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[1]Unveiling the Nexus between Planned Behavior and Financial Stress: Insights from Rawalpindi, Pakistan

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Abstract

Numerous socioeconomic, racial, and demographic aspects influence household decisions. This study uses primary data from 243 salaried class homes to investigate behavioral aspects that influence human decision-making. The main factor that affects the decision to save money is financial hardship. Households of the salaried class experience financial stress due to impulsive conduct, consumer debt, consumer financing products, pro-consumptive behavior, family financial support, and domestic externalities. All variables play a substantial effect in determining financial stress, according to the descriptive study. The financial stress Ordered Logit model concludes that consumer loan and domestic externalities have positive impact on financial stress whereas family financial support has negative impact.

Key Words: Financial Stress, Economic Factors, Correlation

JEL Classification: D10, D14, D15

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Introduction

Human economic decisions are based on their preferences and motivations, which maximize their degree of happiness and lead to a better outcome in their lives.

Saving money and consuming are two important aspects of a person's life. Savings limit a human life's potential impact in the future, whereas consumption offers the distinctive quality of immediate satisfaction. Individual saving decisions are severely influenced in this time of economic hardship by consumer debt, credit financing tools, credit purchases, and most significantly, financial stress. With the exception of financial stress, which makes saving decisions more difficult, all of these take into account individual salaries.

In their economics theories, Economists offer a variety of ideas regarding savings. Absolute Income Hypothesis by Dusenbery (1949) and Relative Income Hypothesis by Modigliani are cited in Gedela (2012) and Ammad & Ahmed (2020). The Absolute Income Hypothesis suggests that this shortfall might be filled by personal savings. Savings habits are usually influenced by the consumption habits of other households in the same income bracket. According to Modigliani's Life Cycle Income Hypothesis, because an individual household has a comparatively lower level of income at the beginning and end of life, it aims to gradually increase its consumption through time. In his findings, the ordinary person's inclination to eat alters dramatically across life. According to this theory, saving depends on the population's demographic makeup at the individual level.

Corporate, household, and public savings make up domestic saving, according to Khan, Gill, and Haneef (2013). The primary determinants of household saving are economic and demographic factors (Siddiqui & Siddiqui, 1993). The money left over from a particular period of time after expenses and taxes is generally referred to as household savings. Age, dependence ratio, population size, and other demographic variables that may affect household saving are investigated by researchers. Age has a favorable effect on saving among demographic characteristics, but the square of age has a negative effect (Rehman, Bashir, & Faridi, 2011).

It has an impact on household decisions and behavior, particularly with regard to saving. According to Northern, O'Brien, and Goetz (2010), the definition of financial stress is "the inability to pay one's financial responsibilities." Researchers investigate the harmful effects of financial stress on human health. These include low spirits, worry, ineffectiveness, and bad health (Drentea & Lavrakas, 2000). The prevalence of financial stress has grown across the country over time. Financial stress is the most common and, for average minds, the most distressing type of worry, according to George Beard's study (Beard, 1972).

The income gap between the wealthy and middle class is widening in today's world, which eventually worsens the financial situation for households in emerging nations. A household's daily decisions on money are influenced by a wide range of demands. Both economic and noneconomic elements influence the household's economic decisions. This exploratory study aims to identify the variables that affect the salaried class's ability to make sound financial decisions. The distribution of income between spending and saving for the salaried class has been extensively studied in the literature. Numerous demographic, economic, and noneconomic aspects that influence household decisions about spending and saving are investigated by researchers. All of these elements effectively capture the impact of their respective domains, but they were unable to include the behavioral factors. Financial strain is considered a behavioral element that may skew household decisions about how much to spend and how much to save. In this study, the causes of financial stress are investigated, and the impact of financial stress on household choices is examined, also examined in relation to how the salaried class saves.

Significance of the Study

This study explore and diagnoses the determinants of financial stress and their effects on the household behaviors of the salaried class of Pakistan with aim to aware and save the subject class from undergone to financial stress. Financial stress along with its determining factors is shoddily curtailing the decision to save as well as purchasing power of the people which ultimately leads to distort saving behavior of the subject class. In addition to these, this study may give policy line to employees of public and private sectors that how they optimally use their financial resources and lessen the chances of financial stress. Finally at the household level, it helps to identify the main causes of financial stress and pave a way out from it which ultimately recommends a prosperous and pro saver society.

Objective of the Study

The objective of the study is to analyze descriptively and empirically household behavior and financial stress of salaried class in Rawalpindi, Pakistan.

Literature Review

Angamuthu, (2020) conduct an empirical study, in Tiruvannamalai Town, a place in India, to identify the socio-economic and demographic factors which are responsible for saving Behavior in the vicinity and to identify the most effective saving Behavior base on the finding of the study. The study identifies three types of savers; negative savers, zero savers and positive savers. The most common factor taken which influence the saving Behavior of household; sex, marital status, age, level of education, number of family members, economic status of household, living condition of household, income, expenditure and saving. A stratified random sampling method use to collect primary data from the respondents. 125 questionnaires distribute among respondents and only 105 responses are accepted and remaining twenty are rejected. Secondary data is collect from journals, magazines and government reports. Percentage analysis and chi square test use to analyze the data. The findings disclose that no household remain negative savers in long run. The study also finds that to enhance investment and to increase growth rate, household saving must be increase. Saving habits must be promoted from childhood. The study suggests that group insurance scheme extend to household at rural level and procedural reforms should be introduced.

Data

The goal of this study is to investigate the factors that contribute to financial stress and how they affect household saving habits. For this exploratory study, primary data were gathered from workers in the public and private sectors of the Rawalpindi district using a Google survey form. The study primarily focuses on saving money and behavioral aspects of household life. The nature of each and every variable is ordinal. Ordinal variables use likert scales with a strongly disagree to strongly agree range to capture the actual household behavior.

243 respondents who work in various public and private sector organizations make up the sample. The Snowball sampling method is used to get first-hand information. One responder from the snowball sampling is asked to suggest an acquaintance and another respondent. Data gathering through the use of a Google survey form. Using a five point likert scale, the questions range from Strongly Disagree (1) to Strongly Agree (5). Data on a wide range of demographic factors, such as age, gender, family size, number of working years, marital status, education, income, number of earners, and monthly savings, are also collected from respondents.

Both demographic and behavioral characteristics of the home are covered by the questionnaire. Additionally, the questionnaire includes both positive and negative questions to reduce the possibility of bias.

The Authors designed their own questionnaire and is also tested for validity of it by Cornbach's Alpha method. The test shows the low values but still acceptable as other studies also support these values like Douglas and Wright (2014).

The study's descriptive findings are presented in this section. There are two pieces to it. The results of demographic factors are presented in the first section, while descriptive analysis of ordinal data is presented in the second. The population of the salaried class in the district of Rawalpindi is analyzed using a range of demographic factors. Data on the eight different demography variables are gathered in order to cover the general home behavior of the salaried class and maintain randomization. Responses from each household are gathered using a Google survey form and the snowball sampling technique. There were 243 responses, with male respondents making up 75.3% and female respondents 24.7%. Either the governmental or private sectors employ them.

44.4% of respondents work in the private sector, compared to 55.6% who work in the public sector. As a result of this combination, the analysis divides into two halves and becomes more realistic. To account for this aspect, data is collected from a group of working age people whose ages span from 18 to 60. The study's main objective is to analyze the household behavior of the salaried class. Working age is further divided into five divisions for more clarity. The first age range for responders is 18 to 25; 28% of them fall into this category. A total of 24.7% of respondents, or those between the ages of 26 and 30, belong to the second age group. With 33.3% of responders, the third category is the largest. The fundamental relationship between the salaried class and financial stress is further strengthened by these findings.

Table 1

Demographic Statistics

DEMOGRAPHIC VARIABLES	
GENDER	
Male	**Female**
75.3 %	24.7 %

AGE									
18-25		**26-30**		**30-40**		**40-50**		**<50**	
28 %		24.7 %		33.3 %		9.5 %		0.5 %	
OCCUPATIONAL STATUS									
Public					**Private**				
55.6 %					44.4 %				
NO OF FAMILY MEMBERS									
1	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**>9**
-	3.3 %	7 %	16.9 %	25.1 %	19.8 %	12.3 %	5.8 %	2.5 %	7.4 %
EDUCATION									
Matric		**Intermediate**		**Bachelor**		**Master**		**Mphil / PhD**	
4.5 %		11.1 %		30.5 %		28.4 %		25.5 %	
NO OF EARNERS									
1		**2**			**3**			**>3**	
54.3 %		26.3 %			13.6 %			5.8 %	

The age range for the later two groups is between 41 and 50. 9.5% of respondents in the second to last category lied, whereas only 0.5% of respondents are older than 50.The number of family members is an important consideration because this study primarily examines household habits. Nine bifurcations are used to get information on this factor.

25.1% of households have five people living in them, compared to 19.8% who have six and 16.9% who have four. 61.8% of the data are divided among these three categories. Only 10.3% of households, according to the data, include two or three members. Families with 7 and 8 members make up 12.3% and 5.8%, respectively.

Only 2.5% of families have nine members, while 7.4% have more than nine.30.5% of respondents met the education criteria for graduation, whereas 28.4% had a master's degree. M Phil and PhD degrees are held by 25.5% of the sample. Only 4.5% of respondents have completed matriculation, whereas 11.1% have completed intermediate. This statistic supports respondents' perceptions of financial stress and its causes.

There may be more than one wage earner per household. Data on this factor is also collected in order to incorporate it. In 54.3% of homes, there is just one wage earner, whereas in 26.3% of families, there are two wage earners. Only 5.8% of families have more than three earners in the home, compared to 13.6% of households with three earners. Respondents are divided into seven groups in order to obtain information on the number of working years by household. Respondents in the first group with one to five years of job experience. This category accounts for 43.6% of the respondents.

Table2

Impulsive Behavior Results

Impulsive Behavior	Item Description	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	I often buy more than required things	12.3 %	33.3 %	25.9 %	25.1 %	3.3 %
2	I often buy when knew about promotions/sale	6.6 %	30.9 %	27.6 %	29.6 %	5.3 %
3	I often tend to buy if something I like	4.5 %	9.1 %	23.5 %	48.1 %	14.8 %
4	I feel I have impulsive shopping Behavior	11.5 %	24.3 %	35.8 %	25.5 %	2.9 %
5	I always shopping according to list	4.5 %	15.6 %	18.1 %	46.9 %	14.8 %

The results of 243 households' impulsive conduct are displayed in the Table 2. The Table 2 shows the percentage of responders for each likert scale for five different items. The respondents who selected strongly disagree and disagree believed that impulsivity didn't matter much and didn't put households who engage in impulsive buying activity under any financial strain. The third scale demonstrates the objectivity of respondents who judge whether impulsivity is present in their lives or not.

Aggressive and firmly agree are the fourth and fifth scales. These respondents show a higher percentage of impulsive shopping activity than other respondents.

Additionally, the replies show how households' impulsive behavior is a covert effect of financial stress. The first item demonstrates that 45.6% of households do not exhibit any inclination toward impulsivity in their routine purchases. However, 28.4% of households have a propensity to buy more items than they actually need at any given time. While the remaining 25.9% of households’ exhibit neutral behavior in this area. The results of the first item show that the salaried class has impetuous attitudes. The outcomes of the second item While 34.9% of respondents exhibit a tendency to overspend when informed about promotions or sales, 37.5% of respondents express no interest in any promotions or sales. This percentage is just a little bit greater than the percentage in the first item, demonstrating the propensity for impulsive conduct. Additionally, it shows that individuals who are unsure about their propensity for impulsivity are more likely to buy products during sales or promotions.

In the event of promotions, 27.6% of respondents are still impartial, which is slightly more than in the first instance. The results of the third impulsive conduct item, which is of a practical character, demonstrate the higher level of impulsivity in human behavior. Humans naturally seek to satisfy their desires to the greatest extent possible with the resources at their disposal. The findings indicate a strong propensity for impulsive action, with 62.9% of respondents agreeing to buy products they find appealing. This finding demonstrates how impulsivity is higher in the paid class.

Only 13.6% of those surveyed were able to contest their choices and deny the influence of impulsivity. As they feel ambivalent about engaging in impulsive purchases or sticking rigidly to their goals, 23.5% of respondents are still unsure of their habits.

The results of the fourth item reveal what respondents thought about impulsive attitude. In this situation, 35.8% of respondents say they are neutral and don't have any impulsive thoughts. The same percentage of respondents also says they are indifferent.

While 28.4% of respondents indicate that they clearly intend to make impulsive purchases. The fifth question reveals how many responders stick strictly to their list or plan. While 61.7% of respondents continue to stick to the list, 20.1% of respondents do not limit themselves to it. Only 18.1% of those surveyed are impartial in this situation. The general findings of human behavior with regard to impulsivity show that there are signs of impulsive buying. The main element in impulsive purchases is that respondents are more likely to buy products when they like something. Because the respondents belong to the paid class, who have limited means, and because they make purchases based on preferences, their resources are soon depleted. In general, 30.52% of respondents dispute that impulsive conduct has an impact on households, whereas 26.18% believe that impulsive behavior may or may not have an impact on household decisions. According to 43.26% of respondents, impulsive behavior has some sort of negative impact on their lives, saving habits, or consumption patterns.

Table 3

Consumer Loan Results

Consumer Loan	Item Description	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	Consumer loans makes life worse rather better off	4.1 %	9.9 %	19.8 %	40.3 %	25.9 %
2	I easily manage my monthly expenditure after paying my installments	4.5 %	17.3 %	22.2 %	46.1 %	9.9 %
3	I never failed to pay loan installment	3.7 %	14 %	23.9 %	40.7 %	17.7 %
4	I think Loan is expensive way to fulfil needs	4.5 %	5.8 %	13.6 %	40.3 %	35.8 %
5	I feel anxiety while facing unexpected expenditures	1.6 %	9.5 %	20.2 %	56 %	12.8 %

This Table 3 displays the findings from 243 respondents' responses. The Table 3 shows the percentage of responders for each likert scale for five different items. The respondents who selected strongly disagree and disagree believe that households who use consumer loans are not financially stressed. The third scale demonstrates responders' objectivity. It indicates that they consider whether or not consumer loans may be a source of financial strain. Both the fourth and fifth scales are firmly in agreement. The percentage of respondents who fall into these categories are unambiguous in their opinion that consumer loans can lead to financial stress and make their financial problems worse. Additionally, the data reveals how many respondents' lives are negatively impacted by financial stress. The first item's results show the respondents' financial situation. According to 66.2% of respondents, consumer loans have a negative impact on a household's overall financial situation. This fact also made it clear that a salaried worker has limited resources for both saving and day-to-day expenses, because it adds another expense that comes from a household's specific income. Concerning the effects of consumer loans on household financial status, 19.8% of respondents are still undecided. Only 14% of respondents believed that consumer loans had no negative effects on a household's financial situation. The second item demonstrates the mental comfort of homes. After taking out a consumer loan, 21.8% of households find it difficult to control their expenditure, while 22.2% of respondents express no opinion at all. Respondents manage their financial resources effectively in 56% of cases. The third item's results indicate that 58.4% of respondents effectively manage their loan installments payments and never experience financial difficulty as a result of making payments. In this situation, 23.9% of respondents are neutral. 17.7% of those surveyed said it's hard to manage loan installments.

This problem increased household financial stress. As with the previous item's results, which demonstrate a common sense of deteriorating effects of consumer loans on households? According to the answers of the fourth question, 76.1% of respondents believe that taking out a consumer loan is an expensive approach to meet a household's needs, due to the fact that it worsens household finances.

In this situation, 13.6% of respondents are neutral since they may be on either side of the issue. Only 10.3% of those surveys are disagreed that consumer loans are an unreliable source of funding for needs fulfillment. When they come into any unforeseen expenses after taking out a consumer loan, 11.1% of respondents experience fits of worry and melancholy.20.2% of respondents don't have an opinion since they haven't had anxiety or sadness. According to 69.7% of respondents, taking out a consumer credit whenever an unexpected requirement occurs causes worry and unhappiness. The overall findings indicate that respondents do not believe that consumer loans are a good and dependable source of funding for satiating human desires.

Additionally, it causes despair and anxiety, both of which exacerbate financial stress. In comparison, 19.94% of respondents believe that there may or may not be an impact of consumer loans on household behavior. On average, 14.98% of respondents disagree with the impact of consumer loans. Consumer loans, according to 65.10% of respondents, have made their life worse and affected their decisions to save money or buy things.

Table 4

Family Financial Support Results

Family Financial Support	Item Description	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	Joint family system is a source of financial Support	3.7 %	9.9 %	18.5 %	46.5 %	21.4 %
2	I always get financial support from my relative when I need it	12.8 %	18.1 %	23.5 %	33.7 %	11.9 %
3	I often get Financial support in real	7 %	20.6 %	29.6 %	35.8 %	7 %
4	Financial support may reduce anxiety/depression	3.3 %	7.8 %	16.9 %	51 %	21 %
5	Personal contentment increases along with increased financial support	3.3 %	7.8 %	18.1 %	54.3 %	16.5 %

Financial support from family members is a real and perceived phenomenon. Either a person actually receives financial support from friends or family or he only believes that he might do so in a time of need. The responses of respondents regarding financial support from family are shown in this Table. In actuality, a large family has more wage workers than a small household. The Table shows the percentage of responders for each likert scale for five different items. The respondents who selected strongly disagree and disagree believe that home finances were not improved by family financial support. The third scale demonstrates responders' objectivity. It indicates that they consider whether or not reducing financial stress for the family is a good idea. Both the fourth and fifth scales are firmly in agreement. According to the respondents who fall into these categories, family financial stress can reduce personal financial stress and enhance the financial circumstances of homes with paid workers. Additionally, the results demonstrate how many respondents' lives are positively affected by financial support from their families. According to the first item's results, 67.9% of respondents believe that a combined family may provide financial support to a higher level. As a member of a joint family, one may acquire financial support with ease. 13.6% of those surveyed deny the existence of joint families as a source of assistance. 18.5% of respondents have an unfavorable opinion on shared family sources. The results of the second item closely match those of the first item.

It shows how many respondents receive such assistance when they are in need. In times of need, 45.6% of respondents receive financial aid, whereas 30.9% of respondents do not. As some respondents (23.5%) receive such assistance and others do not, they are neutral.

The results of the third item show that familial financial help has actually materialized. In this instance, 42.8% of respondents agree with this while 27.65% do not. In this situation, 29.6% of respondents remained neutral. The fourth item is the most important one in this variable since it indicates whether or not family financial support lessens household financial concerns. According to the results, 72% of respondents believe that financial support from family members reduces financial problems as well as anxiety and depressive symptoms. Only 11.1% of respondents dispute this fact and believe that it has no impact on the factors contributing to anxiety and sadness. In this situation, 16.9% of respondents are neutral because they could choose either side. The results of the fifth item confirm those of the fourth item.

According to 70.8% of respondents, as family financial assistance increases, personal satisfaction and contentment rises and depression and anxiety fall. Only 11.1% of those surveyed disagree with this assertion. 18.1% of survey participants express no opinion. It is unsure that whether financial help from family increases degree of happiness or not. In general, family financial assistance is a factor that has a negative relationship with financial stress because as it rises, financial stress falls.

In comparison, 21.32% of respondents believe that there may or may not be an impact of family financial assistance on household behavior. On average, 18.86% of respondents disagree with the impact on family financial support. According to 59.82% of respondents, having financial support from their families has a beneficial effect on their lives and helps to lower their financial stress.

Table 5

Domestic Externalities Results

Domestic Externalities	Item Description	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	Domestic Externalities are source of depression	5.8 %	26.3 %	25.1 %	35.4 %	7.4 %
2	I feel our consumption is according to our locality	2.1 %	8.2 %	21 %	59.3 %	9.5 %
3	I often compare myself with other people of my locality	10.3 %	33.3 %	22.3 %	29.2 %	4.9 %
4	Demonstration effect may distort consumption pattern	4.9 %	6.2 %	14 %	54.3 %	20.6 %
5	Negative domestic externalities increase the level of stress.	11.1 %	23 %	13.2 %	35 %	17.7 %

A certain society's domestic externalities play a significant effect in changing the behavior of households living there. The demonstration effect also has an impact on how households generally behave. The results of the respondents' comments regarding these factors are displayed in this Table. The Table shows the percentage of responders for each likert scale for five different items. According to the respondents who selected strongly disagree and disagree, home externalities did not put a household under any financial strain. The third scale demonstrates responders' objectivity. It indicates that they consider the possibility that home externalities could lead to financial difficulty. Both the fourth and fifth scales are firmly in agreement. The percentages of respondents who fall into these categories are unambiguous in their opinion that domestic externalities can lead to financial stress and exacerbate their financial problems. Additionally, the responses demonstrate the extent to which respondents' lives are negatively impacted by financial stress brought on by domestic externalities.

The first item suggests that depression is one way that domestic externalities have a detrimental influence on behavior. While 32.1% of respondents dispute the detrimental impacts of domestic externalities, 42.8% of respondents believe that domestic externalities are a source of depression. In this instance, 25.1% of respondents are still neutral. The results of the second item confirm the demonstration effect's presence in modern society. 68.8% of respondents support having their consumption patterns adjusted to their location. Only 10.3% of respondents say there is no geographical effect on a household's overall consumption pattern. In this situation, 21% of respondents are neutral. The third item's results show that 34.1% of respondents compare themselves to other area inhabitants, which further influences how they behave when it comes to consumption. While only 43.6% of respondents said they had ever made such a comparison. While living in a particular society, comparisons are a truth that 22.3% of respondents are neither in agreement with nor opposed to.

Nearly 34% of respondents believe that the demonstration effect has a significant impact on household purchase patterns. 11.1% of those surveyed disagree that the demonstration effect has an impact on household purchase patterns. 14% of respondents are still undecided about whether or not demonstrations affect consumption patterns and hold this opinion. According to 52.7% of respondents, domestic externalities can be a source of financial concerns, and as the impact of negative domestic externalities increases, so does the level of despair. The possibility that depressing internal externalities can cause it is denied by 34.1% of respondents. 13.2% of respondents are unconcerned about the unfavorable domestic externalities' impact.

According to the findings, domestic externalities affect purchasing patterns and can worsen sadness, anxiety, and financial stress in households who are members of the salaried class. In contrast, 19.12% of respondents believe that home externalities may or may not have an impact on household behavior. On average, 26.24% of respondents disagree with the impact of domestic externalities. According to 54.64% of respondents, domestic externalities have a negative impact on their life and influence their decision-making regarding saving or consumption.

Table 6: Saving Behavior Results

Saving Behavior	**Item Description**	**Strongly Disagree**	**Disagree**	**Neutral**	**Agree**	**Strongly Agree**
1	Pro consumption results in little savings of salaried class	3.7 %	9.9 %	27.6 %	50.6 %	8.2 %

2	Impulsive buying often leads to early utilization of monthly income	1.6 %	4.1 %	15.6 %	63 %	15.6 %
3	Pro - saving behavior reduce financial stress	2.1 %	4.4 %	14 %	56 %	23.5 %
4	Savings increase with increase in number of earners	2.5 %	5.7 %	11.9 %	49 %	30.9 %
5	Financial stress reduce the rate of savings	0.4 %	7.4 %	20.6 %	56.4 %	15.2 %

Saving is an important factor for both a household and an economy. A household will either spend all of its available cash or save aside some of it for unanticipated needs. The responses of households in the salaried class on savings are shown in this Table. The Table shows the percentage of responders for each likert scale for five different items. According to the respondents who selected strongly disagree and disagree, pro-consumptive behavior, impulsivity, and financial stress had little bearing on the saving habits of salaried class households. The third scale demonstrates responders' objectivity. It indicates that they consider the possibility that pro-consumptive behavior, impulsivity, and financial stress may have an impact on saving behavior. Both the fourth and fifth scales are firmly in agreement. According to the percentage of respondents who fall into these categories, pro-consumptive behavior, impulsivity, and financial hardship can discourage savers and their financial affairs. Additionally, the results demonstrate the extent to which pro-saving behavior has a favorable impact on respondents' life. The first item's outcome shows that 58.8% of respondents believe that households' pro-consumption conduct reduces their chances of conserving money. Household members fulfill their needs despite not having the necessary financial means. Only 13.6% of respondents dispute this assertion. According to 27.6% of respondents, pro-consumption policies either reduce savings or have no discernible effect on them. The second point has to do with impulsivity, which has an odd impact on households that belong to the paid class.

According to 78.6% of respondents, impulsive behavior is a significant factor in the early use of household financial resources, which results in low or even nonexistent savings by households. Only 5.6% of respondents dispute how impulsivity affects the salaried class.15.6% of those surveyed are still uninterested in impulsivity's impacts.

The third item's outcome shows that saving may lessen the likelihood of depression and financial anxiety, and that pro-saving conduct results in freedom from monetary anxiety. The notion that pro-saving behavior reduces financial stress and depression levels is confirmed by 79.5% of respondents. Only 6.5% of respondents disagree with pro-saving behavior and its benefits for households in the salaried class.

14% of respondents are still unbiased in their assessment of the advantages of saving money. Economic research has shown that as the number of earners rises, saving rates rise as well. With the fourth item's results, the same has been verified. According to 79.9% of respondents, saving rates rise as the number of wage earners rises. 11.9% of respondents are indifferent in this situation, compared to 8.2% of respondents who disagree with this reality. Whether financial stress lowers the level of savings or not is one of the study's main questions. According to the fifth item's results, 71.6% of respondents believe that financial stress lowers the level of savings in households with wage earners. Only 7.8% of respondents dispute this fact, while 20.6% do not see a connection between financial stress and savings levels. This is a relatively small percentage. The replies' findings confirm that saving rates rise as the number of earners rises and that pro-saving behavior lowers financial anxiety and depressive levels. The responses further demonstrate that those with paid incomes save less frequently. 11.45% of respondents, on average, disagree that pro-consumer behavior, impulsive buying, and financial stress cause changes in saving behavior.

While 17.94% of respondents believe that pro-consumptive behavior, impulsive buying, and financial struggles may or may not be the cause of any change.73.68% of respondents, a significant proportion, concur that financial stress distorts saving behavior. Pro-consumptive and impulsive purchasing has an impact on household saving habits as well. The findings show that pro-saving behaviors lower the likelihood of financial stress.

Table 7: Financial Stress Results

Financial Stress	Item Description	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	I often worried about payments (e.g. Bills)	7.8 %	19.3 %	21.4 %	42.8 %	8.6 %

2	I manage monthly expenses efficiently	2.5 %	5.8 %	23 %	53.1 %	15.6 %
3	I often do extra work to manage my expenditures	7.8 %	30 %	25.6 %	29.6 %	7 %
4	I often do not participate in any social activity due to financial crises	7.4 %	40.3 %	19.4 %	27.6 %	5.3 %
5	I often argued with family members due to financial problems	10.7 %	32.9 %	22.3 %	29.2 %	4.9 %

The crucial factor in this study is financial hardship. It occurs when someone is unable to fulfill their financial responsibilities. According on responses from 243 respondents, who each represent an independent household in a particular culture, this Table displays the results of financial stress. The Table shows the percentage of responders for each likert scale for five different items. According to the respondents who selected strongly disagree and disagree, there was little indication of financial hardship in their life. The third scale demonstrates responders' objectivity. It indicates that they consider whether or not their regular financial activities might show indicators of financial stress. Both the fourth and fifth scales are firmly in agreement.

The percentage of respondents who fall into these categories clearly suggests that they are showing good signs of financial stress, which is making their financial problems worse. Additionally, the responses demonstrate the extent to which respondents' lives are negatively impacted by financial stress, which is brought on by a variety of factors. 51.4% of respondents, according to the first item's results, are concerned about their monthly costs. It shows that more than half of those surveyed exhibit signs of financial stress.27.1% of respondents said they never worry about their monthly obligations and that they effectively manage their financial resources. While 21.4% of respondents don't care about paying their bills and don't have any concerns of this nature, they are nevertheless neutral about it. The outcome of the second item reveals how many households effectively manage their financial resources.

The findings indicate that 68.7% of respondents were able to control their spending within the constraints of their financial resources. While 8.3% of respondents struggle to control their spending, 23% of respondents are indifferent in this situation. 37.8% of respondents can manage their expenditures without undertaking more work, compared to 36.6% of respondents who do so. 25.6% of those surveyed are unbiased when it comes to their work or leisure time. Due to financial restrictions, many participants avoid attending social activities. While 47.7% of respondents disagree and report having no financial barriers to participating in social activities, 32.9% of respondents say they shun social interaction. 19.4% of respondents don't say, indicating that they might partake or abstain from social activities.

The fifth point is related to financial strain since someone experiencing financial strain may dispute needlessly with family members. The fifth item's results reveal that 34.1% of respondents argue with their family members about money, while 43.6% of respondents dispute this claim and 22.3% of respondents remain uncommitted.

The outcome of this variable demonstrates that when families start worrying about bill payments, fighting with family members, attempting to avoid social events, and feeling the need to take on more work, they become trapped by financial stress, which may worsen over time. 32.90% of respondents, on average, don't agree that financial stress has an effect on how families behave. While 22.34% of those surveyed believe that financial stress may or may not have a negative impact on household behavior in the form of money worries. According to 44.74% of respondents, financial stress is the main driver of financial anxiety, family discord, and a decline in household free time.

Empirical Analysis

This study is an explorative as well as qualitative research as it entails to investigate the determinants of financial stress and to capture the effects of determinants of financial stress on saving behaviors of households. All variables in study are ordinal variables in nature. Ordered Logit model is use to estimate response of ordinal variables. When variables of interest or their responses are of qualitative nature, ordered Logit regression model is used to estimate the M number of ordinal variables. Ordered Logit has a dependent variable which is binary (i.e. 0 or 1) in nature. Independent variables may be binary or continuous. It captures responses of nonlinear qualitative variable.

The general from of logit model for this study is ,

$$\rho(Y_i > j) = \frac{exp(\alpha_i + X_i\beta_j)}{1 + [exp(\alpha_i + X_i\beta_j)]}, j = 1,2,3, \dots \dots.., M - 1$$

In first Logit model

$$FS_i = \alpha_0 + \alpha_1 I\, B + \alpha_2 CL + \alpha_3 CFI + \alpha_4 PCB + \alpha_5 FFS + \alpha_6 DE + \varepsilon_i$$

The explanation of regression equation is as following:

Where FS, I B, CL, CFI, PCB, FFS, DE and ε_i are financial Stress, Impulsive Behviour, Consumer Loan, Credit financing instruments, Pro Consumptive behvior, Family Financial Support, Domestic externalities and Error Term respectively.

Table 8

Ordered Logit Estimation

Ordered logistic regression			**Number of obs**		**243**	
			LR chi2(6)		**77.32**	
Log likelihood = -532.28871			**Prob > chi2**		**0.0000**	
			Pseudo R2		**0.0677**	
FS	**Coef**	**Std . Err**	**Z**	**p> lzl**	**95% Conf. Interval**	
IB	.2691539	.1966141	1.37	0.171	-.1162026	.6545104
CL	1.088652	.2063541	5.28	0.000	.6842055	1.493099
CFI	.3259193	.1882719	1.73	0.083	-.0430868	.6949255
PCB	.2259183	.2488055	0.91	0.364	-2617315	.7135681
FFS	.5624336	.1686256	3.34	0.001	.2319335	.8929336
DE	.6382744	.1983494	3.22	0.001	.2495167	1.027032

This Table 8 shows the estimate results of the model, Financial stress is dependent variable while the other variables : Impulsive Behavior, Consumer loan, Consumer financing instruments, Pro-Consumptive Behavior, Family financial support and Domestic externalities are the independent ordinal variables. The model focus to explore the determinants of financial stress. Ordered Logit model use to determine the variables which have significant impact in determination of Financial stress. The Log liklihood value is a measure of goodness of Fit for the understudy model. As much as the value is large, the model is supposed to be better fir.The final Log Liklihood valueof our model is -532.28871. At this value the difference between log Liklihood values of consective ittrations are sufficiently small. The table shows that the estimations is base on 243 observations. The P value is 0.0000 indicates that the model is statistically significant. While the Pseudo R square may use for comparison batween two models which are estimated on same data and to find better predicted model.

The estimation results shows that three variables out of six are statistically significant in the model. The significant variables are : Consumer loan, Family financial support and Domestic externalities as their P values are 0.00 whereas Impulsive Behavior and Pro-Consumptive Behavior and Consumer financing instruments are insignificant variables according to estimated data because their P values are greater then equal to 0.1. The Coefficient values of significant variables indicate that one unit increase in the significant variables brings how much change in probability of determinig the financial stress which is dependent variable. To find out how likeli the explanatory variables determine the dependent variable, we estimate marginal effects of the model after the estimation of the overall model.

Table 9

Marginal Effects (At 1.2) of Ordered Logit Model

FS	Coef	Std. Err.	z	P>|z|	[95% Conf.	Interval]
IB	-.0005945	.0007291	-0.82	0.415	-.0020234	.0008345
CL	-.0024044	.0024325	-0.99	0.323	-.007172	.0023632
CFI	-.0007198	.0008305	-0.87	0.386	-.0023475	.0009079
PCB	-.000499	.0007407	-0.67	0.501	-.0019508	.0009529
FFS	-.0012422	.0012915	-0.96	0.336	-.0037736	.0012892
DE	-.0014097	.0014678	-0.96	0.337	-.0042866	.0014672

This Table 9 shows the marginal effect at first cut (1.2) automatically selected by software.This cut point indicates the strong disagreement of respondents with regard to variables under discussion. At this point, all the coefficient values have negative signs. The negative sign implies two facts, one there are rare chances of occurance of financial stress among the salaried class and secondly the respondents are strongly disagree with the phenomenon that explanatory variable may put any significant impact on dependent variable.The value of impulsive Behavior at this levelis-0.0006. It indicates that one unit change in impulsive Behavior reduce theprobability of financial stress by only 0.06%. The impact is so little which lead to negate any significant impact on financial stress. Moreover 0.06% respondents are strongly disagree with the fact that impulsive Behavior can cause financial stress. At first cut, Consumer loan take maximum value of -0.0024 %. So when there is unit change in Consumer loan by household there is chance of change in probability of financial stress by 0.24%. This value indicates, the probability to determine thefinancial stress by 24 % and also it infers that 24 % of respondents are strongly disagree with the role of consumer loan to cause financial stress.The value of Consumer financing instruments is -0.0007.It shows one unit increase in the uses of these instruments the probability of change in financial stress decrease by 0.07 % . It is also indication of number of respondents who are strongly disagree with the impact of consumer loan on financial stress. The value of pro-consumptive Behavior is -0.0005. So one unit change in pro-consumption Behavior, the probability of impact on financial stress is 0.05 %. Moreover it indicates that there 0.05% of respondents are strongly disagree with this fact. The third largest value take by family financial support. Results shows that one unit change in family financial support bring change in the probability of occurance of financial stress by 0.12%. As family financial support negatively correlate with financial stress so there is 0.12 % chances of reduction in financial stress by unit change in family financial stress. It also inferes that 0.12% of respondents are strongly negate that family financial support don't reduce the chances of financial stress. The value of domestic externalities is the second larger value i.e -0.0014 at first cut point. One unit change in domestic externalities, the probability of financial stress change by 0.14%. It also indicates the less chances of change in probability of household goes under financial stress as 0.14 % of respondents strongly disagree with this fact at this level. This cut point verify that all the independent variables take minor values which have no remarkable impact on the determination of financial stress. Moreover "P" values indicates that all variables are insignificant at this cut point.

Conclusion and Policy Implications

The primary focus of this study is on the economic behaviors of salaried class households and the variables that may have an impact on such behaviors.

Psychology is typically concerned with the behavioral aspect. Stress is a psychological phenomenon that has a significant impact on how people behave. In this exploratory study, the impact of stress on household economic behaviors is examined within the framework of economics. This variable is being renamed "Financial Stress" for the aim of expressing the theoretical hypothesis that financial stress and its determinants may influence household economic actions. The main variable in this study is financial stress, and the goal is to identify these factors and understand how they affect how households make economic decisions. Impulsive conduct, consumer loans, consumer financial instruments, pro-consumptive behavior, family financial support, and domestic externalities are the key factors that determine financial stress. The sum of the replies demonstrates how each factor had an effect on the level of financial stress. The major goals are to investigate how explanatory variables affect household economic behavior and how they affect financial stress.

Since impulsivity is solely a psychological phenomenon that is dependent on human nature, counseling sessions can help control it. In this regard, financial literacy may help to some extent. Government should set up training and awareness campaigns to improve household financial literacy.

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