

Saving Behavior of Estate Sector in Sri Lanka: with Special Reference to Nuwaraeliya District

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Saving is an important macroeconomic variable to be studied under the purview of the economic arena on a household basis. In Sri Lanka, the income standard is most uncertain and leads to more consumption rather than saving which has been a cardinal problem. Estate sector is one of the most energetic sectors of the economy of Sri Lanka. It is centered to limited economic activities. This study mainly focuses on underlining the determinants and significant factors of saving behavior of estate sector in Sri Lanka. The special features of this sector: poverty, minimum educational qualification and unemployment. Lack of educational qualification and lower level of income are the results of these interested teachers. The required data were acquired through a structured questionnaire and sampling method was simple random sampling with a sample size of 300 in the Ambagamuwa region in Nuwaraeliya district. The determinants of saving are analyzed empirically by a linear regression method and hidden factors are underlined by factor analysis. The income level, the expenditure level of education, confidence and savings are taken as the criteria for drawing the sample. The study finds that most of the estate sector households (72%) have a low educational qualification status, which is resulting in less awareness of the majority towards the benefits of savings. However, factor analysis found four common factors, namely lack of education, unconfidence, financial difficulties and purpose which determine the household saving behavior. Furthermore, it revealed three variables, namely level of education, confidence and purpose were significantly influenced savings. An efficient wage acts policy should be implemented by the government as many of the estate people are the daily wage workers, empowering them in proper ways which can satisfy their consumption needs and then some portion of the income can be saved.

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