

Saving and Investment Pattern of College Teachers'

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ABSTRACT

The research study was based on the responses of the respondent's about the savings and investment pattern among the college teachers in Tirunelveli District of Tamilnadu. The study was done on the Government, Aided, self finance and Constituent College teachers. The data was collected by distributing a structured questionnaire to 60 college teachers in different colleges of Tirunelveli district, In spite of low, medium and high level income, the teachers have been saving for the future needs. The major impact on savings is due to the level of income of the college teachers the research shows majority of the respondents are savings money as bank deposits for the safety of future. The most of the respondents preferred are bank deposits and the main reasons of investment are for tax benefits, high return and safety of their investments.

Keywords: Annual income, Annual savings, Investment, College teachers.

INTRODUCTION:

Savings means sacrificing the current consumption in order to increase the living standard and fulfilling the daily requirements in future. As circulation of blood is necessary for the survival of the individual in the same way savings are also necessary for unpredictable future in order to meet the emergencies in life, while investment is the utilization of resources in order to increase income or production output in the future. An amount deposited into a bank or machinery that is purchased in anticipation of earning income in the long run is the both examples of investments. The College teacher has to choose proper investment options depending upon his specific need, return and risk. Different avenues are:

Sr. No	Low Risk Instruments	Medium Risk Instruments	High Risk Instruments
1.	Bank deposits	Mutual funds,	Equity share market,
2.	Certificate of Deposits	Life insurance,	Commodity market,
3.	Government Securities	Corporate Bonds,	FOREX Market,
4.	Post office Deposits	Gold/Silver	Real estate,
5.	Public provident fund etc.	Debentures etc.	Chit funds etc.

REVIEW OF LITERATURES:

Dr. Ananthapadmanabha Achar (2012) studied titled on "Saving and Investment Behavior of Teacher- An empirical study" proves most of the teachers prefer life insurance and bank deposits and PPF. Most of the teachers purpose the investment to children education and tax benefit.

Dr. S. Mathivannan and Dr. M. Selvakumar (2011) studied on "Saving and investment pattern of school teachers- a study with reference to Sivakasi Taluk of Tamilnadu". The study concludes that today, the teaching community has stated realizing the importance of money and money's worth. They are initiated to prepare a budget for the proposed expenses and compare it with the actual expenses met by them, So that they are not influence by other tempting and fashionable expenses.

Prakash and Sundar (2013) the study titled on “Analysis of investor perception and preference: Investment avenues” concludes that most of the investors discuss with their family and friend before making an investment decisions and investment prefer for bank deposit, gold/silver.

B. Thulasipriya (2015) had conducted the research on investment preference of government employees on various investment avenues. The employees still prefers to invest in financial products which give risk free returns.

M. Yasodha, Dr. G. Ravindran (2017) had conclude their research, the investment preference is influenced by creating awareness, information factors and features to invest instruments. This will bring the changes in investment pattern of respondents in the years to come.

STATEMENT OF THE PROBLEM:

The people save the money in order to meet the financial requirement in future because the future is unpredictable. So savings are required in order to meet the financial requirements. There is a vast scope of savings and investment because of the presence of a large number of industrialists, businessman, government and private employees in Tirunelveli district and the money circulation is also very high. This study has been done to analyze the savings and investment pattern of college teachers of Tirunelveli district of Tamilnadu.

OBJECTIVES OF THE STUDY:

Following are the objectives of the present study:

- 1.To study the socio-economic background of college teachers in Tirunelveli district.
- 2.To evaluate the saving habits of college teachers.
- 3.To analyze the investment pattern of the college teacher
- 4.To offer suggestions based on findings.

RESEARCH METHODOLOGY:

The research study is based on both primary and secondary data. Primary data has been collected by conducting a survey among 60 samples of college teachers of Tirunelveli district. The secondary data have been collected from books, journal, newspaper, periodicals, reports, internet and published thesis.

Sampling Design:

For the purpose of research 60 college teachers of Tirunelveli district were selected. Convenient sampling method was adopted and a percentage and chi-square tool has been applied.

Hypothesis:

1. There is no significant relationship between the annual income and annual savings of the respondents.
2. There is no significant relationship between the age and investment pattern of the respondents.

LIMITATIONS OF THE STUDY:

- Time duration is not enough the problem.
- The study has been limited to 60 respondents.
- The research conducted in tirunelveli district colleges.
- The study is mainly focused on limited financial product only.

SCOPE OF THE STUDY:

The study covers only the college teachers working in various colleges in Tirunelveli district.

ANALYSIS AND INTERPRETATION:

Socio economic status of the respondents:

The socio economic status has a major influence on the investment pattern of the College teachers. For this, Purpose through the questionnaire the data has being collected. Based on the data the analyses are,

Table 1: Socio Economic Status of the Respondents

S. N.	Status	No. of Respondents	Percentage
Gender			
1	Male	24	40
2	Female	36	60
Total		60	100
Age			
1	21-30	10	17
2	31-40	32	53
3	41-50	12	20
4	Above 50	06	10
Total		60	100
Marital Status			
1	Married	48	80
2	Unmarried	12	20
Total		60	100
Qualification			
1	PG with M.Phil	22	37
2	NET/SET	26	43
3	Ph.D	12	20
Total		60	100
Experience			
1	Below 1 Year	12	20
2	1-5 Year	24	40
3	5-10 Year	16	27
4	Above 10 Year	08	13
Total		60	100
Annual Income			
1	Below 2 Lakhs	08	13
2	2-5 Lakhs	20	33
3	Above 5 Lakhs	32	53
Total		60	100

Source: Primary Data

Table1 reveals that the Socio economic status states that 36(60%) of the respondents belong to female and rest belong to male. The majority 32(53%) of the respondents'were in the age 31-40 years. 12(20%) of the respondents were in the age group of 41-50 years, 10(17%) of the respondents were in the age group of below 30 years and 06(10%) of the respondents were in the age group of above 50 years. 48(80%) of the respondents were married and 12(20%) of the respondents were unmarried. 26(43%) of the teachers have passed NET/SET qualification, 22(37%) of the teachers have completed PG with M.Phil., degree and 12(20%) of the respondents hold Ph.D., degree. 24(40%) of the respondents having work experience between 1-5 years. 32(53%) of the respondent have their annual income of above 5 lakhs, which were having annual income from Rs. 2 to Rs. 5 Lakhs and below Rs. 2 lakhs amounted to 33% and 13% respectively.

Table 2: Category of colleges

Sr. No	Category	No. of Respondents	Percentage
1	Government	15	25
2	Aided	20	33
3	Self-Finance	15	25
4	Constituent	10	17
Total		60	100

Sources: Primary Data

Table 2 reveals that 33% of the respondents belongs to aided college, 25% of the respondents belongs to Government & Self-finance colleges and 17% of the respondents are belongs to Constituent colleges in tirunelveli district. It concluded that majority of the college teachers are working in aided colleges.

Table 3: Annual savings of the respondents

Sr. No	Savings	No. of Respondents	Percentage
1	Below Rs. 2,00,000	20	33
2	Rs. 2,00,000 - 4,00,000	28	47
3	Above 4,00,000	12	20
Total		60	100

Source: Primary Data

Table 3 reveals that 47% of the respondents have saved between Rs. 2,00,000 – Rs. 4,00,000, 33% of the respondents have saved below Rs. 2,00,000 and 20% of the respondents have saved above Rs. 4,00,000.

Table 4: Relationship between annual income and annual savings:

Sr. No	Annual income	Below Rs. 2,00,000	Rs. 2,00,000 - 4,00,000	Above Rs. 4,00,000	Total
1	Below Rs. 2,00,000	04	02	02	08
2	Rs. 2,00,001 – 5,00,000	10	04	06	20
3	Above Rs. 5,00,000	06	22	04	32
Total		20	28	12	60

Table 4 reveals that the out of 60 respondents, 32 respondents have earning their annual income above Rs. 5,00,000, 20 respondents have earning their annual income between Rs. 2,00,001-Rs. 5,00,000 and remaining 08 respondents had annual income below Rs. 2,00,000. It is concluded that most of the respondents their annual income in between Rs. 2, 00,001-Rs.5,00,000

In order to analyze the relationship between the annual income and annual savings, chi-square test has been applied.

Null Hypothesis: There is no significant relationship between the annual income and annual savings of the respondents.

Result of the chi-square test:

Degree of freedom	4
Table value at 5 % level	11.07
Calculated value	13.56

Since the calculated value is more than the table value, so the Null hypothesis is rejected. It is concluded that there is a significant relationship between annual income and annual savings.

Table 5: Most Preferred Investment options

Sl. No	Options	No. of Respondents	Percentage
1	Bank deposits	28	47
2	Mutual funds	02	03
3	Post office	05	08
4	Real estate	03	05
5	Gold/Silver	12	20
6	Insurance	10	17
Total		60	100

Source: Primary Data

Table 5 reveals that 47% of the respondents preferred bank deposits. Those who preferred Gold/Silver, Insurance, Post office, Real estate, and Mutual fund amounted to 20%, 17%, 08%, 05% and 03 % of the respondents respectively. It is concluded that the most of the college teachers more preferred to Bank deposits.

Table 6: Reasons for savings

Sr. No	Reasons	No. of Respondents	Percentage
1	High return	16	27
2	Convenience	04	07
3	Safety	14	23
4	Tax benefits	20	33
5	Liquidity	06	10
Total		60	100

Source: Primary Data

Table 6 reveals that 33% of the respondents' main reasons for selecting particular mode of savings were tax benefits. High return, Safety, liquidity and convenience were the reason for 27%, 23%, 10% and 07% respectively.

Table 7: Relationship between Age and Investment pattern:

Sr. No	Age	Bank	Mutual Funds	Post Office	Real Estate	Gold	Insurance	Total
1	Below 30	04	-	01	-	01	04	10
2	31-40	14	01	02	02	08	05	32
3	41-50	08	01	01	01	01	-	12
4	Above 50	02	-	01	-	02	01	06
Total		28	02	05	03	12	10	60

In order to analyze the relationship between age and investment pattern of the respondents, the chi-square test has been applied.

Null hypothesis: There is no significant relationship between the age and investment pattern of the respondents.

Result of the chi-square test:

Degree of freedom	15
Table value at 5 % level	24.99
Calculated vale	18.27

Since the calculated value of chi-square test 18.27 is less than the table value at 5% level of significance. So the Null hypothesis is accepted. It is concluded that there is no significant relationship between the age and investment pattern.

FINDING, SUGGESTION AND CONCLUSION:

FINDINGS:

1. It is found that 60% of the respondents are female.
2. Majority of the respondents' age in between 31-40 years.
3. 80% of the respondents were married and 20% of the respondents were unmarried.
4. 43% of the teacher has completed NET/SET qualification and 37% have PG with M.Phil.
5. 40% of the teachers have 1-5 years experience in teaching.
6. 53% of the respondents have annual income above Rs. 5, 00,000.
7. Majority of the teachers are belongs to aided college level i.e.33%.
8. 47% of the respondents were saving in between Rs. 2, 00,000 – Rs. 4, 00,000 annually.
9. Bank deposit as the most preferred investment options of the college teachers.
10. 33% of the respondents considered tax benefits for the reason of savings.

11. It is understood that there is significant relationship between annual income and annual saving of the college teachers. However, the relationship between age and investment pattern of the teachers is no significant relationship.

SUGGESTIONS:

1. Most of the teachers prefer Bank Deposits and insurance as a part of investment option, there is lack of awareness about other options like mutual funds, equity, debentures etc. So, if they want to invest in them they should regularly read newspapers, journals and articles related to current stock market.
2. To enhance the saving habits, the saving mode must attract people by providing many offers and new attractive schemes.
3. There are so many investment schemes available in current market which encourage and motivate the people for the savings.
4. The absence of saving and investment habits if fear of insecurity on return. This hurdle can be removed by give assurance for the repayment of the deposited money.
5. There are wide range of investment options are now available in Indian. Investors himself select the best options after studying the merits and demerits of different avenues.
6. The college teachers have to attended online trading programs to take efficient investment decisions.

CONCLUSION:

Investors are sensitive about their safety of their investments made. They need safety and reliability for their investments. Current trend had not affected investment. College teachers invest their money in safer environment, need regular income from their investment made with lower risk. It is evident from the study that most of the teachers are considered safety for selecting the mode of saving and Bank deposits was considered as the main option of the investment followed by Insurance.

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