The Relation of Income and Spending behaviour among Women Teachers in Kodagu District of Karnataka

Shailashree K. [1] & P. S. Aithal [2]

[1] Post-Doctoral Research Fellow, Institute of Management & Commerce, Srinivas University, Mangalore-575001, India, and Assistant Professor, Dept. of Commerce Field Marshal K. M. Cariappa College, Madikeri- 571201, India,
ORCID-iD: 0000-0003-1972-6728; Email: shylakunder26@gmail.com
[2] Director, Poornaprajna Institute of Management, Udupi, India,
ORCID-iD: 0000-0002-4691-8736; E-mail: psaithal@gmail.com

How to Cite this Paper:

Shailashree, K. & Aithal, P. S. (2024). The Relation of Income and Spending behaviour among Women Teachers in Kodagu District of Karnataka. *International Journal of Case Studies in Business, IT, and Education (IJCSBE), 8*(2), 323-339. DOI: https://doi.org/10.5281/zenodo.12609128

The Relation of Income and Spending behaviour among Women Teachers in Kodagu District of Karnataka

Shailashree K. [1] & P. S. Aithal [2]

[1] Post-Doctoral Research Fellow, Institute of Management & Commerce, Srinivas University, Mangalore-575001, India, and Assistant Professor, Dept. of Commerce Field Marshal K. M. Cariappa College, Madikeri- 571201, India,
ORCID-iD: 0000-0003-1972-6728; Email: shylakunder26@gmail.com
[2] Director, Poornaprajna Institute of Management, Udupi, India,
ORCID-iD: 0000-0002-4691-8736; E-mail: psaithal@gmail.com

ABSTRACT

Purpose: *Having the capacity to effectively manage one's financial resources is critical to achieving success in one's life. Every member of society, especially women, should make it a priority to develop and implement efficient ways for managing their finances. The findings of the research have demonstrated that the capacity of women to manage their finances is a critical factor in determining their spending behaviour. When it comes to having a good handle on one's personal finances, one of the most important rules to follow is to save money for the future and spend less than one earns. When you pay close attention to the things that you purchase on a monthly basis, you can easily detect any money that is left over, which can help you raise rate of savings for retirement, emergency fund, and even net worth. But the reality is that a lot of people are not successful in budgeting their salary and saving more money. Because of this, the purpose of this research paper is testing the relationship between income and spending behaviour of women teachers in Kodagu district.*

Design/Methodology: *The study uses both primary and secondary data and looks at how wealth influences the spending habits of female instructors. Structured questionnaires were distributed to women teachers in various institutions around the Kodagu area to collect primary data. Secondary data were gathered from websites, journals, newspapers, magazines, publications, and case studies. The created conceptual model is empirically validated and examined utilising the ABCD analytical approach.*

Originality/value: *The relation of income in influencing spending behaviour and how financial literacy affects spending behaviour of women teachers in Kodagu district, the study findings provide to a deeper understanding of complex interplay between women teachers' salary levels, financial literacy, and spending behaviour, which can inform policy development, educational activities, and support systems aimed at enhancing their financial well-being.*

Paper type: *Empirical research.*

Keywords: Women teachers, level of income, financial literacy, spending behaviour, ABCD analysis

1. INTRODUCTION :

The majority of people spend money on a regular basis. A phrase that is used in economics to refer to spending as consumption. Spending refers to the process of converting monetary resources into a product or service that a person desires or requires, and this can take the form of either a good or a service. Items like as clothing, food, housing, and transportation are examples of some of the things that fall under this category (S. Kavithanjali et.al. (2023) [1]). Spending habits vary from person to person for a variety of reasons. There are a lot of different factors that influence it, including age, income, gender, origin, family history, personality, and many others. Among the activities that the majority of individuals engage in on a daily basis, spending is the most important one. From an economic standpoint, this is known as focusing on consumer behaviour, which is a fundamental aspect of

International Journal of Case Studies in Business, IT, and Education (IJCSBE), ISSN: 2581-6942, Vol. 8, No. 2, June 2024

SRINIVAS PUBLICATION

consumer behaviour theory. The manner in which people spend their money varies according to a number of circumstances, including social and demographic shifts, which can also have significant repercussions. Taking into consideration the word "consume," the aspects of necessities and wants might have an effect on the behaviour of individuals while they are spending money. This is the point at which every individual desires to fulfil their personal need, which has become an integral part of the human experience.

Various demographic characteristics have been used to identify investors in both primary and secondary equities markets. Investor income is a key factor in determining savings, investment, and equity allocation among demographic characteristics. Expert financial advice costs vary based on income level. Investing more in guidance leads to higher quality and greater results.

As living conditions improve, salaried individuals are increasingly recognizing the importance of saving and managing their investments. Investment security is crucial for investors, who seek certainty in their investments. Several factors influence women's investment decisions, such as awareness, information, and the characteristics of the investment instruments. As a result, these factors will shape the future investing habits of respondents (Shailashree, K. & Aithal, P. S. (2024) [2]).

2. THE FINANCIAL SITUATION OF WOMEN TEACHERS :

Women make up a considerable share of the teaching workforce in many countries. This presents a number of challenges for women teachers. In spite of the fact that they make significant contributions to the field of education, female educators frequently receive lesser wages than their male counterparts and professionals working in other sectors. These disparities in income can have significant repercussions for individuals spending habits as well as their ability to maintain their financial security. According to the findings of research, the levels of income have a direct influence on the spending behaviour of individuals. Teachers who earn higher salaries may have more discretionary cash that they can put towards a variety of things, including housing, education, and hobbies that they enjoy doing in their spare time. On the other hand, individuals who have smaller earnings could be required to prioritise items that are vital and make compromises in other areas.

In addition, the nature of the teaching profession may have an effect on the way people spend their money. Therefore, in order to improve their efficacy as teachers, educators frequently make investments in professional development, classroom supplies, and course materials. There are a number of elements that can influence this discretionary spending, including expertise, subject area, and the resources available at the school.

In spite of their unwavering commitment to the field of education, female teachers are confronted with a distinct set of problems that might have an impact on their current and future financial well-being. There are a number of reasons that contribute to the financial insecurity of women teachers, including the gender pay-gap, limited prospects for career growth, and unpaid caregiving duties. Furthermore, the absence of financial knowledge and the ability to plan might make the influence of income gaps on spending behaviour even more pronounced. Women teachers may have difficulty efficiently budgeting their money, saving for the future, and making decisions regarding their finances if they do not have access to sufficient knowledge and resources.

When it comes to women teachers, addressing the relationship between salary and spending behaviour demands an approach that takes into account several perspectives. It is possible for policymakers, educational institutions, and advocacy groups to take preventative measures in order to assist female teachers in reaching financial stability.

3. LITERATURE REVIEW :

In recent times, a number of scholars have been concentrating their attention on the explanation of spending behaviour in terms of the behavioural biases that are displayed.

3.1 Income and spending behaviour:

Income significantly impacts investor behaviour and prejudices. Mittal and Vyas (Mittal, M. and Vyas, R.K. (2008) [3]) found that investors with yearly incomes under Rs 1 lakh were cautious, whereas those between Rs. 1 lakh and 2.5 lakhs were casual. A higher annual income of Rs. 2.5 to 4 lakhs characterized individuals with technical investment personalities, whereas those earning over Rs. 4 lakhs were classified as informed investors. Umamaheswari and Kumar (Umamaheswari, S. and Kumar, M.A.

International Journal of Case Studies in Business, IT, and Education (IJCSBE), ISSN: 2581-6942, Vol. 8, No. 2, June 2024

SRINIVAS PUBLICATION

(2014) [4]) was found that although most salaried middle-class investors in Coimbatore, India, have the knowledge to make informed investment decisions and choose the right savings proportion, one-third lack the awareness needed to select suitable financial plans.

With the ability to determine an individual's purchasing power, a person's monthly income plays a key influence in how it affects the spending habits that they have in leisure activities. It is understandable that it can have an impact on what he is able to buy, his attitude on money, and the degree to which he places significance on a price while making decisions on every purchase. As stated by Bunn and Rostom (Bunn, P., Rostom, M (2014) [5]), the level of household debt has been found to have an effect on spending, which in turn has an effect on the financial stability of households. When families accumulate significant debt, they are more likely to struggle with payments, face reduced or negative income, and encounter high interest rates. This is because households with high levels of debt are more likely to receive a high interest rate. However, if people were to increase their awareness of the importance of financial knowledge and how it can provide benefits to them, they would not be forced to endure those financial difficulties. This is despite the growing difficulty of changing a habit, as it has become more ingrained in our identity and behaviour.

3.2 Financial literacy and spending behaviour:

A significant contribution to the improvement of a nation's economic circumstances is made by the customers, and more especially, the employees. They continue to be involved in financial activities and decision-making throughout their lives until they reach the point where they are able to retire. Consequently, in order for individuals to obtain financial contentment and well-being, which ultimately results in life satisfaction, they require adequate or sufficient knowledge that is related to finance. According to Sabri and Juen (Sabri, M.F., Juen, T.T., (2014) [6]), individuals who exhibit high levels of confidence in their ability to retire are financially knowledgeable and engage in financial management practices. This hypothesis is validated by their findings. Previous research has demonstrated a positive correlation between financial knowledge and financial behaviour, particularly in terms of spending habits. There is a positive association between the two. People will avoid getting themselves into financial troubles and will make spending habits that are most desired as their knowledge of finance increases. This will allow them to avoid getting into financial difficulties. People who are not financially literate or knowledgeable can experience unfavourable consequences, such as having a limited amount of money saved, which will make it more challenging for them to meet their needs during a financial crisis. The conclusion that can be drawn from this is that customers' spending patterns are influenced by their level of financial awareness.

In empirical research, the spending and consumption behaviour influenced by an individual worker's level of financial literacy has been relatively understudied. However, recently, academics like Andriani D. and Nugraha, N. (Andriani D. and Nugraha, N (2018) [7]) have started to explore this specific area of interest. The study found that individuals will encounter future challenges due to poor spending habits resulting from insufficient skills or knowledge in financial management. This perspective is supported by previous research conducted by Idris and colleagues, who suggested that irresponsible, extravagant financial investments and a hasty commitment to short-term plans are associated with financial illiteracy and often result in significant debt burdens in the future (Idris, N.et al. (2016) [8]). This particular opinion is supported by the findings of this earlier work. Chinen K. and Hideki (Chinen K. and Hideki (2012) [9]) both stated the same point of view. As far as they are concerned, any person who is capable of making the appropriate choice with regard to their finances at the present time will not find themselves in a financial problem in the future. The fact that they are able to prioritise their requirements over their wants is another indication of their sound financial practice.

Another significant study conducted by Azmi, N.F. and Ramakrishnan (Azmi, N.F. and Ramakrishnan (2018) [10]), they found a significant correlation between the faculty members of management at Universiti Teknologi Malaysia and their financial literacy and spending habits. However, it's worth noting that this study did not fully adopt traditional methods for assessing respondents' financial knowledge. Therefore, it is crucial to embark on this research project to contribute to the existing literature by using standardized measures to examine this phenomenon among civil servants, who may exhibit behaviours distinct from those of other types of workers in the selected state.

With the intention of gaining knowledge and preparing themselves for their respective professions, the researchers, who were all educators, considered it essential and indispensable to conduct this study. The

International Journal of Case Studies in Business, IT, and Education (IJCSBE), ISSN: 2581-6942, Vol. 8, No. 2, June 2024

SRINIVAS PUBLICATION

researchers were also of the opinion that the comparative behaviour of saving and investing was influenced by a number of different factors. An investigation into the relationship between income and spending habits, and the factors that impact the spending behaviour of women teachers in the Kodagu district, is the purpose of this research initiative.

4. SIGNIFICANCE OF THE STUDY :

The significance of the research rests in the fact that it has the ability to contribute to the resolution of significant problems concerning education, gender equality, and financial well-being. This study highlights the significance of providing financial literacy instruction to teachers, particularly women teachers, as well as educators in general. It highlights the necessity for comprehensive personal finance education programs by stressing the role that financial knowledge plays in moulding spending behaviour. These programs are designed to enable individuals to make well-informed financial decisions over their lifetime. Improving the financial well-being of female teachers not only benefits individual educators but also has broader ramifications for society and the economy as a whole. Teachers who have access to necessary financial resources are better able to provide for themselves, their families, and their communities, which in turn contributes to the broader social mobility and economic development of the institution. The research contributes to the existing knowledge base on income disparity, spending behaviour, and financial literacy, particularly with regard to the teaching profession. It offers insights that are supported by evidence and can be used to influence advocacy efforts, legislative initiatives, and additional research that are focused at alleviating the financial issues that women teachers face. Additionally, this study on women teachers' income and spending behaviour could empower women financially, educate educational policy and practice, and advance social and economic development.

5. OBJECTIVES OF THE STUDY :

(1) To determine the role of income and spending behaviour of women teachers in Kodagu district.
(2) To understand how financial literacy mediates the relationship involving income and spending behaviour.
(3) To analyse the tested model using ABCD listing analysis from researcher's point of view.

6. THEORETICAL FRAMEWORK :

In order to provide a comprehensive knowledge of the interactions between income levels, financial literacy, and spending behaviour, the theoretical framework was developed. The following is a list of important theoretical frameworks that potentially influence the research:

Human Capital Theory: According to the human capital theory, the investment that individuals make in their education and the development of their talents increases both their earning potential and their productive capacity in the economy. Within the context of female teachers, this idea proposes that better levels of education and professional development may result in increasing income levels, which, in turn, alter the manner in which they spend their money.

Gendered Division of Labor: The concept of gendered division of labour investigates the ways in which societal norms and expectations influence the distribution of work and resources between men and women. Disparities in salary between men and women in the teaching profession may be a reflection of larger gender inequalities in the labour market. These inequalities have the potential to influence the financial resources and spending habits of female teachers.

Theory of financial socialization: it investigates the ways in which individuals acquire knowledge, attitudes, and behaviours regarding finances through the process of socialization that occurs within families, schools, and communities. It is possible that the experiences of financial socialization that women teachers have may have an effect on their degrees of financial literacy and, as a result, their spending behaviour.

The field of (Behavioural) Economics: For the purpose of gaining an understanding of the ways in which cognitive biases, heuristics, and emotional factors influence decision-making, Behavioural economics integrates insights from both economic and social psychology. It is possible for Behavioural economics theories to shed light on the psychological mechanisms that are responsible for the financial decisions and behaviours of women teachers when applied to the setting of spending behaviour among instructors.

International Journal of Case Studies in Business, IT, and Education (IJCSBE), ISSN: 2581-6942, Vol. 8, No. 2, June 2024

SRINIVAS PUBLICATION

The notion of feminist economics: An examination of the confluence of gender, economics, and social justice is the focus of feminist economics. This field of study draws attention to the distinct experiences and difficulties that women have within economic systems. This approach places an emphasis on the significance of addressing gender inequities in income and resources, as well as encouraging financial autonomy and empowerment among female educators.

7. CONCEPTUAL MODEL AND HYPOTHESIS :

The need to research the financial behaviour of teachers is significant since teachers are among the role model figures who have the ability to affect the financial knowledge and abilities of the younger generation of individuals in terms of their ability to successfully manage their personal finances (Zaimah et al. (2013) [11]).

It is said that (Perculeza et al. (2016) [12]) that the teachers consistently allocate their money towards essential needs, with rare expenditures on leisure and other aspects of their lives.

7.1 Variables used in the study:
(1) Income Levels (Independent Variable): This variable represents the different income levels of individuals.

(2) Financial Literacy (Mediating Variable): Financial literacy serves as a mediating variable between income levels and spending behaviour. It encompasses individuals' comprehension and familiarity with financial concepts such as budgeting, saving, investing, and debt management.

(3) Spending Behaviour (Dependent Variable): Spending behaviour refers to how individuals allocate their financial resources towards various expenses, including discretionary spending, savings, and essential needs.

This model shows how income, financial literacy, and spending behaviour relate. Income levels directly affect spending behaviour, while financial literacy mediates spending behaviour. Policymakers, teachers, and financial advisors can tailor interventions and policies to encourage responsible spending and financial well-being across income groups by recognizing these links.
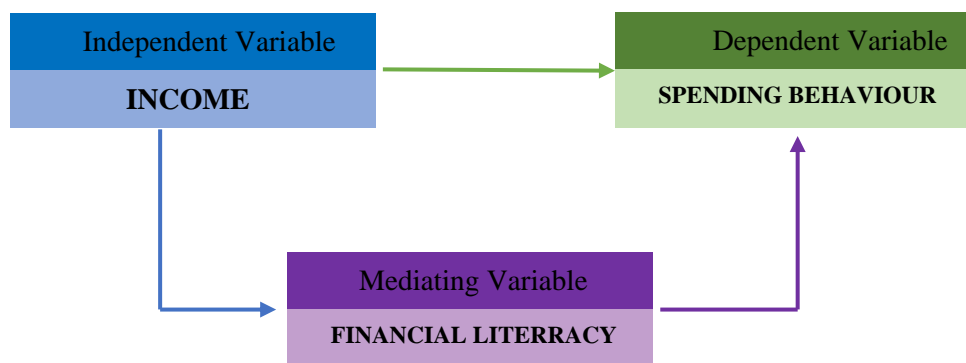
Source: Compiled by the researcher

Fig. 1: Proposed Conceptual Model

7.2 Hypotheses:
H_1: There exists a positive correlation between income levels and spending behaviour.
H_2: Financial literacy(mediator) does mediate the relationship between income and spending behaviour.

International Journal of Case Studies in Business, IT, and Education (IJCSBE), ISSN: 2581-6942, Vol. 8, No. 2, June 2024

SRINIVAS PUBLICATION

8. RESEARCH METHODOLOGY :

8.1. Data Type and Source:

The analysis utilized primary data to examine the relationship between the dependent variable (spending behaviour) and the independent variable (income). The core data was gathered through the use of standardised questionnaires administered to women teachers working in the Kodagu district.

8.2. Sampling Design:

The sample was selected from the population that was the focus of the study by the use of convenient random selection. In the Kodagu area, there were a total of 1834 employees working as teachers in elementary and secondary schools. A formula developed by Yamane (Yamane, T. (1967) [13]) was utilised in order to ascertain the sample size proportional to the whole population. The degree of confidence was set at 95%, and there was a threshold of sampling error of 5%.

$n = N/ (1+Ne^2)$

$n = 1834/ (1+ 1834 \times 0.05^2)$

$= 1834/ 5.585$

$= \mathbf{328}$

Where N = the size of the population

n = the size of the sample

e = the level of precision

Based on this, the researcher decided to use 328 school teachers as a sample size from the 1834 teachers.

9. RESULTS AND DISCUSSIONS :

The study's goals were met with a variety of tools, and this section examines and provides the findings of a field survey on the income and spending patterns of teachers. Respondents who were female teachers provided 328 primary data points that were pertinent to the study. An extensive evaluation of the respondents' age, gender, and marital status can be obtained from their demographic and socioeconomic data. A lot of significant information are needed for this research, such as educational background, yearly income, employment status, monthly expenses, and spending patterns.

Table 1: Demographic profile of the respondents

Variables	Frequency	Percentage
1. Age		
21-30 years	54	16
31-40 years	78	24
41-50 years	134	41
Above 50 years	62	19
2. Religion		
Hindu	157	48
Muslim	31	09
Christian	140	43
3. Marital Status		
Married	218	66
Unmarried	110	34
4. Educational level		
B.Ed/TCH	170	52
CTET	24	07
NET	15	05
UG/PG	119	36
5. Number of dependents		
0	87	27
1-3	123	37
3-5	118	36
6. Employment status		
Private	138	42

International Journal of Case Studies in Business, IT, and Education (IJCSBE), ISSN: 2581-6942, Vol. 8, No. 2, June 2024

SRINIVAS PUBLICATION

Government	190	58
7. Monthly Income		
Below ₹ 20,000	24	7
₹ 21,000 - ₹ 30,000	143	44
₹ 31,000 - ₹ 40,000	42	13
₹ 41,000 - ₹ 50,000	56	17
Above ₹ 50,000	63	19
8. Your annual Savings		
Below Rs. 50,000	146	45
Rs 50,000 –Rs 1lakh	121	37
Rs 1 lakh – Rs 2 lakh	49	15
Above 2 lakhs	12	03
9. Expenditure p.m.		
₹ 10,000 - ₹ 20,000	123	38
₹ 20,000 - ₹ 30,000	112	34
₹ 30,000 - ₹ 40,000	61	18
Above ₹ 40,000	32	10

Source: Field survey

The above table represents profile of the respondents. The majority of respondents (41%) are aged 41-50 years, while the smallest group (16%) is aged 21-30 years. Hindus make up the largest religious group (48%), followed closely by Christians (43%), with Muslims being the smallest group (9%). Most respondents are married (66%), while 34% are unmarried. Over half of the respondents (52%) have a B.Ed/TCH qualification, and the least common qualification is NET (5%). The majority of respondents (37%) have 1-3 dependents, with 36% having 3-5 dependents. More respondents are employed in government jobs (58%) compared to the private sector (42%). The highest proportion of respondents (44%) earn ₹ 21,000 - ₹ 30,000 per month, with the smallest group (7%) earning below ₹ 20,000. Nearly half of the respondents (45%) save below ₹ 50,000 annually, and only 3% save above ₹ 2 lakhs. The largest spending group (38%) spends ₹ 10,000 - ₹ 20,000 per month, while the smallest group (10%) spends above ₹ 40,000.

9.1 Income and Spending Behaviour:

Mitchell et. al. (Mitchell, O. S., Todd, P. and Bravo, D. (2008) [14]), as cited in Septiani & Rita (Septiani, N., & Rita, M. R. (2013) [15]), defines spending as financial activity. A person's spending behaviour is their actions and behaviours when they use money for expenses Malelak & Halim (Malelak, M. I., & Halim, N. M. (2021) [16]). Bhargava & Lown (2006) examined how much people spent by comparing how much they spent to how much they made. Bhargava & Lown (Bhargava, V., & Lown, J. M. (2006) [17]), deduced that three scenarios could apply to an individual's monthly expenses based on this benchmark. Specifically, income exceeds expenses, income equals expenses, or income falls short of expenses.

Objective 1: To determine the role of income and spending behaviour of women teachers.

Table 2 presents the mean statistics of the perception on purpose of spending behaviour by the respondents.

Table 2: Discriptive statistics of the spending behaviour of individuals across different income levels.

S. No.	Factors/Income Level	Below ₹ 20,000	₹ 21,000 – ₹ 30,000	₹ 31,000 – ₹ 40,000	₹ 41,000 – ₹ 50,000	Above ₹ 50,000
1	Spending <Income	06	14	11	16	18
2	Spending =Income	09	46	13	13	22
3	Spending >Income	09	83	18	27	23
	Total	**24**	**143**	**42**	**56**	**63**

International Journal of Case Studies in Business, IT, and Education (IJCSBE), ISSN: 2581-6942, Vol. 8, No. 2, June 2024

SRINIVAS PUBLICATION

The above table illustrates the spending behaviour of individuals across different income levels. In Spending Less Than Income, only a small percentage of individuals in each income category spend less than their income. The number of individuals who spend less than their income increases with higher income levels, indicating better financial management or greater disposable income. Specifically, 6 individuals with an income below ₹ 20,000 spend less than their income, while 18 individuals in the highest income category (Above ₹ 50,000) spend less than their income.

With regard to Spending Equal to Income, a significant number of individuals, especially in the income range ₹ 21,000 – ₹ 30,000, spend exactly equal to their income (46 individuals). This suggests that people in this income bracket might be budgeting carefully to match their expenses with their earnings. Higher income brackets also have a noticeable number of individuals spending equal to their income, with 22 individuals in the Above ₹ 50,000 category.

The Spending More Than Income, where the majority of individuals in each income category, particularly in the ₹ 21,000 – ₹ 30,000 bracket, spend more than their income. This trend is most pronounced in the ₹ 21,000 – ₹ 30,000 category, with 83 individuals spending more than their income, indicating potential financial stress or reliance on credit/debt. Even in higher income brackets, a considerable number of individuals spend more than their income, with 23 individuals in the Above ₹ 50,000 category.

As income increases, the number of individuals who manage to spend less than their income also increases, which is a positive indicator of financial health. However, a significant proportion of individuals across all income levels spend more than their income, highlighting the need for better financial education and management strategies. The highest financial stress seems to be in the ₹ 21,000 – ₹ 30,000 income bracket, where the majority of individuals spend equal to or more than their income. This group might benefit the most from targeted financial planning and support services.

Table 3: The correlation analysis between income and spending behaviour

Correlations			
		Income	**Spending behaviour**
Income	Pearson Correlation	1	.713
	Sig. (2-tailed)		.002
	N	328	328
Spending behaviour	Pearson Correlation	.713	1
	Sig. (2-tailed)	.002	
	N	328	328
*. Correlation is significant at the 0.05 level (2-tailed).			

The Pearson correlation coefficient between income and spending behaviour is 0.713, indicating a robust positive correlation in this sample. This suggests that as income rises, spending behaviour also tends to increase significantly.

The p-value for this correlation is 0.002, which is below the typical significance threshold of 0.05. This indicates that the observed correlation between income and spending behaviour is statistically significant at the 0.05 level, suggesting that the relationship is unlikely to be attributed to random chance.

The strong positive correlation indicates that income is a significant determinant of spending behaviour. As individuals' income increases, their spending behaviour tends to increase proportionately.

The statistical significance of this correlation reinforces the reliability of the observed relationship, suggesting that income levels can be a key focus area for understanding and predicting spending behaviour. Financial planning and management strategies should heavily consider income levels, as they have a substantial impact on spending patterns.

9.2 Financial literacy and Spending Behaviour:

According to Stolper and Walter (Oscar A. Stolper and Andreas Walter, (2017) [18]), the term "financial literacy" refers to the ability to acquire knowledge and comprehension concerning financial matters, with the intention of putting this knowledge into practice while making decisions and planning for one's finances. According to Chen and Volpe (Chen, Haiyang & Volpe, Ronald. (1998) [19]), four factors can

International Journal of Case Studies in Business, IT, and Education (IJCSBE), ISSN: 2581-6942, Vol. 8, No. 2, June 2024

SRINIVAS PUBLICATION

be used to assess financial literacy. These indicators include: general financial knowledge (understanding essential financial management concepts), savings and borrowing (savings and loans), insurance (insurance), and investing. There were five questions chosen to assess financial literacy in the following areas: expenses, insurance, inflation, arithmetic ability, stock market, risk, cash withdrawal from the bank, and investment obligations.

Objective 2: To understand how financial literacy mediate relationship income and spending behaviour.

Table 3 shows respondents' financial literacy perceptions. This study includes the mean of each construct component. If the mean score exceeds 3, respondents believe they agree with the questionnaire questions.

Table 4: Mean on Perception about Financial literacy

S.No.	Statements	Mean Score
1	Cash withdrawal and deposit	5
2	Knowledge about expenditure	4.3
3	Knowledge about investment in stock market	3.4
4	Knowledge about risk, inflation and insurance.	3.7
5	Knowledge about various investment avenues.	3.8

Table 5: ANOVA results for Spending behaviour and financial literacy

ANOVAᵃ						
Model		Sum of Squares	d.f	Mean Square	F	Sig.
1	Regression	5.202	1	5.202	15.517	.000ᵇ
	Residual	109.286	326	.335		
	Total	114.488	327			
a. Dependent Variable: Spending behaviour						
b. Predictors: (Constant), Financial literacy						

The provided ANOVA table for the regression model with spending behaviour as the dependent variable and financial literacy as the predictor is as follows:
The F-value of 15.517 represents the ratio of the mean square for the regression to the mean square for the residuals. It indicates the extent to which the predictor variable (financial literacy) explains variability in the dependent variable (spending behaviour). The p-value of 0.000 is less than the common significance threshold of 0.05, confirming that the model is statistically significant and that financial literacy significantly predicts spending behaviour.
The ANOVA results show that the regression model using financial literacy as a predictor for spending behaviour is statistically significant. The F-statistic of 15.517 and the p-value of 0.000 indicate that financial literacy has a significant influence on spending behaviour.

10. LINEAR REGRESSION MODEL :

In a more detailed regression analysis exploring the relationships between income levels, financial literacy, and spending behaviour, we can expand the model to incorporate additional variables and assess the direct and indirect effects more thoroughly.

$$Y = \beta_0 + \beta_1 X + \beta_2 M + \beta_3 XM + \epsilon$$

Where;

Y represents the spending behaviour of individuals.
X represents income levels.
M represents financial literacy.
Z represents other relevant control variables (e.g., demographic factors, psychological factors).

International Journal of Case Studies in Business, IT, and Education (IJCSBE), ISSN: 2581-6942, Vol. 8, No. 2, June 2024

SRINIVAS PUBLICATION

β 0 represents the intercept term, which estimates the value of spending behaviour when all predictor variables are zero.

β 1 represents the coefficient for income levels, indicating the direct effect of income on spending behaviour.

β 2 represents the coefficient of financial literacy, indicating the direct impact of financial literacy on spending behaviour.

β 3 represents the coefficient for the interaction between income levels and financial literacy, capturing the indirect influence of income on spending behaviour mediated by financial literacy.

ϵ represents the error term, accounting for unexplained variance in spending behaviour.

In this expanded regression equation:

The coefficients β 1 and β 2 provide insights into the direct effects of income levels and financial literacy on spending behaviour, respectively.

The coefficient β 3 assesses the interaction effect between income levels and financial literacy, indicating whether financial literacy moderates the relationship between income and spending behaviour.

The error term ϵ captures any unexplained variance in spending behaviour that is not accounted for by the predictor variables in the model.

This comprehensive regression equation allows for a thorough examination of the relationships between income levels, financial literacy, and spending behaviour, considering both direct and indirect effects while controlling for potential confounding variables.

Table 6: Regression result of Income, Financial literacy and Spending behaviour

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.685	.089		18.873	.000
	Income	.121	.036	.177	3.379	.001
	Financial literacy	.109	.020	.288	5.502	.000

a. Dependent Variable: Spending Behaviour

The regression coefficients table for the model with spending behaviour as the dependent variable and income and financial literacy as the predictors is as follows:

When income and financial literacy are zero, the average spending behaviour score is 1.685. The intercept is statistically significant, indicating it is different from zero. For each unit increase in income, spending behaviour increases by 0.121 units, holding financial literacy constant. Standardized Coefficient (Beta 0.177) value indicates the strength of the relationship between income and spending behaviour in standard deviation units. The relationship between income and spending behaviour is statistically significant at the 0.05 level.

With each unit increase in financial literacy, spending behaviour increases by 0.109 units, while holding income constant. The standardized coefficient (Beta 0.288) reflects the strength of the relationship between financial literacy and spending behaviour in standard deviation units. This relationship is statistically significant at the 0.05 level.

The regression analysis reveals that both income and financial literacy are significant predictors of spending behaviour. Specifically, there is a positive and statistically significant association between income and spending behaviour, indicating that higher income levels are linked with more responsible spending behaviour.

There is a positive and statistically significant correlation between financial literacy and spending behaviour. Increased levels of financial literacy are linked with more responsible spending behaviour. The findings substantiate the hypothesis that greater financial literacy correlates with more responsible spending habits. Additionally, income also plays a pivotal role in predicting spending behaviour,

International Journal of Case Studies in Business, IT, and Education (IJCSBE), ISSN: 2581-6942, Vol. 8, No. 2, June 2024

SRINIVAS PUBLICATION

highlighting that both economic capacity (income) and knowledge/skills (financial literacy) influence how individuals manage their expenditures.

To assess the overall fit of the model, a Structural Equation Model (SEM) is constructed based on principles from regression and factor analysis.

11. STRUCTURAL EQUATION MODEL :

Structural Model The structural model based on all the previous analyses and theoretical frame is represented in the path diagram of Figure 2.
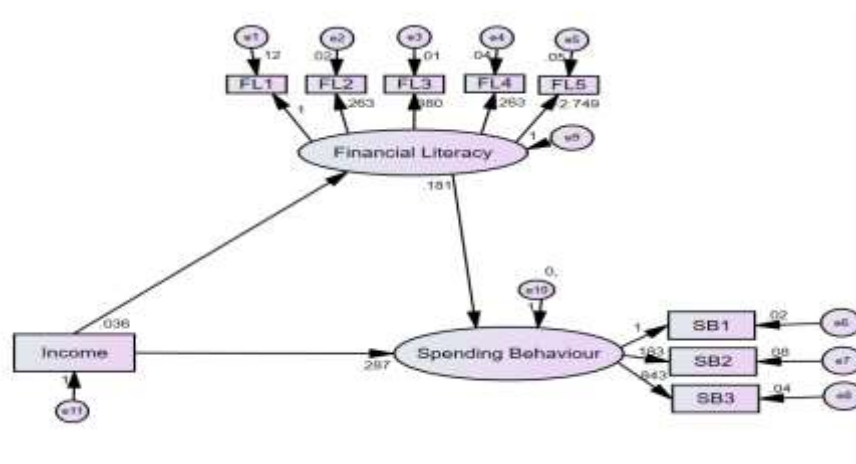

Fig. 2: Structural Equation Model

Table 7: Result of the Structural Equation Model Regression Weights:
(Group number 1 - Default model)

			Estimate	S.E.	C.R.	P
FL	<---	Income	0.036	0.017	2.164	.030
SB	<---	FL	0.181	0.082	2.217	***
SB	<---	Income	0.287	0.080	3.580	***
FL1	<---	FL	1.000			
FL2	<---	FL	0.263	0.062	4.227	***
FL3	<---	FL	0.380	0.103	3.672	***
FL4	<---	FL	0.263	0.062	4.228	***
FL5	<---	FL	0.349	0.105	2.027	.023
SB1	<---	SB	1.000			
SB2	<---	SB	0.183	0.077	2.381	***
SB3	<---	SB	0.843	0.112	7.537	***

The table above displays the outcomes of a structural equation model (SEM) analysis, detailing regression weights (estimates), standard errors (S.E.), critical ratios (C.R.), and p-values (P) for the relationships among the variables Income, FL (Financial Literacy), and SB (Spending Behaviour).

The direct effect of Financial Literacy (FL) and Income is estimated at 0.036 with a standard error of 0.017. The critical ratio (C.R.) is 2.164, and the p-value is 0.030. This indicates a positive and statistically significant relationship between Income and Financial Literacy (FL) at the 5% significance level.

Direct effect of Spending Behaviour (SB) and Financial Literacy (FL) estimate is 0.181 with a standard error of 0.082. The critical ratio is 2.217, and the relationship is significant at a high level of confidence

International Journal of Case Studies in Business, IT, and Education (IJCSBE), ISSN: 2581-6942, Vol. 8, No. 2, June 2024

SRINIVAS PUBLICATION

(p-value indicated by ***). This suggests that higher Financial Literacy (FL) is significantly associated with better Spending Behaviour (SB).

Direct effect of Spending Behaviour (SB) and Income estimate is 0.287 with a standard error of 0.080. The critical ratio is 3.580, and this relationship is highly significant (p-value indicated by ***). This shows that higher Income is significantly associated with Spending Behaviour (SB). Thus, the model supports the conceptual framework of the study.

11.1 Model Fit Summary:

The below table represents fit indices for the conceptual model.

Table 8: Fit Indices

Fit statistic	Recommended	Obtained	Evaluation
x^2	-	68.439	
Df	-	36	
x^2 significance	$p \geq 0.05$	0.062	Acceptable
x^2/df	≤ 5.0	1.575	Acceptable
GFI	≥ 0.90	0.976	Acceptable
AGFI	>0.80	0.941	Acceptable
NFI	≥ 0.90	0.916	Acceptable
RMSEA	≤ 0.08	0.048	Acceptable

Source: Hair et al. (1998, 2010) [20], Hu and Bentler (1999) [21], Byrne (2001) [22], and Ernest et al. (2008) [23]; Computed primary data.

The Chi-Square (χ^2) is obtained to be 68.439 in this case. Given that the threshold for $\chi2$ is dependent on the sample size, there is no recommended threshold for $\chi2$ alone. Rather than that, the significance and the ratio to degrees of freedom (d.f.) are taken into careful consideration.

Two degrees of freedom (d.f.) have been obtained: 36. Like χ^2, d.f. does not have a suggested value on its own; nevertheless, it is utilised in the computation of χ^2/d.f. so that it may be measured.

Moreover, the Chi-Square significance (p-value) should ideally be p > 0.05, and the obtained value is 0.062. A p-value greater than 0.05 suggests that the model fits the data well, indicating no significant difference between the observed and expected data.

If the Chi-Square to Degrees of Freedom Ratio (χ^2/d.f.) is less than or equal to 5.0, it is recommended. 1.575 was obtained here. When values are less than or equal to 5, they are deemed to be acceptable, and when values are lower, they indicate a superior match. This ratio shows that the fit is satisfactory.

Goodness of Fit Index (GFI) is recommended that the value be at least 0.90. The value obtained is 0.976. Values of the GFI that are more than 0.90 indicate a good fit, while a value of 0.976 indicates a very good fit.

The adjusted goodness of fit index (AGFI) is recommended to be greater than 0.80, and the value that was obtained was 0.941. A good fit is indicated by AGFI values that are greater than 0.80, and 0.941 satisfies this criterion.

The recommended norm for the Normed Fit Index (NFI) is a value of 0.90 or above, while the actual value obtained is 0.916. Values of the NFI that are greater than 0.90 suggest an excellent fit, and values above 0.916 indicate a very good fit.

For the Root Mean Square Error of Approximation (RMSEA), the recommended value is less than or equal to 0.08, and the value that was obtained is: The RMSEA value of 0.048 is within the acceptable range, which indicates that the model is a decent fit. Values that are less than or equal to 0.08 are considered acceptable.

All of the fit indices that were acquired are included within the acceptable range, according to the values that are advised by known sources. That the model is a good fit for the data is demonstrated by this. Particularly strong fit indicators are displayed by the model in both the GFI and the NFI, both of which are well over their respective thresholds.

International Journal of Case Studies in Business, IT, and Education (IJCSBE), ISSN: 2581-6942, Vol. 8, No. 2, June 2024

SRINIVAS PUBLICATION

The fit indices that were provided are used to determine whether or not the model is a good fit. That the model accurately captures the data is demonstrated by the fact that all of the indices either meet or exceed the levels that are indicated.

12. DISCUSSION :

This model shows how income, financial literacy, and spending follow each other. Income affects financial literacy and spending behaviour. Higher incomes may lead to more responsible spending and financial literacy. Conversely, lesser income may affect financial literacy and spending habits.
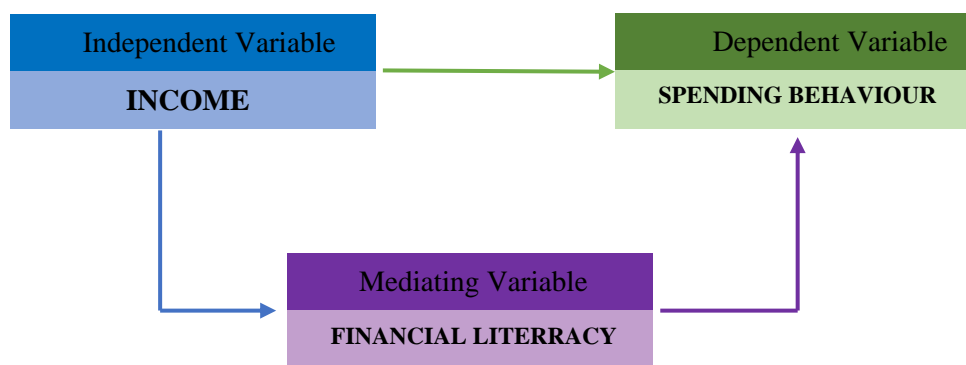

Fig. 2: Final Conceptual model based on proven hypothesis

13. ABCD LISTING OF CONCEPTUAL MODEL :

The ABCD listing method facilitates the assessment of an organization's behaviour, structure, and patterns. Utilizing qualitative research allows for evaluating the pros, benefits, limitations, and drawbacks associated with each identified determinant (P.S. Aithal, (2016) [24-26]). This section outlines the advantages, benefits, limitations, and drawbacks of the proposed conceptual model on women teachers' income, financial literacy, and spending habits.

11.1 Advantages of Conceptual Model:
(1) The model undertakes an extensive study of the impact of income on the spending behaviour of women teachers. These findings offer to a better understanding of the complicated interplay between income levels, financial literacy, and spending behaviour among female teachers, which can guide policy creation, educational programmes, and support systems targeted at improving their financial well-being.
(2) Financial literacy has a positive impact on spending behaviour. Financial literacy plays a significant role in shaping spending behaviour among women teachers. Teachers with higher levels of financial knowledge are more likely to exhibit responsible spending habits, budget effectively, and save for the future, regardless of their income levels.

11.2 Benefits of Conceptual Model:
(1) It develops a better conceptual understanding of women instructors' income and spending behaviour.
(2) Higher incomes and financial literacy are linked to more responsible spending habits.

11.3 Constraints of Conceptual Model:
(1) Collecting data for independent components takes time.
(2) Because people's attitudes and behaviours towards income and spending might vary widely based on their circumstances and demographics, the model's results may not be applicable everywhere.

International Journal of Case Studies in Business, IT, and Education (IJCSBE), ISSN: 2581-6942, Vol. 8, No. 2, June 2024

SRINIVAS PUBLICATION

11.4 Disadvantages of Conceptual Model:

(1) The model can identify correlations between variables but cannot determine causation between them using the model.

(2) External aspects that are not incorporated in the proposed conceptual model, such as respondents' psychological and social characteristics, will also influence their income and spending decisions.

(3) The convenience random sample approach was used to select readily available research subjects for this study; hence the findings and conclusions are confined to the sample that was actually analysed.

12. CONCLUSIONS AND SUGGESTIONS :

Family income is a crucial factor that plays a role in determining spending patterns. According to a number of studies, people and groups of persons have a tendency to spend more money when their monetary income is larger. Budgeting is the most effective way to control and direct spending. Budget categories can be customised to reflect individual preferences by selecting particular amounts. Individual consciousness is the most important aspect to highlight in order to ensure that people are careful with their money. Women teachers should spend wisely according to their current necessities. In summary, this study reveals that financial literacy significantly influences the spending habits of women teachers. This preliminary finding underscores the need for government initiatives aimed at enhancing financial literacy through basic financial education programs to promote savings and responsible spending among women teachers.

This study examines the financial attitudes of 328 women teachers from various educational institutions in Kodagu area. It indicates the amount of financial attitude and disparities among women teachers based on family income. The study demonstrates that women teachers have a positive attitude towards personal finance. One of the characteristics discovered to influence their attitude towards personal money is their salary. Evidence suggests that women teachers with modest family income are more likely to have a positive financial attitude than women teachers with lower incomes. The study's findings indicated a positive and statistically significant relationship between financial literacy and spending behaviour. Increased levels of financial literacy were associated with more responsible spending habits.

REFERENCES :

[1] Sandrasegaran, Kavithanjali & Ramli, Norimah. (2023). A Quantitative Study on Expenditure Behavior among Public and Private University Students in Malaysia. *Journal of Economics and Behavioral Studies*. 15. 27-34. Google Scholar ↗

[2] Shailashree, K., & Aithal, P. S. (2024). The Influence of Socio-Economic Factors on Savings and Investment Decisions of School Teachers-A Study with Reference to Women Teachers in Kodagu District of Karnataka. *International Journal of Management, Technology and Social Sciences (IJMTS)*, *9*(1), 33-46. Google Scholar ↗

[3] Mittal, M. and Vyas, R.K. (2008). Personality type and investment choice: an empirical study. *The ICFAI University Journal of Behavioural Finance, 5* (3), 7-22. Google Scholar ↗

[4] Umamaheswari, S. and Kumar, M.A. (2014), "A special study on Coimbatore based salaried investors' awareness, attitude, expectation and satisfaction over their investments", *Impact: International Journal of Research in Business Management, 2* (2), 99-108. Google Scholar ↗

[5] Bunn, P., & Rostom, M. (2014). Household debt and spending. *Bank of England Quarterly Bulletin*, Q3. Google Scholar ↗

[6] Sabri, M.F., Juen, T.T., 2014. The influence of financial literacy, saving behaviour, and financial management on retirement confidence among women working in the Malaysian public sector. *Asian Soc. Sci. 10, 40.* Google Scholar ↗

[7] Andriani D. and Nugraha, N (2018). Spending Habits and Financial Literacy Based on Gender on Employees. *IOP Conference Series: Material Science and Engineering 407.012089*. Google Scholar ↗

International Journal of Case Studies in Business, IT, and Education (IJCSBE), ISSN: 2581-6942, Vol. 8, No. 2, June 2024

SRINIVAS PUBLICATION

[8] Idris, N., Yazid, Z., Faique, F., Daud, S., Ismail, S., Bakri, M., & Taib, N. (2016). Financial Literacy and Debt Burden Among Malay Youth Workers in Malaysia. *Advanced Science Letters, 22*(12), 4288-4292. Google Scholar ↗

[9] Chinen K and Hideki (2012). Attitude and Background on Personal Finance Ability: A Student Survey in the United State. *International Journal of Management*, 33-45. Google Scholar ↗

[10] Azmi, N. F. and Ramakrishnan (2018). Relationship Between Financial Knowledge and Spending Habits among Faculty of Management's Staff. *Journal of Economic Info (JEI)*. Google Scholar ↗

[11] Zaimah, R., Sarmila, M.S., Lyndon, N., Azima, A. M., Selvadurai, S., Saad, S. and Er, A. C. (2013) Financial Behaviours of Female Teachers in Malaysia. *Asian Social Science, 9*. Google Scholar ↗

[12] Perculeza, N. P., Andal, Y. P., Divino, M. A., Maderazo, C. J., Samonteza, Z. and Manongsong, J.L. (2016) Spending Behaviour of the Teaching Personnel in an Asian University. *Asia Pacific Journal of Multidisciplinary Research, 4*, 99-108. Google Scholar↗

[13] Yamane, T. (1973). Statistics: An introductory analysis. Google Scholar↗

[14] Mitchell, O. S., Todd, P. and Bravo, D. (2008). Learning from the Chilean experience: the determinants of pension switching. In Lusardi, A. (ed.), Overcoming the Saving Slump: Making Financial Education and Saving Programs More Effective. *Chicago, IL: University of Chicago Press,* 301–323. Google Scholar↗

[15] Septiani, N., & Rita, M. R. (2013). Melek finansial dan spending habits berdasarkan jenis kelamin (studi empiris pada mahasiswa/i di FEB UKSW). *Sustainable Competitive Advantage (SCA), 3*(1), Article 1. Google Scholar↗

[16] Malelak, M. I., & Halim, N. M. (2021). Spending patterns on millennial generation in Surabaya. *International Journal of Financial and Investment Studies (IJFIS), 2*(1), 20–26. Google Scholar ↗

[17] Bhargava, V., & Lown, J. M. (2006). Preparedness for financial emergencies: Evidence from the Survey of Consumer Finances. *Journal of Financial Counselling and Planning*, *17*(2). Google Scholar ↗

[18] Oscar A. Stolper and Andreas Walter, (2017), Financial literacy, financial advice, and financial behaviour, *Journal of Business Economics, 87*(5), 581-643. Google Scholar ↗

[19] Chen, H., & Volpe, R. P. (1998). An analysis of personal financial literacy among college students. *Financial services review*, *7*(2), 107-128. Google Scholar ↗

[20] Hair, J., Black, W. C., Babin, B. J., Anderson, R. E., & Tatham, R. L. (2010). Multivariate Data Analysis. 6th (ed*.) Upper Saddle River NJ*. Google Scholar ↗

[21] Hu, L., & Bentler, P. M. (1999). Cutoff criteria for fit indexes in covariance structure analysis: Conventional criteria versus new alternatives. Structural Equation Modeling: *A Multidisciplinary Journal, 6*(1), 1-55. Google Scholar ↗

[22] Byrne, B. M. (2001). Structural equation modeling: Perspectives on the present and the future. *International Journal of Testing*, *1*(3-4), 327-334. Google Scholar ↗

[23] Ernest, S. M., Brown, J. H., Thibault, K. M., White, E. P., & Goheen, J. R. (2008). Zero sum, the niche, and metacommunities: long-term dynamics of community assembly. *The American Naturalist*, *172*(6), E257-E269. Google Scholar ↗

[24] Aithal, P. S. (2016). Study on ABCD analysis technique for business models, business strategies, operating concepts & business systems. *International Journal in Management and Social Science*, *4*(1), 95-115. Google Scholar ↗

[25] Aithal, P. S., Shailashree, V., & Kumar, P. M. (2015). A new ABCD technique to analyze business models & concepts. *International Journal of Management, IT and Engineering*, *5*(4), 409-423. Google Scholar↗

[26] Aithal, P. S., & Aithal, S. (2023). How to Increase Emotional Infrastructure of Higher Education Institutions. *International Journal of Management, Technology, and Social Sciences (IJMTS)*, *8*(3), 356-394. Google Scholar↗

****