

PURPOSE OF INVESTMENT AND SAVING PLANS AMONG THE SCHOOL TEACHERS IN SALEM DISTRICT

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ABSTRACT

Those who have savings adopt the investment method as a means of generating more income. This essay seeks to examine the motivations behind the investing and savings goals of Salem District teachers. Data came from both primary and secondary sources. Primary data are those gathered during the consumer survey. There were 110 teachers in the sample. In order to tabulate and analyze the data obtained from the questionnaire, SPSS Package 21 was used. Several statistical methods included percentage analysis, mean and standard deviation analysis, reliability statistics for the variables, Mann-Whitney Test, and Kruskal-Wallis Test. The educational background of school teachers has no bearing on their investment objectives. As a result, experience and knowledge—rather than education—are the ultimate goals of an investment.

Keywords: Investment pattern, Salem Districts, Government School Teachers, Savings and Tax Planning

Introduction

Principle protection, transferability, income stability, appreciation, liquidity, and appreciation are attributes of an investment. The stock market, banks, companies, gold, silver, real estate, life insurance, and postal savings are some more investment alternatives. The act of investing money or another valuable item in the expectation of future profits. The use of money with the goal of increasing its worth is known as investing, in its broadest definition. It also includes investments and assets bought with the intention of making money afterwards.

Money that is set aside from current income for future use is invested. By saving aside a percentage of their monthly income, people can save money. This is made feasible by cutting back on wasteful expenditure, raising income, or doing both. Savings are important, among other things, to pay for future expenses, to cover unanticipated contingencies or emergencies, to raise our standard of life, to generate future income, and to support the economic growth of the nation.

Investing instead of making present-day purchases entails raising one's level of life and making plans for the future. Investing is a type of economic activity where capital is used in anticipation of future gains. Similar to how blood circulation is necessary for physical survival, investments are crucial for an unpredictable future in order to cover life's crises.

Successful investing requires proper tax preparation. All sources of income are subject to taxation. To avoid losing the money that has been so diligently earned, tax planning is essential. Tax planning is not the same as tax evasion or avoidance. Evasion is prohibited and will be prosecuted in court. Tax planning, however, is reducing the amount of tax that must be paid within the confines of the law. Planning an investment is therefore just as important as actually making one.

Investment Behavior

Investment behavior describes the actions taken by investors while deciding on a certain investment opportunity. Or, what an investor considers while selecting a potential investment. There are many different investment alternatives on the market. People prefer to invest in certain types of investment opportunities depending on a need, purpose, or unique objective. A few of the objectives people pursue through various investing channels include retirement planning, tax savings, child marriage, future commitments, kid insurance, improved quality of living, asset acquisition, parent aid, health insurance, income regularity, and many more objectives.

Each individual investor has a certain mindset when deciding to invest in a particular investment instrument, such as stocks, bonds, mutual funds, fixed deposits, real estate, bullion, etc. At every stage of their lives, people

want to spend their hard-earned money in the safest and most liquid manner imaginable. The elements influencing people's investing behavior include the reasons they invest, the percentage of their disposable income they invest, the length of time they invest, and, most importantly, the timing of their investments.

Review of Literature

Rajeswari (2014) studied the security of an uncertain future, it was discovered that the majority of them opted to place their savings in fixed deposits with banks, followed by gold. The level of income, which has increased significantly over the past ten years, is what has the biggest impact on savings.

Jwayire (2013), aimed to ascertain the attitudes, perceptions, and accountability of taxpayers. Women taxpayers are more sensitive than men investors when it comes to the perceived cost of paying taxes. The report's conclusions showed that taxpayers' attitudes were unaffected by government transparency and accountability in a major way.

Dharani N et al. (2014) found that the majority of participants save money in order to benefit from tax breaks. Investors say that when choosing an investment, security of funds is their top concern. Thus, the government ought to offer more tools for protecting investors, such as better rules and regulations.

Thirumagalvijaya (2015) discussed the drivers of female employees to choose a particular investment channel and how investments affect standard of life. The study will concentrate on the investment options that are offered to investors. In this study, an effort has been made to look at how investors choose to invest.

Charul (2012) examined and comprehended the behavioral patterns of investment among salaried workers in the private sector as well as the differences in how different people perceive various investment options. It also seeks to shed light on the variables taken into account while making an acceptable investment. widens the understanding of numerous concerns relating to salaried people's investment.

Rawal (2016) proved that the majority of respondents are saving money and investing via conventional methods because they consider these to be safer and take future contingencies into account. The three biggest reasons for investing are for a child's education, a wedding, and security after retirement. The primary investment routes are bank deposits, followed by gold and LIC.

Nandawar (2014) demonstrated that the researchers have examined how frequently paid workers consider safety and a good return on investment. All respondents, with the exception of female investors, are aware of the investing opportunities in India. The ideal investment management tenet is "No pain, No gain," and salaried investors exclusively adhere to this tenet. So, the researchers' conclusion is that the majority of investors in the study area prefer secured regular income on investment.

Need of the Study

Many people find investing fascinating because it allows them to have a say in how decisions are made and watch how those decisions play out, but not all investments are profitable because there is always a danger of losing money. One must decide how much risk they are willing to take because the future is uncertain and higher profits are correlated with greater risk. There are numerous investing strategies, but none of them actually increase investment. Similar to that, this research report will examine ways to comprehend school teachers' spending and investment behaviors.

Scope of the Study

Everyone, including those with jobs, professionals, business owners, people living in cities and rural areas, and indigenous people, has to save. But investing might use all of this money in some way. You can put it towards a number of investments, such as bank deposits, postal savings, life insurance, provident funds, gold deposits, and your own company. Unlike teachers, who use their income to fund current and future expenses and make investments. As a result, educators also make financial contributions to the development of the country. The financial choices and tax planning techniques of teachers in Salem District are the main subjects of this study.

Objective of the Study

The research is focused on the following objective.

- 1) To identify the purpose of investment and various saving plans of school teachers in Salem District.

Hypothesis of the Study

To help in the study of the relationship between socio economic variables and investment pattern and tax planning, the following null-hypotheses have been formulated.

1) There is no significant difference between purpose of investment and various saving plans of school teachers with regard to their socio-economic profile of the respondents.

Research Methodology

S. No	Research Ethics	Focal Point
1.	Study Area	Salem District
2.	Type of Research	Both Qualitative & Quantitative Research
3.	Research Approach	Purpose of Investment
4.	Scaling Technique	Likert Scaling Technique
5.	Data Collection Method	Both Primary and Secondary Data
6.	Sampling Method	Non-Probability, Purposive Sampling
7.	Sample Size	110 Respondents
8.	Software	SPSS Version 21.0
9.	Research Instrument	Questionnaire
10.	Tools for Analysis	Reliability Statistics, Mann – Whitney Test, and Kruskal – Wallis Test,

Demographic Profile Of The Study

<i>Demographic Factors</i>	<i>Groups</i>	<i>Frequency</i>	<i>Percent</i>
1.Area of Residence	Urban	57	51.8
	Rural	47	42.7
	Semi – Urban	6	5.5
	Total	110	100.0
2.Age	Below 30	3	2.7
	30 – 40	48	43.6
	41 – 50	44	40.0
	Above 50	15	13.6
	Total	110	100.0
3.Educational Qualification	D.T. Ed., / B.Ed.,	68	61.8
	M.Ed.,	10	9.1
	M. Phil.,	30	27.3
	B. P. Ed.,/ M. P. Ed.,	2	1.8
	Total	110	100.0
4.Gender	Male	28	25.5
	Female	82	74.5
	Total	110	100.0
6.Grade of Teaching	Secondary Grade	30	27.3
	UG Assistant	52	47.3
	PG Assistant	28	25.5

	Total	110	100.0
7.Monthly Income (In Rs.)	Less than 25,000	5	4.5
	25,000 – 30,000	6	5.5
	30,001 – 40,000	33	30.0
	More than 40,000	66	60.0
	Total	110	100.0

Table: 1 Demographic Profile of the study

Sources: Questionnaire Method

42.7 percent of respondents are from rural areas, compared to 52.8% of respondents who live in urban areas. Moreover, just 5.5% of responders are from semi-urban areas. To summarise, 51.8% of respondents come from metropolitan areas.

43.6 percent of respondents fall into the over-30 to 40 age range, and 40 percent fall into the over-fifty age range. Also, nearly 14% (13.6% of respondents) are over the age of 50, with the remaining 2.7% of respondents being under the age of 30. It is obvious that the bulk of respondents are younger than the age range of 30 to 40.

More over two thirds of research participants have earned their D.T.Ed. or B.Ed. 27.3% of them hold an M.Phil. Additionally, only 1.8% of respondents have completed their B. P. Ed./M. P. Ed., while 9.1% of respondents have an M. Ed. certification. As an example, teachers who have earned their D.T.Ed. or B.Ed. are more likely to respond.

Around 74.5% of the responders are female teachers, and the remaining 25.5% are male educators.

It is clear that female teachers make up the majority of responders (74.5).

27.3 percent of respondents are teachers of secondary students, compared to 47.3% who work as undergraduate assistants. 25.5% of those surveyed are employed as PG Assistants. To reiterate the key point, the majority of responders were listed as UG Assistants.

60% of respondents reported receiving an income of \$40,000 or more per month, while 30% reported receiving an income of \$30,000 to \$40,000 per month. 5.5% of respondents make between \$25,000 and \$30,000 each month, and the remaining 4.5% make less than \$25,000 each month. In a nutshell, the majority of respondents earn more than \$40,000 every month.

Reliability Statistics For Purpose Of Investment Of School Teachers

Variables	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted	Cronbach's Alpha
q14.1 Tax Benefits	50.24	87.925	.276	.883	0.881
q14.2 Purchase of Assets	51.06	81.216	.590	.871	
q14.3 Purchase of financial Assets (Shares, Debenture and bonds etc)	51.49	81.225	.420	.880	
q14.4 Secure Retirement life	50.83	80.144	.583	.871	
q14.5 Safety of money	50.89	79.474	.668	.868	
q14.6 Life security	50.74	81.627	.631	.870	
q14.7 To increase wealth	51.09	83.771	.375	.881	
q14.8 Get lump sum money when I need	51.24	79.320	.631	.869	
q14.9 Emergency expenses	51.15	77.178	.675	.867	
q14.10 Repay loan borrowed	50.95	80.969	.586	.871	

q14.11 To Compensate unexpected losses	51.20	79.831	.605	.870
q14.12 Interest/ Dividends	51.29	81.107	.469	.877
q14.13 Children's Education	50.67	82.479	.505	.875
q14.14 Children's Marriage	50.73	78.732	.699	.866
Q14.15 Medical Expenses of my family	50.71	84.208	.397	.879

Table: 2 Reliability Statistics for Purpose of Investment of School Teachers
Sources: Questionnaire Method

The aforementioned table illustrates the dependability of various elements, including tax advantages, asset purchases, financial asset purchases (shares, debentures, and bonds, etc.), a secure retirement life, the safety of money, life security, the ability to increase wealth, the ability to receive a lump sum of money when needed, emergency expenses, loan repayment, the ability to cover unforeseen losses, interest and dividend payments, family medical costs, and expenses for children's education and marriage. When the Cronbach's Alpha is greater than 0.7, it will be fantastic. As a result, the data I gathered is trustworthy, and the components demonstrate the validity of the investment in school teachers.

Classification Of The Respondents Based On Grade Of Teaching And Purpose Of Investment Of School Teachers

H₀: There is no significant difference between the grade of teaching of the respondents with regard to their purpose of investment.

Table Showing Grade Of Teaching And Purpose Of Investment - Kruskal-Wallis Test

Grade of Teaching	N	Mean Rank	Chi-Square	P Value
Secondary Grade	30	51.88		
UG Assistant	52	51.58	4.608	0.100
PG Assistant	28	66.66		
Total	110			

Table: 3 Table Showing Grade of Teaching And Purpose Of Investment Kruskal-Wallis Test
Sources: Questionnaire Method

Inference

The proposed null hypothesis is accepted at the 5% level of significance because the aforementioned table demonstrates that the P value is 0.100, which is greater than 0.05. As a result, it is determined that there is no appreciable difference between the respondents' teaching grades and their investing goals.

Classification of the Respondents Based on Gender and Purpose of Investment of School Teachers

H₀: There is no significant difference between the gender of the respondents with regard to their purpose of investment.

Table Showing Gender And Purpose Of Investment - Mann-Whitney Test

Gender	N	Mean Rank	Sum of Ranks	Mann-Whitney U	P value
Male	28	53.34	1493.50		
Female	82	56.24	4611.50	1087.500	0.678
Total	110				

Table: 4 Table Showing Gender And Purpose Of Investment - Mann-Whitney Test
Sources: Questionnaire Method

Inference

The P value is 0.678 in the table above, which is more than 0.05 and indicates that the null hypothesis is accepted at the 5% level of significance. So, it can be said that there is no discernible difference between respondents' genders in terms of their investing goals.

The findings arrived from the Descriptive Analysis are:

- 1) The majority (51.8%) of responders come from urban areas, according to the data.

- 2) The bulk of responders are found to be between the ages of 30 and 40.
- 3) The majority of respondents are discovered to be educators who have earned their B.Ed. or D.T.Ed. Degrees.
- 4) The majority of respondents, who are instructors, are female.
- 5) It was discovered that the majority of responders described themselves as UG Assistants.
- 6) The majority of respondents reported monthly incomes of at least \$40,000.
- 7) The majority of teachers (61.8%) are found to have between two and four dependents.

Recommendations

This research project will help us understand the investing and saving behaviors of school instructors. Most female investors invest in insurance products first, then postal savings and deposits, provident funds, bank deposits, etc., as a result of their greater familiarity with these assets. UTI units, agricultural funds, and business startups aren't attracting female investors as a result. Each investment strategy hopes to eventually provide school teachers with more alluring plans, at which point they will only favour that investment strategy.

Everyone has set aside money they have worked hard for for future needs, and teachers have invested their money in particular investment vehicles to fulfil their goals as well. As a result, this report will clearly state the purpose of the investment in the school teacher investment plan. A total of 15 variables linked to investing goal were used in this study. The educational background of school teachers has no bearing on their investment objectives. As a result, experience and knowledge—rather than education—are the ultimate goals of an investment.

Conclusion

In this study, the tax planning and investing strategies of school instructors will be scrutinized. Investments encourage people to hold onto their hard-earned cash in case they ever need it. The government school teachers also make investments through particular investment channels. The purpose of the study is to determine which investment is most preferred by teachers in public schools. It has been put to the test with the appropriate statistical methods, and useful findings have been discovered. The results can be used by the government and investors to establish new programmes. In the future, a comparable study on the saving and investment behaviors of public and private school teachers might be conducted, or the number of variables might be increased.

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