



## SAVINGS AND INVESTMENT BEHAVIOR OF HIGHER SECONDARY SCHOOL TEACHERS – AN EMPIRICAL ANALYSIS

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### ABSTRACT :

*Savings is the sacrificing the current consumption to increase the standard of living and fulfilling the requirements in future. When savings transferred into a productive avenue, it becomes investment. Investment behavior is how investor judge, predict, analyze and review the procedure for decisions making. The present paper focused on the level of awareness on savings and investment and various factors which influence the investment pattern and behaviour of higher secondary school teachers in Thiruvananthapuram district. Teachers are highly educated and regular income group. Every act especially economic activity of teachers will inspire and motivate the students and society to do the same. The investment behavior of higher secondary school teachers are influenced by several socio-economic factors like, tax benefits, return, advice & recommendations, safety, risk, liquidity, knowledge & awareness, past experience, rumors and religious. These factors have both positive and negative impact on the investment decisions.*



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**KEYWORDS :** Investment, Behavior, Savings, Return, Risk and Liquidity.

### INTRODUCTION:

Personal disposable income of an individual is divided between consumption and savings. Savings means sacrificing the current consumption in order to increase the standard of living and fulfilling the requirements in future. From the perspective of economists, people allocate disposable income between consumption and savings and at various levels of income, there will be corresponding level of consumption and savings. Savings are sometimes autonomous and sometimes induced by the incentives like fiscal concessions or income or capital appreciation. Savings may be active or inactive. When savings generate return, then it becomes an active. Thus the act of transferring savings into return bearing avenues is to be known as investment. It is the utilization of resources in order to increase earnings or production output in the future. Every investor expect to achieve three main objectives from their investments, they are safety, profitability and liquidity. The skill in management of investment is not only lies in generating high returns but also lies in achieving a sound balance between safety, profitability and liquidity.

Every investment is a trade- off between risk and returns. Apart from risk and return, various other factors also influence investment decision such as marketability, initial investment, tax benefit, loan facility, institutions past experience, age, needs and social conditions. Various investment avenues are equity shares, debentures or bonds, money market instruments, mutual funds, life insurance and

general insurance, real estate, precious objects, derivatives and non-marketable securities. It can be stated that investors are savers but all savers cannot be good investors, as investment is a science and art.

Teaching is one of the precious professions in the world. It is a specialized application of knowledge, skills and attributes designed to provide unique service to meet the educational requirement of the individual and society. The choice of learning activities whereby the goals of education are realized in the educational institutions is the prime responsibility of teaching profession. One of the important factors which significantly influence the efficiency of teacher is his quality of life. Standard of living is a major determinant of quality of life. It indicates the level of wealth, comfort, material goods and other necessities. So it creates an impact in managing personal finance.

Thus the behaviour of teachers towards savings and investment would reflect their socio-economic perspective, which would influence quality of life and that will lead to enhance efficiency of their profession and the education system.

### STATEMENT OF THE PROBLEM

The problem for the study was identified from a survey conducted by SEBI around two decades back. The Securities and Exchange Board of India (SEBI) and NCAER, (2000) 'Survey of Indian Investors' ranked by an ascending order of risk perception, fixed deposit accounts in bank were measured very safe, followed by gold, real estate, units of UTI-US64, fixed deposits of non-government companies, mutual funds, equity shares, and debentures. Indian investors' preference for investments in which they commonly invested matched the risk perception. Higher proportions of Indian investors' invest in investments with a lower risk perception. Bank deposits, which had an appeal across all income classes and tax-saving schemes, were preferred by middle-income and higher income groups of investors.

Household Finance Committee submitted a report to RBI in August 2017 regarding the investment behavior of household investors in India. The report states that the investors become richer; their main avenue of investment was in precious metals and real estates. They do not increase their wealth allocation to other marketable securities. Bank deposits, post office savings and insurance are the most opted investment avenues by common household investors in India. Investors are not ready to take risky options. Therefore the proportion of investment in shares, debentures and other marketable securities were very low.

In the backdrop of the above studies, the proposed study analyzes the savings and investment behavior of higher secondary school teachers.

### SIGNIFICANCE OF THE STUDY

Investment is the commitment of funds which have been taken from the consumption with the hope that some remuneration will be generated in future. Savings and investment contribute capital to industries, thus it can be properly utilized for the economic development of the country. Every act of teachers will reflect in the society. Savings and investment behavior of teachers may encourage and motivate the students and society to do the same. Teachers are highly educated and regular income group but their investment perceptions are very weak. They are not willing to invest in risky avenues and concentrated their savings and investments only on risk free and tax concessional avenues. It won't reflect to the economy in a positive manner. The proposed study focused on higher secondary school teachers in Thiruvananthapuram, because in the higher education sector, they are the primary entity who deals with students and providing awareness regarding the opportunities in higher education. In this context, the proposed study has been undertaken to analyze the savings and investment behavior of higher secondary school teacher in Thiruvananthapuram.

### OBJECTIVES OF THE STUDY

The following are the objectives of the study.

- To identify the awareness level of teachers regarding savings and investment.
- To analyze the factors influencing the investment decisions of higher secondary school teachers.

## METHODOLOGY OF THE STUDY

The proposed study will be both descriptive and analytical in nature.

Both primary and secondary data will be used for the study. The secondary data will be collected from official publications and reports of government, journals, books and websites. Primary data will be collected from higher secondary school teachers through a structured interview schedule.

The population of the study consists of higher secondary school teachers working in Government and aided schools in Thiruvananthapuram. There are 26697 teachers working in Government and aided higher secondary schools in Kerala till March 2017 as per the records of Directorate of Higher Secondary School Education. Among them 2355 teachers working in Thiruvananthapuram district.

Sample size for the study was restricted to 150. Samples will be selected by using simple random sampling technique. Will be For analyzing the collected data, statistical and mathematical tools like percentage and mean will be used.

## DATA ANALYSIS AND INTERPRETATION

### Respondents Profile

**Table No. 1**  
**Respondents Profile**

Variable	Respondent	Frequency	Per cent
<b>Gender</b>	Male	84	56
	Female	66	44
<b>Age</b>	20-30	12	8
	30-40	60	40
	Above 40	78	52
<b>Marital Status</b>	Married	108	72
	Single	42	28

Source: Primary Data

The table no. 1 shows the profile of sample respondents. It reveals that majority of sample respondents i.e. 66 per cent are male and rest of them are female. Majority of the respondents are in the age group above 40, whereas only 8 per cent of respondents fall under the age group of 20-30. Analyzing the marital status, only 28 per cent of sample respondents are single and remaining respondents are married.

### Level of Awareness

**Table No. 2**  
**Awareness Level regarding Savings Avenues**

Category	Frequency	Per cent	Mean
Fully Aware	75	50	<b>2.46</b>
Partially Aware	69	46	
Not Aware	6	4	
<b>Total</b>	<b>150</b>	<b>100</b>	

Source: Primary Data

Level of awareness regarding savings an opportunity is depicted in Table no. 2. The study discloses that half of respondents are fully aware about the savings avenues. Among the total respondents forty six per cent of respondents have only partial awareness regarding savings. Rests of them have no awareness that is a nominal number of respondents. Analyzing the entire opinion of higher secondary school teachers regarding the awareness level on savings avenues, it is inferred that the level of awareness is above average i.e. the mean value is 2.46.

**Table No. 3**  
**Awareness Level regarding Investment Avenues**

Category	Frequency	Per cent	Mean
Fully Aware	45	30	2.20
Partially Aware	90	60	
Not Aware	15	10	
<b>Total</b>	<b>150</b>	<b>100</b>	

Source: Primary Data

Level of awareness regarding investment avenues or schemes is one of the significant aspects for efficient investment. Table no. 3 depicts that the awareness level of respondents towards various avenues. The study reveals that 3/5<sup>th</sup> portion of respondents have only partial awareness. Partial awareness means those having a little bit awareness or not having full awareness. Whereas 30 per cent of respondents have full awareness and rest of them have no awareness towards investment avenues or schemes. Analyzing the entire opinion of higher secondary school teachers regarding the awareness level on investment avenues or schemes, it is found that the level of awareness is above average i.e. the mean value is 2.20. But it doesn't show a high level of awareness. So there should require suitable awareness programs.

### Influencing Factors

**Table No. 4**  
**Factors influencing Investment Decisions**

Factors	Level of Significance	Frequency	Per cent	Mean
Tax benefits	Very high	54	36	3.84
	High	42	28	
	Neutral	36	24	
	Low	12	8	
	Very low	6	4	
Return	Very high	45	30	3.58
	High	39	26	
	Neutral	36	24	
	Low	18	12	
	Very low	12	8	
Advice & recommendations	Very high	42	28	3.5
	High	36	24	
	Neutral	36	24	
	Low	27	18	
	Very low	9	6	
Safety	Very high	42	28	3.46
	High	33	22	
	Neutral	39	26	
	Low	24	16	
	Very low	12	8	
Risk	Very high	27	18	3.30
	High	39	26	
	Neutral	42	28	
	Low	36	24	
	Very low	6	4	
Liquidity	Very high	30	20	
	High	36	24	

	Neutral	45	30	<b>3.30</b>
	Low	27	18	
	Very low	12	8	
Knowledge & awareness	Very high	27	18	<b>3.24</b>
	High	42	28	
	Neutral	36	24	
	Low	30	20	
	Very low	15	10	
Past experience	Very high	18	12	<b>2.88</b>
	High	30	20	
	Neutral	39	26	
	Low	42	28	
	Very low	21	14	
Rumors	Very high	18	12	<b>2.74</b>
	High	30	20	
	Neutral	27	18	
	Low	45	30	
	Very low	30	20	
Religious reasons	Very high	6	4	<b>2.32</b>
	High	18	12	
	Neutral	24	16	
	Low	72	48	
	Very low	30	20	

Source: Primary Data

Investment behavior of an individual may influence various factors or elements. These might be the objectives of investors. Here the researcher analyzing the various factors influencing the investment behavior of higher secondary school teachers. Analysis of the data carried out through percentage and average methods.

Numerical values 1 to 5 have been assigned from very low to very high for each factor. The opinion of the respondents to each factor is scored with average. For this the frequency of the responses is multiplied with given assigned values i.e. 1 to 5 from very low to very high. The average score 3 indicates the neutral opinion and the score below three indicates that the factor is less significant and the score above three indicates that highly significant factors.

The factors considered for the study are tax benefits, return, advice & recommendations, safety, risk, liquidity, knowledge & awareness, past experience, rumors and religious reasons. The analysis results revealed that the factors such as tax benefits, return, advice & recommendations, safety, risk, liquidity and knowledge & awareness are highly significant factors on the investment behavior of teachers because these factors shows a mean above 3. While the others factors such as past experience, rumors and religious reasons are less significant factors. Therefore it can be inferred that tax concessional benefits and investment returns like interest, dividend and capital appreciation are the considerable reasons for directing a teacher for investment activities.

## FINDINGS

Major findings of the study are:

- ❖ Half of higher secondary school teachers are fully aware about the savings opportunities. Only a few numbers have no awareness.
- ❖ The awareness level of higher secondary school teachers regarding the various investment schemes or avenues are considerably average and 3/5<sup>th</sup> portion of respondents have only partial awareness
- ❖ There are numerous factors influencing the investment behavior of higher secondary school teachers. It derived that the factors such as tax benefits, return, advice & recommendations, safety,

risk, liquidity and knowledge & awareness have high impact on the investment pattern and behaviour of teachers.

- ❖ The factors such as past experience, rumors and religious reasons doesn't create a direct influence but the absence of these factors may adversely affect the investment activities.
- ❖ Tax concessional benefits and investment returns like interest, dividend and capital appreciation are the considerable reasons for directing or encouraging teacher for investment.

### SUGGESTIONS

The following are the suggestions made based on the findings of the study:

- ❖ Return is the most important factors which leads investment. The authorities should take steps to understand the teachers regarding scientific techniques of risk-return analysis of various investment avenues.
- ❖ Establish efficient investor friendly investment grievance redress monitoring system.
- ❖ Authorities should take necessary actions against the malpractices and unfair trade practices in investment activities.

### CONCLUSIONS

Investment is the commitment of funds which have been taken from the consumption with the expectation of some return in future. Higher secondary school teachers are highly educated and regular income group but their investment perceptions and activities are very weak. As comparing the level of awareness regarding savings from investment avenues is much better. The authorities and officials should take proper actions to enhance the teacher's awareness on different investment avenues. The strength and weakness of teachers regarding investment decisions are based on the factors like tax benefits, return, advice & recommendations, safety, risk, liquidity and knowledge & awareness. Therefore the higher secondary school teachers should identify and evaluate all those factors before investment activities. This will enhance the efficiency of their investment decisions.

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