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A STUDY ON PATTERN OF SAVINGS AND INVESTMENT OF RURAL PEOPLE WITH SPECIAL REFERENCE TO PUTHUR GRAMA PANCHAYATH

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ABSTRACT

Saving and Investment are two crucial elements of macro-economics. The term Saving & Investment sometimes make us confusing and we use these terms interchangeably. So concept of Saving & Investment should be cleared. Spending less on consumption than available one's disposable income called individual saving or simply saving. It bears no risk or a slight of risk at all. The rural economy of the country is laboured oriented and traditional. As India is a developing country our per capita income is low as compared to the industrially developed nations of the world and low standard of the people found in the developing nations only become lower income. This study focus the pattern savings and investment by peoples residing in rural area. Because majority of people in India lives in rural area. Therefore it is essential to study the savings and investment pattern of rural peoples. Because their savings will proportionally increase nation savings. Altogether it will help to attain economic stability along with increased standard of living. Using Descriptive analysis and convenience sampling method this research has been undertaken with a sample of 100 respondents only at Puthur gramapanchayath

INTRODUCTION

Currently, there is a growing movement toward digitizing banking. For effective operation, the banking industry must go digital. Online banking, electronic banking, and mobile banking are all included. In addition to being a part of our lives, banks also play a big part in them. For the financial sector, digitalization is not just a theory; it is a given. Today, mobile banking is becoming more popular than online banking. The goal of the current study is to examine how consumers see bank digitalization and its significance. Thus, the Indian banking service industry sees growth and progress in digital banking. In addition to being a part of our lives, banks also play a big part in them. Many people find that a day cannot finish without at least one financial transaction. Therefore, banks continually work to embrace cutting-edge technology to improve the client experience. Because every business is becoming digital, including the banking sector, digitalization is not an option for the banking sector; rather, it is a given. More quickly than online banking, mobile banking is growing.

STATEMENT OF PROBLEM

Following the shift to digital banking, customers are now dealing with issues related to new banking technology, bank operating systems, customer expectations for their banking services and policies, and factors that influence customer dissatisfaction with digital or digital services. Government attempts to alter technology, systems, processes, methods, and techniques of a certain area's growth and development after demonetization. As a result, in order to compete globally, the banking industry likewise adjusts its rules and methods for providing products and services. Banks attempt to communicate to consumers the advantages of digitalization of banks, which include cost savings, a shorter lead time, and more individualized services. Therefore, through this study, we examine how consumers see the digital services provided by the banking industry.

OBJECTIVES

- To examine the consumer perception towards digital services offered by banks.
- To identify pros and cons of digitalization in banking sector.
- To identify the level of awareness and usage of digital banking

SCOPE OF STUDY

The use of technology in the banking industry simplified banking operations. The purpose of the study is to determine how customers feel about banks going digital, as well as the benefits and drawbacks of doing so, and to evaluate how widely known and used digital banking is. We have a clear image of the effectiveness of digitization in banks and how customers feel about it at the conclusion of the study. The information from the sample survey carried out in the state of Kerala and the primary data obtained through questionnaires form the basis of the study. Additionally, customer opinions and preferences vary from state to state.

RESEARCH METHODOLOGY

Selection of sample

A sample of 100 respondents has been selected by adopting convenience sampling method for the purpose of study

Collection of data

The primary data are collected from the respondents based on structured interview Schedule of entrepreneurs of Startup businesses in Kerala. The Secondary data were collected from published sources like reports, journals, magazines, books etc.

Tools of Analysis

The data collected are suitably classified and analysed keeping in view the objective of the study using SPSS for the analysis.

Period of study

The survey was conducted during the period from 1st June to 30th June 2023.

Limitation of the study

The selection of the units from the population on the basis of availability and less number of samples were selected.

REVIEW OF LITERATURE

Thrishanth Kumar and Sowmya Hedge (2019), analysed the customer experience on digital banking services. The study revealed that digitalization of the financial sector was inevitable in order to meet growing global expectations. It reduced human error and increased the comfort.

Lusaya and Kalumba (2018), To inspect the challenges of adopting the use of e banking by customers. Chi-square test was used. It was depicted that building the information necessary by customers available will augment the numeral of customers using digital banking.

RESULTS AND DISCUSSIONS**1. Occupation Of Respondents**

Occupation	Number Of Respondents	Percentage Of Respondents
Student	55	55
Government employee	4	4
Private employee	25	25
Business	10	10
Others	6	6
TOTAL	120	100%

Source: Primary Data

Inference: In this research it shows that 43% of respondents have income below 100000. 36% of sample included in the category of 100001 to 300000. Only 9% belongs to the group of 300001 to 500000 and above 500000 there are 12% of respondents.

2. Gender wise classification of respondents

Gender	No. of respondents	Percentage
Female	57	57%
Male	43	43%
Total	100	100%

Source: Primary Data

Inference: Here 57% of respondents are females and remaining 43% is males. As it is mentioned earlier the female proportion is more than male proportion and it is resembled in the sample also.

3. Educational qualification of Respondents

Educational level	No. of respondents	Percentage
Below SSLC	24	24%
SSLC	33	33%
Graduate	35	35%
Post graduate	8	8%
Others	0	0%
Total	100	100%

Source: Primary Data

Inference: In this research 35% of respondents are graduates and 33% are SSLC holders. 24% of respondents belong to below SSLC category. Only 8% of sample holds post-graduation. From this it is sure that literacy level is increasing in rural areas.

4. Savings habit of the respondents

Savings habit	No. of respondents	Percentage
Yes	91	91%
No	9	9%
Total	100	100%

Source: Primary Data

Inference: It is very clear from the chart that 91% of respondents have savings habit and 9% don't have savings habit.

5. Reasons for savings of the respondents

Reasons	No. of respondents	Percentage
Meet specific purpose	15	17%
Earn more profit	19	21%
Meet contingent expenses	20	22%
Secured in old age	25	27%
Others	12	13%
Total	91	100%

Source: Primary Data

Inference: According to this research 27% of respondents save money for old age and 22% of the sample saves for meeting contingent expenses. Only 21% of respondents are saving money to earn more profit and 17% for meeting specific purpose. Remaining respondents saves for other needs.

6. Investment avenues selected by the respondents

Investment avenues	No. of respondents	Percentage
Bank deposit	24	29%
P.O. savings	7	9%
Insurance	18	22%
Gold	11	13%
Chit funds	12	15%
Shares	9	11%
Others	1	1%
Total	82	100%

Source: Primary Data

Inference: According to this study 29% of respondents invest in bank deposits followed by insurance by 22%. 15% of sample is investing in chit funds and 13% in gold. Shares are selected as investment avenues by 11% and P.O. savings by 9%. Remaining 1% choose other investment avenues. It means investors consider the security of amount invested than earning more profit.

7. Analysis of correlation between educational level and savings habit

X	Y	XY	X ²	Y ²
24	18	432	576	324
33	31	1023	1089	961
35	34	1190	1225	1156
8	8	64	64	64
100	91	2709	2954	2505

Source: Primary Data

Let's X is the educational level and Y is the savings habit.

$$r = \frac{n(\sum xy) - (\sum x)(\sum y)}{\sqrt{[n\sum x^2 - (\sum x)^2][n\sum y^2 - (\sum y)^2]}}$$

Therefore $r = 1736 / (42.6145 * 41.70131)$

$$= 1736 / 1777.08$$

$$= 0.976$$

It shows there is high positive correlation between educational level and savings habit.

CONCLUSION

India is a developing country. Therefore, it faces problems like poverty, unemployment, diseases, lack of infrastructure etc. Almost 70% of our nation resides on rural area. It shows the importance for developing the rural sector of our country. My research is about the savings and investment pattern on rural area. Through this project the savings and investment habit of rural people as been analyzed and it also focused on the awareness level of rural people regarding investment. It analyses about the relationship between educational level and investment attitude This project shows that savings habit of rural people is increasing. Even though they are unaware about various investment schemes and there is a need for providing financial literacy. Initiatives should be taken for increasing the investment habit of rural people. It will increase the standard of living of the rural people.

