



SAVING AND INVESTMENT HABITS OF PRIVATE SCHOOL TEACHERS IN TIRUCHIRAPPALLI DISTRICT

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Abstract

Savings is wise but investment is profitable. This line explains the importance of savings and investment in our everyday life. Savings provide a cushion for meeting emergency needs. Investment is made by sacrificing current money spending for receiving and earning future benefits. Investment is a wider concept. Indians are well known for their savings habit, irrespective of any profession. The quality of education depends on the competence of a teacher. The efficiency or competence of a teacher is determined by the quality of their life. The quality of their life depends on the economic condition which in turn is determined by the savings and investment pattern. This research studies the savings and investment of private school teachers of Tiruchirappalli District and how they manage the savings and investment pattern.

Key words: Savings, Investment, Returns, Private school teachers

Introduction

Investment is a wider concept, and household investment reflects the microform of it. Household investment mainly, refers to canalising household savings into return giving options. Here, decisions are very much based on risks involved and risk-bearing capacity of the investors. Savings means the act of refraining from spending of income on consumption. The part of the income, which is unspent, is called savings. From the economist perspective people allocate disposable income between consumption and savings and at various levels of income, there will be corresponding level of consumption and savings. According to classical definition, saving is "income minus consumption" and is residual in character. Savings can also be defined as stock, wherein savings stands for change in wealth over a period of time. In this sense it is regarded as the sacrifice in the present consumption for the future (NCAER, 1960).

Statement of the problem

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. The concept of investment applies to these forms of investment with different dimensions and every form of investment has its level of risk and return (Nagpal & Bodla.,2009). The general principle of investment is risk, and returns go together.

A high-risk investment gives a high return, and low-risk investments give a low return (Not always). In general, it can be said that the degree of risk varies with the nature of investment assets, duration of investment, mode of investment etc. According to Chaubey & Dimri, investment is an act of allocating money to begin, to expand business or project, or to acquire an asset to earn income or capital appreciation.

Objectives of the study

- To analyse the saving and investment habits of School Teachers in Tiruchirappalli districts of Tamilnadu

Review of Literature

R. Goymda & Y. Josephine (2005) provided an overview of para teachers in India. It traced its origins of para-teacher schemes in the country and analyses the changing policy context where-in poorly paid and trained para-teachers on contract were increasingly being recruited in place of regular teachers in government schools. Drawing upon available research studies, the authors drew attention to the detrimental implications that para-teacher programmes had for professionalization of teachers, the quality of schooling and equity concerns in education.

Archna v. Hegde, Deborah J. Cassidy (2009) interviewed twelve kindergarten teachers in their study, and a constant comparative method was used to analyze the interviews. This study included a focus on academics vs. play, the importance of worksheets, the importance of groups for socialization, and the difficulties of implementing a play-based curriculum.

Bhardwaj Rajesh, Raheja Rekh and Priyanka (2011), examine Analysis of Income and Savings Pattern of Government and Private Senior Secondary School Teachers. The study concluded that the major source of income of Government teachers is salary while tuition fee for private teachers. Mostly Government & Private teachers both used Bank Deposits and Life Insurance for investing their savings. Government school teachers received more perks in comparison to private teachers. The main objective of savings of Government teachers is an emergency and security while for private teachers is children education and purchase of consumer durable.

Dr. S. Mathivannan and Dr. M. Selvakumar (2011) studied on saving and investment pattern of school teachers – A study with reference to Sivakasi Taluk, Tamil Nadu. The study concludes that today, the teaching community has stated 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 influence by other tempting and fashionable expenses.

Dr. Dhiraj Jain and Parul Jain (2012) examine savings and investment pattern of school teachers -a study with reference to Udaipur District, Rajasthan. The study concluded that in today's world money play vital role in one's life and that the importance of money has been started being recognized by the school teacher's community. They know the importance of money so they are initiated themselves to prepare the budget and lessen down their expenses to meet the future consequences. It has been evident from the study that most of the school teachers are saving their money for the purpose of their children's education, marriage and as security after retirement.

Dr. Ananthapadhmanabha Achar (2012) studied on saving and Investment Behavior of Teachers - An empirical study. 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. In a more or less similar manner, their family characteristics such as monthly family income, stage of family life cycle, and upbringing status emerged as determinants of their savings and investment behavior.

Research Methodology

To examine the saving and investment habits of School Teachers in Tiruchirappalli districts of Tamilnadu. Descriptive research method is applied to know about the saving and investment habits of School Teachers. Convenient sampling method is used to collect the data from the School Teachers in Tiruchirappalli district. Totally, 150 sample from different schools in Tiruchirappalli District have been used for this study. The researcher has made the analysis of the data , such as Mean and standard deviation. The researcher developed scales of saving and investment habits based on the literature review.

Analysis and Discussion**Table 1 School Teachers opinion towards the objectives of savings**

Objectives of savings	Mean	Std. Deviation
I save money for future financial security	3.64	1.25
I save money for children education	3.73	1.17
To meet health expenditure in old age	2.62	1.17
To provide for my dependents	2.72	1.11
For capital growth	2.73	1.14
For regular income	3.71	1.21
I save money to purchase assets	2.67	1.09
To clear house hold debts	2.69	1.06

Source: Primary data computed

Table 1 shows the school teachers opinion towards objectives of savings. The researcher has acknowledged eight major aspect of objectives of savings. The respondents were asked to rate their opinion in the five-point scale. Where five stands for strongly agree and one stands for strongly disagree. Mean and standard deviation values are calculated based on the collected data. The mean values ranged between 2.62 and 2.73. From the mean value, it is observed that the they save money for children's education (3.73), For capital growth (2.73), To provide for my dependents (2.72), For regular income (3.71), they save money to purchase assets (2.67), To clear house hold debts (2.69), they save money for future financial security (3.64), and to meet health expenditure in old age (2.62). It is found that save money for children education, regular income and save money for future financial security are having high level opinion towards the objectives of savings. Further, capital growth, provide for my dependents, save money to purchase assets, clear house-hold debts and to meet health expenditure in old age are having low level opinion towards the objectives of savings.

Table 2 School Teachers opinion towards the investment avenues

	Mean	Std. Deviation
Save in bank accounts	3.67	1.07
Fixed deposits a/c in banks	3.72	1.15
Government securities	2.72	1.23
Insurance policy	2.95	1.13
Share and mutual bonds	2.92	1.23
Chit funds	2.56	1.08
Real estates	2.76	1.11
Gold and silver	3.68	1.24
Business	2.69	1.16
Money lending	3.08	1.09

Source: Primary data computed

Table 2 shows the school teachers opinion towards investment avenues. The researcher has acknowledged ten major aspect of investment avenues. The respondents (Teachers) were asked to rate their opinion in the five-point scale, where five stands for strongly agree and one stands for strongly disagree. Mean and standard deviation values were calculated based on the collected data. The mean values ranged between 2.56 and 3.72. From the mean value, it is observed that the Fixed deposits a/c in banks (3.72), Save in bank accounts (3.67), Gold and silver (3.68), Money lending (3.08), Insurance policy (2.95), Share and mutual bonds (2.92), Real estates (2.76), Government securities (2.72), Business (2.69), and Chit funds (2.56). It is found that the fixed deposits a/c in banks, save in bank accounts, Gold and silver are having high level opinion towards the investment avenues. Money lending, Insurance policy, Share and mutual bonds, Real estates, Government securities, Business and Chit funds are having low level opinion towards the investment avenues. Most of the teachers preferred Saving in bank accounts, Fixed deposits a/c in banks, Gold and silver and Money lending when compared the other investment avenues such as Government securities, Insurance policy, Share and mutual bonds, Chit funds, Real estates and Business.

Table 3 School teachers opinion towards the financial status

	Mean	Std. Deviation
I invest based on my current income.	2.74	1.16
I invest according to my current affordability	3.02	0.95
The invest amount varies according to my income	2.77	1.17
I contribute portion of monthly income for purpose of investment.	3.03	1.43

Source: Primary data computed

Table 3 shows the school teachers opinion towards financial status. The researcher has acknowledged four major aspect of financial status. The respondents were asked to rate their opinion in the five-point scale, where five stands for strongly agree and one stands for strongly disagree. Mean and standard deviation values were calculated based on the collected data. The mean values ranged between 3.03 and 2.74. From the mean value, it is observed that they contribute portion of monthly income for purpose of investment (3.03), they invest according to my current affordability (3.02), The invested amount varies according to my income (2.77), and they invest based on their current income (2.74). It is found that contributed portion of monthly income for purpose of investment, investing according to their current affordability, invested amount varies according to their income and investment based on their current income are having low level opinion towards the financial status.

Factors influence level of awareness on various risk option**Table 4 School teachers opinion towards the Low-risk investment**

	Mean	Std. Deviation
Savings account	3.01	1.16
Deposits	2.99	1.05
Public provident fund	2.99	1.07
National savings certificate	2.66	1.22
Post office savings	2.66	1.15
Government securities	2.60	1.14

Source: Primary data computed

Table 4 shows the school teachers opinion towards Low-risk investment. The researcher has acknowledged 6 major aspect of Low-risk investment. The respondents were asked to rate their opinion in the five-point scale, where five stands for strongly agree and one stand for strongly disagree. Mean and standard deviation values were calculated based on the collected data. The mean values ranged between 2.60 and 3.01. From the mean value, the savings account (3.01), deposits (2.99), public provident fund (2.99), national savings certificate (2.66), post office savings (2.66), government securities (2.60) were observed. It is found that savings account is most preferable choice for teachers and other sources such as deposits, public provident fund, national savings certificate, post office savings and government securities are having low level mean values.

Table 5 school teachers opinion towards the Moderate risk investment

	Mean	Std. Deviation
Mutual funds	2.63	1.12
Life insurance	2.77	1.18
Debentures	2.82	1.25
Bonds	2.63	1.07

Source: Primary data computed

Table 5 shows the school teachers opinion towards Moderate risk investment. The researcher has acknowledged 4 major aspect of Moderate risk investment. The respondents were asked to rate their opinion in the five-point scale, where five stands for strongly agree and one stand for strongly disagree. Mean and standard deviation values were calculated based on the collected data. The mean values are ranged between 2.63 and 2.82. From the mean value, it is observed that the Debentures (2.82), Life insurance (2.77), Bonds (2.63) and Mutual funds (2.63) secured high mean value.

It is found that the Mutual funds, Life insurance, Debentures, Bonds are having high level opinion towards Moderate risk investment.

Table 5 School teachers' opinion towards the High-risk investment

	Mean	Std. Deviation
Equity share market	3.66	1.06
Commodity share market	3.65	1.09
Chit funds	3.70	1.10
Private equity investment	3.66	1.20

Source: Primary data computed

Table 5 shows the school teachers opinion towards High-risk investment. The researcher has acknowledged the 4 major aspect of High-risk investment. The respondents were asked to rate their opinion in the five-point scale. Where five stands for strongly agree and one stand for strongly disagree. Mean and standard deviation values are calculated based on the collected data. The mean values ranged between 3.65 and 3.70. From the mean value, it is observed that the Chit funds (3.70), Equity share market (3.66), Private equity investment (3.66), and Commodity share market (3.65) were high. It is found that the Equity share market, Commodity share market, Chit funds and Private equity investment are having high level opinion towards High-risk investment.

Table 6 Teachers opinion towards the financial literacy level

Financial literacy level	Mean	Std. Deviation
I have a lot of knowledge of financial markets and its products	3.86	1.22
Before I purchase a product, I consider whether it is something I can afford	2.55	1.08
I am having knowledge of information about investments	3.81	1.11
I feel more satisfied to spend money than to save it for a long run	3.61	1.23
I am ready to take risk when investing money	2.74	1.19
I keep tracking of my personal finances.	3.71	1.14

Source: Primary data computed

Table 6 shows the teachers opinion towards financial literacy level. The researcher has acknowledged the six major aspect of financial literacy level. The teachers were asked to rate their opinion in the five-point scale, where five stands for strongly agree and one stand for strongly disagree. Mean and standard deviation values were calculated based on the collected data. The mean values ranged between 2.55 and 3.86. From the mean value, it is observed that they have a lot of knowledge of financial markets and its products (3.86), they having knowledge of information about investments (3.81), they keep tracking of my personal finances (3.71), they feel more satisfied to spend money than to save it for a long run (3.61), they are ready to take risk when investing money (2.74), they purchase a product afford (2.55). It is found that the knowledge of financial markets, knowledge of information about investments, keep tracking of my personal finances and satisfied to spend money than to save are having high level opinion towards the

financial literacy level but taking risk when investing money and purchase a product afford are having low level opinion towards the financial literacy level.

Table 8 Teachers opinion towards the investment decision making

Investment decision making	Mean	Std. Deviation
I regularly make own investment decisions.	2.99	1.24
I receive public opinion about profit making investment.	3.18	1.23
I have self-confident on my decisions on investment.	2.97	1.31
I take market conditions for reference.	3.24	1.23
I never bother about the outcome of investment.	3.03	1.26
I use consistent investment strategy.	3.11	1.31
I am ready to wait for my expected return on investment.	3.12	1.20
I match my investments and goals.	3.25	1.25
I myself update my investment information.	3.18	1.24
I hear the stories of successful investors.	3.00	1.32
I understand the confidence of company investors.	3.44	1.14
I read both the top gainer and top loser investment strategies.	3.25	1.24

Source: Primary data computed

Table 8 shows the teachers opinion towards investment decision making. The researcher has recognized the 12 major aspect of investment decision making. The respondents were asked to rate their opinion in the five-point scale, where five stands for strongly agree and one stands for strongly disagree. Mean and standard deviation values were calculated based on the collected data. The mean values ranged between 2.99 and 3.44. From the mean value, it is observed that they understand the confidence of company investors (3.44), investments and goals (3.25), they read both the top gainer and top loser investment strategies (3.25), they take market conditions for reference (3.24), they receive public opinion about profit making investment (3.18), they myself update their investment information (3.18), they are ready to wait for my expected return on investment (3.12), they use consistent investment strategy (3.11), they never bother about the outcome of investment (3.03), they hear the stories of successful investors (3.00), they regularly make own investment decisions (2.99), they have self-confidence on investment decisions (2.97). It is found that they understand the confidence of company investors, investments and goals, they read both the top gainer and top loser investment strategies, take market conditions for reference, receive public opinion about profit making investment, they myself update my investment information, ready to wait for my expected return on investment, use consistent investment strategy and never bother about the outcome of investment are having moderate level opinion towards investment decision making. They hear the stories of successful investors; they regularly make own investment decisions and they have self-confident on investment decisions are having low level opinion towards investment decision making.

Findings

- ✚ It is found that save money for children education, regular income and save money for future financial security are having high level opinion towards the objectives of savings.
- ✚ Savings with the objective for capital growth, provide for my dependents, to purchase assets, clear household debts and to meet health expenditure in old age are having low level opinion by the respondents.
- ✚ Most of the teachers preferred saving in bank accounts, Fixed deposits a/c in banks, Gold and silver and Money lending when compared to other investment avenues such as Government securities, Insurance policy, Share and mutual bonds, Chit funds, Real estates and Business.
- ✚ It is found that contributed portion of monthly income for purpose of investment, investing according to their current affordability, invested amount varies according to their income and investment based on their current income are having low level opinion towards the financial status.
- ✚ It is found that savings account is the most preferred choice for teachers and other sources such as deposits, public provident fund, national savings certificate, post office savings and government securities are having low level mean values.
- ✚ It is found that the Mutual funds, Life insurance, Debentures, Bonds are having high level opinion towards Moderate risk investment.
- ✚ It is found that the Equity share market, Commodity share market, Chit funds and Private equity investment are having high level opinion towards High-risk investment.
- ✚ It is found that the knowledge of financial markets, knowledge of information about investments, keep tracking of my personal finances and satisfied to spend money than to save are having high level opinion towards the financial literacy level but taking risk when investing money and purchase a product afford are having low level opinion towards the financial literacy level.
- ✚ It is found that they understand the confidence of company investors, investments and goals, they read both the top gainer and top loser investment strategies, take market conditions for reference, receive public opinion about profit making investment, they themselves update their investment information, ready to wait for their expected return on investment, use consistent investment strategy and never bother about the outcome of investment are having moderate level opinion towards investment decision making. They hear the stories of successful investors, they regularly make own investment decisions and they have self-confident on investment decisions are having low level opinion towards investment decision making.

Suggestion

- More awareness of savings and investment has to be provided to school teachers on share markets, Mutual Funds, Bonds and Debentures.
- There is a necessity to create awareness among teachers about various investment alternatives to create more wealth by getting increased returns and creating investment portfolio.

Conclusion

The present research paper concludes that there is a relationship between objectives of savings and the pattern of savings and investment of school teachers. It can also be concluded from the study that school teachers awareness level of stock market is low, thereby, their investment in shares and mutual funds is also low compared to bank and post office savings. Higher preference is given to bank fixed deposits, post office savings, gold and silver. Least preference is given to shares. This paper reveals that the primary and high school teachers choose investment with moderate risk and are not interested in high risk investment alternatives. For this reason they choose low-risk and low-return investment pattern. It is also found that teachers analyse various investment alternatives from other investors gain and lose, before investing. They also possess knowledge about savings and investment and analyse before investment decision making.

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