

A STUDY ON INVESTMENT PATTERNS OF SCHOOL TEACHER WITH RESPECT TO SURAT CITY

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ABSTRACT:

It is the process of setting aside a portion of current income for future use, or the flow of money accumulated in this way over a given period of time. Saving may take the form of increases in bank deposits, purchases of securities, gold and silver or increased cash holdings. Investment is an activity i.e. engaged in by people who have savings. However, not all the savers are investors. Saving is a very important component, which is responsible for meeting any emergency accumulated by the individuals / households / any corporate agencies. Investments are similarly necessary for secured future of human life. The research study is based on the micro financial approach in estimating the well-structured responses from the respondents i.e. teachers working in various schools in surat city, in respect of the savings and investment patterns habits. The objective of the study was to determine the relationship between the savings and investments pattern among the school teachers of various schools in situated in surat city. The nature of financial markets has changed drastically. Investment culture refers to the attitudes, perceptions, and willingness of the individuals and institutions in placing their savings in various financial assets. School Teacher's professional advancement is decided by many factors. The two key aspects of any investment are time and risk. One of the main factors, which strongly influence the efficiency of teacher, is his quality of life.

Key Words:

Teacher, Investment, Saving, Bank Deposit and Micro Financial Approach

INTRODUCTION

In the fast and growing changing scenario, Investors are invariably faced with a predicament as to where to put their money to get maximum revenue. There has been a considerable flow in the investment option that is available to the investors. The investors need to decide their portfolio from the available pool of investment opportunities. But, the investors realize that the decision making process is not an easy task. The decision regarding selection of the investment directly influences the results there of. All investments may not be profitable, since the investor is not assured of making the correct investment decisions over the period of years. However, the investor should earn a positive return with help of diversified portfolio. These aspects make study of investment more challenging and demanding.

Saving:

Once you've outlined your goals and the timelines within which you want or need to reach them, you can figure out how much you'll need to save to attain them. In addition to your earnings, savings and investments are essential to increasing your wealth. Most people often confuse the concepts of savings and investment. Let's clear it. Savings takes place when people consume less than their income and investment takes place when we purchase any assets for future productivity. Investment not only means investing money in stocks, bonds, etc.

The main motive for saving is deferring consumption of income for better tomorrow and motive for investment is to earn money. These two words are mutually interconnected variables. So, they are important part of planning for the future. Savings regularly helps us in: Manage our money, Cope with uncertainties, Afford things needed in the future, Borrow less and Ease financial stress.

Investment: It is utilizing the available resources in increasing the earnings of the future. E.g. depositing money in a bank, machinery purchase for future earnings, etc. Here are some preferable investment avenues:

Equity: Equity is an investment avenue which is able to offer the highest possible returns but is very risky as there are huge probabilities of investors even losing some part of the invested capital too.

Mutual Funds: A mutual fund is a collection of bonds and stocks. When you buy MFs, you are pooling your money with number of other investors, which enables you to pay a professional manager/Consultant to select specific securities for you.

Bonds: The term bond is commonly used to refer to any securities that are founded on debt.

Real Estate: Real estate is the property, land, buildings, air rights above the land and underground rights below the land. The term real estate means real, or physical, property.

A fixed deposit (FD) is a financial instrument provided by banks or NBFCs which provides investors a higher rate of interest than a regular savings account, until the given maturity date. It may or may not require the creation of a separate account.

Insurance: an arrangement by which a company or the state undertakes to provide a guarantee of compensation for specified loss, damage, illness, or death in return for payment of a specified premium.

Provident Fund: Workers contribute a portion of their salaries into a provident fund and employers must contribute on behalf of their employees. The money in the fund is then paid out to retirees. In some cases, it's paid out to the disabled who cannot work.

Gold: This Avenue is very popular in India. Gold as a investment option has the moderate risk and one big things is that it is in the physical form so, mostly Indian people prefer.

LITERATURE REVIEWS

Ananthapadmanabha Achar (2012) paper on "An empirical study on Saving and Investment Behavior of Teachers". In this research project researcher analyze the individual demographic characteristics of teachers such as age, sex, income (Annually), marital status, and lifestyle determined the savings and investment behavior of teaching community in the study. Also researcher do the family socio economic profile analysis

such as monthly family income of family, stage of family life cycle, and background (Family support) as factors of their savings and investment behavior.

Bhardwaj Rajesh, Raheja Rekh and Priyanka (2011), paper examines, “Analysis of Income and Savings Pattern of Government and Private Senior Secondary School Teachers”. The study concluded that the major sources of income of Government teachers is salary while tuition fees for private teachers. Mostly Government & Private teachers are both used Bank Deposits and Life Insurance policy for investing their savings. Government school teachers received more perquisites in comparison with private teachers. The main objective of savings of Government teachers is to meet an emergency and security while for private teachers is children education and purchase of consumer durable goods.

Brahmabhatta (2012) the research article entitled “A study of investor behavior on investment avenues in Mumbai Fenil” its stated that investor’s perception will provides a way to accurately measure how the investors think about the products and services provided by the company. The objective of the study is to find out the need of the current and future investors and to study on investor behavior. 100 investors are taken for the analysis. Most are making traditional decisions that reflect a survival mode in the business operation. Therefore, with the study is identified that respondents like to invest in stock market as compared to any other sources, even if they have face huge losses.

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.

Mathivannan and Selvakumar (2011) research studied on “Saving and investment pattern of school teaches – A study with reference to Sivakasi Taluk, Tamil Nadu”. The study concludes that, the teaching community has started realizing the importance/value of money and money’s worth. Researcher 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 inviting and trendy expenses.

RESEARCH METHODOLOGY

STATEMENT OF THE PROBLEM

In the fast changing scenario, Investors are habitually faced with a dilemma as to where to put their money to get maximum revenue. Investing is not a mere guess or a game, but it is far more serious subject that can have a major impact on the investor's future well-being. The investors save the money in order to meet the financial requirement in future because the future is unpredictable. So savings are required in order to meet the financial requirements. With the help of objective to achieve desired saving and investment rate, there would need to raise large resources domestically. In India the major part of fund is from house hold sector. Indian households undertake savings in form of both financial and non-financial form. There has been a

considerable surge in the investment options that are available to the investors. A savings potential and savings pattern depends on the individual spending patterns and attitude towards investment. To enjoy the benefit, to safeguard money and to maintain the regular activity, everyone should save. Hence, in this study, an attempt is made to analyze the investment pattern of School teachers in surat city.

OBJECTIVES OF THE STUDY

1. To evaluate the saving habits of school teachers in surat city.
2. To analyze the investment pattern of school teachers.

RESEARCH DESIGN

Researcher has used *descriptive research design*.

NEED FOR THE STUDY

Today, the entire nation is expecting a fast track growth. Very soon India will reach top investment destination compared to our peers. Now a day's majority of people start to earn and save money for making profits by investing money in proper investment avenues. Saving and investing money will shape the economy and lead faster economic development. The value inculcated in people's mind will definitely affect the tomorrow picture. The habit of individual financial planning and investment will surely shows sign of development. The well informed investor has a potential to invest money in various investment avenues. In the present day knowledge economy education had been played an important role for individuals. The teachers are the pillars of the society and the quality of education depends upon the knowledge, skills, creativity and intelligence of the teachers. Therefore financial education and awareness will definitely serve the purpose effectively, if got started through college level study. Therefore study regarding saving and investment pattern of college teachers become inevitable.

COLLECTION OF DATA

To address the objectives underlying the study, the data includes, from both primary sources and secondary sources.

The *primary data* include data collected through questionnaires and interviews.

Secondary data comprise of data collected from research articles, journals, websites, newspapers, etc.

SAMPLING PLAN

The sample required for the study has comprised of the data collected from the school teachers in Surat and surrounding areas through questionnaires. The data has been collected from 100 respondents situated in surat city. The respondents are teachers of primary, secondary and higher secondary.

DATA ANALYSIS

The data collected through the questionnaire was compiled and a master table was created. Further, the data was analyzed and interpreted using various statistical tools using statistical software that includes MS-Excel and SPSS.

LIMITATIONS OF STUDY

- The study is limited to school teachers.
- The study is based on the respondents of Surat City.

DATA ANALYSIS AND INTERPRETATION

Demographic Profile

The demographic profile of the respondents influences the investment habits of the people. Therefore the researcher analyses the demographic status of the respondents. It is clear that out of the 100 respondents, 65 Per cent respondents are female, 2 Per cent respondents are belonged to the age group of below 25 years, 32 Per cent in the age group of 25-35 years, 37 Per cent in the age group of 35-45 years and 29 Per cent respondents belong to the age group of above 45 years. 2 Per cent of the respondents studied up to graduates, 82 Per cent of the respondents are post graduates, and 14 Per cent of the respondents studied up to professional level and 2 Per cent of the respondents are having other qualification. 13 Per cent of teachers were single and 87 Per cent were married. This was because the 98 percentage of the respondents were above 25 years of the age group. 8 Per cent of the respondents had an annual income of less than Rs. 1, 00,000. Respondents who are having an annual income of Rs.1, 00,001- Rs.2, 00,000 and Rs.2, 00,001-Rs.3, 00,000 were 33 Per cent and 45 Per cent respectively. 14 per cent respondent had an income above Rs.3, 00,001. Majority of the respondents 45 Per cent are having an annual income Rs. 2,00,001- 3, 00,000.

Category of School

There are two categories of schools, in which the sample respondents were working.

Sr. No.	Category	No. respondents	Percentage
1	Government School	30	30
2	Private School	70	70
	Total		100

Out of the 100 respondents i.e., 30 Per cent are from government schools and 70 Per cent from private schools. Majority of the sample teacher's i.e., 70 Per cent are working in the private schools.

Annual Saving of the Respondents

The savings normally depends upon the respondent's willingness to save money. 67 Per cent of the respondents have annual saving less than Rs. 50,000, 25 Per cent save income between Rs. 50,001 -1, 00,000 and 8 Per cent saved more than Rs. 1,00,001 per annum.

Level of School

The sample respondents in the study area belong to primary, middle, high schools and higher secondary schools. 22 percent belonged to primary schools, 29 Per cent were from middle school, and 21 Per cent from high schools and 28 Per cent were from higher secondary schools. A majority of the respondents (49 Per cent) were working in the high schools and higher secondary schools.

Investment Objective

33 Per cent and 37 Per cent respondents said that the Risk coverage and children education are the objectives of their investment. 25 Per cent have secured retirement as the investment objective. 5 Per cent respondents have other objective of investment.

Majority of the teachers (36 Per cent) invest on a monthly basis followed by quarterly (29 Per cent), semi-annually (19 Per cent) and annually (16Per cent). It shows that majority of the teachers invest monthly in avenues like recurring deposit, etc.

Investment avenue do you prefer

Out of 100 respondents, 44 Per cent respondents prefer bank FD over other investment avenues. 26 per cent respondents prefer post office saving, 18 per cent respondents prefer gold for the investment avenues, 12 per cent respondents are prefer shares. It shows that school teachers are not that much aware about share market as an income sources avenue in Surat city.

Influences the investment decision

Majority of the respondents i.e. 38 per cent invest on their own without consulting others and 29 per cent respondents prefer friend's advice before investing in any avenue, other respondents followed by husband/wife 19 per cent and father/mother 14 per cent.

Rank the security based on risk and return

Your choice of Investments as per preferences / priorities (Please write the number in order of preference)

Factor wise Frequency Analysis (Investments as per preferences / priorities)

Rank/Factor	1	2	3	4	5	Total
1	14	9	11	22	43	100
2	9	17	22	36	14	100
3	20	20	40	10	7	100
4	7	44	13	21	11	100
5	49	8	11	7	20	100
Total	100	100	100	100	100	500

Garret Value table

Factor	$\frac{100(R_{ij} - 0.5)}{N_j}$	Percent Position	GARRET VALUE
1	$100(1-0.5)/5$	10.00	76
2	$100(2-0.5)/5$	30.00	61
3	$100(3-0.5)/5$	50.00	50
4	$100(4-0.5)/5$	70.00	40
5	$100(5-0.5)/5$	90.00	25

Value Analysis through Garret table

Garret Value	76	61	50	40	25	Total
Rank	1	2	3	4	5	
1	1064	549	550	880	1075	4118
2	684	1037	1100	1440	350	4611
3	1520	1220	2000	400	175	5315
4	532	2684	650	840	275	4981
5	3724	488	550	280	500	5542

Raking Table

Garrett Rankin g Analysis Method			
Investment As per Preference	Total	Average score	Ranks
Real Estate	4118	41.18	5
Stock Market(Share)	4611	46.11	4
Post Office Saving/ Insurance	5315	53.15	2
Jewelry(Gold/Silver)	4981	49.81	3
Bank(FD)	5542	55.42	1

Interpretation:

The respondent were asked to rank the investment as per preference which they feel it creates priorities when they are going for investment in real estate, jewelry, bank, Insurance & post office and stock or mutual fund. Then for these percentile positions the percentile scores were taken from Garrett's table. Taking scores as value of the variable and no of respondents as frequencies the total score for each problem was found on the basis of total scores the ranks were given.

Null Hypothesis: There is no significant relationship between annual income and preferred investment.

Alternative Hypothesis: There is significant relationship between annual income and preferred investment.

Chi-square test result	
Table value at 5% significance	25
Degree of freedom	15
Calculated value	21.74

The above table shows that the calculated value, i.e., 21.74 is less than the table value (25) at 5% significance level. So, we can say that there is no significant relationship between annual income and preferred investment.

FINDINGS

- From the study it can be said that majority of the teachers are female and fall in the age i.e.25-45 years of age and having post-graduation level education. It is also found that they are married and have average level of income. With regard to investment objective, for majority of teachers (respondents), the first investment objective is children's education.
- Majority of the sample teacher's i.e.70Per cent are working in the private schools.
- 67 Per cent of the respondents have annual saving less than Rs. 50,000
- A majority of the respondents (49 Per cent) were working in the high schools and higher secondary schools.
- 44 Per cent respondents prefer bank FD over other investment avenues
- 38 per cent invest on their own without consulting others
- Their most preferred avenues are all traditional investments like bank deposits, government securities, bullions (gold) and then real estate.

- There is no significant relationship between annual income and preferred investment.

CONCLUSION

The study is mainly conducted to identify the savings and investment Pattern of school teacher of Surat city. Today the teaching community has started understanding the importance of money and value of money's. Today, the living standard of the Indian people increasing day by day so teacher community has started realizing the importance of savings and proper investment of their savings. The investment goals need to be properly defined and the investor must match the investment with these pre-defined goals. The goals could be either to receive a regular periodical income or to build a corpus or a mixture of both. Hence investment pattern should certainly match the investment goals. It is evident from the study undertaken that most of the teachers are saving their money for the purpose of their children's education, marriage and other expenses. They avoid spending money on heavy luxurious life style and preferring the normal living standard. Both male and female teachers are investing their net savings for the purpose of their sources of income. The reason behind selecting these avenue as a safety and security of their principal amount plus the assured income.

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