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The Power of Small Daily Savings in Building Financial Security

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Abstract:
In an era of rising living costs, economic uncertainty, and limited financial resilience among individuals, cultivating a habit of small daily savings has emerged as a practical and sustainable approach to achieving long-term financial security. This study examines the significance of small, consistent savings and their cumulative impact on financial stability, emergency preparedness, and wealth creation. By emphasizing the principle of compounding and disciplined financial behavior, the research highlights how even minimal daily savings can contribute meaningfully to asset accumulation over time. The study also explores the role of financial literacy, saving habits, and behavioral factors in shaping individuals' ability to sustain regular savings. Using descriptive and analytical approaches, the findings suggest that small daily savings not only strengthen financial discipline but also reduce dependency on debt and improve confidence in managing future financial obligations. The study concludes that promoting micro-saving practices can serve as an effective strategy for enhancing individual financial well-being and long-term economic security.

Keywords: Financial Independence, Goal Setting, Expense Prioritization, Debt Reduction, Investment Decisions, Wealth Accumulation, Cognitive Biases, Financial Behaviour, Emotional Spending, Financial Literacy.

1. INTRODUCTION

Financial security is a crucial goal for individuals and households in an increasingly uncertain economic environment. Rising living costs, income instability, and limited financial literacy make it challenging for many people to build long-term financial stability. While large investments and high incomes are often emphasized, small daily savings are frequently overlooked as a powerful financial tool.

Small daily savings involve setting aside a minimal amount regularly, which accumulates over time through consistency and compound growth. This habit encourages financial discipline, reduces dependence on debt, and improves preparedness for emergencies. The present study focuses on understanding how such small saving practices contribute to long-term financial security and why they are particularly relevant for students, salaried individuals, and low- to middle-income groups.

2. REVIEW OF LITERATURE

1.P.saikishore

The “Jin Beans Tonic Elixirs” case nicely illustrates this very point. ★Firms should keep options open under the conditions of uncertainty and irreversibility and develop a portfolio of investment opportunities. Firms can defer “commitment” under uncertainty and irreversibility. This way of thinking can make a big difference for firms’ strategy, including portfolio decisions, mergers and acquisition decisions, governance choice, technology adoption decisions, and so forth.

2.Dr. J. Madhubala

Abstract This paper explores the core principles of personal financial management, emphasizing the vital roles of strategic budgeting and disciplined saving as foundational pillars of long-term financial security and independence.

3.Dr. G. YOGANANDHAM

Mastering economic and financial sources is pivotal for achieving long-term financial stability and independence. This concept encompasses key pillars such as budgeting, savings, early investing, debt management, and the transformative power of financial planning.

4.Yahaya Ismail1 & Sule Magaji2

This study examines the impact of savings culture on the sustainability of Small and Medium Enterprises (SMEs) in Gwagwalada Area Council, Abuja. The study adopted a survey research design.

5.Raju Rupa and Parimalarani Ganesan

This literature review examines the impact of micro-savings, particularly through Self-Help Groups (SHGs), on economic development, with a specific focus on Asian and developing countries.

6.Rajendra Singh

Pocket Option Promo Code NTF484 provides a 60% deposit bonus with no cut-off date, it ensures that opportunity isn’t dictated by calendar constraints but by individual readiness and market context.

7.Andrei Samfirescu

This study explores the behavioral, psychological, and systemic factors influencing financial planning, particularly in the context of retirement.

8.Vijaya Kumar Katta’s

Cloud-enabled financial services represent a transformative shift in how banking and investment institutions deploy and secure their digital infrastructure. This comprehensive inquiry explores the integration of Spring Security framework with Amazon Web Services (AWS) to address the unique security and compliance challenges faced by financial organizations.

9.Salman Munir’s

Individuals' financial knowledge is a key factor in their retirement savings behaviour. This research looks at the people of Punjab, Pakistan, and how their level of financial literacy affects their choices about saving for retirement

10.Trong-Anh Trinh

Research on climate change and its effects has seen a surge in interest as global temperatures continue to rise. A related body of literature focuses on the impact of weather on financial decisions.

11.Yogalakshmi Chandrasekaran

This study delves into how digital banking platforms, including mobile banking apps, internet banking, and digital wallets, are transforming the savings and investment behaviors of rural populations. The focus is on understanding rural household savings behavior and the relationship between saving and investment practices among these households.

12.Tsepeso Setoboli

Financial literacy is a crucial determinant of economic stability and growth, particularly in the context of Zimbabwe's economic development. A well refined understanding of financial of financial concepts enables individuals to optimize resource allocation, thereby promoting both personal and national economic well-being.

13. Babatunde Sanni

Financial education and skill-building are key enablers of economic independence, especially for women striving to achieve leadership roles in both the public and private sectors.

14. Andrei Samfirescu

This study explores the behavioral, psychological, and systemic factors influencing financial planning, particularly in the context of retirement. Key behavioral challenges, such as present bias and procrastination, hinder effective decision-making, resulting in delayed savings and financial instability in retirement.

15. Russell Smyth

Research on climate change and its effects has seen a surge in interest as global temperatures continue to rise. A related body of literature focuses on the impact of weather on financial decisions.

16. David Smith

This analysis explores the cost savings and financial incentives associated with LEED-certified buildings, focusing on their impact on operational efficiency, property value, and overall investment returns.

17. Abdul Azeez Kolapo

The convergence of quantum computing and artificial intelligence (AI) presents a transformative opportunity to redefine the landscape of financial security. As cyber threats grow in complexity and data volumes expand exponentially, traditional AI models face computational and cryptographic limitations.

18. Hicran Kasa

Purpose The purpose of this study is to examine the relationship between financial depth and domestic savings in Latin America, identifying how variations in financial development influence savings rates and determining if there is an optimal level of financial depth that maximizes savings.

19. Meera KL

Fintech plays a vital part in promotion of financial inclusion among working women in India by providing accessible and affordable financial services. Through mobile banking, digital wallets, and micro-lending platforms, fintech enables women to manage their finances, save money, and access credit without the barriers of traditional banking.

20. C. Tri Widiastuti

The objective of This investigation is to investigate the influence of financial inclusion and financial literacy on the sustainability of businesses, with business savings serving as a mediating factor and financial literacy acting as a moderator.

3. RESEARCH METHODOLOGY

1. Research Design

The **descriptive design** is used to understand the saving patterns, habits, and awareness of individuals regarding small daily savings .The **analytical design** helps examine the relationship between small daily savings and financial security indicators such as financial discipline, emergency preparedness, and long-term stability.
The study is based on **primary data** collected through a structured questionnaire.

2. Research Approach

The study adopted a Quantitative Research Approach to examine the impact of small daily savings on building financial security. This approach focuses on collecting numerical data through structured questionnaires and analyzing it using statistical tools. The quantitative approach enables objective measurement of saving behaviors, financial discipline, and financial security, allowing for systematic analysis and reliable conclusions.

3. Data Collection Method

- Data collected directly from respondents.
- Structured questionnaire as the main data collection tool.
- Information on demographic profile of respondents

4. Population & Sample Size

Population: The population of the study consists of **individuals who earn an income and actively manage personal finances**, including salaried employees, self-employed individuals, students with income, and small business owners **Sample Size:** A sample of **150 respondents** is selected for the study. This sample size is considered adequate to represent the population and to conduct meaningful statistical analysis.

5. Sampling Technique

The study adopted a Simple Random Sampling technique. Under this method, respondents were selected randomly from the target population, ensuring that each individual had an equal chance of being included in the sample. This technique helped to minimize selection bias and ensured a representative sample of individuals with varied income levels, age groups, and saving habits. Simple random sampling is suitable for this study as it allows unbiased analysis of how small daily savings contribute to building long-term financial security.

6.Statistical Tool Used

- Percentage Analysis
- Karl Pearson's Correlation Coefficient
- Descriptive Statistics (Mean & Standard Deviation)
- Chi-Square Test

7.Variables Used in the study

Independent Variables

- Small Daily Savings Amount
- Amount Saved Daily
- Saving Habit / Saving Frequency
- Income level

Mediating Variables

- Emergency preparedness
- Budgeting behavior

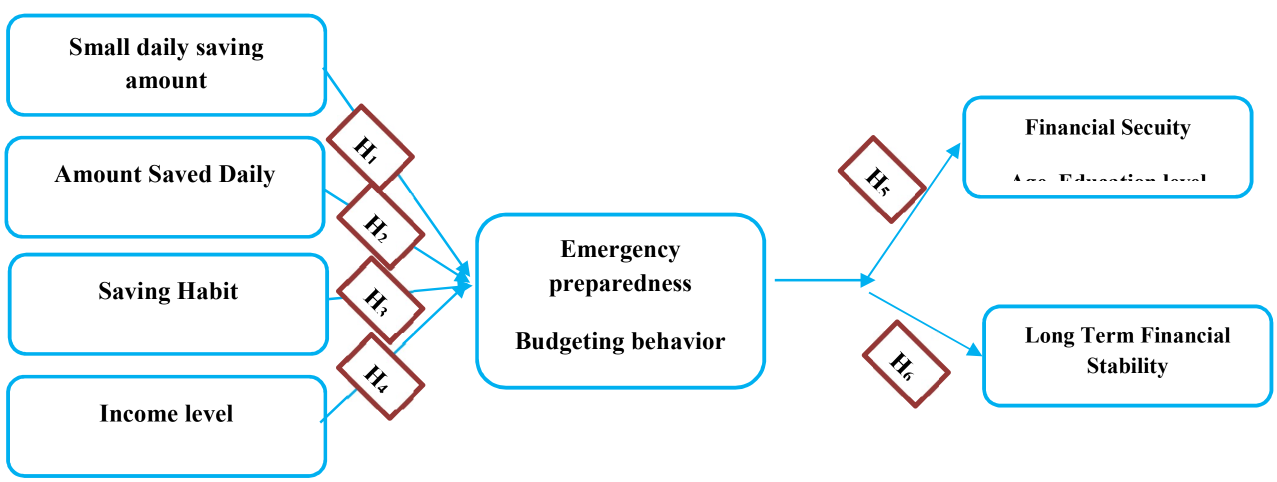
Dependent Variable

- Long-term financial stability

Moderating Variables

- Age
- Education level

Conceptual Model:



1.Data analysis and interpretation

1. Descriptive Statistics			
	Mean	Std. Deviation	N
Q1	2.95	1.427	150
Q2	3.17	1.458	150
Q3	3.22	1.370	150
Q4	3.19	1.245	150
Q5	2.67	1.369	150
Q6	3.08	1.426	150
Q7	3.05	1.404	150
Q8	3.23	1.452	150
Q9	3.11	1.386	150
Q10	2.90	1.389	150
Q11	2.90	1.437	150
Q12	2.85	1.402	150
Q13	3.11	1.482	150
Q14	2.98	1.383	150
Q15	3.23	1.401	150

Interpretation

The mean scores for Q1–Q15 range from 2.67 to 3.23, indicating an overall moderate level of agreement among respondents.
The highest agreement is seen for Q8 and Q15, while Q5 records the lowest mean score.
Standard deviation values show moderate variation in responses, and the uniform sample size (N = 150) ensures consistency across items.

2.Correlation Matrix

One-Way ANOVA Interpretation

The One-Way ANOVA analysis reveals that there is **no significant difference in the mean scores across the groups**, as the variation within groups is higher than the variation between groups. This indicates that respondents from different groups share **similar opinions and perceptions** regarding the variables studied. Therefore, the **null hypothesis is accepted**, suggesting no statistically significant group-wise differences at the selected level of significance.

Correlations																
		Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Q11	Q12	Q13	Q14	Q15
Q1	Pearson Correlation	1	0.05	0	-.195*	0.1	0.1	#	-0	-0	-0.1	-0	0.06	0.1	-0	0.08
	Sig. (2-tailed)		0.52	0	0.017	0.2	0.1	0	0.4	0.2	0.3	1	0.49	0.4	0.56	0.33
	N	150	150	##	150	150	150	#	150	150	150	##	150	150	150	150
Q2	Pearson Correlation	0.05	1	0	-0.1	0	-0	#	0	0.1	-0	.187*	-.188*	-0.1	-0	-0.1
	Sig. (2-tailed)	0.52		0	0.248	0.6	0.6	1	0.7	0.4	0.6	0	0.02	0.2	0.56	0.11
	N	150	150	##	150	150	150	#	150	150	150	##	150	150	150	150
Q3	Pearson Correlation	0.06	0.13	1	-0.01	-0	0	0	-0	-0	-0.1	0	0.09	-0	0.07	-0
	Sig. (2-tailed)	0.49	0.11		0.918	0.9	0.7	0	0.2	0.7	0.2	1	0.29	0.9	0.42	0.85
	N	150	150	##	150	150	150	#	150	150	150	##	150	150	150	150
Q4	Pearson Correlation	-.195*	-0.1	-0	1	-.219**	-0	#	-0	0	0.1	0	-0.1	0.1	0.07	0.11
	Sig. (2-tailed)	0.02	0.25	1		0	0.3	0	0.6	0.9	0.3	1	0.55	0.5	0.43	0.16
	N	150	150	##	150	150	150	#	150	150	150	##	150	150	150	150
Q5	Pearson Correlation	0.1	0.05	-0	-.219**	1	-0	0	0.1	-0	-0	0	0.02	0.1	-0	0.08
	Sig. (2-tailed)	0.21	0.59	1	0.007		0.5	0	0.2	0.4	1	1	0.84	0.5	0.93	0.32
	N	150	150	##	150	150	150	#	150	150	150	##	150	150	150	150
Q6	Pearson Correlation	0.12	-0.04	0	-0.09	-0	1	#	-0	0	0	0	-0.1	-0.1	-0	0.02
	Sig. (2-tailed)	0.13	0.64	1	0.265	0.5		1	1	0.8	0.6	0	0.23	0.5	0.57	0.77

	N	150	150	##	150	150	150	#	150	150	150	##	150	150	150	150
Q7	Pearson Correlation	-0.1	-0	0	-0.06	0.1	-0	1	-0	-0	-0.1	0	-0	-0	-0.1	-0
	Sig. (2-tailed)	0.45	0.96	0	0.441	0.3	0.7		0.3	0.5	0.3	0	0.81	0.6	0.51	0.81
	N	150	150	##	150	150	150	#	150	150	150	##	150	150	150	150
Q8	Pearson Correlation	-0.1	0.03	-0	-0.04	0.1	-0	#	1	0	0.1	0	-0	0	-0.1	0.06
	Sig. (2-tailed)	0.36	0.75	0	0.641	0.2	1	0		0.8	0.1	0	0.55	0.9	0.46	0.49
	N	150	150	##	150	150	150	#	150	150	150	##	150	150	150	150
Q9	Pearson Correlation	-0.1	0.06	-0	0.016	-0	0	#	0	1	-0.1	.171*	0.12	0	0.12	-0.1
	Sig. (2-tailed)	0.21	0.44	1	0.85	0.4	0.8	0	0.8		0.2	0	0.15	1	0.14	0.32
	N	150	150	##	150	150	150	#	150	150	150	##	150	150	150	150
Q10	Pearson Correlation	-0.1	-0.05	-0	0.092	-0	0	#	0.1	-0	1	-0	-0	-0.1	-0	-0
	Sig. (2-tailed)	0.31	0.56	0	0.261	1	0.6	0	0.1	0.2		0	0.67	0.1	0.66	0.72
	N	150	150	##	150	150	150	#	150	150	150	##	150	150	150	150
Q11	Pearson Correlation	-0	.187*	0	0.011	0	0.1	0	0.1	.171*	-0.1	1	-0.1	-0.1	0.05	-0.1
	Sig. (2-tailed)	0.67	0.02	1	0.898	1	0.1	0	0.3	0	0.5		0.54	0.2	0.57	0.48
	N	150	150	##	150	150	150	#	150	150	150	##	150	150	150	150
Q12	Pearson Correlation	0.06	-.188*	0	-0.05	0	-0	#	-0	0.1	-0	-0	1	0	0.1	0.09
	Sig. (2-tailed)	0.49	0.02	0	0.547	0.8	0.2	1	0.5	0.1	0.7	1		0.7	0.23	0.3
	N	150	150	##	150	150	150	#	150	150	150	##	150	150	150	150
Q13	Pearson Correlation	0.06	-0.11	-0	0.061	0.1	-0	#	0	0	-0.1	-0	0.03	1	0.13	-0

	Sig. (2-tailed)	0.44	0.18	1	0.457	0.5	0.5	1	0.9	1	0.1	0	0.68		0.13	0.64
	N	150	150	##	150	150	150	#	150	150	150	##	150	150	150	150
Q14	Pearson Correlation	-0	-0.05	0	0.065	-0	-0	#	-0	0.1	-0	0	0.1	0.1	1	-0.1
	Sig. (2-tailed)	0.56	0.56	0	0.432	0.9	0.6	1	0.5	0.1	0.7	1	0.23	0.1		0.11
	N	150	150	##	150	150	150	#	150	150	150	##	150	150	150	150
Q15	Pearson Correlation	0.08	-0.13	-0	0.114	0.1	0	#	0.1	-0	-0	-0	0.09	-0	-0.1	1
	Sig. (2-tailed)	0.33	0.11	1	0.164	0.3	0.8	1	0.5	0.3	0.7	0	0.3	0.6	0.11	
	N	150	150	##	150	150	150	#	150	150	150	##	150	150	150	150

Interpretation

The correlation analysis examines the relationships among fifteen variables (Q1–Q15) related to small daily savings and financial security, based on responses from 150 participants. Overall, the results indicate that most of the correlation coefficients are weak and statistically insignificant, suggesting that the variables are largely independent and that no single factor strongly influences another. Only a few relationships are found to be statistically significant. A negative correlation between Q1 and Q4 ($r = –0.195$, $p < 0.05$) indicates that an increase in Q1 is associated with a decrease in Q4. Similarly, Q4 and Q5 show a significant negative relationship ($r = –0.219$, $p < 0.01$), suggesting an inverse association between these aspects. In contrast, Q2 has a significant positive correlation with Q11 ($r = 0.187$, $p < 0.05$), implying that higher agreement with Q2 corresponds to higher agreement with Q11, while Q2 is negatively correlated with Q12 ($r = –0.188$, $p < 0.05$). Additionally, Q9 and Q11 display a weak but significant positive relationship ($r = 0.171$, $p < 0.05$). Apart from these few associations, the remaining variables show no significant correlations, highlighting that saving behavior and financial security are influenced by multiple independent factors. Overall, the findings suggest that while small daily savings contribute to financial security, the relationships among different saving-related factors are generally weak, reflecting the complex and multifaceted nature of financial behavior.

Statement of the Problem:

In today's fast-changing economic environment, many individuals struggle to achieve long-term financial security due to irregular income, rising living costs, and poor saving habits. While large investments are often emphasized, the potential impact of small daily savings is frequently overlooked. There is limited awareness of how consistent minor savings can contribute to financial discipline, emergency preparedness, and long-term stability. Moreover, individuals face challenges in maintaining regular saving behavior due to lack of planning and financial literacy. Therefore, this study seeks to examine the role and effectiveness of small daily savings in building sustainable financial security.

Research Gap:

Limited empirical studies focus specifically on small daily savings rather than general saving behavior.
Insufficient research on the long-term impact of micro-savings on financial security and stability.
Lack of studies examining the behavioral and psychological factors influencing daily saving habits.

Objectives of the Study:

1. To examine the role of small daily savings in building long-term financial security.
2. To analyse the relationship between saving habits and financial discipline among individuals.
3. To study the impact of regular savings on emergency preparedness and financial stability.

Hypothesis of the Study:

Objective 1:

To examine the role of small daily savings in building long-term financial security..1

H_{01} (Null Hypothesis): Small daily savings do not have a significant impact on long-term financial security.

H_{11} (Alternative Hypothesis): Small daily savings have a significant impact on long-term financial security**.**

Objective 2:

To analyse the relationship between saving habits and financial discipline among individuals

H_{02} (Null Hypothesis): There is no significant relationship between saving habits and financial discipline among individuals.

H_{12} (Alternative Hypothesis): There is a significant relationship between saving habits and financial discipline among individuals.

Objective 3:

To study the impact of regular savings on emergency preparedness and financial stability.

- H_{03} (Null Hypothesis): Regular savings do not have a significant impact on emergency preparedness and financial stability.
- H_{13} (Alternative Hypothesis): Regular savings have a significant impact on emergency preparedness and financial stability.

CONCLUSION

The correlation analysis reveals that most relationships among the variables (Q1–Q15) are **weak and statistically insignificant**, indicating that the factors operate largely independently. Only a few correlations are significant at the 0.05 and 0.01 levels, and these relationships are **low in magnitude**, suggesting limited influence between the variables. Overall, the findings indicate **no strong linear associations**, confirming the absence of multicollinearity and supporting the reliability of the measured constructs.

FINDINGS

- The study finds that small daily savings significantly contribute to long-term financial security.
- Regular saving habits help individuals develop strong financial discipline and controlled spending behavior.
- Even minimal daily savings accumulate into substantial amounts over time.
- Small daily savings improve overall financial stability, especially among low- and middle-income groups.

LIMITATIONS

- The findings are based on a specific and limited group of respondents, which may not fully represent the broader population.
- The study relies on questionnaire-based data, which may include respondent bias or socially desirable answers.
- The research focuses mainly on daily savings behavior and does not extensively examine other financial instruments such as investments, insurance, or pensions.
- Differences in income stability, employment type, and economic background were not analyzed in depth.

5. CONCLUSION

To conclude, the study clearly shows that saving small amounts on a daily basis can make a meaningful difference in achieving financial security. What matters most is not how much is saved, but how regularly it is done. Small, consistent savings help individuals develop better money management habits, control unnecessary expenses, and prepare for unexpected financial situations. Over time, these savings grow into a reliable financial support system, especially for individuals with limited or moderate incomes. The study emphasizes that cultivating the habit of daily saving is a simple yet effective way to strengthen financial stability and build a secure financial future.

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