



SOCIO-DEMOGRAPHIC CHARACTERISTICS AND HOUSEHOLD SAVING BEHAVIOUR: EVIDENCE FROM JAFFNA DISTRICT, SRI LANKA

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ABSTRACT

Household saving plays a significant role not only in the financial well-being of households but also in the overall stability and growth of an economy. It improves resilience, enables future planning, and leads to sustainable economic development. Household saving behaviour refers to the way households choose to assign their disposable income between consumption and saving and it is influenced by several factors. This study aims to investigate the role of socio demographic factors in saving behaviour of households in Jaffna District, Sri Lanka. The relevant data for the study were collected from 1017 sample respondents in the Jaffna District; selected under proportionate stratified random sampling method. The techniques of independent t - test and one way ANOVA test were used to investigate the differences in the saving behaviour of households based on different socio-demographic characteristics. The study reveals that household saving behaviour is significantly influenced by demographic and socio-economic factors such as gender, age, education, income, and family size, whereas marital status and occupation show no significant effect. The findings suggest that life-cycle stage, financial capacity and educational level are critical determinants of saving practices. Based on the findings necessary recommendations were suggested. The results of the study support policymakers and financial institutions in designing strategies and programmes to promote savings among diverse segments of the households. Particularly, this study helps in identifying groups that are less likely to save and supports banks and financial institutions to develop programs and schemes to bring these groups into the formal financial system.

Keywords: Income, Saving, Saving Behaviour, Socio-Demographic Characteristics

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1. Background of the Study

Households earn various sorts of income from various sources and it is allocated amongst consumption and saving. When current income exceeds current consumption needs, households tend to save the surplus. The unspent component of the income is called saving. Savings indicate the act of abstaining from spending a person's income on current consumption (Kevin, 2006). Generally, people give up their current consumption for the purpose of future consumption. According to Mehta (1961), the allocation of household's income between consumption and savings depends on the preferences between present and future consumption and the utility obtained from consumption. It is a common tendency of households to exhibit a psychological preference for immediate consumption over a certain future

consumption (Budiman and Yanty, 2022). Therefore, the concept of saving involves both the discomfort of foregoing current consumption and the anticipated satisfaction of future benefits. Present financial position, future needs, personal nature and risk attitude of an individual may determine the propensity to spend and save. Moreover, certain surplus from infrequent sources such as bonus, prize money and capital gains from sale of properties are also sources of savings of people (Agarwal et.al., 2020).

Saving behaviour means the process by which households allocate a portion of their disposable income for future purpose and this behaviour involves decisions related to how much income is saved and how savings are gathered over time (Modigliani and Brumberg, 1954). According to Keynes (1936), saving behaviour related to the attitudes and decisions that direct households in accumulating wealth over time for the purpose of preserving financial stability and advancing long-term well-being. Browning and Lusardi (1996) indicate that saving behaviour involves postponement of present spending so as to support future consumption and financial security. The above views of different authors reveal the significance of household saving.

Household savings serve as a financial buffer against unforeseen shocks and support in facing such shocks successfully. Since economic instability is a frequent issue in several countries, savings play a vital role in managing risks and maintaining consumption levels of households during periods of economic hardship. Similarly, savings support households in gathering wealth enabling them less vulnerable to poverty. Moreover, savings support households to plan for future expenditures and attain financial independence. It reduces the needs to depend on external credit also. Households with regular saving tend to develop better wealth management practices such as budgeting and financial planning. Finally, household savings contribute to formation of capital which leads to higher level of investments and development in an economy (Kevin, 2006). Household savings are a key source of capital formation which is essential for investments in an economy. When households save their money in banks in the form of deposits, through the process of financial intermediation, these funds can be invested in productive economic activities.

Researches on household saving behaviour provide an insight on how households allocate their income amongst consumption and saving and it explains the factors determine this allocation. It also reveals the financial techniques and strategies households adopt to manage limited resources in order to maintain their financial stability. Therefore, understanding on household saving behaviour supports policy makers to channel the savings towards capital formation and long-term economic development. Furthermore, an insight on the role socio demographic factors in household saving behaviour is essential in formulating financial literacy programmes and policies in order to promote saving behaviour and financial well-being. As a whole, Since, household savings play a significant role not only in financial security and well-being of individual households but also in the stability and development of the broader economy, findings of the study offer valuable insights for governmental authorities, policymakers and financial institutions. Therefore, this study aims to study the role of socio demographic factors in saving behaviour of households in Jaffna District, Sri Lanka.

2. Problem Statement

Saving behaviour of households contributes to the quality of life of individual households by improving the financial security of them as well as the economy as a whole by supporting formation of capital. Previous studies identified the role of different set of socio-demographic characteristics such as gender, marital status, age, educational level, income, occupation and household size in determining the saving behaviour of households (Browning and Lusardi, 1996). Particularly, higher level of income and education, and employment stability tend to improve the capacity to save (Jayathilaka et al., 2022).

In the Sri Lankan context, as a developing economy household savings play significant role in the national financial system. However, saving behaviour of households differs across different regions due to differences in social factors, economic prospects and demographic characteristics. The previous Sri Lankan studies on saving behaviour were mainly based on the national level or urban areas such as

Western Province, but limited focus has been provided to provincial and district-level investigations, particularly in the Northern Province (Central Bank of Sri Lanka, 2022).

The Jaffna District exhibits a unique and distinctive socio-economic landscape molded by post-conflict recovery, household structures, migration and diverse employment opportunities. The household economic and financial conditions were highly affected by the earlier civil war and it resulted in cautious saving and financial behaviours (Baskaran, 2016). Moreover, remittances from family members in abroad play a significant role in the income of the households in Jaffna district and affect the consumption and saving patterns of the households. Household income in Jaffna district highly depends on a limited number of sectors such as Government and private sector employment, self-employment, small businesses, small-scale agriculture and fishing and it makes households more vulnerable to economic shocks, affecting how they save and manage finance. Furthermore, households in Jaffna district considerably depend on the informal financial systems such as family loans, community support systems and rotating savings and credit groups (seettu) and these mechanisms influence household saving behaviour. Households in Jaffna provide higher priority on education and this cultural emphasis on education may lead to long-term financial planning and savings for educational purposes. In addition, in Jaffna district, the role women in household finance is significant and it influences the intra-household allocation of resources.

These unique features of Jaffna district may affect the saving behaviour of households in the region and there is a lack of empirical study investigating how socio-demographic characteristics influence household saving behaviour in the Jaffna District. Therefore, this study aims to examine the role of socio-demographic characteristics in household saving behaviour in the Jaffna District, Sri Lanka.

3. Review of Literature

Several theories are available in the finance literature to explain the role of socio-demographic characteristics in household saving behaviour. The Life Cycle Hypothesis (LCH) describes the spending and saving patterns of households over the course of their lifetime and indicates that due to the differences in the financial wants and commitments of households at different life stages, income level and age are key determining factors of saving behaviour of them (Modigliani and Brumberg, 1954). Moreover, the Permanent Income Hypothesis (PIH) states that consumption and saving behaviours of households depend on their expected permanent income and argues that socio demographic variables of income stability, occupation and education determine the saving behaviour, since these factors influence the process of assessing permanent income of households (Friedman, 1957). Furthermore, Keynesian Psychological Law of Consumption proposes that when there is an increase in the earnings of households, they are inclined to spend more, nevertheless the rise in spending is less than the rise in income and states that education and income levels are the major determinants of marginal propensities to consume and save (Keynes, 1936). The Behavioural Life Cycle Hypothesis proposed by Shefrin and Thaler (1988) mentions that behavioural biases of social preferences, mental accounting and self control determine the household saving behaviour and these biases are influenced by the socio demographic factors of cultural norms, age and education. According to Precautionary Saving Theory, households tend to save more when they expect higher level of uncertainty on their future income and economic conditions; and factors such as a larger family size and unstable employment can rise this uncertainty, thereby inspiring households to increase their savings (Carroll, 1996).

Jayathilaka et.al., (2022) investigated the influence of socio-economic and demographics factors on saving behaviour of Sri Lankan households and concluded that gender, income, age, marital status and education level play a significant role in saving behaviour. Kumarasinghe and Jayasinghe (2016) investigated the determinants of household savings among household of farmers, teachers and entrepreneurs in the Colombo district and observed that age, gender and marital status do not serve as determinants of saving behaviour whereas, education and income play a significant role in this regard.

Tesfamariam (2012) indicated that male households tend to save more than female households whereas Swasdpeera and Pandey (2012) and Beckmann et al. (2013) concluded that gender has no influence on saving behaviour. Moreover, Chamon & Prasad (2010) indicated that in China young and old households exhibit the highest saving rates however, Ozcan et al., (2003) proved the negative influence of age on household saving in Turkey.

According to Lugauer et al., (2019) households with higher levels of assets and education show higher saving rate. Similarly, Moav and Neeman (2012) indicated that the rate of saving rises with income. A study conducted by Pant (2024) concluded that marital status exhibits a significant influence on saving behaviour, whereas income and lifestyle show an insignificant effect. Moreover, Odoemenem et al. (2013) observed the significant influence on gender on saving, whereas the influence of age, number of dependents and level of education is insignificant. Grinstein-Weiss et al. (2006) and Jianakoplos et al., (1996) concluded that married households tend to save more.

The studies conducted by Khan et.al., (2016), Rehman et.al., (2010), Vadde (2015), Bime and Mbanasor (2011) and Nathika and Lakshim (2021) exhibit the significant role gender in saving behavior. Ameriks and Zeldes (2004), Swasdpeera and Pandey (2012), Beckmann et al. (2013), Khan et.al., (2016), Precious and Asrat (2014), Rehman et.al., (2010), Bime and Mbanasor (2011) and Lidi et al. (2017) found that saving behaviour depends on the age of the households. In addition, the studies conducted by Athukorala and Tsai (2003), Garcia et.al. (2011), Harris et.al. (2002), Grable et.al., (2020), Tesfamariam (2012), Khan et.al., (2016), Simleit et al (2011), Vadde (2015) and Teshome et al. (2013) reveal the role of household income in shaping their saving behaviour.

Rehman et.al., (2010), Khan et.al., (2016), Nathika and Lakshim (2021), Greenwald, (2019), Love (2010) and Deb (2022) observed differences in the saving behaviour based on marital status. Furthermore, Erskine et al. (2006), Beckmann et al. (2013), Poon and Hon, (2015), Swasdpeera and Pandey (2012), Tesfamariam (2012), Nathika and Lakshim (2021), Rehman et.al., (2010), Bime and Mbanasor (2011), Chowa et.al., (2012), Teshome et al. (2013) and Lidi et al. (2017) identified variations in saving behaviour of households across different educational level. In addition, Nathika and Lakshim (2021), Erskine et al. (2006) and Vadde (2015) stated that saving behaviour varied according to occupation. Tesfamariam (2012) and Khan et.al., (2016) confirmed the role of family size in saving behaviour of households.

Several studies have investigated the role of socio-economic and demographic factors in household saving behaviour in Sri Lanka. However, most of these studies were based on national-level survey data and urbanized regions such as Colombo district and failed to investigate the saving behaviour of households in other districts with diverse socio-economic settings. The socio-economic condition and demographic structure of households in Jaffna district differ significantly from other parts of the country owing to economic and social factors. Moreover, the studies based on national-level survey data failed to explore the household saving behaviour in a detailed manner. These indicate the existence of clear gap in the literature on district-based investigation of household saving behaviour in the Jaffna District based on primary data. The outcomes of this study, can contribute to design region-based household financial policies and programs with the goal of promoting household financial well-being and stability in the Northern Province of Sri Lanka.

Therefore, the study considers the following hypotheses for investigation.

H1: There is a significant difference in the saving behaviour of individual households in the Jaffna district of Sri Lanka based on their gender.

H2: There is a significant difference in the saving behaviour of individual households in the Jaffna district of Sri Lanka based on their marital status.

H3: There is a significant difference in the saving behaviour of individual households in the Jaffna district of Sri Lanka based on their age.

H4: There is a significant difference in the saving behaviour of individual households in the Jaffna district of Sri Lanka based on their educational qualification.

H5: There is a significant difference in the saving behaviour of individual households in the Jaffna district of Sri Lanka based on their occupation.

H6: There is a significant difference in the saving behaviour of individual households in the Jaffna district of Sri Lanka based on their income.

H7: There is a significant difference in the saving behaviour of individual households in the Jaffna district of Sri Lanka based on the family size.

4. Research Methodology

The relevant data on saving behaviour of individual household investors in the Jaffna district were collected through questionnaire which is considered as a primary source of data. A household who engages in saving is considered as the sampling unit of this study. The proportionate stratified random sampling is considered as the most appropriate and efficient sampling method for this study. Since households with surplus income can engage in investment activities aggressively, the entire population of the study is divided into income-based strata. Finally, the relevant data for the study were collected from 1017 sample respondents in the Jaffna District.

This study considers socio-demographic characteristics of gender, marital status, age, income level, educational level and occupation for the investigation. Similarly, regular saving habit, saving for emergencies, budgeting behaviour, long-term saving goals, precautionary saving, spending control and saving consistency are considered as the proxies of household saving behaviour (Browning and Lusardi, 1996; Agarwal et al., 2020; Dew and Xia ,2011; Thaler and Benartzi, 2004; Lusardi and Mitchell, 2014 and Le Blanc et al., 2016).

The techniques of independent t - test and one way ANOVA test were used to investigate the differences in the saving behaviour of individual households in the Jaffna district of Sri Lanka based on different socio-demographic characteristics.

5. Results

The reliability of the items in the questionnaire was assessed by using Cronbach's alpha coefficient. According to Table 01 the Cronbach's Alpha coefficient for the variable of saving behaviour is 0.812 and the measurement instruments could be considered as reliable.

Table 01: Cronbach's alpha Coefficient

Constructs	Cronbach's alpha Coefficient
Saving Behaviour	0.812

Table 02: Mean and Standard Deviation Values of Saving Behaviour

Variable	Mean Statistic	Std. Deviation	Skewness	Kurtosis
Saving Behaviour	3.8482	1.0709	-0.628	0.516

According to the Table 02, the mean value of saving behaviour is 3.8482 with the standard deviation of 1.0709, indicates that respondents generally exhibit a higher level of saving behaviour. The skewness and kurtosis values specify that the data is normally distributed, making it suitable for further analyses.

Gender and Saving Behaviour

An independent samples t-test was conducted to compare the saving behaviour of males and females. Table 03 shows the group statistics for gender and saving behaviour and it reveals that male investors reported higher saving behaviour ($M = 3.9974$, $SD = 1.0214$) than the females ($M = 3.5928$, $SD = 1.3537$).

Table 03: Group Statistics: Gender and Saving Behaviour

Gender	N	Mean	Std. Deviation	Std. Error Mean	Skewness	Kurtosis
Male	642	3.9974	1.0214	0.0403	-1.131	1.056
Female	375	3.5928	1.3537	0.0699	-0.918	-0.508

The results of the independent samples t-test for Gender and Saving Behaviour are shown in Table 04.

Table 04: Independent samples t-test: Gender and Saving Behaviour

	Levene's Test for Equality of Variances		t-test for Equality of Means						
	F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
								Lower	Upper
Equal variances assumed	61.157	.000	5.388	1015	.000	.40452	.0750	.2571	.5518
Equal variances not assumed			5.013	623.846	.000	.40452	.0806	.2460	.5629

The Levene's test for equality of variances is significant ($F = 61.157$, $p = 0.000$), signifying that the assumption of equal variances is violated. Therefore, the results of t-test for unequal variances are used. The results reveal a statistically significant difference between the two groups ($t = 5.013$, $df = 623.846$, $p = 0.000$), with males exhibit higher saving behaviour than females. The mean difference of 0.4045 and the 95% confidence interval [0.246, 0.563] specify that the difference is both statistically significant and meaningful. Therefore, these results suggest that gender is related with differences in saving behaviour, with males tending to show stronger saving practices compared to females.

Marital Status and Saving Behaviour

Table 05: Group Statistics: Marital Status and Saving Behaviour

Marital Status	N	Mean	Std. Deviation	Std. Error Mean	Skewness	Kurtosis
Married	709	3.8514	1.0765	.0411	-1.1131	0.569
Single	308	3.8350	1.0501	.0817	-1.1085	0.532

In order to compare the saving behaviour of single and married investors an independent samples t-test was conducted and the group statistics for marital status and saving behaviour are exhibited in Table 05. Saving behaviour mean values of married and single investors are 3.8514 (S.D= 1.0765) and 3.8350 (S.D= 1.0501) respectively and married investors show slightly higher saving behaviour than single investors.

Table 06: Independent samples t-test: Marital Status and Saving Behaviour

Table 06 shows the results of the independent samples t-test and Levene's test for equality of variances was not significant ($F = 0.097$, $p = 0.756$), indicating that the assumption of equal variances was met. The t-test results show a non-significant difference between the two groups ($t = 0.177$, $df = 1015$, $p = 0.859$), reveals that the difference is negligible. Therefore, marital status does not have a meaningful impact on saving behaviour among the respondents.

Age and Saving Behaviour

Saving behaviour of the investors in different age groups were compared with the support of one way ANOVA test. The five age groups considered in the present study were 30 years or below, 31 - 40 years, 41 - 50 years, 51 - 60 years and over 60 years. The group statistics for age wise saving behaviour are shown in Table 07 and respondents in the age group of 31 - 40 years show the highest saving behaviour with the mean value of 4.0795 (S.D=0.9661), whereas, investors in the age group of 30 Years or Below show the lowest saving behaviour with the mean value of 3.2676 (S.D=1.1757).

Table 07: Group Statistics of Age wise Saving Behaviour

Age	N	Mean	Std. Deviation	Skewness	Kurtosis
30 Years or Below	137	3.2676	1.1757	-0.5481	-1.1432
31 - 40 Years	239	4.0795	0.9661	-1.1664	1.289
41 - 50 Years	300	4.0111	1.0268	-1.2861	1.493
51 - 60 Years	231	3.8600	1.1021	-1.1835	0.678
Over 60 Years	110	3.6000	1.3751	-0.9238	-0.5564

Table 08 shows the results of one-way ANOVA test between the different age groups of respondents and saving behaviour and according to the results, F statistic is 14.141 and $p < 0.05$. A significant F value indicates the significant differences in the saving behaviour of households in different age groups.

Table 08: ANOVA: Age and Saving Behaviour

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	73.733	4	18.433	14.141	.000
Within Groups	1319.180	1012	1.304		
Total	1392.913	1016			

In this stage, the fulfillment of the assumptions of the test was examined and found that the assumption of homogeneity of variances is violated since the test of homogeneity of variances provided a significant ($p < 0.05$) Levene Statistic which is shown in Table 09.

Table 09: Test of Homogeneity of Variances: Age and Saving Behaviour

Levene Statistic	df1	df2	Sig.
23.987	4	1012	.000

The violation of the assumption of homogeneity of variance indicated that an alternative ANOVA have to be conducted. This warranted the use of adjusted F test of Welch statistic and Brown-Forsythe statistic. Table 10 exhibits the results of robust tests of equality of means and significant Welch statistic and Brown-Forsythe statistic are found ($p < 0.05$).

Table 10: Robust Tests of Equality of Means: Age and Saving Behaviour

	Statistic ^a	df1	df2	Sig.
Welch	10.512	4	391.521	.000
Brown-Forsythe	12.355	4	593.130	.000

Since the Welch and Brown-Forsythe statistics are significant, in order to compare groups the Games-Howell post hoc test is applied and the results of the test are shown in Table 11.

Table 11: Games-Howell post hoc test of Multiple Comparisons: Age and Saving Behaviour

Dependent Variable: Saving Behaviour							
	(I) Age	(J) Age	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
						Lower Bound	Upper Bound
Games-Howell	30 Years or Below	31 - 40 Years	-.81185*	.14072	.000	-1.1991	-.4245
		41 - 50 Years	-.74347*	.13932	.000	-1.1270	-.3599
		51 - 60 Years	-.59238*	.14544	.001	-.9923	-.1924
	31 - 40 Years	30 Years or Below	.81185*	.14072	.000	.4245	1.1991
		Over 60 Years	.47949*	.14526	.010	.0787	.8802
	41 - 50 Years	30 Years or Below	.74347*	.13932	.000	.3599	1.1270
		Over 60 Years	.41111*	.14391	.039	.0139	.8083
	51 - 60 Years	30 Years or Below	.59238*	.14544	.001	.1924	.9923
	Over 60 Years	31 - 40 Years	-.47949*	.14526	.010	-.8802	-.0787
		41 - 50 Years	.41111*	.14391	.039	.8083	.0139

*. The mean difference is significant at the 0.05 level.

The Games–Howell post hoc test results reveal that respondents aged 30 years or below have significantly lower saving behaviour compared to those aged 31–40 years, 41–50 years, and 51–60 years. This indicates that younger households tend to save less than households in the middle age classes. Moreover, households in the 31–40 years age group exhibit significantly higher saving behaviour compared to both those 30 years or below and those over 60 years. Likewise, individuals aged 41–50 years show significantly higher saving behaviour than those aged 30 years or below and over 60 years. The 51–60 years age group also reports higher saving behaviour than the youngest group (30 years or below), signifying a rise in saving tendencies as households move into middle adulthood. However, households over 60 years show lower saving behaviour compared to individuals in the 31–40 and 41–50 age groups. Therefore, the findings reveal that saving behaviour tends to increase from younger adulthood to middle age and then slightly decline among older households above 60 years. These results highlight the significant role of age in households' saving behaviour.

Educational Qualification and Saving Behaviour

Based on their level of educational qualification, households are categorized in to six groups namely, Below G.C.E O/L Qualification, G.C.E O/L Qualification, G.C.E A/L Qualification, Diploma Holders, Graduates and Post Graduates. Table 12 shows the group statistics for educational qualification wise saving behaviour and it indicates that Post graduates exhibit the highest level of saving behaviour with a mean value of 4.1835 (S.D = 0.9102) and investors group with Below G.C.E O/L Qualification demonstrate the lowest level of saving behaviour with a mean value of 2.8750 (S.D = 1.0726).

Table 12: Group Statistics of Educational Qualification wise Saving Behaviour

Educational Qualification	N	Mean	Std. Deviation	Skewness	Kurtosis
Below G.C.E O/L	96	2.8750	1.0726	-0.164	-1.343
G.C.E O/L	155	3.3849	1.2264	-0.764	-0.913
G.C.E A/L	394	4.0169	0.9321	-1.152	1.241
Diploma Holders	117	4.1282	0.9395	-1.160	0.753
Graduates	186	4.0788	0.9923	-1.200	1.052
Post Graduates	69	4.1835	0.9102	-1.148	1.064

The results of one way ANOVA test between the different educational qualification-based groups of respondents and saving behaviour are shown in Table 13. The results reveal that F statistic is 26.655 and $p < 0.05$ and a significant F value indicates the significant differences in the saving behaviour of households based on educational qualification.

Table 13: ANOVA: Educational Qualification and Saving Behaviour

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	162.232	5	32.446	26.655	.000
Within Groups	1230.681	1011	1.217		
Total	1392.9123	1016			

Furthermore, an investigation on the fulfillment of the assumptions of the test reveals that the assumption of homogeneity of variances is violated. Table 14 shows the results of the test of homogeneity of variances and the p value of the Levene Statistic (35.535) is less than 0.05.

Table 14: Test of Homogeneity of Variances: Educational Qualification and Saving Behaviour

Levene Statistic	df1	df2	Sig.
35.535	5	1011	.000

The violation of the assumption of homogeneity of variance necessitated the use of adjusted F test of Welch statistic and Brown-Forsythe statistic. The results of robust tests of equality of means are shown in Table 15 and Welch statistic and Brown-Forsythe statistic are significant since $p < 0.05$.

Table 15: Robust Tests of Equality of Means: Educational Qualification and Saving Behaviour

	Statistic ^a	df1	df2	Sig.
Welch	16.442	5	305.524	.000
Brown-Forsythe	23.667	5	519.956	.000

a. Asymptotically F distributed.

In this stage, in order to compare groups, the Games-Howell post hoc test was applied. The results of the Games-Howell post hoc test were shown in Table 16.

Table 16: Games-Howell post hoc test of Multiple Comparisons: Educational Qualification and Saving Behaviour

Dependent Variable: Saving Behaviour							
	(I)	(J)	Mean	Std. Error	Sig.	95% Confidence Interval	
	Edu_Qualification	Edu_Qualification	Difference (I-J)			Lower Bound	Upper Bound
Games-Howell	Below G.C.E O/L	G.C.E A/L	-1.14192*	.167232	.000	-1.62685	-.6569
		Diploma	-1.25320*	.18250	.000	-1.7801	-.72626
		Graduate	-1.20385*	.176226	.000	-1.7133	-.69437
		Post Graduate	-1.30857*	.194343	.000	-1.8693	-.74783
	G.C.E O/L	G.C.E A/L	-.63197*	.12382	.000	-.9881	-.2757
		Diploma	-.74325*	.14378	.000	-1.1560	-.3305
		Graduate	-.69390*	.13572	.000	-1.0835	-.3042
		Post Graduate	-.79862*	.15854	.000	-1.2549	-.3422
	G.C.E A/L	Below G.C.E O/L	1.14192*	.167232	.000	.6569	1.6268
		G.C.E O/L	.63197*	.123826	.000	.2757	.98816
	Diploma	Below G.C.E O/L	1.25320*	.18250	.000	.7262	1.7801
		G.C.E O/L	.74325*	.143783	.000	.3305	1.1560
	Graduate	Below G.C.E O/L	1.20385*	.17622	.000	.6943	1.7133
		G.C.E O/L	.69390*	.13572	.000	-.3042	1.0835
	Post Graduate	Below G.C.E O/L	1.30857*	.19434	.000	.74783	1.8693
		G.C.E O/L	.79862 *	.15854	.000	.3422	1.2549

*. The mean difference is significant at the 0.05 level.

According to the results, households with below G.C.E O/L education exhibit significantly lower saving behaviour compared to those with G.C.E A/L, Diploma, Graduate, and Postgraduate qualifications. The negative mean differences reveal that households with higher educational attainment tend to show stronger saving behaviour than those with lower education levels. Likewise, households who have completed G.C.E O/L also report significantly lower saving behaviour when compared with respondents who have G.C.E A/L, Diploma, Graduate, and Postgraduate qualifications. However, respondents with

higher educational qualifications such as Diploma, Graduate, and Postgraduate show greater saving behaviour compared to households with lower levels of education, particularly those with below G.C.E O/L and G.C.E O/L qualifications. These findings reveal that saving behaviour tends to improve as the level of education rises. Therefore, the results reveal that educational qualification plays a significant role in households' saving behaviour, with higher education levels being related with stronger saving practices.

Occupation and Saving Behaviour

In this study, households were classified in to four groups based on their occupation and the groups were Self Employed, Private Sector Employees, State Sector Employees and Retired. An occupation wise comparison of saving behaviour of the households was conducted with the support of one-way ANOVA test.

Table 17: Group Statistics of Occupation wise Saving Behaviour

Occupation	N	Mean	Std. Deviation	Skewness	Kurtosis
Self Employed	288	3.9629	1.0705	-1.200	1.118
Private Sector Employees	265	3.7846	1.2054	-1.128	0.198
State Sector Employees	404	3.7849	1.2186	-1.159	0.320
Retired	60	4.0055	1.1190	-1.397	1.409

Table 17 shows the group statistics for occupation wise saving behaviour. The highest level of saving behaviour was observed in the group of Retired, with a mean value of 4.0055 (S.D = 1.1190) whereas, the lowest level of saving behaviour was found in the case of Private Sector Employees with a mean value of 3.7846 (S.D = 1.2054).

Table 18: ANOVA: Occupation and Saving Behaviour

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	7.972	3	2.657	1.944	.121
Within Groups	1384.941	1013	1.367		
Total	1392.913	1016			

Table 18 shows the results of one-way ANOVA test between the different groups of respondents based on occupation and saving behaviour and F statistic is 1.944 and $p > 0.05$. The insignificant F value specifies that there is no meaningful difference in saving behaviour among the occupational groups such as self-employed individuals, private sector employees, state sector employees, and retired respondents.

Income and Saving Behaviour

Table 19: Group Statistics of Income wise Saving Behaviour

Monthly Income	N	Mean	Std. Deviation	Skewness	Kurtosis
Less than 30,000/=	122	3.5218	1.3740	-0.943	-0.668
30,000/= to 50,000/=	279	3.8291	0.9809	-1.346	1.312

50,000/= to 70,000/=	215	3.8744	0.9839	-1.3111	1.601
70000/= to 90,000/=	210	3.7667	1.3409	-1.006	-0.297
More than 90,000/=	191	4.1451	1.2194	-1.525	1.264

According to the group statistics of income wise saving behaviour, reported in Table 19 and individuals earning more than 90,000 report the highest mean saving behaviour ($M = 4.1451$; $SD = 1.2194$), whereas those earning less than 30,000 exhibit lowest ($M = 3.5218$; $SD = 1.3740$). Moreover, this overall upward trend indicates that higher income levels are generally connected with stronger saving behaviour.

Table 20: ANOVA: Income and Saving Behaviour

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	31.446	4	7.862	5.844	.000
Within Groups	1361.466	1012	1.345		
Total	1392.913	1016			

The one-way ANOVA results exhibited in Table 20 confirm that these variations are not due to chance, as the test is statistically significant ($F = 5.844$, $p < 0.001$). This specifies a condition where at least one income group varies meaningfully from the others in terms of saving behaviour. However, the assumption of equal variances is violated, as shown by the significant Levene's test ($p < 0.001$) in Table 21. Therefore, more robust tests were considered and both the Welch ($p = 0.001$) and Brown-Forsythe ($p < 0.001$) tests also reveal significant differences, underpinning the reliability of the findings despite unequal variances.

Table 21: Test of Homogeneity of Variances: Income and Saving Behaviour

Levene Statistic	df1	df2	Sig.
14.981	4	1012	.000

Table 22: Robust Tests of Equality of Means: Income and Saving Behaviour

	Statistic ^a	df1	df2	Sig.
Welch	4.765	4	437.646	.001
Brown-Forsythe	5.462	4	741.499	.000

a. Asymptotically F distributed.

Moreover, the results of the Games-Howell post hoc test shown in Table 23 reveal the most significant differences are between the highest income group (more than 90,000) and several lower-income groups. Particularly, individuals earning more than 90,000 exhibit significantly higher saving behaviour compared to those earning less than 30,000, between 30,000 and 50,000, and between 70,000 and 90,000.

Table 23: Games-Howell post hoc test of Multiple Comparisons: Income and Saving Behaviour

Dependent Variable: Saving Behaviour						
	(I) Monthly Income	(J) Monthly Income		Std. Error	Sig.	95% Confidence Interval

			Mean Differenc e (I-J)			Lower Bound	Upper Bound
Games- Howell	Less than 30000/=	More than 90000/=	-.62299*	.15251	.001	-1.0422	-.2037
	30000/= to 50000/=	More than 90000/=	-.31569*	.10599	.026	-.6063	-.0250
	70000/= to 90000/=	More than 90000/=	-.37818*	.12785	.027	-.7285	-.0278
	More than 90000/=	Less than 30000/=	.62299*	.15251	.001	.2037	1.0422
		30000/= to 50000/=	.31569*	.10599	.026	.0250	.6063
		70000/= to 90000/=	.37818*	.12785	.027	.0278	.7285
*. The mean difference is significant at the 0.05 level.							

Therefore, the results reveal that higher income level of households is associated with stronger saving behaviour. While moderate income increases do not always result in significant changes in saving patterns, a substantial increase in income seems to significantly improve individual households' ability to save.

Family Size and Saving Behaviour

Table 24: Group Statistics of Family Size wise Saving Behaviour

Number of Family Members	N	Mean	Std. Deviation	Skewness	Kurtosis
02 Members	83	4.0722	0.8264	-1.017	0.650
03 Members	140	4.1190	0.8622	-1.166	1.393
04 Members	338	4.0433	0.9515	-1.043	0.245
05 Members	258	4.0387	0.8334	-1.413	1.611
06 Members	123	3.2195	1.6462	0.438	-1.338
More than 06 Members	75	1.7063	0.6735	0.328	-1.079

The group statistics shown in Table 24 indicates that households with 2, 3, 4, and 5 members have quite similar and high mean saving behaviour values, signifying a strong tendency to save. However, households with 6 members exhibit a considerable decline in saving behaviour ($M= 3.2195$; $SD=1.6462$), whereas households with more than 6 members show the lowest level ($M= 1.7063$; $SD=0.6735$). It indicates that as family size rises beyond five members, saving behaviour tend to decrease substantially.

Table 25: ANOVA: Family Size and Saving Behaviour

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	203.821	5	40.764	34.659	.000
Within Groups	1189.092	1011	1.176		
Total	1392.913	1016			

The ANOVA results exhibited in Table 25 show a statistically significant difference in saving behaviour across the different family size groups ($F = 34.659$, $p < 0.001$) and confirms the important role of family size in saving behaviour.

Table 26: Test of Homogeneity of Variances: Family Size and Saving Behaviour

Levene Statistic	df1	df2	Sig.
73.510	5	1011	.000

However, the Levene's statistic is also significant ($p < 0.001$), suggesting that the assumption of equal variances is violated. Thus, robust tests of Welch and Brown-Forsythe were conducted and according to Table 27, both also exhibit significant results ($p < 0.001$), underpinning the conclusion that differences among the group means are statistically meaningful.

Table 27 : Robust Tests of Equality of Means: Family Size and Saving Behaviour

	Statistic ^a	df1	df2	Sig.
Welch	16.507	5	305.275	.000
Brown-Forsythe	27.283	5	360.774	.000

Table 28: Games-Howell post hoc test of Multiple Comparisons: Family Size and Saving Behaviour

Dependent Variable: Saving Behaviour							
	(I) Family size	(J) Family size	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
						Lower Bound	Upper Bound
Games- Howell	02 Members	06 Members	.85277*	.17396	.000	.3519	1.353
		More than 06 Members	1.48117*	.21691	.000	.8514	2.110
	03 Members	06 Members	.89953*	.16536	.000	.4231	1.3759
		More than 06 Members	1.5279*	.21007	.000	.9168	2.1390
	04 Members	06 Members	.82388*	.15720	.000	.3701	1.2776
		More than 06 Members	1.45228*	.20371	.000	.8582	2.0463
	05 Members	06 Members	.81924*	.15724	.000	.3654	1.2730
		More than 06 Members	1.4476*	.20374	.000	.8534	2.0418
	06 Members	02 Members	-.85277*	.17396	.000	-1.3536	-.3519
		03 Members	-.89953*	.16536	.000	-1.3759	-.4231
		04 Members	-.82388*	.15720	.000	-1.2776	-.3701
		05Members	-.81924*	.15724	.000	-1.2730	-.3654
	More than 06 Members	02 Members	-1.48117*	.21691	.000	-2.1109	-.8514
		03 Members	-1.52793*	.21007	.000	-2.1390	-.9168
		04 Members	-1.45228*	.20371	.000	-2.0463	-.8582
		05Members	-1.44764*	.20374	.000	-2.0418	-.8534

*. The mean difference is significant at the 0.05 level.

The results of the Games-Howell post hoc test shown in Table 28 reveal that there are no significant differences among the saving behaviour of households with 2, 3, 4, and 5 members and households in these groups have significantly higher saving behaviour compared to households with 6 members and

those with more than 6 members. Moreover, households with more than 6 members show significantly lower saving behaviour than all other groups. Therefore, it can be concluded that moderate family sizes tend to show better saving habits, whereas larger family sizes, mainly those exceeding five members, tend to experience reduced capacity or inclination to save.

6. Discussions On Findings

In the Jaffna district of Sri Lanka, households tend to show a relatively high level of saving behaviour and socio-cultural backgrounds of the Jaffna district play a significant role in this regard. Traditionally, tamil communities in Jaffna value financial prudence and future security and they tend to believe that saving is fundamental for future life. Due to the earlier civil war, many households became more cautious about their financial affairs. Strong family structures, availability of informal saving methods (eg: rotating saving groups), lower cost of living and remittances from abroad may also contribute to higher level of household savings. With regard to gender, males exhibit significantly stronger saving behaviour compared to female households, due to differences in income, employment type and stability, and access to financial services and socio-cultural norms. Regarding age, it appears as a significant determinant of household saving behaviour. The results show that saving behaviour rises from younger to middle-aged groups, with individuals aged 31–40 and 41–50 representing the highest levels of saving. Nevertheless, there is a minor decline among households over 60 years and it reflects the life-cycle theory. Further, it was observed that younger individuals tend to save significantly less than middle-aged groups, highlighting the needs of income stability and financial maturity. Furthermore, educational qualification shows a strong and significant association with household saving behaviour and graduates and postgraduates, show higher saving tendencies compared to households lower educational qualifications. It may be the results of higher level of financial literacy, earning potential and awareness on long-term financial planning among households with higher level of educational qualification. With reference to income, the results of the study reveal the clear association between income and savings, with higher-income household groups showing stronger saving behaviour. Higher level of income of households supports to improve the financial capacity of them, which boosts the ability to save. However, it is also observed that moderate income differences do not always lead to significant changes in saving behaviour, suggesting that in order to produce a considerable impact on household savings, a significant rise in income may be mandatory. Furthermore, the results confirm the significant role of family size in household saving behaviour. Furthermore, households with smaller to moderate family sizes (two to five members) show comparatively high and similar saving levels. On the other hand, there is a sharp decline in saving behaviour of households with six or more members, with the lowest levels identified in families exceeding six members. Higher level of consumption needs, education and healthcare expenditures, social and cultural obligations and unexpected expenditures may limit the saving ability of the households with larger family size.

The findings of the study support the Permanent Income Hypothesis which indicates that saving behaviours of households depend on their expected permanent income. According to the results, households with higher educational qualifications and income demonstrate stronger saving behaviour. Higher level of education generally tends to increase saving through higher level of financial literacy, job security and earning potential. In addition, the Life Cycle Hypothesis (LCH) specifies that due to the differences in the financial needs and commitments of households at different life phases, income level and age are key determinants of saving behaviour of them and the findings of this study strongly align with this hypothesis.

7. Conclusion

The study reveals that household saving behaviour is significantly influenced by demographic and socio-economic factors such as gender, age, education, income, and family size, whereas marital status and occupation show no significant effect. The findings suggest that life-cycle stage, financial capacity and educational level are critical determinants of saving practices. The results of the study support

policymakers and financial institutions in designing strategies and programmes to promote savings among diverse segments of the households. Particularly, this study helps in identifying groups that are less likely to save and supports banks and microfinance institutions to develop programs and schemes to bring these groups into the formal financial system.

8. Recommendations

Based on the findings of the study the following recommendations are provided to improve the saving behaviour of households. Since education plays a significant role in household saving behavior, financial education programs should be implemented particularly for households with lower educational levels. In addition, due to lower income stability and lack of financial maturity younger households tend to save less. Therefore, more attention needs to be provided in introducing attractive youth-focused savings schemes. Since the results reveal the lower saving behavior among female households, necessary measures should be taken to advance women's access to stable employment and financial services. As higher income levels lead to stronger saving behavior, adequate focus should be given in promoting the income level of households by providing opportunities for skill development, employment and other income-generating economic activities. Moreover, it is recommended to integrate the informal saving systems with formal financial institutions.

This study recommends that the future studies in this area may include other districts in Sri Lanka, allowing for provincial comparisons and to examine the role of behavioural factors and financial technology in saving behaviour of households.

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