

Determining factors of Rural Household Savings in Muthur Divisional Secretariat Division

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Abstract

According to Harad -Dormer saving is an important factor to determine the economic growth of a country. Increase in household saving turn as investment by banks and bank create more money and it contributes to the growth of a country. This study tries to identify the factors which determine the saving in Muthur divisional secretariat division. Using a random sampling method 100 respondents were selected in four villages in the Muthur division. Self-administrated questionnaires were distributed among the respondents in Muthur Divisional Secretariat Division in Trincomalee District in order to collect the primary data. Collected data were analyzed using EViews (version 10) and the OLS method is applied to interpret the findings. The findings of the study revealed that demographic factors (age, family members) and socio-economic factors (income, cost of living, land, education, occupation in agriculture) are significantly influence in saving. Policymakers and the government should take action to provide appropriate employment opportunities, strategies to improve education and approaches to control undesirable consumption are some of the strategies to improve the saving among the households in this division.

Keywords: household, Saving, Income, Consumption