the savings of households have increased as compared to 2019, and 2020 [15], [16], [17].

3.2 Saved Income Out of Total Income of the Respondents

Table 3 show the results of the respondents' Saved income out of total income of the respondents'

According to the Table 3, 33.5 percent of total respondents save less than 20 percent of their income, followed by 49.5 percent who save between 20-40 percent of their total income, and 17 percent who save more than 40 percent of their entire income [18].

3.3 Extent Able to Survive to Event to no Income

Table 4 show the results of the respondent extent able to survive to event to no income.

According to the Table 4 extent able to survive to event to no income11% farmers said up to 3 month, 15% farmers said over 3 months up to 6 month, 32.5% farmers said over 6 months up to annual,31.5% farmers said more than year and 10% farmers said hard to say [19], [20], [21].

3.4 Objectives for Savings in Respondents

Household savings decisions can be influenced by a variety of motives and goals for saving, including the following, according to the literature: reserve for ongoing consumption spending, Expenses that are fixed Purchases for long-term use Purchase of a home or a deposit with a housing association medical expense, Children's future is protected with a contingency fund. To provide for one's elderly age, to increase one's economic activity, a contingency fund, Expenses that is required [22].

Table 5 presents priorities for savings of households belonging to different category of farmer It results from the presented data that the primary objectives of savings for households in the analyze. These households which had savings, most frequently declared that they accumulated them as a fixed expense (24.66%), Medical bills (20.09%) and Purchase for durable goods (14.42%). Other objectives included most frequently Providing for the future of children (14.18%), Contingency fund (13.31%), Provision for old age (7.15%), To expand one's economic activity (2.58%), Necessary expenses (1.60%), Purchase of a house/flat or deposit to housing association (0.73%), Emergency fund (0.73%) andReserve for running consumption expenditure (0.49%) [23], [24], [25].

3.5 Forms of Savings in Respondents

Table 6 show the results of the respondents' survey on their forms of savings.

Table 2. Saving ability of households in different categories of farmers group in 2019, 2020 and 2021

S. N.	Years	Marginal farmers	%	Small farmers	%	Medium farmers	%	Large farmers	%
1.	2019	8,000	27.11	568,000	29.95	1,969,000	30.25	4,599,000	31.45
2.	2020	8500	28.81	586,000	30.90	2,029,000	31.17	4,614,000	31.55
3.	2021	13,000	44.06	742,000	39.13	2,510,000	38.56	5,407,000	36.98
	Total	**29,500**	**100**	**1,896,000**	**100**	**6,508,000**	**100**	**14,620,000**	**100**

Table 3. Saved income out of total income of the respondents

S.N.	Saved income	Numbers	Percentage
1.	Less than 20%	67	33.5
2.	Between 20-40%	99	49.5
3.	More than 40%	34	17
	Total	**200**	**100**

Table 4. Extent able to survive to event to no income

S. N.	Category	No. of farmers	Percentage
1.	Up to 3 months	22	11
2.	Over 3 months up to 6 months	30	15
3.	over 6 months up to annual	65	32.5
4.	More than year	63	31.5
5.	Hard to say	20	10
	Total	**200**	**100**

Table 5. Objectives for savings in respondents

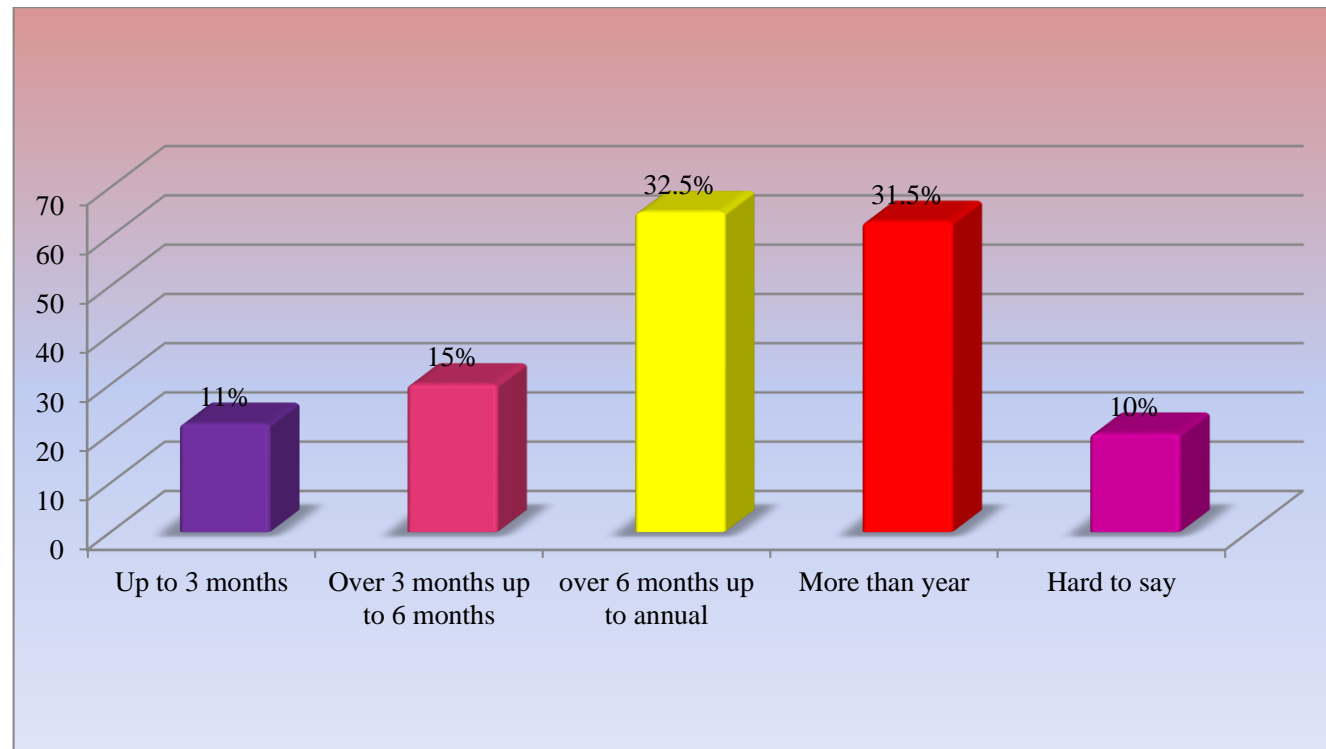| S. N.	Objectives for savings	No. of farmers	Percentage
1.	Reserve for running consumption expenditure	4	0.49
2.	Fixed expenses	200	24.66
3.	Purchase for durable goods	117	14.42
4.	Purchase of a house/flat or deposit to housing association	6	0.73
5.	Medical bills	163	20.09
6.	Contingency fund	108	13.31
7.	Providing for the future of children	115	14.18
8.	Provision for old age	58	7.15
9.	To expand one's economic activity	21	2.58
10.	Emergency fund	6	0.73
11.	Necessary expenses	13	1.60
	Total	**811**	**100**
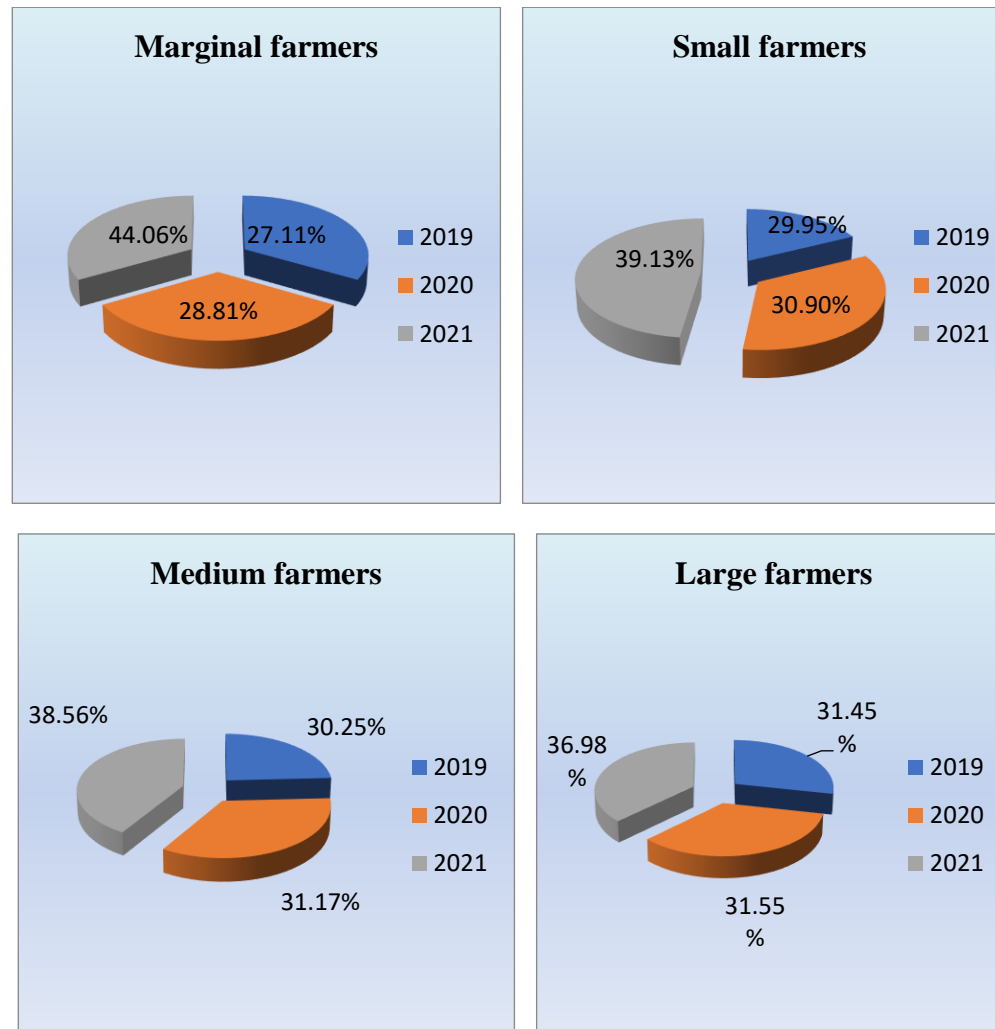
Fig. 1. Year wise spread of savings for marginal, small, medium, and large
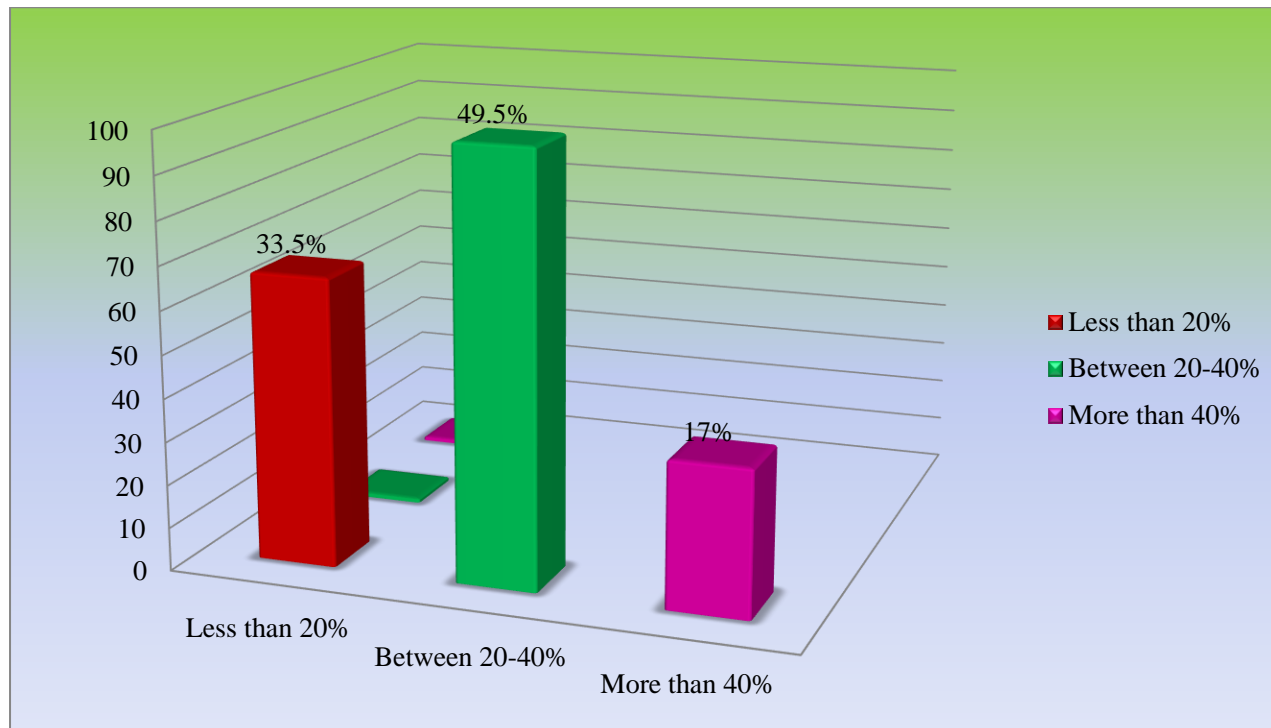
Fig. 2. Saved income out of total income of the respondents

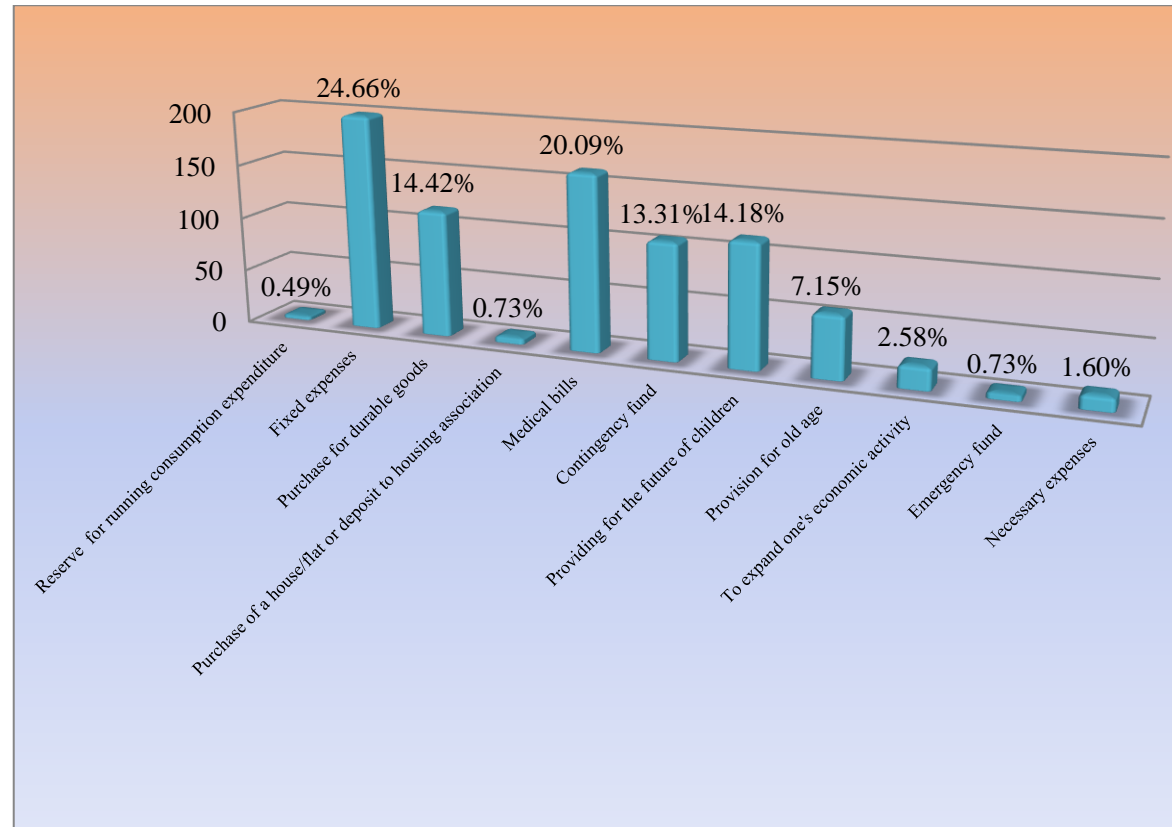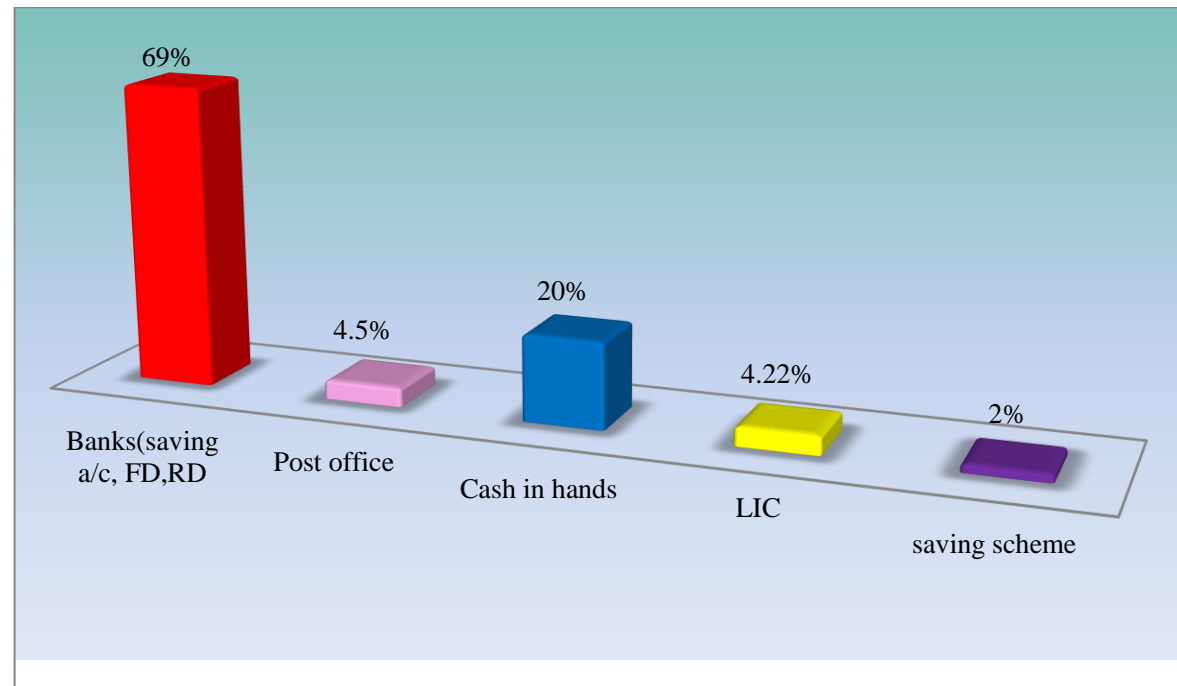**Fig. 3. Extent able to survive to event to no income**

Fig. 4. Objectives for savings in respondents

Fig. 5. Forms of savings in respondents

Table 6. Forms of savings in respondents

S. N.	Forms of savings	No. of farmers	percentage
1.	Banks (saving a/c, FD, RD, etc.)	138	69
2.	Post office	9	4.5
3.	Cash in hands	40	20
4.	LIC	9	4.22
5.	saving scheme	4	2
	Total	**200**	**100**

Table 6 illustrates that 69% respondents prefer to save in banks Followed by 20% respondents who save in cash in hands, 4.5% prefer Post office, 4.22% respondents save in LIC. And only 2% respondents prefer saving scheme. Which indicate that maximum number of people prefer to save in banks. It may be because households found banks safer than other options for saving. [26], [27], [28] [29].

4. CONCLUSION

Family members' decisions on how much of their resources should be spent and how much should be saved help to manage household finances. The results in Table 2 show that marginal farmers, small farmers, medium farmers, and large farmers all had greater capacity for saving in 2021 and 2020 than they did in 2019. It is obvious that the higher ability to save among all households in the research area in 2021 and 2020 compared to 2019 may have signaled changes in the overall level of living of society. Numerous studies have discovered that, when taken into account in different ways, income increase has a positive effect on saving behavior. Alternatively, a rising. Table 3 shows that, overall, 17 percent of respondents save more than 40% of their income.

Table 4 shows the extent to which one can subsist in the event of no income. 32.5% said over six months up to an annual, and 31.5% said more than an annual.

Table 5 lists the top savings priority for households that fall under various categories of farmers. The data that is being presented leads to the conclusion that households should assess their main savings goals. Most frequently, these households who had savings stated that they had saved for fixed expenses (24.66%), medical expenses (20.09%), and purchases of durable goods (14.42%).

Table 6 shows that 69% of respondents favor saving in banks. which show that the majority of individuals favor saving with banks. Perhaps because banks were perceived by households as being safer than alternative means of saving.

COMPETING INTERESTS

Authors have declared that no competing interests exist.

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