

A Study on Savings and Investment Pattern of Teachers

(With special reference to Ramanathapuram district)

S. Ayeshath Umaira

Assistant Professor
Department of Commerce

Thassim Beevi Abdul Kader College for Women, Kilakarai, Ramanathapuram District

Abstract: Savings and Investment are mutually connected. As Financial emergent may occur at any time. Saved money can give a way out from uncertainties of life. This study was undertaken in Ramanathapuram district. The study was undertaken in School and College teachers of women. The data collected from 50 respondents for analysis. Even if low, medium and high level income, the teachers have been savings their income for the future need and their children's marriage, as women they are concentrating more on gold savings as well as in savings deposits. The Major impact on savings is due to the level of income of the respondents. Most of the teachers preferred Savings bank account for their short term investment. Because some peoples preferred gold savings scheme is better option when compared to other investment patterns.

Keywords: Investment avenues, Income, Saving Pattern of the teachers, Return

I. INTRODUCTION

Teaching is the one the most popular profession across the world. 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. Teacher's professional advancement is decided by many factors. One of the main factors which strongly influence the efficiency of teacher is her quality of life.

Saving is a very important component which is responsible for combating or meeting any emergency accrued by the individuals or the households or any corporate agencies. Investment culture refers to the attitudes, perceptions, and willingness of the individuals and institutions in placing their savings in various financial assets. Investment in its broader sense is a sacrifice of current money or other resources for future a benefits. Numerous avenues of investment are available today.

Traditionally, investment is defined as the current commitment of resources in order to achieve later benefits. If resources and benefits take the form of money, investment is the present commitment of money for the purpose of receiving (hopefully more) money later.

The quality of once life is closely tied to the level or standard of living maintained by that person. The presence or absence of certain material items, such as home, cars, jewelry is commonly associated with standard of life. The ability is to spend money on entertainment, health, education, variety in life, art, music, and travel also contribute to the standard of life. Large expensive or fancy items are viewed as evidence of a high standard of living. Thus management of personal finance i.e. income, consumption, saving and investment has a great impact on the standard of living.

Savings in India need to look into four aspects namely the determinants of savings, the composition of savings, the methods of measuring savings, and the pattern of saving. Teacher's professional advancement is decided by many factors. One of the main factors which strongly influence the efficiency of teacher is their quality of life. The attitude of teachers toward consumption, saving and investment would reflect their economic pattern, which would influence quality of life and in turn influence their profession and the education system.

Investment pattern is related to activities of individual investors regarding searching, evaluating, acquiring, reviewing the investment products and if necessary, disposing such investment products. Investment pattern reveals how the individual investors allocate the surplus financial resources to various instruments available.

In this context, the present research study titled "Saving & Investment Pattern of teachers" is undertaken. This research paper is focused on saving & investment pattern of teachers – an empirical study is undertaken. This research paper is focused on savings and investment Pattern of teacher's in Ramanathapuram district.

II. OBJECTIVES OF THE STUDY

- To recognize the level of awareness among educator (teacher) on investment patterns.
- To examine and acknowledge the savings and investment pattern of the educators (teachers).
- To identify the major savings and investment avenues currently used by the teaching community
- To identify and discuss the key determinants of savings and investment pattern of teachers.

III. STATEMENT OF THE PROBLEM

Public Income is high or low. But the Indian tradition forces them to go for savings. In India, the people have faced a heavy deflation and on that people lost their jobs. They faced a very big problem because of their chronic practice of savings. It is the general mode of Indian people spending patiently and entire income richly forced their life. But due to heavy groom, we have not faced that much problem because always we have the habit of savings is the major portion of our income it helped to save the lives even there is no job. This research study is an attempt to evaluate the relationship between savings and investment pattern of teachers with special reference to Ramanathapuram district.

IV. SCOPE OF THE STUDY

The competency of a 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 a teacher is her quality of life. The quality of one life is closely related to the level consumption, savings and investment. The attitude of the teacher towards consumption, savings and investment would reflect their economic pattern. The study is conducted to know the savings and investment patterns of teachers and to know whether the teachers are making use of modern and attractive investment schemes available to them.

V. REVIEW OF LITERATURE

Bala and Nidhi (2009) in their study titled "A study of income saving and investment behaviour of agriculturists in Punjab" "Agriculture provides employment to around 65 percent of the total workforce in the country. Agriculture has been around which the other economic activities of the society revolve. The domestic savings are mobilized from the public sector, private sector and the household sector. These study has been conducted to analyse the income, saving and investment pattern of agriculturists in Punjab.

Suman Chakraborty and Sabat Digal (2011) in their study titled "A Study of Saving and Investment Behaviour of Individual Households" in their studied Investment is one of the foremost concerns of every individual investor as their small savings of today is to meet the expenses of tomorrow. They take 200 respondents in the survey from the state of Orissa (India), the paper attempts to analyze the investment pattern, saving objective and preferences of individual investor's for various investment options available in India. The purpose of these studies is parametric and non-parametric statistical methods have been employed. These studies used a structured questionnaire in which potential investors were asked for their reactions to some specific situations. This study will help in developing and expanding knowledge in this field of personal finance and investment.

Dr. Ananthapadmanabha Achar (2012) had studied "Saving and Investment behaviour of Teachers an Empirical study" reveals that Teacher's professional advancement is decided by many factors. It should be noted that this research study was carried out in one district covering one community focusing on one dimension of the dynamics of the saving and investment in order to facilitate an in-depth analysis of the phenomenon. This research paper is focused on saving & investment patterns of primary, high school, college and university teachers in Udipi District of Karnataka State.

Dr. Odoemenem, I.U (2013), has studied "Saving and Investment Pattern of Small-Scale Farmers of Benue State". In this study says it was based on the saving and investment pattern of Small Scale Farmers in Makurdi Local government Area of Benue State, Nigeria. These studies take 120 farmers were randomly sampled using multi-stage sampling techniques and data were collected using a structured questionnaire for interview schedule. The factors that drove household investment are occupation, expenditure, assets, and saving.

VI. METHODOLOGY

The Methodology is a required aspect of any research of investigation. It enables the prosecutor to look at the problem in a systematic meaningful and in an orderly way. The Methodology contains sources of data, selection of data and analyzing the data. The researcher has collected information from the users through Google forms by issuing questionnaire. After collecting the data it is analyzed with suitable statistical tools. For this purpose, the unorganized data were organized in a systematic manner. Different statistical tools are used by the researcher to analyze the primary data. Relevant statistical tools and techniques such as chi-square test, Two-way ANOVA, were used for analyzing and interpreting the collected data.

VII. TOOLS OF ANALYSIS

The chi-square test has been applied to find out the relationship between Annual income and proportion of savings of the respondents. Let us take the hypothesis that there is no significant difference between Annual income and proportion of savings of the respondents.

Table 1: Annual Income of the Respondents And Proportion of Savings

Proportion	Annual Income					Total
	Below 1.5 Lakhs	1.5 – 2.5 lakhs	2.5-3.5 lakhs	3.5-5 lakhs	Above 5 lakhs	
10:90	16	5	0	0	0	21
20:80	8	0	0	0	0	8
30:70	6	2	2	2	3	15
40:60	2	0	0	2	0	4
50:50	2	0	0	0	0	2
Total	34	7	2	4	3	50

Table 2 : Expected Frequency

14.28	5.44	10.20	2.72	1.36	34
2.94	1.12	2.10	0.56	0.28	7
0.84	0.32	0.60	0.16	0.08	2
1.68	0.64	1.20	0.32	0.16	4
1.26	0.48	0.90	0.24	0.12	3
21	8	15	4	2	50

Table 3: Calculation of Chi-Square Test

O	E	O-E	[O-E]²	[O-E]²/E
16	14.28	1.72	2.96	0.21
5	2.94	2.06	4.24	1.44
0	0.84	-0.84	0.71	0.85
0	1.68	-1.68	2.82	1.68
0	1.26	-1.26	1.59	1.26
8	5.44	2.56	6.55	1.20
0	1.12	-1.12	1.25	1.12
0	3.32	-0.32	0.10	0.31
0	3.64	-0.64	0.41	0.64
0	3.48	-0.48	0.23	0.48
6	10.20	-4.2	17.64	1.73
2	2.10	-0.10	0.01	0.00
2	0.60	1.4	1.96	3.27
2	1.20	0.8	0.64	0.53
3	0.90	2.1	4.41	4.90
2	2.72	-0.72	0.52	0.19
0	0.56	-0.56	0.31	0.55
0	0.60	-0.16	0.03	0.19
2	0.32	1.68	2.82	8.81
0	0.24	-0.24	0.06	0.25
2	1.36	0.64	0.41	0.30
0	0.28	-0.28	0.08	0.29
0	0.08	-0.08	0.01	0.13
0	0.16	-0.16	0.03	0.19
0	0.12	-0.12	0.01	0.08
TOTAL				30.60

For V = 16, $\chi^2_{0.05} = 26.30$

The calculated value of Chi-square 30.60 is more than the table value 26.30. Therefore hypothesis is rejected. Hence it can be concluded that there is significant difference between Annual income and Proportion of savings.

APPLICATION OF ANOVA

Two way analyses of variances have been adopted to find out the relationship between Annual income and Amount of investment. Let us take the hypothesis that there is no significant different between Annual income and amount of investment.

Table 4 : Anova Table

Source of Variance	Sum of Squares	Degree of Freedom	Mean Sum of Squares	Ratio of F
Between Columns	SSC	(C -1)	MSC=SSC/(C-1)	MSC/MSE
Between Rows	SSR	(R-1)	MSR=SSR/(R-1)	MSR/MSE
Residual or Error	SSE	(C-1) (R-1)	MSE=SSE/(R-1) (C-1)	
Total	SST	n-1		

Table 5 : Annual Income and Amount of Investment

Amount of Investment	Annual Income					
	Below 1.5 Lakhs	1.5 – 2.5 lakhs	2.5-3.5 lakhs	3.5-5 lakhs	Above 5 lakhs	Total
<500	8	0	0	2	0	10
500-1000	6	6	4	0	0	16
1000-5000	4	12	2	0	2	20
5000-10000	0	0	0	2	0	2
>10000	0	2	0	0	0	2
TOTAL	18	20	6	4	2	50

Table 6 : Analysis of Variance Table

Source of Variance	Sum of Squares	V	Mean Squares	Ratio of F
Between Columns Annual income	56	5-1= 4	56/4 = 14	14/7.7= 1.82
Between rows of amount Investment	52.8	5-1= 4	52.8/4= 13.2	13.2/7.7= 1.71
Residual	123.2	4*4= 16	123.2/16= 7.7	
Total	232	24		

For $V_1 = 4$ $V_2 = 16$ $F_{0.05} = 3.01$

The calculated value F 1.82 is less than the table value of 3.01. The hypothesis is accepted. Hence, it is concluded that the annual income and the amount of investment does not differ among the respondents.

For $V_1 = 4$ $V_2 = 16$ $F_{0.05} = 3.01$

The calculated value of F 1.71 is less than of the table value of 3.01. The hypothesis is accepted. Hence, it is concluded that the annual income does not differ with amount of investment of the respondents.

VIII. SUGGESTIONS

- ❖ The peoples (Saver & Investor) must be educated about the various patterns of investment.
- ❖ More tax allowance must be introduced by the government for increasing the investments in various avenues, especially to the salaried class.
- ❖ To increase the saving habits, and savings mode must attract the people by providing many offers or attractive prices.

IX. CONCLUSION

The living way of the people increasing day by day so teaching circle has started understanding the importance of savings and proper investment of their savings. They avoid spending money on heavy expensive life style and favor the normal living way. Peoples are very sensitive about their safety of their investments made. They need safety and reliability for their investments. The teachers invest their money in safer environment and they need regular income from their investment made with lower risk. Bank deposit is the favorite investment avenue of almost all respondents. Most of the teachers are savings in Bank because there is less risk. The investment preference is influenced by creating awareness, information factors and features to invest instruments. Most of the teachers are saving their money for children's education, marriage and to fulfill the other goals of life. This will bring the changes in investment pattern of respondents in the years to come.

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