

Determinants of Household Saving and its Components

Household Saving

Table: 1 Dependent Variable : Log HHS Time Period : 1970-71 to 2003-04 Method : Ordinary Least Squares Functional Form : Log-linear			
<i>Independent Variables</i>	<i>Coefficient and [t-value] of the estimated equations</i>		
	<i>1</i>	<i>2</i>	<i>3</i>
Intercept	-0.557 [1.20]	0.776 [0.83]	-0.366 [0.91]
Log Y	0.494 [2.05]	-	-
Log YNAY	-	-0.289 [0.46]	-
Log PDI	-	-	0.402 [1.84]
Log INT	-0.108 [1.46]	-0.122 [1.53]	-0.085 [1.09]
Log PCNB ₋₁	-0.038 [1.26]	-0.053 [1.55]	-0.041 [1.33]
Log Π^e_{-1}	0.034 [0.15]	0.356 [1.77]	0.074 [0.33]
Log HHS ₋₁	0.542 [3.53]	0.807 [8.40]	0.593 [4.15]
R^2	0.998	0.998	0.998
\bar{R}^2	0.998	0.997	0.998
<i>S.E. of regression</i>	0.031	0.033	0.031
<i>Durbin's h</i>	0.112*	-0.531*	0.090*
<i>F-statistic</i>	2638.144	2289.743	2568.742

* signifies that there is no problem of either positive or negative first-order autocorrelation in residual.

Household Saving in Financial Assets

Table: 2 Dependent Variable : Log FA Time Period : 1970-71 to 2003-04 Method : Ordinary Least Squares Functional Form : Log-linear		
<i>Independent Variables</i>	<i>Coefficient and [t-value] of the estimated equations</i>	
	<i>1</i>	<i>2</i>
Intercept	0.262 [0.48]	-1.031 [0.83]
Log Y	-0.009 [0.04]	-
Log YNAY	-	0.847 [1.03]
Log INT	-0.104 [1.02]	-0.099 [1.08]
Log PCNB ₋₁	-0.028 [0.64]	-0.046 [1.07]
Log Π^e_{-1}	0.750 [2.31]	0.685 [2.61]
Log FA ₋₁	0.624 [4.02]	0.581 [4.62]
R^2	0.996	0.997
\bar{R}^2	0.996	0.996
<i>S.E. of regression</i>	0.043	0.042
<i>Durbin's h</i>	-3.298 ^{\$}	-2.603 ^{\$}
<i>F-statistic</i>	1470.456	1530.643

\$ indicates that there is problem of negative first-order autocorrelation in the residual.

Household Saving in Currency

Table: 3 Dependent Variable : Log CUR Time Period : 1970-71 to 2003-04 Method : Ordinary Least Squares Functional Form : Log-linear		
<i>Independent Variables</i>	<i>Coefficient and [t-value] of the estimated equations</i>	
	<i>1</i>	<i>2</i>
Intercept	-0.899 [2.15]	-0.653 [1.26]
Log Y	0.709 [2.40]	-
Log YNAY	-	0.479 [1.45]
Log INT	-0.054 [1.18]	0.001 [0.03]
Log PCNB ₋₁	-0.008 [0.48]	-0.024 [1.32]
Log Π^e_{-1}	-0.246 [1.56]	-0.041 [0.34]
Log CUR ₋₁	0.458 [2.11]	0.975 [16.64]
R^2	0.999	0.999
\bar{R}^2	0.999	0.999
<i>S.E. of regression</i>	0.016	0.017
<i>Durbin's h</i>	Undefined	0.729*
<i>F-statistic</i>	7134.797	6311.901

* signifies that there is no problem of either positive or negative first-order autocorrelation in residual.

Household Saving in Demand Deposits

Table: 4 Dependent Variable : Log DD Time Period : 1970-71 to 2003-04 Method : Ordinary Least Squares Functional Form : Log-linear		
<i>Independent Variables</i>	<i>Coefficient and [t-value] of the estimated equations</i>	
	<i>1</i>	<i>2</i>
Intercept	-1.118 [2.08]	-0.077 [0.05]
Log Y	0.773 [2.74]	-
Log YNAY	-	0.227 [0.23]
Log INT	0.014 [0.13]	-0.039 [0.31]
Log PCNB ₋₁	-0.047 [1.02]	-0.053 [0.99]
Log Π^e_{-1}	-0.438 [1.31]	0.242 [0.74]
Log DD ₋₁	0.472 [2.78]	0.807 [5.52]
R^2	0.995	0.993
\bar{R}^2	0.994	0.992
<i>S.E. of regression</i>	0.045	0.051
<i>Durbin's h</i>	-5.601 ^{\$}	-1.667 [*]
<i>F-statistic</i>	976.513	757.608

\$ indicates that there is problem of negative first-order autocorrelation in the residual.

* signifies that there is no problem of either positive or negative first-order autocorrelation in residual.

Household Saving in Time Deposits

Table: 5 Dependent Variable : Log TD Time Period : 1970-71 to 2003-04 Method : Ordinary Least Squares Functional Form : Log-linear		
<i>Independent Variables</i>	<i>Coefficient and [t-value] of the estimated equations</i>	
	<i>1</i>	<i>2</i>
Intercept	0.315 [1.11]	-0.293 [0.36]
Log Y	-0.065 [0.54]	-
Log YNAY	-	0.302 [0.57]
Log INT	-0.086 [1.45]	-0.074 [1.36]
Log PCNB ₋₁	0.003 [0.13]	0.004 [0.17]
Log Π^e_{-1}	0.281 [1.415]	0.202 [1.41]
Log TD ₋₁	0.919 [15.34]	0.89 [13.85]
R^2	0.999	0.999
\bar{R}^2	0.999	0.999
<i>S.E. of regression</i>	0.025	0.025
<i>Durbin's h</i>	0.506*	0.391*
<i>F-statistic</i>	5439.659	5445.871

* signifies that there is no problem of either positive or negative first-order autocorrelation in residual.

Household Saving in Life Funds

Table: 6 Dependent Variable : Log LF Time Period : 1970-71 to 2003-04 Method : Ordinary Least Squares Functional Form : Log-linear			
<i>Independent Variables</i>	<i>Coefficient and [t-value] of the estimated equations</i>		
	<i>1</i>	<i>2</i>	<i>3</i>
Intercept	-3.728 [47.74]	-0.849 [2.03]	-1.508 [2.07]
Log PDI	1.318 [92.76]	0.314 [2.17]	0.594 [2.03]
Log Π^e_{-1}	-	-	-0.251 [1.10]
Log LF ₋₁	-	0.766 [6.94]	0.666 [4.67]
R^2	0.996	0.998	0.999
\bar{R}^2	0.996	0.998	0.998
<i>S.E. of regression</i>	0.046	0.029	0.029
<i>D-W</i>	0.764 [^]	-	-
<i>Durbin's h</i>	-	-0.133 [*]	-0.861 [*]
<i>F-statistic</i>	8603.561	9752.846	6548.047

[^] indicates that there is evidence of positive first-order serial correlation at 1% and 5% level of significance.

^{*} signifies that there is no problem of either positive or negative first-order autocorrelation in residual.

Household Investment in Shares and Debentures

Table: 7 Dependent Variable : Log HH _{sh} Time Period : 1970-71 to 1998-99 Method : Ordinary Least Squares Functional Form : Log-linear		
Independent Variables	Coefficient and [t-value] of the estimated equations	
	1	2
Intercept	3.896 [17.13]	-0.909 [1.42]
Log PCIND ₋₁	1.155 [4.63]	-
PCIND ₋₁	-	0.602 [4.36]
Log INT	-	-0.393 [0.40]
Log Π^e_{-1}	-	1.048 [2.26]
Log HHsh ₋₁	-	0.678 [4.29]
R^2	0.605	0.971
\bar{R}^2	0.577	0.965
S.E. of regression	0.464	0.153
D-W	1.836 [^]	-
Durbin's h	-	-1.303*
F-statistic	21.453	159.039

[^] signifies that there is no evidence of either positive or negative first-order serial correlation at 1% level of significance.

* signifies that there is no problem of either positive or negative first-order autocorrelation in residual.

Critical Values of 't': Percentage Points of t-Distribution

Time Period: 1970 – 2003

No. of Obs. [n]	No. of Explanatory Variables [k]	Degree of Freedom [= n-k]	Level of Significance			
			20%	10%	5%	1%
29*	4	25	1.316	1.708	2.060	2.787
34	5	29	1.311	1.699	2.045	2.756
34	4	30	1.310	1.697	2.042	2.750
34	3	31	-do-	-do-	-do-	-do-

Note: This table is a summary of the critical values and level of significance of t-test which are directly relevant in the present study on determinants of household savings.

* The time period taken for estimating the function for household investment in shares and debentures is from 1970-1998.