

Comparative Study on Saving and Investment Patterns of College Teachers in Madurai District

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ABSTRACT

Savings and investment decisions play a vital role in ensuring financial security and wealth creation, particularly for salaried individuals like college teachers who possess stable income but limited avenues for rapid wealth growth. This study aims to analyze and compare the savings and investment patterns of teachers working in Arts and Science colleges across Madurai districts of Tamil Nadu. The research focuses on understanding their preferred investment avenues, level of financial literacy, risk tolerance, factors influencing investment decisions, and differences in behaviour arising from demographic variables such as age, gender, income, and type of institution (government or private).

A descriptive and comparative research design will be adopted, using primary data collected through structured questionnaires from a representative sample of teachers in both districts. The data will be analyzed using percentage analysis, chi-square tests, and independent sample t-tests to identify significant differences between the two groups. The findings are expected to highlight district-wise variations in saving habits, investment preferences (bank deposits, insurance, mutual funds, gold, real estate, etc.), and their awareness of modern investment options.

Keywords: Investment, Savings, Investment preferences, Investment perceptions

INTRODUCTION

Teaching is the one the most popular profession across the globe. Teachers are an important force in our society, not only because of their sheer numbers but much more because they are guarantors of the education of future generations, especially in the developing countries like India. A teacher enjoys the privileged position of „unleashing the human potential of students (learners) within the formal education system“ and thereby transforming the individuals, families, communities and society-at-large. The competency of the teacher is a major determinant of the quality of the education. Teacher’s professional advancement is decided by many factors. One of the main factors which strongly influence the efficiency of teacher is his quality of life Savings is the difference between income and expenditure.

A high level of savings helps the economy to progress on a continuous growth path since investment is mainly financed out of savings. Savings figures as an important part of the economy of any nation. A nation’s savings are essential requisites for its economic development and to enable them to become a self

–reliant country. The need for mobilization of domestic resources for the purpose of financing development programs has to be met by inducing the domestic savers to contribute their savings in productive channels. In case domestic savings are insufficient it has to be supplemented by foreign savings, which has to be repaid by the future generation. Development requires sacrifice in the form of restricting and delayed consumption so as to enforce a higher rate of savings. Moreover it should be coupled with government policies to encourage and support the attraction of funds from the public. For this purpose it is required for the planners to have sufficient knowledge about individuals' capability regarding the magnitude of savings, the groups that save, the forms in which those savings are channelized, the motivational force operating behind savings decisions. A nation's savings and investment propensities also play a central role in the economic stabilization or in the degree of utilization of existing economic resources. To enable the Indian economy to procure a high level of savings various measures were introduced by the Government and financial institutions.

STATEMENT OF THE PROBLEM

Saving is not only important for the individual but also for the whole economy. One saves money in order to meet the financial requirements in future as, future is always unpredictable. So saving is required in order to meet the financial requirements. Investment has been an activity confined to the rich and salaried class in the past. But today it finds that investment has become a household world and is very popular with people from all walks of life. Generation of savings and its conversion into capital is fundamental to the theory of economic growth. The volume and composition of savings are important in the process of economic development of any nation.

The investors are finding various problems in selecting their various investment avenues. It is identified that there is a need for research work in the field of investment pattern and awareness of college teacher's investors in Theni district.

MEANING OF INVESTMENT

Investment in terms of financial context means any money that is spent today in the hope of financial benefits that may be reaped in a future time frame. Any investment is the act of buying or creating assets with an expectation that the same would yield interest earnings or dividend or capital appreciation or any other return that is profitable as compared to the money put in rupees initially. Almost all investments are differentiated from other kinds of transactions based on the aim of the money spent. Money spent on making investments is primarily with the aim of obtaining some sort of return in a specific period of time.

REVIEW OF LITERATURE

S. Umamaheshwari, M. Ashok Kumar (2014) Awareness, environment level of exposure intensions, beliefs, responsibilities are the factors responsible for deciding investment policies. Behavioural pattern helps in preparing various schemes for investments. Investment temperament of salaried strata based on investment awareness and expected rate of investment return.

Bhawana Bhardwaj, et. al. (2013) National output is increase for future by investment. Investment depends upon awareness about investment opportunity, level of knowledge, evaluation of investment opportunities and selection of investment options. Research states that maximum respondents have selected as Bank deposits and Provident fund as investment avenue. Investors preferred stability in return of investment

S. Umambheswari, M. Ashok Kumar (2013) When one know the existence of a new thing is known as awareness. External sources are responsible for creating, modifying and shaping investment decision of investors. Television, Radio, Print media, personal consultation for expert, relatives, friends etc are responsible for decision investment decision.

R. Sreepriya, P. Gurusamy (2013) Additional income or growth in value can be achieved by investment. Waiting for rewards is the main characteristic of investment. Investment is allocation monetary resources to get returns over given period. Surplus funds are invested with different channels by salaried class people. This research analyses the different investment avenues. 81 percent respondents faced problem at the time of investment.

V. R. Palanivelu, K. Chandrakumar (2013) This study divides the investment in different categories like Equity with high rate of return and risk , Debts with fixed interest rate on investments, Fixed deposits with bank , insurance , public provident fund low rate of return on investment and secured. Data analyses reveals that 40percent respondents like to invest in insurance, 30 percent respondents like to invest in bank deposits, 18 percent like to invest in Gold and real estate. J. Sidharthul

Munthaga, M. Nazer (2013) Employment of funds with intension of getting returns on it is called as investment. Study examines the impact of factors on investment behavior of people, and to understand the attitude of investors towards various investment options. Data analyses reveals that 56 percent private employees, 30 percent Self employed and 14 percent public sector employees adopted professional services for investment. Graduate respondents are more attentive towards investments.

OBJECTIVES OF THE STUDY

1. To study-socio economical background of teachers among the arts and science colleges in Madurai
2. To know the investment avenues of college teachers in Madurai
3. To analyze the significant factors being considered for investment decisions

SCOPE OF THE STUDY

The study would facilitate us to understand the basic reasons which are behind the growth of such large number of financial institutions all over the country and again would explain the rationale as to why people are much eager to make investments with such institutions and many times are getting affected by the aspect of risk. The study will be of help to gain a better understanding of the expectations an Investor actually looks for in an investment option. It could be used by the financial sector in designing better financial instrument customized to suit the needs of this group of the respondents according to their varied needs and expectations taking into consideration their individual investment pattern. It will also help the agents, executives and brokers in marketing the existing financial instruments. It will provide the knowledge to the investors about the various financial services provided by the company. This will also help the financial institutions to understand the requirement and expectations of different categories of investors

METHODOLOGY

Sample Size

As research has to be done among the teachers of reputed colleges in Madurai, a sample of 230 is to be collected.

Data collection

Primary data to be collected through structured questionnaire. Secondary data to be used from magazines, journals, website for references from past similar studies for review of literature.

Tools for Analysis

Simple Percentage Analysis, F-Test and t-Tests are to be undertaken for analysis.

LIMITATIONS OF THE STUDY

The Study is restricted to the selected sample of Madurai District and hence the results of the study cannot be generalized.

The study is applicable only to the investors of college teachers.

Only 230 respondents have been selected for the study.

SOCIO-DEMOGRAPHIC PROFILE OF THE RESPONDENTS

Sl. No	Particulars		Frequency	Percent
01	Gender	Male	144	62.6
		Female	86	37.4
02.	Age	Less than 25 years	60	26.1
		26-50 years	88	38.3
		Above 45 years	82	35.7
03	Education Qualifications	Post graduate	50	21.7
		M.Phil	68	29.6
		Ph.D.	112	48.7
04	Monthly Income	Less than Rs. 20000	52	22.6
		Rs. 20001-35000	131	57.0
		More than Rs.35000	47	20.4
05	Marital status	Married	54	23.5
		Unmarried	176	76.5
06.	Members of family	Nuclear	98	42.6
		Joint	132	57.4
07	Experience	Less than 7 years	84	36.5
		8years -20years	74	32.2
		More than 20 years	72	31.3
08.	Designation	Assistant Professor	158	68.7
		Associate Professor	49	21.3
		Professor	23	10.0

The Socio Demographic variables of the respondents was taken from the study for analysis and it was found that majority was Male. The age category was found to be balanced with 26 percent belonging to less than 25 years old, 38 percent ranging between 26-50 years old and 35 percentage where above 45 years old. When educational qualification taken into consideration respondents majority of 48 percent had a doctorate degree behind them. The monthly income was majority as 57 percentage belonging to range of income between 20000-35000. The marital status was found as mostly respondents almost 77 percent

were unmarried and family type was majority belong to joint family. Regarding the work experience respondents were found to be balanced as 36 percent belong to less than 7 years' experience almost other category were 32 percentage respectively. The respondents also when designation taken into consideration belong to Assistant professor category.

RELATIONSHIP BETWEEN INDEPENDENT VARIABLE AND INVESTMENT DIMENSIONS

Sl, No	Variable	Categories	N	Mean	S.D	F/T ratio
01.	Gender	Male	144	41.61	5.55	0.55.
		Female	86	41.65	5.05	NS
02.	Marital status	Single	54	40.48	6.07	1.80
		Married	176	41.97	5.08	NS
03.	Family Type	Nuclear	98	40.91	5.23	1.73
		Joint	132	42.15	5.40	NS
04.	Income	Less than Rs. 20000	52	40.21	5.43	4.33
		Rs. 20001-35000	131	42.50	5.31	
		More than Rs.35000	47	40.74	4.94	
05.	Experience	Less than 8 years	84	41.58	4.85	0.52
		8 Years -20Years	74	41.51	6.02	NS
		More than 20 years	72	41.77	5.25	

The Mean, Standard deviation was calculated and found F test the result for gender variable both male and female was found to be Not significant. The Marital status of the respondents when analyzed the result was Not significant. The family type as Nuclear and Joint family the result was not significant as the F/T ratio. The income category showed a significant difference but the work experience variable was found to have not so significant difference.

Findings of the study

Being from salaried class college teachers of both government & private college, they consider safety as the most important factor while investing. Respondents were taken from the study for analysis and it was found that majority was Male. The Age category was found to be balanced with 26 percent belonging to less than 25 years old, 38 percent ranging between 26-50 years old and 35 percentage where above 45 years old. When Educational qualification taken into consideration respondents majority of 48 percent had a doctorate degree behind them. The monthly income was majority as 57 percentage belonging to range of income between 20000-35000. The marital status was found as mostly respondents almost 77 percent were unmarried and family type was majority belong to joint family. Regarding the work experience respondents were found to be balanced as 36 percent belong to less than 7 years' experience almost other category were 32 percentage respectively. The respondents also when designation taken into consideration belong to Assistant professor category.

SUGGESTIONS

1. Based on the study would like to offer few suggestions and recommendations.
2. To enhance the saving habits, the saving mode must attract the people by providing many offers or attractive prices.
3. The absence of saving or investment habits is fear of insecurity on return. This hurdle can be removed by give assurance for the repayment of the deposited money.

CONCLUSION

The present study made an earnest attempt to answer three research questions, test two research hypotheses and achieve three objectives. In the ultimate analysis individual characteristics of teachers such as age, gender, marital status, and lifestyle determined the savings and investment behaviour of teaching community in the study region.

We save basically, because we cannot predict the future. Investing ensures present and future financial security. It allows you to grow your wealth and at the same time generate inflation beating returns. The emergence of numerous financial innovations will change the structure of the financial market. In today's financial market, there is no longer any difficulty of access to different segments of the financial market in each country. Saving money can make one become financially secure and provide a safety net in case of emergency. Hence the proposed title is savings and investment patterns of college teachers in Madurai district has attempted to identify the various investment patterns followed by teachers of arts and science colleges in and around Theni district.

INTERVIEW SCHEDULE FOR COLLEGE TEACHERS

1. Name (Optional) :
2. Gender : a) Male b) Female
3. Age : a) Up to 35 b) 35-50 c) Above 50
4. Marital Status : a) Married b) Un married
5. Family Type : a) Joint family b) Nuclear family
6. Members in your family : a) 2 to 4 b) 4 to 6 c) Above 6
7. Educational Qualification: a) Post graduate b) M.Phil c) Ph.D
8. Designation : a) Assistant Professor b) Associate Professor c) Professor
9. Type of Employment : a) Aided b) Self-finance
10. Years of Experience : a) Up to 5 years b) 5 to 10 years c) 10 to 20 years d) Above 20 years
11. Department : a) Arts b) Science
12. No.of. earning members in the family: a) one b) Two c) Three d) Above three
13. Income level (monthly) : a) Up to 40,000 b) 40,001-80,000 c) 80,001-120,000 d) Above 1,20,000
14. Annual Savings: a) Below Rs 10,000 b) 10,001-20,000 c) 20,001-30,000 d) Above Rs 30,000
15. Do you Make Investment regularly? a) yes b) No
16. If Yes, State the form of investment you prefer mostly:
17. a) Real Estate b) Securities c) Bank Deposits d) Precious metals e) Post Office f) Insurance h) others
18. Reasons for Investments

S.No	Reasons for Investments	SA	A	N	DA	SDA
1	Saving for emergencies					

2	Old age Safety					
3	Wedding of Children					
4	To earn extra return from surplus income					
5	Reduce tax liability					
6	Education needs					
7	Capital Appreciation					
8	Long term wealth accumulation					
9	Retirement planning					
10	Short term gains					

18. Investor's perception towards different Investment options

S.No	Statements	SA	A	N	DA	SDA
1	Investing in shares is always safe					
2	Investing in shares promises with high liquidity					
3	Investment in shares is always profitable					
4	Investing mutual funds are safe					
5	Mutual fund Investments are with highly liquidity					
6	Mutual fund Investment fetches high returns					
7	Investing in bank deposits are safe					
8	Bank Investments are with highly liquidity					
9	Bank Deposits fetches high returns					
10	Investing funds in post office schemes are safe					
11	Post office Investments are with highly liquidity					
12	Post office deposits fetches high returns					
13	Investing in different forms of gold is safe					
14	Gold investments are with highly liquidity					
15	Gold investment get high appreciation					
16	Investing in real estate is safe					
17	Real estate investment does not have any element of risk					
18	Taking an insurance policy is always safe					
19	Insurance policies promise high appreciation in value					
20	Investment in insurance policies covers risk to a greater extent					

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