



A Study On Impact Of Financial Stress On Career Choices And Saving Habits Of Young Professionals

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ABSTRACT

Financial stress has become a significant concern in today's economic environment, affecting individuals across various socio-economic backgrounds. This study aims to examine the impact of financial stress on career decisions and saving behaviour among individuals. Primary data was collected from 100 respondents using a structured questionnaire. Statistical tools such as percentage analysis, descriptive statistics, correlation, regression, and ANOVA were applied using SPSS software.

The findings of the study reveal that financial stress significantly influences career decisions, particularly in terms of job security preference and risk avoidance. Individuals experiencing higher financial stress tend to prioritize stable employment over high-risk career opportunities. Furthermore, financial stress also affects saving behaviour, limiting individuals' ability to save regularly.

The study also highlights the importance of financial knowledge, which positively influences saving habits and financial planning. However, the ANOVA results indicate that financial stress does not significantly differ across income groups, suggesting that stress is experienced across all economic levels.

The study concludes that improving financial literacy and promoting effective financial planning can help reduce financial stress and enhance decision-making capabilities.

Keywords: *Financial Stress, Career Decisions, Saving Behaviour, Financial Literacy, Financial Planning.*

Introduction

In the early stages of professional life, young professionals face multiple challenges related to career development and financial management. Increasing living costs, education loans, credit card usage, job market competition, and expectations of financial independence contribute significantly to financial stress. Financial stress refers to the psychological pressure and anxiety experienced due to difficulties in managing income, expenses, savings, and future financial security. Financial stress plays a crucial role in shaping career choices of young professionals. Many individuals may prioritize job security, higher salaries, or stable employment over personal interests, job satisfaction, or entrepreneurial aspirations due to financial constraints. Decisions such as frequent job switching, reluctance to pursue higher education, or avoidance of risk-oriented career paths are often influenced by financial pressures. At the same time, financial stress has a strong impact on saving habits. Young professionals experiencing financial strain may find it difficult to save regularly, invest for the future, or plan for long-term financial goals. Limited savings, reliance on short-term financial solutions, and lack of financial planning can further intensify financial stress, creating a continuous cycle of financial insecurity. Understanding

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the impact of financial stress on both career choices and saving habits is essential, as these factors influence long-term career growth, financial stability, and overall well-being. This study aims to examine how financial stress affects the career decisions and saving behavior of young professionals, providing insights that can help individuals, organizations, and policymakers promote financial resilience and sustainable career development.

Literature Review:

Linge, A. A., Kakde, B. B., &Jiwani, A. (2025). Indian Journal of Finance.

The study finds that financial literacy significantly influences saving behaviour and financial decision-making among working young adults, while low literacy increases financial stress. The authors recommend structured financial education programs at workplaces and earlycareer stages to improve financial behaviour and reduce stress.

Shaik, M. B., Kethan, M., Jaggaiah, T., &Khizerulla, M. (2025). East Asian Journal of Multidisciplinary Research.

Despite stable income, IT professionals showed limited investment diversification and high dependence on traditional instruments. The study suggests employer-led financial wellness initiatives and professional investment guidance to improve long-term financial security.

Maurya, R., &Shunmugasundaram, V. (2025). Pragati Journal of Indian Economy.

The study reveals moderate financial literacy among salaried women, affecting savings and investment confidence. It recommends targeted financial empowerment programs and inclusive financial planning education.

Roy, P. (2025). International Journal of Management and Humanities.

Financial risk attitude strongly affects saving and investment decisions of young adults. The author suggests financial risk awareness training and behavioural finance education to improve rational financial choices.

Sundarasan, S. (2025). Sociological Journal.

The review highlights increasing financial stress among young professionals due to lifestyle inflation and debt. It recommends national financial literacy strategies and early financial planning awareness.

Paul, P., Roushon, S., &Laskar, H. R. (2024). International Journal of Economics, Finance and Management.

Millennials and Gen Z exhibit higher consumption with inadequate savings. The study recommends disciplined budgeting practices and early investment planning to improve saving habits.

Sanjay, V., & Kumar, K. (2024). Innovation Journal of Social Sciences and Economic Review.

Financial obligations and lifestyle expenses reduce saving capacity among working professionals. The study suggests structured monthly budgeting and goal-based savings plans.

Kumar, R., & Bansal, S. (2024). JETIR.

Financial stress negatively impacts saving behaviour and job satisfaction. The authors recommend employer-supported financial counselling and stress management programs.

Sharma, N., & Gupta, P. (2024). International Journal of Business and Management Studies.

Financial stress influences career choices, leading individuals to prioritize salary and job security over passion. The study suggests career counselling combined with financial planning support.

Bhatia, S., & Singh, S. (2023). Journal of Financial Services Marketing.

Financial knowledge and planning behaviour significantly influence financial well-being. The study recommends systematic investment awareness and financial advisory services.



Mehta, D., & Patel, R. (2023). *International Journal of Financial Studies*.

Urban youth demonstrate moderate financial literacy but weak saving discipline. The authors suggest integrating financial literacy into higher education curricula.

Rao, S., & Reddy, K. S. (2023). *Asian Journal of Management Research*.

Career decisions are influenced by income expectations and financial responsibilities. The study recommends structured career planning and income management training.

Dash, P., & Ranjan, R. (2022). *RIS Discussion Paper*.

Significant regional differences exist in financial literacy affecting savings behaviour. The study recommends region-specific financial awareness campaigns.

Jain, G., et al. (2022). *National Medical Journal of India*.

Even highly educated professionals lack personal financial literacy, leading to poor savings.

The authors suggest compulsory financial education in professional courses.

Verma, S., & Chandra, B. (2022). *Journal of Public Affairs*.

Financial stress reduces saving consistency among young earners. The study recommends digital budgeting tools and financial stress monitoring.

Nguyen, T., & Rozsa, Z. (2022). *Sustainability (MDPI)*.

Financial stress negatively affects career satisfaction and productivity. The authors suggest employer-sponsored financial wellness programs.

Umair, M., & Ganapathi, R. (2021). *Asian Journal of Managerial Science*.

Income level and financial awareness significantly influence saving and investment decisions.

The study recommends financial advisory services and SIP promotion.

Klapper, L., Lusardi, A., & Van Oudheusden, P. (2021). *GFLEC Report*.

Financial literacy improves financial resilience during economic uncertainty. The authors recommend national-level financial education initiatives.

Xiao, J. J., Chen, C., & Sun, L. (2021). *Journal of Family and Economic Issues*.

Younger adults experience higher financial stress due to limited financial capability. The study suggests early financial capability development.

Sahi, S. K., & Arora, A. P. (2021). *Journal of Behavioral Finance*.

Behavioural biases increase financial stress and poor investment decisions. The study recommends behavioural finance awareness and investor education programs. financial outcomes, thereby providing practical and data-driven recommendations.

DATA ANALYSIS AND INTERPRETATION

Introduction

This chapter presents the analysis and interpretation of data collected from 100 respondents regarding the impact of financial stress on career decisions and saving behaviour. The data was analyzed using SPSS software with statistical tools such as percentage analysis, descriptive statistics, correlation analysis, regression analysis, and ANOVA.



Percentage Analysis

Percentage analysis was used to understand the demographic characteristics of respondents such as age, gender, education, employment status, and monthly income.

Frequencies

Statistics

		Age_Group	Gender	Education	Employment_Stat atus	Monthly_Incom e
N	Valid	100	100	100	100	100
	Missing	0	0	0	0	0

Frequency Table

Table 1 – Age Group Distribution of Respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	18-25	32	32.0	32.0	32.0
	26-35				
	36-45	25	25.0	25.0	57.0
	46 and above				
	Total	23	23.0	23.0	80.0
		20	20.0	20.0	100.0
		100	100.0	100.0	

Interpretation

The analysis shows that the majority of respondents belong to the 18–25 age group, indicating that most participants are young individuals who may be at the early stage of their careers.

Table2 – Gender Distribution of Respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	50	50.0	50.0	50.0



Female	50	50.0	50.0	100.0
Total	100	100.0	100.0	

Interpretation

In terms of gender distribution, both male and female respondents participated in the survey, providing balanced representation.

Table .3 – Educational Qualification of Respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	34	34.0	34.0	
	2				
	3				
	Total	33	33.0	33.0	34.0
		33	33.0	33.0	67.0
		100	100.0	100.0	100.0

Interpretation

Regarding education level, most respondents are postgraduates or undergraduates, suggesting that the sample consists mainly of educated individuals who are capable of making financial decisions.

Table 4 – Employment Status of Respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Student	25	25.0	25.0	25.0
	Employed			25.0	
	employed	24	24.0	24.0	49.0
	Unemployed				
Total	23	23.0	23.0	72.0	
		28	28.0	28.0	100.0



	100	100.0	100.0	
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Interpretation

The employment status analysis indicates that a significant number of respondents are employed, while some are students or self-employed.

Table 5 – Monthly Income Distribution of Respondents

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 1	24	24.0		24.0
2	30	30.0	24.0	54.0
3	26	26.0	30.0	
4	20	20.0	26.0	80.0
			20.0	
			100.0	100.0
Total	100	100.0		

Interpretation

The monthly income distribution shows that many respondents fall within the 20,000–40,000 income category, indicating a moderate income level among participants.

Overall, the demographic analysis provides a clear understanding of the background characteristics of respondents involved in the study.

Descriptive Statistics

Descriptive statistics were used to measure the mean and standard deviation of variables related to financial stress, career decisions, saving behaviour, and financial awareness

Table 6– Descriptive Statistics of Financial Stress, Career Decisions, Saving Behaviour and Financial Awareness Variables

	N	Minimum	Maximum	Mean	Std. Deviation
Financial_Stress	100	1	5	2.79	1.336
Expense_Difficulty	100	1	5	2.86	1.311
Loan_EMI_Stress	100	1	5	2.84	1.412
Future_Financial_Worry	100	1	5	2.84	1.308
Mental_Wellbeing_Impact	100	1	5	2.84	1.329



Career_Choice_Influence	100	1	5	2.82	1.387
Job_Security_Priority	100	1	5	2.88	1.348
Job_Change_Limitation	100	1	5	2.79	1.388
Career_Risk_Avoidance	100	1	5	2.79	1.371
Career_Growth_Impact	100	1	5	2.89	1.383
Saving_Frequency	100	1	5	2.75	1.321
Emergency_Fund	100	1	5	2.67	1.390
Investment_Frequency	100	1	5	2.92	1.343
Stress_Affects_Saving	100	1	5	2.85	1.318
Budget_Following	100	1	5	2.81	1.388
Financial_Knowledge	100	1	5	2.79	1.290
Financial_Confidence	100	1	5	2.85	1.318
Peer_Finance_Influence	100	1	5	2.81	1.395
Family_Finance_Responsibility	100	1	5	2.85	
Financial_Planning	100	1	5	2.79	
Valid N (listwise)	100				

Interpretation

The descriptive statistics show that the mean values of most variables are above the neutral value of the Likert scale, indicating that respondents generally agree with statements related to financial stress and its influence on their financial and career decisions.

The mean score for financial stress suggests that many respondents experience moderate to high financial pressure in managing their daily expenses, loan payments, and future financial stability.

Similarly, the mean values for career decision variables indicate that financial stress influences job choices, career growth decisions, and willingness to take risks in career opportunities. The saving behavior variables show that respondents are somewhat aware of the importance of saving and budgeting, although financial stress may affect their ability to save regularly. Overall, the descriptive statistics indicate that financial stress plays an important role in influencing financial and career-related behaviors among respondents.

Correlation Analysis

Table 7 –Correlation between Financial Stress, Career Decisions, Saving Behaviour and Financial Knowledge



		Financial_Stress	Career_Choice _Influence	Saving_Frequency	Financial_Kn owledge
Financial_Stress	Pearson	1	.866**	.839**	.726**
	Correlation				
	Sig. (2-tailed)		.000	.000	.000
	N	100	100	100	100
Career_Choice_Influence	Pearson	.866**	1	.760**	.644**
	Correlation				
	Sig. (2-tailed)	.000		.000	.000
	N	100	100	100	100
Saving_Frequency	Pearson	.839**	.760**	1	.651**
	Correlation				
	Sig. (2-tailed)	.000	.000		.000
	N	100	100	100	100
Financial_Knowledge	Pearson	.726**	.644**	.651**	1
	Correlation				
	Sig. (2-tailed)	.000	.000	.000	
	N	100	100	100	100

** . Correlation is significant at the 0.01 level (2-tailed).

Result

Sig value = 0.000 (<0.05)

Interpretation

The correlation results indicate that there is a significant relationship between financial stress and career decisions among respondents. This suggests that individuals experiencing higher financial stress tend to consider financial stability when making career choices.

Similarly, financial stress also shows a significant relationship with saving behavior, indicating that financial pressure may influence individuals' ability or motivation to save money regularly.

The relationship between financial knowledge and saving frequency is also found to be significant, suggesting that individuals with better financial knowledge are more likely to adopt effective saving habits.

Regression Analysis

Table 8 – Regression Model Summary showing the Impact of Financial Stress on Career Decisions



Model	Variables Entered	Variables Removed	Method			
1	Financial Stress ^a	.	Enter			
<p>a. All requested variables entered.</p> <p>b. Dependent Variable: Career Choice Influence</p> <p>ANOVA Table for Regression Analysis (Financial Stress and Career Decisions)</p>						
Model	Sum of Squares	df	Mean Square	F	Sig.	
Model Summary						
1	Regression	131.213	1	131.213	295.289	.000 ^a
1	Residual	43.547	98	.444		
1	Total	174.760	99	.748	.667	
a. Predictors: (Constant), Financial_Stress. Predictors: (Constant), Financial Stress						

b. Dependent Variable: Career_Choice_Influence

Sig value = 0.000 (<0.05)

Table 9 –Regression Coefficients showing the Effect of Financial Stress on Career Choice Influence

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	T	Sig.
1	(Constant)	.415	.155		2.677	.009
1	Financial_Stress	.862	.050	.866	17.184	.000

a. Dependent Variable: Career_Choice_Influence

Interpretation



The regression results indicate that financial stress significantly predicts career decisions among respondents. This suggests that individuals experiencing financial pressure tend to prioritize job security, stable income, and lower risk when choosing career opportunities.

The results imply that financial stress plays an important role in shaping career preferences and professional decision-making. Respondents facing higher financial obligations or financial insecurity may avoid risky career options and focus on stable employment.

Thus, the regression analysis confirms that financial stress has a significant impact on career decisions.

ANOVA Analysis

Table 10 – One-Way ANOVA showing the Difference in Financial Stress across Monthly Income Groups

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	3.382	3	1.127	.625	.601
Within Groups	173.208	96	1.804		
Total	176.590	99			

Sig value = 0.648 (>0.05)

Interpretation:

The ANOVA results show a significance value of 0.648, which is greater than the standard significance level of 0.05.

Since $0.648 > 0.05$, the null hypothesis is accepted and the alternative hypothesis is rejected. This indicates that there is no significant difference in financial stress among respondents belonging to different income groups. In other words, financial stress appears to be experienced by individuals across different income categories in a similar manner.

This finding suggests that financial stress may not depend solely on income level but could also be influenced by other factors such as financial responsibilities, lifestyle, debt obligations, or financial planning habits.

FINDINGS, SUGGESTIONS AND CONCLUSION

Findings of the Study

- Majority of respondents are from the 18–25 age group with moderate income levels.
- Respondents experience moderate to high financial stress related to expenses, loans, and future security.
- Financial stress has a significant impact on career decisions, especially job security and risk-taking.
- Financial stress negatively affects saving behavior.
- Financial knowledge improves saving habits among respondents.
- Regression results confirm that financial stress influences career decisions.
- ANOVA shows no significant difference in financial stress across income groups.

Suggestions



Based on the findings of the study, the following suggestions are proposed to reduce financial stress and improve financial decision-making among individuals:

- Improve financial planning and budgeting skills.
- Promote financial literacy programs.
- Encourage building an emergency fund.
- Focus on long-term financial goals.
- Provide financial counseling support at workplaces/colleges.

Conclusion

The study concludes that financial stress plays a crucial role in influencing career decisions and saving behavior. While financial knowledge helps improve financial management, stress affects individuals across all income groups. Therefore, better financial awareness and planning are essential to reduce financial stress and make informed career and financial decisions.

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