
A STUDY ON THE IMPACT OF TRAVEL FREQUENCY ON PASSENGERS' BUDGETING AND FINANCIAL PLANNING BEHAVIOR**¹Mayur Jangam, ²Dr. Fatema H. Fanuswala**¹Research Student, M.Com-I, Jai Hind College²Assistant Professor, Accountancy, Jai Hind College**ABSTRACT**

This study examines the relationship between travel frequency and passengers' financial management behavior, with particular focus on budgeting decisions and financial planning. The rapid growth in domestic and international travel has influenced how individuals allocate and manage their monthly and annual budgets. Using primary data collected from 50 respondents through a structured Google Form survey, this research analyzes whether increased travel frequency leads to variations in budgeting patterns and financial planning practices.

Data analysis incorporates both descriptive and inferential statistical methods, including chi-square hypothesis testing, to evaluate the association between travel frequency, budgeting behavior, and financial planning. The findings indicate that while travel frequency does not significantly impact monthly budgeting, it has a significant influence on financial planning behavior. These insights may assist individuals and financial advisors in developing more effective money management strategies for frequent travelers.

Keywords: *Travel frequency, Budgeting behavior, Financial planning, Passenger spending, Personal finance management*

INTRODUCTION

The increasing accessibility of air travel has influenced personal financial behavior. Passengers today travel more frequently for business, leisure, and family purposes. While travel broadens experiences and opportunities, it also introduces important financial considerations. Budgeting and financial planning become essential as travel-related expenses may affect monthly and annual spending patterns.

The present study examines how travel frequency impacts passengers' financial planning and budgeting habits. It analyzes whether frequent travelers maintain different levels of financial control compared to occasional travelers and how travel decisions influence long-term financial goals such as savings, investments, and asset acquisition. The study further evaluates these relationships using statistical analysis to identify whether travel frequency significantly affects budgeting and financial planning behavior.

OBJECTIVES OF THE STUDY

- ❖ To examine how travel frequency affects passengers' budgeting decisions.
- ❖ To investigate the influence of travel frequency on passengers' financial planning behavior.
- ❖ To explore how passengers manage their finances in relation to their travel habits.

SCOPE OF THE STUDY

The research is limited to passengers aged 18 years and above who travel by air at least once a year. The study focuses on budgeting, financial planning, and expenditure behavior in relation to travel frequency. The geographical scope of the study is limited to respondents residing in the Mumbai region. The study also includes both working professionals and business owners, as these groups are more likely to experience variations in travel frequency and financial habits.

Additionally, the study is based on a limited sample of 50 respondents. Therefore, the findings may contain some degree of bias and may not fully represent the broader population. Conducting the research on a larger scale with more respondents could provide more accurate and generalizable results.

RESEARCH DESIGN & METHODOLOGY

- I) **Study Method:** Descriptive research design was adopted to examine and interpret the relationship between travel frequency and passengers' financial management behavior. This approach helps in identifying patterns in budgeting and financial planning among travelers.
- II) **Primary Data:** Primary data was collected through a structured Google Form questionnaire comprising 14 questions related to travel frequency, budgeting habits, and financial planning behavior.

- III) **Sample Unit:** The sample unit consists of passengers aged 18 years and above who travel by air at different frequencies — rarely, occasionally, frequently, and very frequently.
- IV) **Sample Size:** The study is based on 50 responses, offering indicative insights into the relationship between travel frequency and financial behavior. However, since the sample size is limited, the findings should be interpreted with caution and may not fully represent the larger population.
- V) **Sampling Technique:** A convenience sampling technique was used to facilitate easy access to respondents and efficient data collection through digital survey forms. While this method supports quick data gathering, it may introduce sampling bias; therefore, studies conducted on a larger scale could produce more reliable and generalizable results.

HYPOTHESIS OF THE STUDY

Hypothesis 1

H₀: Travel frequency has no significant effect on passengers’ monthly budgeting.

H₁: Travel frequency has a significant effect on passengers’ monthly budgeting.

Hypothesis 2

H₀: Travel frequency does not influence passengers’ financial planning behavior.

H₁: Travel frequency influences passengers’ financial planning behavior.

INTERPRETATION AND ANALYSIS

Data interpretation is presented through 14 pie charts representing responses to each survey question. The charts reflect variations in travel frequency, budgeting practices, financial adjustments made during travel, and perceptions regarding the impact of travel on long-term savings and investments.

Preliminary observations indicate that:

A majority of respondents report adjusting their monthly budget while planning travel.

Frequent travelers show a greater tendency to rely on credit options or reduce other expenses to manage travel-related costs.

Nearly 60% of respondents believe that frequent travel affects their ability to save for long-term financial goals.

These observations are based on a limited sample and are further examined through hypothesis testing to determine statistical significance.

Testing of Hypothesis 1

Hypothesis 1: Impact of Travel Frequency on Monthly Budgeting

Null Hypothesis (H₀):

Travel frequency has no significant effect on passengers’ monthly budgeting.

Alternative Hypothesis (H₁):

Travel frequency has a significant effect on passengers’ monthly budgeting.

Observed Data

<i>Travel Frequency</i>	<i>Budget Affected</i>	<i>Not Affected</i>	<i>Total</i>
<i>Rare/Occasional</i>	10	8	18
<i>Frequent/Very Frequent</i>	24	8	32
<i>Total</i>	34	16	50

Statistical Test Used

Chi-Square Test of Independence

Degrees of Freedom (df) = (2-1)(2-1) = 1

Level of Significance (α) = 0.05

Critical Value = 3.84

Expected Frequencies

Travel Frequency	Budget Affected	Not Affected
Rare/Occasional	12.24	5.76
Frequent/Very Frequent	21.76	10.24

Chi-Square Calculation

$$\chi^2 = \sum \frac{(O-E)^2}{E} = \sum \frac{(O-E)^2}{E}$$

$$= \frac{(10-12.24)^2}{12.24} + \frac{(8-5.76)^2}{5.76}$$

$$+ \frac{(24-21.76)^2}{21.76} + \frac{(8-10.24)^2}{10.24}$$

$$= 0.41 + 0.87 + 0.23 + 0.49$$

Calculated χ^2 value \approx 2.00

Decision

Since the calculated χ^2 (2.00) is less than the table value (3.84), the null hypothesis (H_0) is accepted.

ANALYSIS

The analysis indicates that travel frequency does not have a statistically significant impact on monthly budgeting within the selected sample. However, due to the limited sample size, the findings should be interpreted cautiously.

Testing of Hypothesis 2

Hypothesis 2: Impact of Travel Frequency on Financial Planning

Null Hypothesis (H_0):

Travel frequency does not influence passengers' financial planning behavior.

Alternative Hypothesis (H_1):

Travel frequency influences passengers' financial planning behavior.

Observed Data

CATEGORY	INFLUENCED	NOT INFLUENCED	TOTAL
Frequent/Very Frequent	30	5	35
Rare/Occasional	8	7	15
Total	38	12	50

Statistical Test Used

Chi-Square Test of Independence

Degrees of Freedom (df) = (2-1)(2-1) = 1

Level of Significance (α) = 0.05

Critical Value = 3.84

Expected Frequencies

Category	Influenced	Not Influenced
Frequent Travelers	26.6	8.4
Rare/Occasional Travelers	11.4	3.6

Chi-Square Calculation

$$\chi^2 = \sum \frac{(O-E)^2}{E} = \sum \frac{(O-E)^2}{E}$$

$$= \frac{(30-26.6)^2}{26.6} + \frac{(5-8.4)^2}{8.4}$$

$$+ \frac{(8-11.4)^2}{11.4} + \frac{(7-3.6)^2}{3.6}$$

$$= 0.43 + 1.38 + 1.01 + 3.21$$

Calculated $\chi^2 \approx$ 6.03

Decision

Since the calculated χ^2 (6.03) is **greater than** the table value (3.84), the **null hypothesis (H₀) is rejected**.

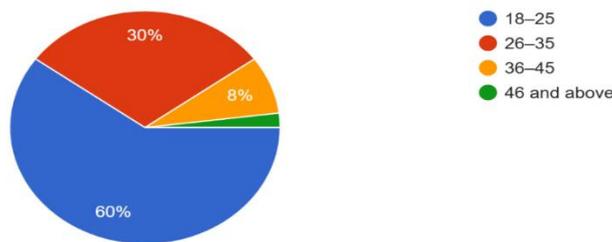
ANALYSIS

The analysis shows that travel frequency significantly influences passengers’ financial planning behavior within the selected sample, as frequent travelers are more likely to adjust their long-term financial goals

The following charts present the analysis of primary data collected from 50 respondents, along with their interpretations.

Chart 1: Age Distribution of Respondents

1. What is your age group ?
50 responses

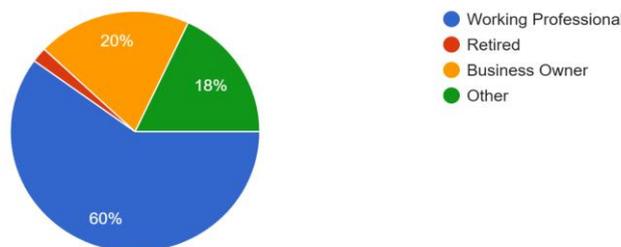


Interpretation:

The majority of respondents (60%) are aged 18–25, followed by 28% in the 26–35 range. Only 12% are above 35. This shows that most participants are **young adults**, reflecting a demographic more likely to travel frequently and actively manage personal budgets.

Chart 2: Occupational Distribution of Respondents

2. What is your occupation?
50 responses



Interpretation:

Most respondents (60%) are **working professionals**, followed by 18% business owners and 16% in the “other” category, while 6% are retired. This indicates that the majority of participants have a **steady source of income**, making budgeting and financial planning relevant and meaningful for this study.

Chart 3: Frequency of Air Travel

3. How often do you travel by air?
50 responses

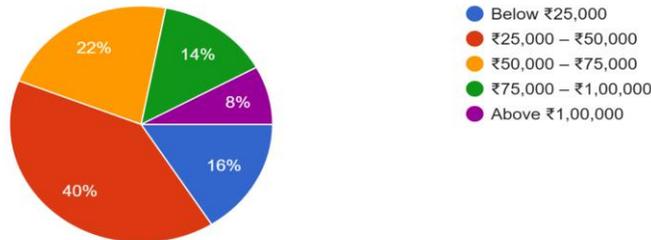


Interpretation:

Most respondents (44%) travel **occasionally (2–4 times a year)**, followed by 32% who travel rarely and 22% who travel frequently. Only 2% travel very frequently. This shows that the sample primarily consists of **occasional air travelers**, offering balanced insights between leisure and business travel behavior.

Chart 4: Purpose of Travel

4 . What is your monthly income range?
50 responses



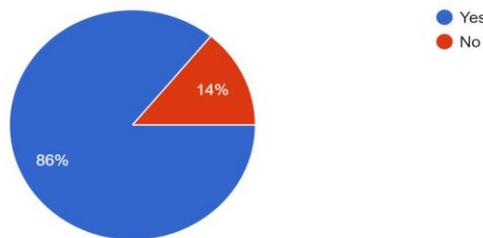
Interpretation:

The majority (40%) of respondents earn between **₹25,000 and ₹50,000**, followed by 22% earning **₹50,000–₹75,000**. Around 16% earn below ₹25,000, while 14% fall in the ₹75,000–₹1,00,000 range, and 8% earn above ₹1,00,000.

This indicates that most respondents belong to a **middle-income group**, which provides a balanced view of budgeting and spending behaviors across different financial capacities.

Chart 5: Average Travel Expenditure

5 . Does frequent travel affect your monthly budget?
50 responses



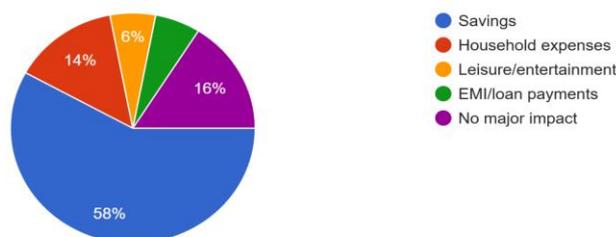
Interpretation:

A clear majority (82%) of respondents stated that **frequent travel affects their monthly budget**, while 18% said it does not.

This indicates that travel expenses are a **significant factor influencing monthly financial planning**, supporting the hypothesis that travel frequency impacts budgeting behavior.

Chart 6: Budget Adjustment for Travel

6 . Which area of your monthly budget is most affected by travel?
50 responses

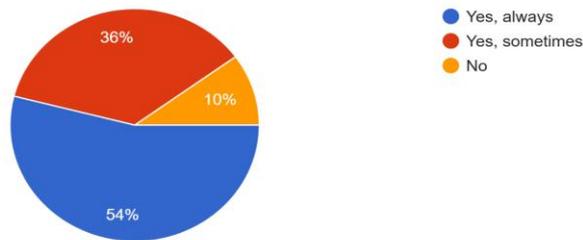


Interpretation:

The majority of respondents (56%) reported that **savings** are the most affected area of their budget due to travel. 14% mentioned **household expenses**, while 18% experienced **no major impact**. This suggests that travel primarily reduces individuals' **capacity to save**, highlighting the trade-off between leisure spending and long-term financial stability.

Chart 7: Use of Credit or Loans for Travel Expenses

7 . Do you adjust your monthly budget when you plan to travel?
50 responses

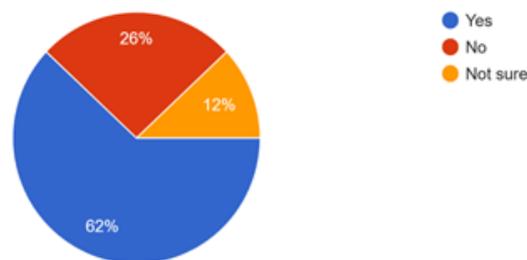


Interpretation:

The majority of respondents (54%) always adjust their monthly budget when planning to travel, while 34% adjust it sometimes. Only 12% do not adjust their budget at all. This indicates that most people actively manage their finances in anticipation of travel, reflecting a strong awareness of the impact of travel expenses on overall budgeting.

Chart 8: Impact of Travel on Monthly Expenses

8 . Does air travel impact your long-term financial plans (like savings or investments)?
50 responses

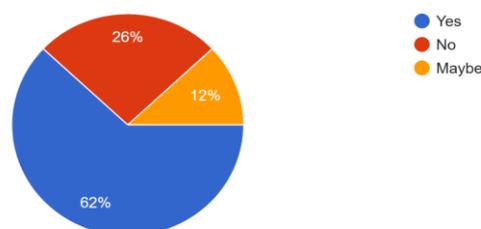


Interpretation:

More than half of respondents (56%) feel that air travel impacts their long-term financial plans, such as savings and investments. About 28% reported no impact, while 16% were unsure. This suggests that frequent travelers often need to balance short-term travel expenses with long-term financial goals, indicating a conscious trade-off between immediate leisure and future financial stability.

Chart 9: Effect of Travel on Savings

9 . Has frequent travel reduced your ability to save for long-term goals?
50 responses

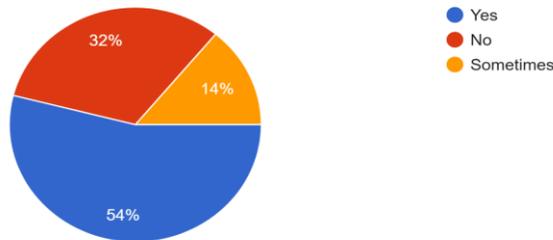


Interpretation:

A majority of respondents (62%) reported that frequent travel has reduced their ability to save for long-term goals. About 28% said travel did not affect their savings, while 10% were unsure or answered “maybe.” This indicates that recurring travel can significantly impact long-term financial planning, highlighting the importance of budgeting and financial strategies to balance travel with savings goals.

Chart 10: Financial Planning Before Travel

10 . Do you postpone financial goals (like buying property, investing, etc.) because of travel expenses?
50 responses

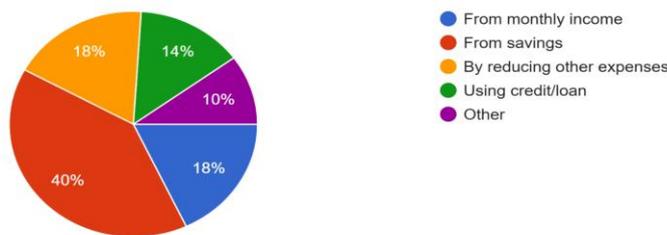


Interpretation:

More than half of the respondents (52%) reported postponing financial goals because of travel expenses. About 18% postpone goals sometimes, while 30% do not postpone at all. This suggests that frequent travel can influence major financial decisions, potentially delaying long-term investments and purchases.

Chart 11: Preference for Advance Booking to Save Costs

11 . How do you usually manage travel expenses?
50 responses

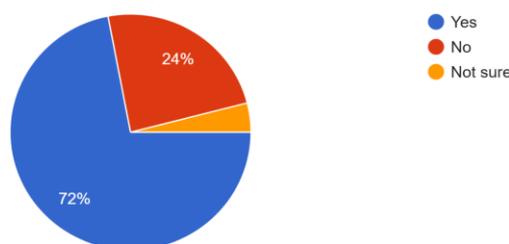


Interpretation:

The majority of respondents (40%) manage travel expenses from their savings. About 22% use their monthly income, while 18% adjust by reducing other expenses. A smaller portion (14%) rely on credit or loans, and 6% use other methods. This suggests that most travelers prefer using pre-allocated funds or savings to manage travel costs, while a smaller group may depend on borrowing or expense adjustments.

Chart 12: Allocation of Separate Travel Funds

12 . Do frequent travelers have a more planned budget than occasional travelers, in your opinion?
50 responses

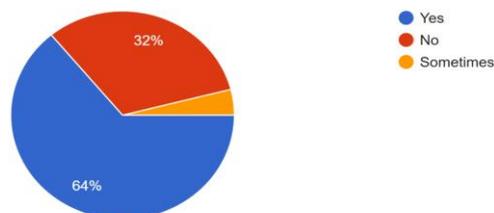


Interpretation:

A significant majority (72%) believe that frequent travelers have a more planned budget compared to occasional travelers. About 22% disagreed, while 6% were unsure. This suggests that frequent travel encourages proactive financial planning and budgeting habits to manage recurring travel-related expenses effectively.

Chart 13: Impact of Travel on Long-Term Financial Goals

13 . Do you track your travel spending separately from your regular expenses?
50 responses

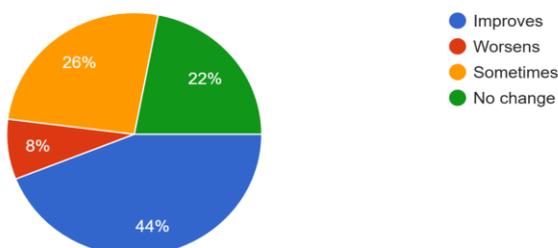


Interpretation:

A majority of respondents (54%) track their travel spending separately from regular expenses, while 6% do so occasionally. Around 40% do not track travel expenses separately. This indicates that while many travelers maintain distinct budgeting practices for trips, a significant portion still combines travel expenses with general spending, which could affect accurate financial planning.

Chart 14: Overall Financial Awareness Among Travelers

14 . Do you feel frequent travel helps you improve or worsen your overall money management?
50 responses



Interpretation:

The largest portion of respondents (40%) feel that frequent travel improves their money management skills, while 26% feel it sometimes does. About 24% report no change, and 10% believe it worsens their financial management. This suggests that travel can encourage better budgeting and financial planning for many, though for some it may either have no impact or lead to challenges in managing money effectively.

- A majority of respondents confirmed that frequent travel affects monthly budgeting.
- Savings are the most impacted budget component due to travel expenses.
- Most travelers actively adjust their budgets before planning trips.
- Frequent travelers show better budgeting awareness but experience pressure on long-term savings.

LIMITATIONS OF THE STUDY

The study is based on a sample of 50 respondents, which may limit the generalizability of the findings to the broader population.

The data relies on self-reported responses, which may be subject to personal bias or inaccuracies.

The research primarily focuses on air travelers from urban areas, and therefore may not reflect the financial behavior of individuals from rural regions or those using other modes of transport.

External factors such as inflation, income variations, and lifestyle changes were not controlled and may have influenced respondents' financial decisions.

CONCLUSION

This study examines the relationship between travel frequency and passengers' budgeting and financial planning behavior. The findings suggest that while travel frequency does not have a statistically significant impact on monthly budgeting, it does influence financial planning behavior within the selected sample. Frequent travelers appear more likely to adjust their savings, investments, and long-term financial goals to accommodate travel expenses.

Although travel may encourage greater financial awareness and planning among some individuals, repeated travel can create challenges in maintaining long-term financial stability. The chi-square analysis led to the acceptance of the null hypothesis for budgeting and the rejection of the null hypothesis for financial planning, indicating that travel frequency plays a more noticeable role in shaping financial planning decisions than monthly budgeting patterns.

Overall, the study emphasizes the importance of adopting balanced financial strategies that allow individuals to enjoy travel while protecting their future financial well-being. Practices such as structured budgeting, maintaining dedicated travel funds, and consistent financial planning may support better financial outcomes. However, since the research is based on a limited sample, the results should be interpreted cautiously, and further large-scale studies are recommended to obtain more generalizable conclusions.

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