

Saving Attitudes and Behaviors in an Emerging Economy: Assessing the Moderating Effect of Household Size

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Abstract

Purpose: The aim of this research is to investigate the mechanisms that explain saving attitudes and behavior among citizens in a majority-Muslim country context. The authors propose and test an integrated model explaining the key individual, social and economic factors explaining saving attitude and behavior.

Design / Methodology / Approach: Based on data collected from a sample of 618 Moroccan respondents, we empirically tested the proposed conceptual model using a partial least squares (PLS) estimation.

Findings: First, saving attitude has a significant impact on individuals' saving actual behavior; at the same time, our findings supported the substantial effect of all proposed background factors on saving attitude except financial literacy. Finally, our findings confirm the moderating effect of household size, e.g., saving attitude is more likely to convert into a saving behavior for individuals belonging to households of smaller size.

Practical Implications: The current research allows a better understanding of the antecedents of individuals' saving attitude and behavior in an emerging country context. Our results provide valuable insights for both financial authorities and institutions. Financial authorities can design improved fiscal programs to assist citizens in organizing their savings in an institutionalized manner and therefore improve their economic conditions.

Originality / Value: The current research fills a gap in literature by investigating individuals' saving attitudes and behavior by addressing factors that have been analyzed independently in prior studies. This study combines individual, social and economic factors to explain saving attitude and behavior in a context marked by informal saving habits.

Keywords

Savings, Life Cycle Hypothesis (LCH), background factors, saving attitude, saving behavior, household size, Morocco.

JEL Codes: D9, D91, D14.

