

Investment Pattern and Savings of Teachers at Sirkali Town in Tamilnadu

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Abstract: *The aim of this study was to ascertain school teachers investment pattern and savings at Sirkali town, Tamilnadu. The study was to determine the relationship between the savings and investments literacy among the school teachers. It was done on the different government and private school teachers. The data were collected by distributing a structure questionnaire to 100 school teachers in different schools at Sirkali town. In spite of low income the teachers have been saving for future needs. The research shows that the majority of the respondents saving money as bank deposits, gold, post office deposits and LIC.*

Key words: *annual income, savings, investment, school teachers.*

1. INTRODUCTION

Investment is the sacrifice of certain present value for the uncertain future reward. It entails arriving at numerous decisions such as type, mix, amount, timing and grade. An investment decision is a tradeoff between risk and returns. All investment choices are made at the point of time in occurrence with the personal investment ends and in contemplation of an uncertain future. Since investment in securities is reducible, investment ends are transient and investment environment is fluid, the releasable bases for reasoned expectations become more and vaguer as one conceives of the distant future.

2. REVIEW OF LITERATURE

Most of the available literatures on investment are general in nature. No specific study has been made so far about investment pattern. An attempt is made in the following paragraphs to review some of such literature.

Every individual has a psychological preference for present consumption to equally certain future consumption. Saving means going against this preference and hence involves sacrifices of the preference (Mehta, JK, 1961). Thus, saving is an activity that involves both pain of foregoing consumption and pleasure at a particular moment in time for an anticipated future.

Several studies (e.g., Bernheim & Garrett, 1996; Diamond & Hausman, 1984; Solmon, 1975) indicate that saving rates increase with education, even after considering a variety of control variables. Solmon also found that motives for saving varied with education. Less-educated individuals were more likely to save providing for emergencies as their primary savings goal, while those with more education cited the desire to provide for children's education and to help them set up households. Since educated individuals appear to have longer time horizons, Solmon suggests that education may alter individual preferences. Although it is likely that education affects willingness to save, more research is needed to confirm this hypothesis and to identify the mechanisms through which this process occurs.

Age and stage of the population will also affect the fraction of aggregate income spent (Fisher J, 1952). Both ends of the age distribution, the old and the young tend to spend a higher proportion of their incomes than those in the middle do. The savings-income ratio is small for younger groups, high for middle age groups, and again low among old age groups (Ashok Kumar, et al, 1985).

Propensity to save and propensity to consume are also influenced by the size of the family. With an increase in family size, the propensity to consume increases due to increased demand for food, clothing and other necessities of life (Ashok Kumar, P. Jagadeswara, 1985). Every aspect of household economic behaviour is significantly correlated with the presence of children in the

household. Children affect the allocation of a given family budget; they affect the household demand patterns in a well-defined way (Martin Bowling, 1996).

3. OBJECTIVES OF THE STUDY

- To examine how the teachers savings are spread in various real financial assets in the study area.
- To study how the respondents choice of investment varies with the income, age, education and some personal background.

4. SCOPE AND PERIOD OF THE STUDY

The study relates to light of investment pattern, which comprises both financial and real assets. It does not include options and futures. The reference period of the study is restricted to five from 2010-2015. The survey was conducted to collect the primary data during June 2015

5. ANALYSIS AND INTERPRETATION

Perception, their time horizon and investment preference is done with the help of chi-square analytical techniques. To describe the data efficiently, percentagewise description and diagrammatical presentation are used. The teachers from Sirkali town area owned various kinds of financial and real assets are shown in the table.

Sl.No	Financial Assets	No.of Teachers	%	S.No	Real Assets	No.of Teachers	%
1.	Shares	2	2.95	1.	Land	12	17.65
2.	Debentures	0	0	2.	Building & House	24	35.29
3.	Deposits	18	26.48	3.	Gold, Silver And precious metals	32	47.05
4.	Chit funds	9	13.23				
5.	National saving certificate	9	13.23				
6.	UTI,MFS	2	2.95				
7.	Post office Deposits	15	22.06				
8.	LIC policies	13	19.12				
		68	100			68	100

Source: Primary

It is seen from the above table that the teachers in Sirkali town owned different type of financial and real assets. Deposit with bank top the list with 26.48 percentages, followed by post office deposit at 22.06 percent. Nearly 19.12 percent teachers owned life insurance policy. NSC, NSS and chit fund with 13.23percentage the other investment like shares UTI and mutual funds schemes is 2.95 percent.

Regarding the real assets investment the gold and silver ranked with the top most at 47.05 percent followed by building and house and land scored 35.29 percent and 17.65 percent. The above interpretation reveals that teacher from Sirkali town are mostly invested their money in save type of investment.

Financial investment pattern on the basis of their age

Age	N	Shares	debentures	Deposit With banks	Chit funds	NSS,NSC	UTI MFS	Post Office deposits	LIC policies	x ²	DF	LS
Less than 30	28	1	-	4	2	3	1	1	4	4.33	8	NS
		-	-	6	5	5	-	6	4	5.45	8	NS
31-40	11	1	-	8	4	6	3	8	7	7.81	8	0.05
41-50	20	-	-	9	2	3	1	10	9	9.04	8	0.05
Above 50	9	-	-									
Total Respondent	68											

Source: primary data

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Hypothesis 1: There is no significant relationship between the investment pattern and age of the teachers.

It is observed from the above table the age group of below 30 years majority of the teachers have LIC policies and deposits with bank followed by NSS, NSC, Chit funds, only 1 teacher own post office deposits and deposits with and followed by NSS, NSC, chit funds, LIC policies. In the age group of 41-50 years old majority of them are owned deposits with bank and post office deposits followed by LIC, NSS, NSC & chit funds, & UTI, MFS. In the age group of above 50 years old majority hold post office deposits, LIC policies, deposits with bank followed by NSS, NSC, Chit funds & UTI, MFS.

This finding is conformed statistically with the help of Chi-Square value 7.81 which is significant at 5% level. Above 50 years groups have also interested to deposits more in banks. This differences is also confirmed by the calculated chi-square value 9.04 which is significant at 5% level. Hence the stated hypothesis is accepted.

The table indicates most of the young and middle age group represents have high-risk class investment of above 50 years old respondents prefer safety with compares to others. Teachers owned the real assets in the study area are shown separately in the below table.

Investment in Real asset on the basis of their age

Age	No. of Teachers	Land	Building & House	Gold Silver & Precious metal	χ^2	DF	LS
Less than 30	28	1	2	12	2.88	2	NS
31-40	11	2	3	7	1.19	2	NS
41-50	20	3	9	6	1.44	2	NS
Above 50	9	1	7	12	2.35	2	NS

Source: Primary Data

Hypothesis 2: There is a significant difference among the teaching staffs and their position of various real assets on the basis of their age group.

It is seen from the table among the different age group of teachers in all the age groups, majority of them possess gold, silver and other precious metals followed by house, building and land. The difference of opinion between these groups is not confirmed by the calculated chi-square value, which is not-significant. Hence the stated hypothesis is rejected. So it is concluded that majority of them possess gold, silver and other metals. The table indicates that most of all types of responded owned their real assets, because it creates mental satisfaction about the peoples.

Absolute income level and income requirement influence the investment objectives. Persons who have more income, they take high risk, because they balance their losses, people who have low and middle income they prefer safety. So income is also one of the determinants of investment pattern.

Financial Investment pattern on the basis of Marital status of Teachers

Group	N	Shares	debentures	Deposit With banks	Chit funds	NSS, NSC	UTI MFS	Post Office deposits	LIC policies	χ^2	DF	LS
Married	37	2	-	14	7	4	-	18	16	6.48	8	NS
Unmarried	26	2	-	18	6	5	-	7	6	4.54	8	NS
Widow/Divorcee	5	-	-	2	2	1	1	2	2	13.32	8	NS

Source: Primary data

Hypothesis 3: Teaching staffs differs in their investment pattern on the basis of marital status.

It is evident from the above table that deposit among all the married employees nearly 18 of them has invested in post office deposit and 16 of them in LIC policies. Since they are married they invest by installment and need safety for their family members. Among all the unmarried employees, nearly 26 teaching staffs invest the money in the banks. But the different of opinion are not statically conformed by the obtained chi-square value, which are all non significant among the widows, nearly 5 teaching staffs invest the money in NSS and NSC. The different is confirmed by the calculated chi-square value, which is significant.

Real assets on the basis of marital status of teachers

Age	No. of Teachers	Land	Building & House	Gold Silver & Precious metal	χ^2	DF	LS
Married	37	4	18	19	4.5	2	NS

Unmarried	26	1	6	13	1.72	2	NS
Widow/Divorcee	5	-	4	2	0.00	2	NS

Source: Primary data

Hypothesis 4: There is no significant relationship between teaching staffs differs in their investment pattern on the basis of marital status.

It is inferred from the above table that among the married employees nearly 19 of them possess gold, silver and precious metal and 18 of them hold building and houses and only of them own lands. Among unmarried employees also 13 of them own gold, silver, and precious metals and 6 of them own building and house and only 1 person own land. Among Divorce/widow 2 of them own gold, silver and precious metal and 4 of them own building and houses. This difference of opinion is not confirmed by the calculated chi-square values which are not significant. Hence, the stated hypothesis is rejected.

The number of family members influences the investment pattern. The person who has more dependents, it creates unnecessary expenditure. So the value of investment is reduced. The dependent may be father, mother, father in law and mother in law, wife, children. So the investment value may be increased.

6. CONCLUSION

This paper made attempt to test four research hypothesis and achieve three objectives. Today the teaching community has started 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 influenced by other tempting and fashionable expenses. It is evident from the study undertaken that most of the teachers are saving money as bank deposits, gold, post office deposits and LIC.

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