

Revitalization of Investment Pattern Among Teacher (Self Financing Courses) In Mumbai – Post Covid 19

Prof Helen Selvaraj

Assistant Professor, Accountancy Department, SIWS College, Wadala, Mumbai- 31.

ABSTRACT:

The main aim of investment is achieving additional income or growth in value of funds. The essential characteristics of an investment is that it involves 'waiting' for a reward. It involves the commitment of resources which have been saved or put away from current consumption in the hope that some benefits will accrue in future. If the amount so saved is being invested, with a view to earn a good return, then the saving becomes investment and the saver becomes investor an individual has choice of various investment avenues where person's savings could be invested. The Choice of investment is based on degree risk and expected rate of return. Normally high returns may involve high risks and low returns accompanying low risk. Investment is always based on future goal and accordingly every individual plan their investments. At the heart of every investment decision is a risk-reward trade-off. Bank deposits, real estate, small savings, life insurance plans, bullions, commercial deposits, corporate security-bonds, mutual funds, and equity and preference shares are all examples of financial instruments.

Investors' behaviour and investing pattern are shown by the amount of money they invest out of their overall savings, the frequency with which they invest, the financial instruments in which they invest, and their risk aversion.

Covid 19 has not only let to dramatic health implications but also led to immediate and profound economic upheaval in many economies. Covid 19 has actually shown the uncertainty of life and also its effect on their near and dear ones after the loss of the bread earner of the family.

This study mainly focuses on the investment pattern of SFC teachers post Covid 19 in order to understand their behaviour post covid as many SFC teachers also lost their jobs due to lack of job security. The result shows that there is no association between Gender and nature of investors whereas there is association between Annual Income group and nature of investors.

Keyword: SFC – Self Financing Courses.

INTRODUCTION:

Investment is a common word used by all of us in our everyday life. Investment is the use of finances with the goal of generating extra revenue and increasing the value of the asset. One of the most important characteristics of an investment is that it requires a period of waiting for a reward. It requires committing resources that have been saved or laid aside for future use in order to reap future benefits. Investment is the process of allocating monetary resources to assets that are expected to yield a gain or positive return over a given period of time. In economics, investment is the accumulation of newly produced physical entities, such as factories, machinery, houses, and goods inventories. In finance, investment is putting money into an asset with the expectation of capital appreciation, dividends, and/or interest earnings. This may or may not be backed by research and analysis.

Most or all forms of investment involve some form of risk, such as investment in equities, property, and even fixed interest securities which are subject, among other things, to inflation risk.

SCOPE OF THE STUDY:

Investment is one of the very important concern of every individual investor as their small savings of today are to meet the expenses of tomorrow. Taking 78 respondents in the survey from the City of Mumbai (India), as Mumbai is one of the metropolitan city which comprises of people from various other cities who have migrated and settled in Mumbai for their living. The paper attempts to analyze the investment pattern of individual investor's with special reference to Gender and Income Group.

The study is conducted to find out whether the pattern of investment is significantly influenced by Gender and Income Group. The study exhibits the saving habit of Self Financing Courses familiarly known as Unaided Degree College Teachers in Mumbai across the different income levels. The Study attempts to explore whether Investment pattern mainly depends on Gender and Income. From the research point of view, such a study will help in developing and expanding knowledge in this field of personal finance and investment.

RESEARCH METHODOLOGY:

OBJECTIVES OF THE STUDY:

In the background of the discussion made above, the aims and objectives of the present research may be summarized as under

1. To understand the saving and investment pattern of Teachers (Self Financing Courses) in Mumbai.
2. To study the impact of Income Group on Investment Pattern.
3. To Study the impact of Gender on Investment Pattern.

HYPOTHESIS:

H_{01A} : There is no association between Income Group and Investment Pattern of investors.

H_{01B} : There is no association between Gender and Investment Pattern of investors.

RESEARCH DESIGN:

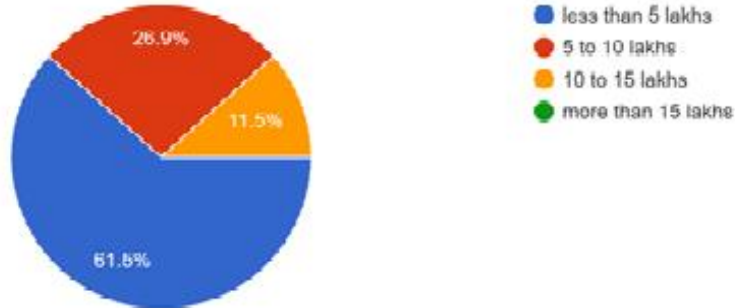
An exploratory research has been undertaken, to describe various aspects of Unaided Degree College Teachers in Mumbai University perception, investment habits and demographic profiles which play a significant role during purchase of investment products according to the investor's risk profile. For this purpose, primary data has been collected through structured questionnaire from Respondents (Teachers) from various Colleges which are affiliated to Mumbai University. In order to serve the purpose of research, the questionnaire was framed Using Close ended questions, as it contains more of personal information about the investments of respondents.

The Study is confined to the city of Mumbai. For the purpose of research to study the investment pattern of Unaided Degree College Teachers in Mumbai, the Sample size selected is 78 Teachers from Colleges in the overall City of Mumbai (India), out of which 27 are Male and 51 are Female respondents of which 60 are Married and 18 are not Married. All the Colleges which are affiliated to Mumbai University come under the Total Population of research. The respondent category is only focused to Unaided Degree College teachers, taking into consideration the job security and earnings this category of respondents are selected using Convenience Sampling Method.

The secondary data has been gathered through a comprehensive survey of the research works carried out at academic and official levels. Various research projects brought out by academicians. Secondary data is also collected from various Journals, Books, Research Papers, Theses, Internet, is used to identify the gap in proposed research work and its significance for further study.

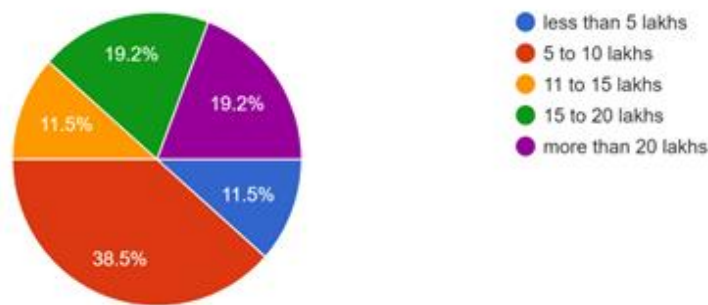
ANALYSIS AND INTERPRETATION:

- Annual Income of Respondents:



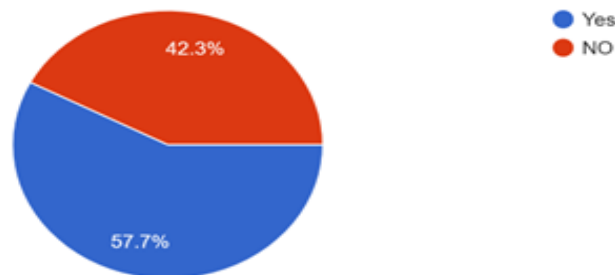
Out of the total population the maximum respondents fall under the individual income group of less than 5 Lakhs whereas minimum fall under the income group of 10 to 15 lakhs and a very small portion of the respondents fall under more than 15 lakhs.

- Annual Income of Family :



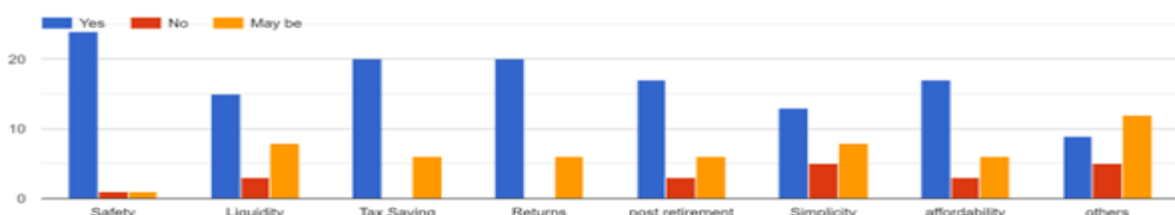
Out of the total population the maximum respondents fall under the income group of 5 to 10 Lakhs followed by more than 20 Lakhs whereas minimum fall under the income group of less than 5 lakhs and 11 to 15 lakhs.

- Has Investment Pattern Changed after Covid?



More than half of the respondents say that their investment pattern has changed after Covid 19.

- Factors that influence selection of your investment?



Out of the total respondents most of them have said safety, liquidity, Post retirement, Simplicity and affordability as influential factors of investment where as all respondents have said that Tax Saving and Returns are the main factors that influences them in selection of investment.

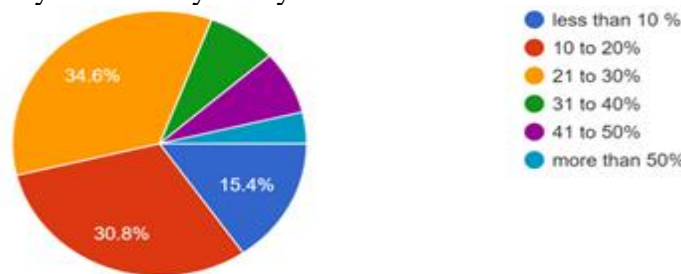
- Factors influencing your priority on investment post Covid19?

Factors that influence your selection of investments post covid priority wise



Considering Post Covid 19 influential factors, most of respondents say that Safety, returns, liquidity, affordability and Tax savings are the main factors, positive response is also seen for post retirement, liquidity and tax saving as moderate priority whereas low priority has been shown towards simplicity and returns.

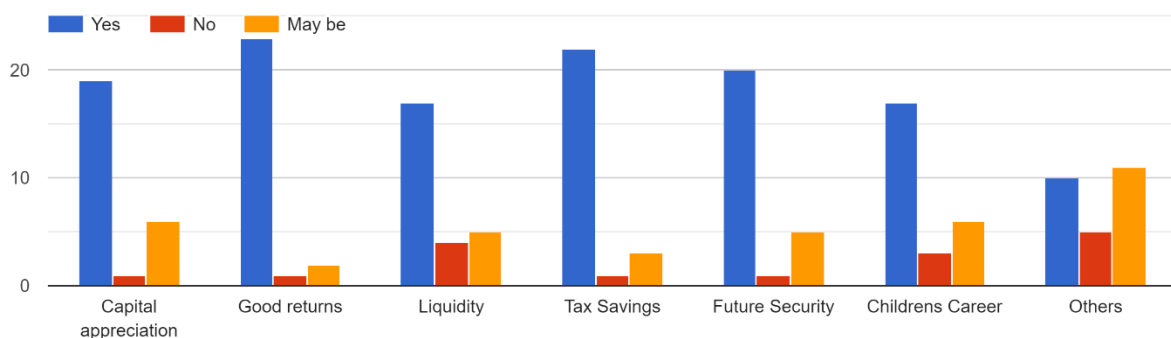
- Portion of Savings from your monthly salary?



Out of the total maximum respondents have said that they save nearly 21% to 30% of their monthly salary, followed by 10% to 20%, followed by less than 10%. Very few respondents save more than 50% of their monthly salary.

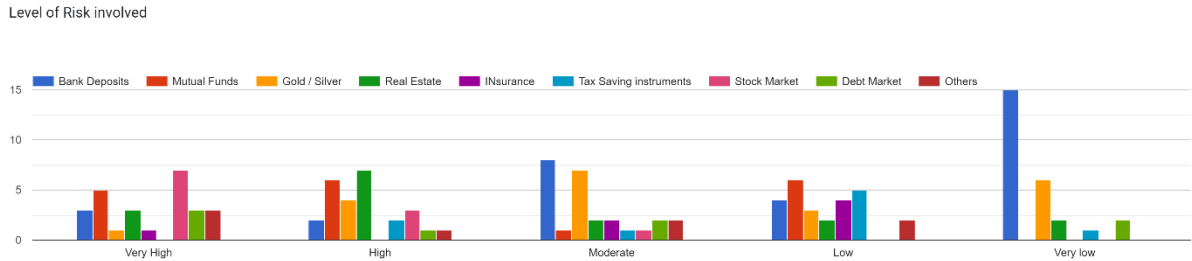
- Objectives of Investment?

Objectives of Investment



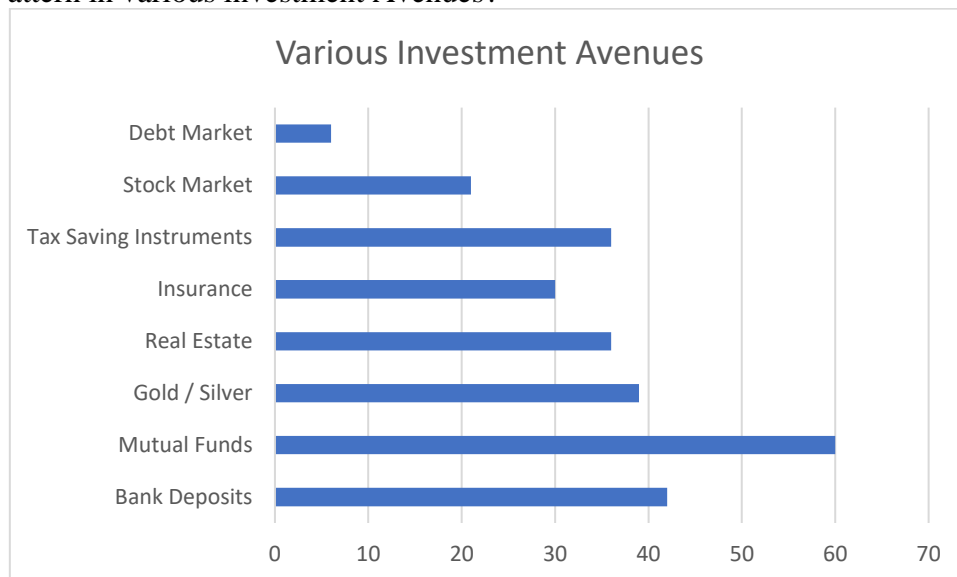
Out of the total respondents most of them invest for good returns, Tax savings, Future security, Capital appreciation, liquidity and children career, whereas very few have said that they invest for liquidity and children career.

- Level of Risk involved according to the respondents?



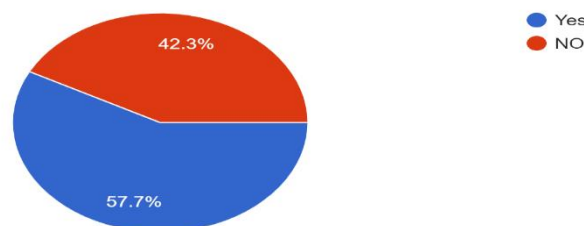
Most of the respondents feel that stock market involves high risk, Gold / Silver is moderate risk and tax savings instruments are very less risky.

- Investment Pattern in various investment Avenues?



Nearly 60 respondents invest in Mutual funds, followed by more than 40 invest in Bank Deposits, followed by Gold/Silver, Real Estate and Tax savings instruments, followed by 30 in insurance. Very few respondents invest in Stock Market and Debt Market.

Has your investment pattern changed after Covid 19?
 26 responses



57.7% of the respondents have said that their pattern of investment has changed after Covid 19.

CONCLUSION :

The study shows that Gender does not affect the Investment Pattern considering the factors that influence the selection of investment. Tax savings, Returns and Liquidity being the main factors in case of Male and Female. However Gender has an association with the choice of investment where Males prefer Mutual Fund, Real Estate, Stock Market, and females prefer Gold/Silver, Bank Deposits and both male and female prefer Tax savings instruments and insurance.

There is an association between annual income group and nature of investors. The study reveals the fact that the nature of respondents according to annual income group is not similar. It shows that respondents whose annual family income is more are saving more portion of their income and vice-versa.

The Study finds that the Investment Pattern of Respondents both Male and Female has changed after Covid 19 and that more preference is shown towards safety, Good returns, liquidity and Post retirement.

The study reveals that most of the respondents invest for good returns, Tax savings, Future security, Capital appreciation, liquidity and children career, whereas very few have said that they invest for liquidity and children career.

The study also states that nearly 60 respondents invest in Mutual funds, followed by more than 40 invest in Bank Deposits, followed by Gold/Silver, Real Estate and Tax savings instruments, followed by 30 in insurance. Very few respondents invest in Stock Market and Debt Market.

SUGGESTIONS:

1. It is recommended that the Government should take some efforts to increase the financial awareness & investment awareness among the Non Government Employees by organizing campaigns for the same.
2. Personal Financial Planning is essential for financial security of employees mainly working in Non Government organisations.

REFERENCES:

1. Harrison, D. (2005), *Personal Financial Planning: Theory and Practice*, Pearson Education Limited, Essex.
2. Altfest, L. (2004). Personal financial planning: Origins, developments and a plan for future direction. *American Economist*, 48(2), 53-60.
3. Mitra, S., Potts, T. and LaBrecque, L. (2005), *Practicing Financial Planning for Professionals*, RH Publishing, MI.
4. David J S, S M Rehman and A Mohamed K(2016), *A critical evaluation of the success factors in personal financial planning: A case study. Arabian Journal of Business and Management Review Vol. 5, No.10, June 2016.*

BIBLIOGRAPHY / WEBLIOGRAPHY:

1. Brennan, M.J. (1995), The Individual Investor, *The Journal of Financial Research*, Vol.XVIII, No.1 pp 59-74.
2. Kahneman, D. and Riepe M.W (1998), Aspects of Investor Psychology, *Journal of Portfolio Management*, Vol.24 No.4, pp 52-66.
3. Brigitte Funfgeld and Mei Wang (2008), Attitudes and Behaviour in everyday Finance: evidence from Switzerland, *International Journal of Business Management*, Vol.27, No.2, pp 108-124.
4. Richard Deaves (2006), How Are Investment Decisions Made? Commissioned by the Task Force to Modernise Securities Legislation in Canada, *Evolving Investor Protection*.
5. Dreman, D., Johnson, S., MacGregor D.G and Slovic P. (2001), A Report on the March 2001 Investor Sentiment Survey, *Journal of Psychology and Financial Markets*, Vol.2, No.3: 126-134.
6. Brian M. Lucey and Michael Dowling (2005), The Role of Feelings in Investor Decision making, *Journal of Economic Surveys*, Vol. 19, No.2 Blackwell Publishing Ltd.
7. Glasman, L.R and Albarracin, D (2006), Forming Attitudes that predict future behaviour: a meta analysis of the attitude behaviour relation, *Psychological Bulletin*, Vol.132, No.5, pp. 778-822.



8. Ronald C. Lease, Wilbur G. Lewellen, Gary G. Schlarbaum (1974), The Individual Investor: Attributes and Attitudes, The Journal of Finance, Vol.29, No.2, Blackwell Publishing.
9. Luigi Guiso and Tullio Japelli (2005), Awareness and Stock Market Participation, Review of Finance, pp 537-567.
10. Zhen Liu (2009), Fair Disclosure and Investor Asymmetric Awareness in Stock Markets, Stony Brook University, New York USA No.1969.