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Impact of Small Saving In Students Life

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Abstract

Small savings are an important part of developing financial discipline among students. Student life is not only a period of academic learning but also an important stage for developing habits that can influence future decisions. Saving a small amount of money regularly teaches students how to manage their resources, control unnecessary expenses, and understand the value of money. Even a small amount, such as ₹10, ₹20, or ₹50, can help students develop responsible financial habits.

The main purpose of this research paper is to examine the role of small savings in student life and understand how saving habits contribute to financial independence, confidence, budgeting skills, and future financial security. It also discusses common challenges students face while saving money and suggests practical ways to develop this habit. The paper follows a descriptive and literature-based approach and uses practical examples related to students' daily lives. It highlights that the importance of saving does not depend only on the amount saved but also on the discipline and awareness developed through the process.

Keywords: *Small Savings, Student Life, Financial Literacy, Budgeting, Financial Discipline, Money Management.*

1. INTRODUCTION

Student life is one of the most important stages of a person's development. During this period, students learn not only academic subjects but also important life skills such as time management, decision-making, responsibility, and discipline. One such important life skill is money management. In today's world, understanding how to use money wisely has become necessary for everyone. Students often receive pocket money from their parents or guardians. Some students also receive money on special occasions or save small amounts from their daily expenses. However, many students spend all the money they receive without planning for future needs.

Small savings can help change this habit. Saving means keeping aside a part of the available money instead of spending the entire amount. It does not require a student to have a large income. Even saving a small amount regularly can develop a sense of responsibility. For example, if a student receives ₹500 and decides to save ₹50, the student has already taken a positive step towards financial discipline. The amount may appear small, but the habit of saving can become valuable over time. The purpose of saving during student life is not to become rich immediately. It is to learn how to value money, plan expenses, and make thoughtful financial decisions. These lessons can help students throughout their lives.

2. MEANING OF SMALL SAVINGS

Small savings refer to setting aside a limited amount of available money for future use instead of spending it immediately. It is a simple financial habit that encourages people to use their money carefully.

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In student life, small savings may come from pocket money, gifts, rewards, or any other amount that students are allowed to manage. Students can save money in a piggy bank, a savings account managed with parental guidance, or another suitable and safe method. For example, a student who receives ₹1,000 as monthly pocket money may decide to save ₹100 and use the remaining amount for necessary expenses. This is a simple example of small savings.

The most important part of this habit is regularity. Students should understand that saving is not about keeping aside a very large amount. It is about developing the habit of saving according to their financial capacity.

3. IMPORTANCE OF SMALL SAVINGS IN STUDENT LIFE

Small savings are important because they teach students to become careful and responsible with money. Many students do not realise how quickly small expenses can use up their available money. Saving helps them understand the difference between spending and planning.

It develops several positive habits:

- It teaches the value of money.
- It encourages responsible spending.
- It develops patience and self-control.
- It helps students plan their expenses.
- It creates awareness about future financial needs.
- It encourages independent decision-making.

Students who develop saving habits at an early age may find it easier to manage their money when they become adults. Therefore, student life is a suitable time to begin learning basic financial management.

4. FINANCIAL INDEPENDENCE AND SELF-CONFIDENCE

One of the important benefits of small savings is the development of financial independence. Financial independence in student life does not mean that students must manage all their expenses themselves. It means learning to manage small personal expenses responsibly.

When students have some money saved, they can use it for certain necessary expenses without depending on others every time.For example, a student may suddenly need to purchase a notebook, pay for printing, or buy stationery for a school assignment. If the student has some savings, these expenses can be managed more easily. Having personal savings can also develop confidence. Students feel more responsible when they know that they have planned and saved money for their needs. They also learn that financial independence begins with careful decisions rather than simply having a large amount of money.

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However, students should remember that asking parents or guardians for necessary support is completely normal. The purpose of saving is to develop responsibility, not to create pressure to manage every expense alone.

5. MANAGEMENT OF UNEXPECTED EXPENSES

Unexpected expenses can occur at any time during student life. Sometimes students need extra money for school projects, photocopies, printouts, books, stationery, or transportation. These expenses may not always be included in a student's regular monthly budget. If students spend all their available money immediately, managing such situations may become difficult.

Small savings can provide support during these situations. A student who has kept aside some money can use it for an important requirement without facing unnecessary difficulty. For example, suppose a student has saved ₹500 over a period of time. If an unexpected school-related expense occurs, the student may use a suitable part of these savings.

This teaches students the importance of preparing for future needs. It also develops the habit of thinking ahead instead of making financial decisions only when a problem occurs.

6. AVOIDING UNNECESSARY EXPENDITURE

Unnecessary spending is a common challenge for many students. Attractive products, online advertisements, peer pressure, fast food, and frequent shopping can encourage students to spend money without proper planning. Sometimes students purchase things simply because their friends have them or because a product is popular. Such spending may provide temporary happiness but can reduce the money available for more important needs.

Small savings encourage students to think before making a purchase. They learn to ask themselves whether something is necessary or whether they can manage without it. For example, if a student regularly spends money on unnecessary snacks or small purchases, that money could instead be saved for books, educational materials, or future requirements. This does not mean students should never spend money on entertainment or personal interests. The aim is to maintain a balance between necessary expenses, personal enjoyment, and savings.

7. DEVELOPMENT OF BUDGETING SKILLS

Budgeting is the process of planning how available money will be used. It helps people understand how much they can spend, how much they should save, and which expenses should receive priority. Students can learn budgeting through their pocket money or other small amounts available to them. For example, a student receiving ₹1,000 may prepare a simple monthly budget:

- Necessary expenses: ₹500
- Personal expenses: ₹300
- Savings: ₹200

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This is only an example. Every student's budget will be different depending on their needs and financial circumstances. Preparing a budget helps students avoid spending all their money at once. It also makes them more aware of their spending habits.

Students can maintain a small notebook or use a simple expense-tracking method to record their spending. By reviewing their expenses, they can identify areas where unnecessary spending can be reduced. Budgeting is a useful skill because it teaches students to make decisions according to available resources.

8. SMALL SAVINGS AND FUTURE FINANCIAL SECURITY

The habit of saving during student life can create a strong foundation for future financial security. Students who understand the importance of saving may become more careful and organised when they begin earning money. Small savings also introduce students to basic financial concepts such as bank accounts, deposits, interest, and financial planning. For example, students can learn how savings accounts work with the help of their parents or guardians. They can understand how money is deposited, how withdrawals are made, and why keeping money in a safe place is important.

It is also useful for students to learn that saving and investing are different. Saving generally means keeping money aside for future use, while investing involves putting money into financial products with the possibility of returns and some level of risk. At the student stage, the main focus should be on understanding basic money management and developing responsible habits.

9. ROLE OF PARENTS IN DEVELOPING SAVING HABITS

Parents play an important role in teaching children the value of money. Children often learn financial habits by observing how their family members spend, save, and plan their expenses. Parents can encourage students to save a small portion of their pocket money whenever possible. They can also explain why some expenses are necessary while others can be avoided.

Parents may involve students in simple household budgeting activities. For example, they can explain how a family plans its monthly expenses, manages bills, and keeps money aside for future needs. They should also appreciate responsible financial decisions instead of focusing only on the amount saved. The aim should be to develop financial awareness and confidence among students. Research on financial socialisation also highlights the role of parents and education in shaping young people's financial behaviour.

10. ROLE OF SCHOOLS IN FINANCIAL LITERACY

Schools are not only responsible for academic education but can also help students develop important practical skills.

Financial literacy should be introduced as an essential part of student learning. Students should understand basic concepts such as savings, budgeting, banking, needs and wants, and responsible spending. Schools can organise activities such as:

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- Monthly budgeting exercises.
- Financial literacy competitions.
- Discussions on saving habits.
- Classroom activities on needs and wants.
- Basic banking awareness sessions.
- Practical examples of money management.

Such activities can help students understand financial concepts in a simple and practical way. Commerce students, in particular, can connect these ideas with subjects such as Accountancy, Business Studies, and Economics. However, financial literacy is useful for students from every academic stream.

11. CHALLENGES FACED BY STUDENTS WHILE SAVING

Although saving is a useful habit, students may face several difficulties while trying to develop it. Limited Pocket Money: Some students receive only a small amount of pocket money, making it difficult to save regularly. Peer Pressure: Students may feel encouraged to spend money on products or activities because their friends are doing the same. Lack of Financial Awareness: Some students do not understand the importance of saving and spend their money without planning.

Online Shopping and Advertisements: Attractive advertisements and online offers may encourage unnecessary purchases. Lack of Self-Control: Saving requires patience. Students may find it difficult to avoid spending money immediately. These challenges can be managed through awareness, planning, and support from parents and teachers. Students should also understand that the amount they can save depends on their individual circumstances. Saving should never become a burden.

12. PRACTICAL WAYS TO DEVELOP SMALL SAVING HABITS

Students can develop saving habits by following a few simple steps.

- First, they should decide to save a small amount whenever money is available after necessary expenses. The amount does not need to be fixed.
- Second, they should prepare a simple budget and identify which expenses are necessary
- Third, students should avoid purchasing things only because of peer pressure or attractive advertisements
- Fourth, they can maintain a record of their daily or weekly expenses. This will help them understand where their money is being spent.
- Fifth, students can set small and realistic saving goals. For example, they may save money for a book, a school project, or another useful personal requirement.

13. RESEARCH METHODOLOGY

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This research paper follows a descriptive and literature-based research approach. It examines the importance of small savings in student life through existing financial education resources, research publications, and practical examples. The study focuses on the relationship between saving habits, financial awareness, budgeting skills, responsible spending, and student development. The paper also uses examples related to common student expenses, including books, stationery, printing, transportation, and personal needs.

14. DISCUSSION AND ANALYSIS

Small savings may appear to be a simple activity, but they can influence the way students think about money. A student who saves a small amount regularly learns to delay unnecessary purchases and plan for future needs. This develops patience and self-control. For example, a student who receives ₹500 may decide to save a portion rather than spend the entire amount immediately. Over time, this practice can help the student become more organised in managing money. Another important aspect is the development of financial confidence. When students understand their expenses and savings, they become more aware of their financial decisions. Small savings can also encourage discussions about money management within families and classrooms. Such discussions help students understand that money should be used carefully and according to priorities. However, it is important to recognise that every student has a different financial background. Some students may have more opportunities to save, while others may not receive pocket money at all. Therefore, financial discipline should not be measured by the amount saved. The real success of saving lies in developing awareness, responsibility, and thoughtful spending habits.

15. FINDINGS OF THE STUDY

The discussion in this paper highlights the following points:
1. Small savings can help students develop financial discipline.
2. Saving encourages students to understand the value of money.
3. Budgeting helps students manage available resources.
4. Personal savings can provide support for certain unexpected expenses.
5. Avoiding unnecessary spending can improve financial awareness.
6. Parents and schools can contribute to the development of saving habits.
7. Financial literacy is an important life skill for students.
8. Regular saving habits can create a foundation for responsible financial decisions in adulthood.

These findings are based on the descriptive discussion and literature reviewed in this paper, rather than original survey statistics.

16. SUGGESTIONS

Students should be encouraged to develop saving habits according to their financial capacity. Parents and teachers should explain the importance of financial planning through practical examples. Schools should include basic financial literacy activities so that students can understand budgeting, banking, savings, and responsible spending. Students should also learn to

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distinguish between needs and wants. They should maintain a simple record of their expenses and avoid unnecessary purchases. Most importantly, saving should be treated as a positive habit rather than a competition. The aim should be to develop financial awareness, not to compare how much money different students can save.

17. CONCLUSION

Small savings play an important role in student life because they develop habits that can be useful throughout life. Saving a small amount of money regularly teaches students discipline, patience, responsibility, and the importance of planning. It can help students manage certain personal expenses, prepare for unexpected needs, avoid unnecessary spending, and understand basic budgeting. The habit of saving does not require a large income or complicated financial knowledge. It begins with small and sensible decisions. Parents and schools can support students by providing basic financial education and encouraging responsible money management. Ultimately, the value of small savings is not determined only by the amount collected. Its greatest value lies in the financial discipline, confidence, and awareness that students develop through the habit of saving. A small amount saved today can teach a valuable lesson for tomorrow.

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