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Economic Behavior of Working Women: A Study on Income Utilization and Savings

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Abstract: The increasing participation of women in the workforce has significantly contributed to household income and financial decision-making. This study examines the income level, income utilization pattern, and saving behaviour of working women. The research is based on primary data collected from 100 working women using a structured questionnaire. Descriptive statistics, percentage analysis, Chi-square test, and correlation analysis were used to analyze the data. The findings reveal that the majority of working women earn a moderate monthly income, with a mean income of Rs.34,500, and a large portion of their earnings is allocated toward household expenses and family needs. The average monthly saving among respondents is Rs.5,200, indicating moderate saving capacity due to increasing living costs and financial responsibilities. The Chi-square test shows a significant relationship between income level and saving behaviour, indicating that women with higher income levels tend to save more. Correlation analysis also reveals a strong positive relationship between income and savings, while expenditure increases with income. The study concludes that although working women actively contribute to household financial management and demonstrate positive saving habits, their savings are often constrained by family expenses. Improving financial literacy and encouraging diversified investment opportunities can enhance the financial security and economic independence of working women.

Keywords: Working Women, Income Level, Income Utilization Pattern, Saving Behaviour, Financial Management



Introduction

In modern society, working women play an important role in economic development and family welfare. The increase in education, employment opportunities, and urbanization has encouraged more women to participate in the workforce. As women earn their own income, they contribute significantly to household financial management, expenditure decisions, and savings. Income utilization patterns of working women vary depending on their family responsibilities, lifestyle, and financial awareness. Most women allocate income for household expenses, children's education, healthcare, and savings for future security. Savings play a vital role in ensuring financial stability and meeting unexpected financial needs. Studies show that income level, education, and financial literacy strongly influence the saving behaviour of working women. Understanding how working women manage their income and savings is essential for promoting financial independence and economic stability. Therefore, this study focuses on analysing the income level, utilization pattern, and saving behaviour of working women.

Review of Literature

Annamaria Lusardi and Olivia S. Mitchell (2014) The authors examined the relationship between financial literacy and saving behaviour. Their study found that individuals with higher financial knowledge tend to save more and make better financial decisions. The research highlighted that working women with better financial awareness are more likely to plan their income, control expenditure, and invest in secure saving instruments.

Meir Statman (2011) The study focused on behavioural finance and saving habits among individuals. The researcher explained that income level and personal financial attitudes strongly influence saving behaviour. Working women often prefer safe and stable investment options such as bank deposits, insurance, and gold because they provide financial security for the family.

Shlomo Benartzi and Richard H. Thaler (2007) The researchers studied saving behaviour and financial planning patterns. Their findings indicated that individuals tend to increase savings when income levels rise and when structured saving plans are available. The study suggested that financial planning programs and awareness initiatives can significantly improve saving habits among working women.

Objectives of the Study

1. To examine the income level of working women.
2. To analyse the income utilization pattern of working women.
3. To study the saving behaviour of working women.



Research Methodology

Type of Research: Descriptive research design.

Source of Data: Primary data collected through a structured questionnaire.

Sample Size: 100 working women.

Sampling Method: Convenience sampling.

Tools for Analysis: Percentage analysis, Tabulation method, Chi-square, Correlation and Mean

Data Analysis and Interpretation

Table 1

Income Utilization and Saving Pattern of Working Women

Particulars	No. of Respondents	Percentage
Income Level (Rs.)		
Below 20,000	20	20%
20,000 – 40,000	45	45%
40,000 – 60,000	25	25%
Above 60,000	10	10%
Utilization Category		
Household expenses	35	35%
Children education	20	20%
Personal expenses	15	15%
Savings	20	20%
Investments	10	10%
Savings Amount (Rs)		
Below 2,000	30	30%
2,000 – 5,000	40	40%
5,000 – 10,000	20	20%
Above 10,000	10	10%
Saving Method		
Bank deposits	40	40%
Chit funds	20	20%
Gold	15	15%
Insurance	15	15%
Mutual funds / Shares	10	10%
Total	100	100%

The findings show that most working women (45%) earn between Rs.20,000 and Rs.40,000 per month, while 25% earn between Rs.40,000 and Rs.60,000, 20% earn



below Rs.20,000, and only 10% earn above Rs.60,000. A large portion of their income (35%) is spent on household expenses, indicating their important role in managing family finances. Around 20% allocate income for children's education and another 20% for savings, while 10% invest in financial instruments. In terms of saving levels, 40% of working women save between Rs.2,000 and Rs.5,000 per month, 30% save less than Rs.2,000, and only 10% save above Rs.10,000. Regarding saving methods, most respondents (40%) prefer bank deposits due to safety, followed by chit funds (20%), gold and insurance (15% each), while only 10% invest in mutual funds or shares, showing a preference for low-risk investment options.

Financial Behaviour of Working Women

Purpose: To understand the average level of income, expenditure, and savings among working women.

Table: 2: Financial Behaviour of Working Women

Variable	N	Minimum	Maximum	Mean	Std. Deviation
Monthly Income	100	15000	70000	34500	11250
Household Expenditure	100	8000	40000	18500	7450
Personal Expenditure	100	2000	15000	6500	3200
Monthly Savings	100	1000	15000	5200	3100
Investment Amount	100	500	12000	3500	2500

The mean monthly income of the respondents is Rs.34,500, indicating that most working women belong to a moderate income category. The average household expenditure is Rs.18,500, which represents the largest share of income utilization. The mean monthly savings amount is Rs 5,200, suggesting that although working women save regularly, the saving amount is moderate due to expenditure commitments. Investment levels are relatively low, with an average of Rs 3,500, indicating a preference for basic saving methods rather than advanced investment options.

Relationship between Income Level and Saving Behaviour of Working Women

Purpose: To test whether there is a significant relationship between income level and saving behaviour.

Hypothesis: H_0 (Null Hypothesis): There is no significant relationship between income level and saving behaviour of working women.

Table:3 Income Level and Saving Level of Working Women – A Cross Tabulation Analysis

Income Level	Low Saving	Medium Saving	High Saving	Total
Below ₹20,000	12	6	2	20



₹20,000–₹40,000	15	20	10	45
₹40,000–₹60,000	4	12	9	25
Above ₹60,000	1	4	5	10
Total	32	42	26	100

Table 4 Chi-Square Test Table

Test	Value	df	Asymp. Sig. (p-value)
Pearson Chi-Square	14.62	6	0.023
Likelihood Ratio	15.01	6	0.020
Linear-by-Linear Association	7.85	1	0.005

The p-value (0.023) is less than 0.05, therefore the null hypothesis is rejected. This indicates that there is a significant relationship between income level and saving behaviour of working women. Women with higher income levels tend to save more compared to those with lower income levels.

Correlation Analysis

Purpose: To measure the relationship between income, expenditure, and savings.

Table 5 : Correlation Analysis of Income, Expenditure and Savings of Working Women

Variables	Income	Household Expenditure	Personal Expenditure	Savings
Income	1	0.62	0.48	0.71
Household Expenditure	0.62	1	0.54	0.35
Personal Expenditure	0.48	0.54	1	0.29
Savings	0.71	0.35	0.29	1

The correlation analysis shows a strong positive relationship (0.71) between income and savings, indicating that higher income leads to higher saving levels. Household expenditure also has a moderate positive correlation with income (0.62), suggesting that expenditure increases as income rises. Personal expenditure has a weaker relationship with savings (0.29), indicating that higher personal spending slightly reduces saving capacity.

Overall Findings of the Study

- ❖ The study reveals that the majority of working women belong to the **moderate income group**, earning between Rs.20,000 and Rs.40,000 per month, while only a small proportion earn higher incomes above Rs 60,000.



- ❖ Working women play a significant role in **household financial management**, as a major portion of their income is utilized for household expenses such as food, rent, utilities, and family needs.
- ❖ A considerable percentage of respondents also allocate part of their income for **children's education and personal expenses**, indicating their contribution to family welfare and personal development.
- ❖ The study shows that **saving behaviour among working women is moderate**, with most respondents saving between Rs 2,000 and Rs 5,000 per month.
- ❖ The **mean analysis** indicates that the average monthly income of the respondents is higher than their expenditure, allowing them to maintain a regular saving habit.
- ❖ The **Chi-square test results show a significant relationship between income level and saving behaviour**, indicating that women with higher income levels tend to save more compared to those with lower income levels.
- ❖ The **correlation analysis reveals a strong positive relationship between income and savings**, meaning that an increase in income leads to an increase in savings.
- ❖ Most working women prefer **safe saving options such as bank deposits, insurance, and gold**, while only a small percentage invest in risky financial instruments like mutual funds or shares.
- ❖ Family responsibilities and rising living costs are the **major factors influencing income utilization and limiting higher savings** among working women.
- ❖ Overall, the study concludes that working women demonstrate **responsible financial behaviour**, but improving financial awareness and investment knowledge can further strengthen their saving and financial security.
- ❖

Suggestions:

➤ **Promote Financial Literacy Programs**

Financial awareness programs should be conducted by banks, educational institutions, and government agencies to improve working women's knowledge about savings, investment options, and financial planning.

➤ **Encourage Systematic Saving Habits**

Working women should be encouraged to adopt systematic saving methods such as recurring deposits, systematic investment plans (SIPs), and other regular saving schemes to ensure financial security.



➤ **Diversification of Investments**

Since many women prefer only safe options like bank deposits and gold, they should be guided to diversify their investments into other financial instruments such as mutual funds, bonds, and retirement schemes for better returns.

➤ **Special Financial Schemes for Working Women**

Banks and financial institutions should introduce special savings and investment schemes designed specifically for working women to encourage higher participation in financial markets.

➤ **Budget Planning and Expense Management**

Working women should practice proper budgeting and financial planning to control unnecessary expenditure and increase their monthly savings.

➤ **Government Support and Awareness Campaigns**

The government should organize financial awareness campaigns and provide incentives for women to invest and save regularly, which will enhance their financial independence.

➤ **Encourage Long-Term Financial Planning**

Working women should be encouraged to plan for long-term financial goals such as retirement, children's education, and emergency funds to improve their economic security.

Conclusion

The study examines the income level, income utilization pattern, and saving behaviour of working women. The findings reveal that most working women earn a moderate income and contribute significantly to household financial management. A large portion of their income is utilized for household expenses, family needs, and children's education, indicating their important role in supporting family welfare.

The analysis also shows that working women maintain a regular saving habit, although the amount saved is generally moderate due to increasing living costs and financial responsibilities. Statistical analysis indicates that income level has a significant influence on saving behaviour, as higher income leads to greater saving capacity. Furthermore, most working women prefer safe saving options such as bank deposits, insurance, and gold rather than high-risk investment instruments.

Overall, the study concludes that working women demonstrate responsible financial management and contribute positively to household economic stability. However, improving financial literacy, promoting diversified investment opportunities, and encouraging systematic savings can further strengthen the financial independence and long-term economic security of working women.



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