



AN EMPIRICAL STUDY ON THE ASSOCIATION BETWEEN DEMOGRAPHICS FACTORS AND WAY OF MAKING INVESTMENT DECISION BY DEGREE COLLEGE LECTURERS IN MYSORE DISTRICT

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Abstract: In recent times investment companies have emerged as the most dynamic segment in the Indian financial system. These companies make multiple studies and efforts to understand various dimensions considered by retail investors while making investments and various factors influencing investment behavior of retail investors to design and modify the features of savings and investment avenues. This article conducted a study to understand one of the influencing factors in investment making process i.e the way of making investment decision by degree college lecturers in Mysore district. It is found that there is no significant association between teaching department, place of residence, nature of residence and the way of making investment, whereas there is significant association between age, gender, spouse working status, family structure and the way of making investment.

Index Terms - Saving pattern, Investment pattern, Investment awareness, Investment avenues, Salaried employees

Introduction

Savings and investment of middle income class is always calculative as they use their hard earned money by reducing their expenditure, postponing the purchases. There are number of savings and investment avenues in the market with different features, risk and returns. So analysis of those investment avenues and choosing right one, which suits their needs is a big task as it involves putting hard earned money as well as it carries its own risk and returns. This is very important stage in investment process as if wrong one is selected it would drain out savings completely or partially or sometimes it may move the investor into debt as well.

Objective:

To analyze the association between demographic factors and the way of making investment decision.

Hypotheses

Ho : There is no significant association between Demographic factors and way of making investment decision by college lecturers.

H1: There is significant association between Demographic factors and way of making investment decision by college lecturers.

Research methodology

Researcher collected both primary and secondary data for the research work. Primary data was collected using convenience sampling technique. Secondary data was collected from books, journals, newspaper ect. The data was collected from 122 sample size using standard structured questionnair. The Chi-square test of independence is used for analysis and interpretation of the primary data.

Review of literature

E.Velmurugan And Dr. P.Amarjothi(2020) conducted study on savings and investment patterns of assistant professors in theni district. Primary data was collected using structured questionnaire with sample size of 50.. It was evident from the study that most of the assistant professors are considered safety for selecting the saving/investment avenue and Bank deposits was considered as the main option of the investment. It was stated that that out of 50 respondents is majority of respondents, 16 (32.0%) per cent of the respondents are decision by the Self decision.(Velmurugan et al.)

S. Ayeshath Umaira(2022) Conducted study titled "A study on savings and investment pattern of teachers" by collecting primary data with standardized questionnaire using sample size of 50.It was concluded that there is no significant difference between annual income and proportion of savings and also annual income does not differ significantly with amount of investment of the respondents.(Umaira)

Mitesh Kadakia(2023) made a study titled "A study on savings and investments pattern of degree lecturers with special reference to Hyderabad". The study was based on primary data collection with standardized questionnaire with sample size of 100. Most the respondents choose and managed their investment by themselves without consulting external any broker.(Kadakia)

SELVA KUMAR P and Dr. GAYATHRI HARIKUMAR(2023) conducted a study titled "An empirical study on the saving and investment behavioral patterns f assistant professors in private colleges in Chennai". The primary data was collected from 120 assistant professors using structured closed ended questionnaire. It found that there is a significant relationship between age and monthly savings. There was no significant association between preferred investment and monthly income. The majority of respondents stated that their main goals for saving and investing were risk reduction and providing for their children's education. (Kumar)

Data analysis:

Table 1: Results of chi-square test of independence test

Demographic factors	Chi square value	df	p value	Remarks
Age	38.868	9	0.000	Significant
Gender	12.611	3	0.006	Significant
Department	9.461	6	0.149	Not significant
Spouse Working	64.792	6	0.000	Significant
Family Structure	9.749	3	0.021	Significant
Place of Residence	10.286	6	0.113	Not significant
Nature of Residence	4.882	3	0.181	Not significant

Source: Primary data

Table 2: Significant demographic factors and way of making investment decision

Demographic factors		Individually		In discussion with Husband/Wife		In discussion with Parents		In discussion with friends/colleagues	
		Count	Row %	Count	Row %	Count	Row %	Count	Row %
Age	Below 30 Years	12	34.3%	10	28.6%	12	34.3%	1	2.9%
	31 to 40 Years	16	30.2%	29	54.7%	2	3.8%	6	11.3%
	41 to 50 Years	4	16.7%	20	83.3%	0	0.0%	0	0.0%
	Above 50 Years	2	20.0%	8	80.0%	0	0.0%	0	0.0%
	Total	34	27.9%	67	54.9%	14	11.5%	7	5.7%
Gender	Male	20	43.5%	20	43.5%	2	4.3%	4	8.7%
	Female	14	18.4%	47	61.8%	12	15.8%	3	3.9%
	Total	34	27.9%	67	54.9%	14	11.5%	7	5.7%
Spouse Working	Yes	8	11.9%	55	82.1%	4	6.0%	0	0.0%
	No	14	50.0%	10	35.7%	0	0.0%	4	14.3%
	Not applicable	12	44.4%	2	7.4%	10	37.0%	3	11.1%
	Total	34	27.9%	67	54.9%	14	11.5%	7	5.7%
Family Structure	Nuclear	24	30.0%	37	46.3%	12	15.0%	7	8.8%
	Joint	10	23.8%	30	71.4%	2	4.8%	0	0.0%
	Total	34	27.9%	67	54.9%	14	11.5%	7	5.7%
Place of Residence	Rural	4	50.0%	4	50.0%	0	0.0%	0	0.0%
	Semi urban	8	30.8%	10	38.5%	4	15.4%	4	15.4%
	Urban	22	25.0%	53	60.2%	10	11.4%	3	3.4%
	Total	34	27.9%	67	54.9%	14	11.5%	7	5.7%
Nature of Residence	Own House	16	21.9%	44	60.3%	10	13.7%	3	4.1%
	Rental/Leased House	18	36.7%	23	46.9%	4	8.2%	4	8.2%
	Total	34	27.9%	67	54.9%	14	11.5%	7	5.7%

Source: Primary data

Discussions and findings

Hoa: There is no significant association between age and way of making investment decision by college lecturers.

H1a: There is significant association between age and way of making investment decision by college lecturers.

Since P value is less than 0.01, the null hypothesis is rejected at 1% level of significance. Hence it is concluded that there is high significant association between age and way of making investment decision by college lecturers.

The major portion of “Bellow 30 years” respondents made investment decision “individually” and “in discussion with parents” each with 34.3%, major portion of other three age groups i.e “31 to 40 Years”, “41 to 50 Years” and “Above 50 Years” made investment decision “in discussion with spouse” with 54.7%, 83.3% and 80% respectively. Least preferred way of making decision are 2.9% “in discussion with friends/colleagues” by “Bellow 30 Years” , 3.8% “In discussion with parents” by “31 to 40 years”, 0% “In discussion with parents” and “in discussion with friends/colleagues” by both “41 to 50 Years” and “Above 50 Years”.

Hob: There is no significant association between Gender and way of making investment decision by college lecturers.

H1b: There is significant association between Gender and way of making investment decision by college lecturers.

Since P value is less than 0.01, the null hypothesis is rejected at 1% level of significance. Hence it is concluded that there is high significant association between Gender and way of making investment decision by college lecturers.

The major portion of "Male" respondents made investment decision "individually" and "in discussion with spouse" each with 43.5%, major portion of "Female" respondents made investment decision "in discussion with spouse" with 61.8%. Least preferred way of making decision are 4.3% "in discussion with parents" by "Male" respondents and 3.9% "in discussion with friends/colleagues" by "Female" respondents.

Hoc: There is no significant association between teaching Department and way of making investment decision by college lecturers.

H1c: There is significant association between teaching Department and way of making investment decision by college lecturers.

Since P value is greater than 0.05, the null hypothesis is accepted at 5% level of significance. Hence it is concluded that there is no significant association between teaching Department and way of making investment decision by college lecturers.

Hoe: There is no significant association between spouse working status and way of making investment decision by college lecturers.

H1e: There is significant association between spouse working status and way of making investment decision by college lecturers.

Since P value is less than 0.01, the null hypothesis is rejected at 1% level of significance. Hence it is concluded that there is high significant association between spouse working status and way of making investment decision by college lecturers.

The major portion of "Spouse with working" respondents made investment decision "in discussion with spouse" with 82.1%, major portion of "Spouse with not working" and "Not married/Not applicable" respondents made investment decision "Individually" with 50% and 44.4% respectively. Least preferred way of making decision are 0% "in discussion with friends/colleagues" by "Spouse with working" respondents, 0% "in discussion with parents" by "Spouse with not working" respondents.

Hof: There is no significant association between family structure and way of making investment decision by college lecturers.

H1f: There is significant association between family structure and way of making investment decision by college lecturers.

Since P value is less than 0.05, the null hypothesis is rejected at 5% level of significance. Hence it is concluded that there is significant association between family structure and way of making investment decision by college lecturers.

The major portion of "Nuclear" family respondents made investment decision "in discussion with spouse" with 46.3% and 15% of the group make investment decision "in discussion with parents", major portion of "Joint" family respondents made investment decision "in discussion with spouse" with 71.4% and only 4.8% of this group make investment decision "in discussion with parents".

Hog: There is no significant association between place of residence and way of making investment decision by college lecturers.

H1g: There is significant association between place of residence and way of making investment decision by college lecturers.

Since P value is greater than 0.05, the null hypothesis is accepted at 5% level of significance. Hence it is concluded that there is no significant association between place of residence and way of making investment decision by college lecturers.

Hoh: There is no significant association between nature of residence and way of making investment decision by college lecturers.

H1h: There is significant association between nature of residence and way of making investment decision by college lecturers.

Since P value is greater than 0.05, the null hypothesis is accepted at 5% level of significance. Hence it is concluded that there is no significant association between nature of residence and way of making investment decision by college lecturers.

Conclusion:

- Majority of all age groups respondents make investment decision “Individually” and “In discussion with spouse”. 54.9% of all respondents make investment decision “In discussion with spouse”.
- Majority of “Male” respondents make investment decision “Individually” and “In discussion with spouse”. Majority of “Female” respondents make investment decision “In discussion with spouse”.
- If the spouse is working, more number of respondents make investment decision “In discussion with spouse”, If the spouse is not working more number of respondents make investment decision “Individually”
- In nuclear family structure, respondents made investment decision “In discussion with parents” in More percentage than the respondents from “Joint” family. In Joint family structure, respondents made investment decision “In discussion with spouse” in More percentage than the respondents from “Nuclear” family.

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