

Savings And Investment Pattern Of School Teachers - A Study With Reference To Sivakasi Taluk, Tamil Nadu

** Dr. S. Mathivannan*

*** Dr. M. Selvakumar*

INTRODUCTION

Money is an inextricable part of our life. People toil to earn money to purchase a house, to marry off their children, to live and to eat. So, saving is necessary to survive. *To Save* means to put aside a portion of income, deferring its consumption until a future date. Saving means the total accumulated amount of income that is not spent on consumption. In economics, personal saving has been defined as personal disposable income minus personal consumption expenditure. Saving may take the form of increase in bank deposits, purchase of securities, or increased cash holdings. The extent to which individuals save is affected by their preference for future over present consumption, their expectations of future income and to some extent, by the rate of interest.

Saving plays a vital role in building up the household economy as well as the national economy. Savings provide the financial security to savers. Hence, attractive saving devices are very much necessary to increase and channel the savings in developing countries. India is taking much effort in inculcating the saving habit among the people. In order to mobilize savings, the Government of India is issuing saving certificates, government bonds and securities carrying high rates of interest.

IMPORTANCE OF SAVING

Regarding the decisions to save, the main motives behind savings seem to be the following:

- ✿ Provision for a future period, when income is expected to be less or the need for expenditure is greater than the present.
- ✿ Provisions against unpredictable decline in income. For example, provision against sickness in the family or loss of earning power of the bread winner.
- ✿ Acquisition of higher income either by improving business or by obtaining interest, dividends, rent or other property income.
- ✿ Gain in social status by acquiring property.

To attain economic development for the comfortable life of people and for financial organizations, saving is very important and an essential one. The importance of saving is given in the following paragraphs.

✿ **For Economic Development :** Saving leads to increase in the national income of a country by increasing the level of investment. To attain economic development, the national income of a country should be high. Savings are vital to the development of an economy. An increase in private savings helps to keep the economy in equilibrium by releasing resources for exports and for additional investment, both at home and overseas.

✿ **Important To The Bankers :** The amount deposited by the public and business concerns in banks also get converted into investments or savings. The saving is created in the form of various deposits of accounts in the banks. Thus, these investments are indirectly helpful to increase the national income. Moreover, the savings will be helpful to create smooth functioning or circulation of money i.e. the deposits which are made by the public are used for lending. This loan may be helpful to the entrepreneurs to start a new business or expand their business. By this way, the bank can also earn reasonable profit in the form of interest, which is paid by the customer. Normally, people are divided into 3 groups according to their income level like:

** Reader, Post Graduate and Research Dept. of Commerce, Sri S. R. N. M. College, Sattur -626 203, Tamil Nadu.*

E-mail : sm1976ster@gmail.com

*** Lecturer, Post Graduate Dept. of Commerce, Ayya Nadar Janaki Ammal College, Sivakasi -626 124, Tamil Nadu.*

High income group

✿ Middle income group

✿ Low income group

Assume that, if there are no banking facilities, then these groups may keep their money in their own hands as idle money. So, banks are trying to get the money from those who are having surplus and give it to those who are in need. Thus, banks are acting as an intermediary between the low income group and high income group. This is more useful for the balance of regional development.

✿ **For People** : The future is an unpredictable one, so in order to get the future requirements of money, saving is essential. This is possible only, when they keep their money in banks or in financial organizations. The requirements may be in the form of unavoidable expenses, medical expenses, expenses for social functions, educational and marriage expenses and so on. Without saving, an ordinary man cannot cover all these expenses at a time. They need not allocate large amount of their income to savings, but they should allocate a small portion of income regularly. There are number of ways to save money.

✿ **For Investment** : Investment is the sacrifice of certain present value for the uncertain future reward. It entails arriving at numerous decisions such as type, mix, amount, timing and grade. An investment decision is a trade between risk and return. All investment choices are made at points of time in accordance with the personal investment ends and in contemplation of an uncertain future. Since investments in securities are reducible, investment ends are transient and investment environment is fluid, the reliable bases for reasoned expectations become more and more vague as one conceives of the distant future.

Good, slow and steady investment is a kind that lasts. Speculation and gold mine schemes are just flashes and so they die fast. Speculation is a disease. It gives an “*instant high*”. This euphoria lasts as long as the fervor lasts and then leaves you extremely depressed.

In order to invest successfully, one should have an investment and personal investment objectives like having a home, creating a regular income after retirement, possessing money for the marriage of one's children and the likes. The purpose of the plan would be to achieve the objectives of investors.

It must also be ensured that the purchasing power of the money saved is not less than its present purchasing power. It is necessary to make certain, that the return is higher than the rate of inflation.

STATEMENT OF THE PROBLEM

Sivakasi is an industrial town. There are lot of small-scale entrepreneurs, businessmen and government employees. They are engaged in their business successfully. They know well that running a business has a number of risks including financial risks. Because, in business, finance is considered as the life blood.

They save money to remove the financial risk and to meet the financial requirements of the future. The future requirements of money cannot be predicted very correctly. To enjoy the benefit to safeguard money and to maintain the regular activity, everyone should save.

So, in Sivakasi, there is a vast scope for savings and investment due to the large number of businessmen, small-scale entrepreneurs and government employees. In Sivakasi, the circulation of money among the people is high than that of other near places like Sattur, Srivilliputtur and Virudhunagar in Virudhunagar District. This is because, most of workers are getting income for their effective and dedicated work. It will be an income for every individual and to his dependents. To avoid the idle money, to meet their future demand, the staffs, workers, businessmen and government employees can make an attempt to save.

Hence, in this study, an attempt is made to analyze the savings and investment pattern of school teachers in Sivakasi Taluk, Tamil Nadu.

PROFILE OF THE STUDY AREA

Sivakasi is a well known in India and abroad for its match works, fireworks and printing works. Sivakasi is India's hub for fireworks. 90 per cent of India's fireworks are produced in Sivakasi. Not only fireworks, Sivakasi is a hub of safety matches and offset printing solutions also. In short, Sivakasi is a big industrial centre in Virudhunagar District of Tamil Nadu State in India. On witnessing the industriousness of the people of Sivakasi, Pandit Jawaharlal Nehru, the first Prime Minister of India, optly nick named Sivakasi as “*Mini Japan*”.

SCOPE OF THE STUDY

The study covers only the school teachers working in Government and Government Aided Schools in Sivakasi Taluk. It does not include the school teachers who are working in unaided schools. The study does not cover the school teachers of other Taluks in Virudhunagar District, Tamil Nadu.

OBJECTIVES OF THE STUDY

The objectives of the study are:

- ✿ To study the socio-economic background of school teachers in Sivakasi Taluk, Tamil Nadu.
- ✿ To evaluate the saving habit of school teachers in Sivakasi Taluk, Tamil Nadu.
- ✿ To analyze the investment pattern of school teachers.
- ✿ To analyze the expected rate of return of school teachers for their investment.
- ✿ To offer suggestions based on findings.

METHODOLOGY

The present study is based on both primary and secondary data. Primary data have been collected by conducting a survey among 80 sample school teachers in Sivakasi Taluk. The secondary data have been collected from books, journals, newspapers, periodicals, reports, internet and published and unpublished thesis.

SAMPLING DESIGN

In Sivakasi Taluk, the total number of school teachers in Government and Government Aided Schools amounted to 804. For the purpose of the survey, 10 per cent of the samples were selected. Convenient sampling method was adopted.

CONSTRUCTION OF TOOLS AND PRE-TEST

For the purpose of the survey, a pre-test was conducted among 10 school teachers to analyze the effectiveness of the questionnaire. The questionnaire was modified on the basis of pre-test and data were collected from 80 school teachers. After the completion of the survey, the researchers thoroughly verified the data. Afterwards, the data were edited and coded.

After the process, the data were entered in master tables. To analyze the data, the researchers used the manual process with the help of a calculator. The data collected were organized and presented in the form of tables. Various statistical techniques like percentage analysis, weighted average, chi-square test, t-test, f-test and correlation analysis were adopted for the analysis.

SOCIO - ECONOMIC STATUS OF THE RESPONDENTS

The socio- economic status of the respondents influences the investment habits of the people. Therefore the researcher analyses the socio- economic status of the respondents.

Table 1 exhibits the socio - economic status of the respondents. It is clear from Table 1 that out of 80 respondents, 20 per cent respondents were male and the remaining 80 per cent respondents were female. Table 1 shows that 12.5 per cent of the respondents belonged to the age of below 30 years, 13.75 per cent of the respondents were in the age group of above 50 years, 21.25 per cent of the respondents were in the age group of 40 - 50 years and 52.5 per cent of the respondents were in the age group of 30 - 40 years. 42.5 per cent of the respondents were diploma holders. Those who were under graduates with B.Ed. qualification and post graduates with B.Ed. qualification amounted to 12.5 per cent and 33.75 per cent respectively. Others were 11.25 per cent. Nearly half of the respondents were under graduates and post graduates.

It can also be inferred that 50 per cent of the respondents were secondary grade teachers, 32.5 per cent were PG assistants and 17.5 per cent were BT assistants and others. Nearly half of the respondents (50%) were second grade teachers. 91.25 per cent of the respondents were married and only 8.75 per cent of the respondents were unmarried. More than four-fifths of the school teachers were married. This was due to the fact that more than four-fifths of the respondents were in the age group of above 30 years.

Table 1: Socio - Economic Status Of The Respondents

Sl. No.	Status	Number of Respondents	Percentage to Total
Sex			
1.	Male	16	20.00
2.	Female	64	80.00
	Total	80	100.00
Age			
1.	Below 30 Years	10	12.50
2.	30 - 40 Years	42	52.50
3.	40 - 50 Years	17	21.25
4.	Above 50 Years	11	13.75
	Total	80	100.00
Qualification			
1.	DTE	34	42.50
2.	UG with B.Ed.,	10	12.50
3.	PG with B.Ed.,	27	33.75
4.	Any Other	9	11.25
	Total	80	100.00
Designation			
1.	Second Grade	40	50.00
2.	PG Assistant	26	32.50
3.	BT Assistant and Others	14	17.50
	Total	80	100.00
Marital Status			
1.	Married	73	91.25
2.	Unmarried	7	8.75
	Total	80	100.00
Income			
1.	Below ₹ 1,00,000	13	16.25
2.	₹ 1,00,000 - ₹ 2,00,000	46	57.50
3.	₹ 2,00,000 - ₹ 3,00,00	14	17.50
4.	Above ₹ 3,00,000	7	8.75
	Total	80	100.00

Source: Primary Data

It is also inferred from the table that 16.25 per cent of the respondents of the sample school teachers have annual income of less than rupees one lakh. Families, which were having annual income from ₹ one lakh to ₹ two lakhs and ₹ two lakhs to ₹ three lakhs amounted to 57.5 per cent and 17.5 per cent respectively. Families of respondents whose income was above ₹ three lakhs amounted to 8.75 per cent. Majority of the respondents' (57.5%) families were having an annual income of ₹ one lakh to ₹ two lakhs.

CATEGORY OF SCHOOL

There are two categories of schools, in which the sample respondents were working. Table 2 shows the classification of respondents on the basis of the category of school in which they are working.

Table 2 : Category of School

Sl. No.	Types	Number of Respondents	Percentage to Total
1.	Government	36	45.00
2.	Aided	44	55.00
	Total	80	100.00

Source: Primary Data

It is clear from Table 2 that out of the 80 respondents, 36 respondents belong to government schools and 44 respondents belong to aided schools. Majority of the sample teachers (55%) were working in government aided schools.

LEVEL OF SCHOOL

The sample respondents in the study area belonged to primary schools, middle schools, high schools and higher secondary schools. Table 3 shows the classification of respondents on the basis of the level of school to which the respondents belong.

Table 3 : Level of School

Sl. No.	Level	Number of Respondents	Percentage to Total
1.	Primary School	19	23.75
2.	Middle School	20	25.00
3.	High School	10	12.50
4.	Higher Secondary School	31	38.75
	Total	80	100.00

Source: Primary Data

Table 3 shows that 23.75 per cent of the respondents belonged to primary schools, 25 per cent of the respondents belonged to middle schools, 12.5 per cent of the respondents belonged to high schools and 38.75 per cent of the respondents belonged to higher secondary schools. The majority of the respondents (51.25%) were working in high schools and higher secondary schools.

ANNUAL SAVINGS OF THE RESPONDENTS

The level of savings normally depends upon the respondents' financial position to save. Table 4 reveals the classification of respondents on the basis of their annual savings.

It is clear from the Table 4 that 83 per cent of the respondents had their yearly saving below ₹ 50,000 and 17 per cent of the respondents had their yearly savings between ₹ 50,000 - ₹ 1,00,000.

AGE AND YEARLY SAVINGS

In order to analyze the correlation between age and yearly savings of the respondents, the correlation co-efficient was used.

From the above table 5, it can be inferred that out of 80 sample school teachers, 66 were having the annual savings of below ₹ 50,000 and the remaining 14 saved ₹ 50,000 to ₹ 1,00,000. Among the teachers those who save below ₹ 50,000, 32 of them belonged to 30 to 40 years of age, 15 were between 40 to 50 years of age, 10 were above 50 years of age and 9 were below 30 years of age. 10 teachers, who were having saving of ₹ 50,000 to ₹ 1,00,000 belonged to 30 to 40 years of age.

RELATIONSHIP BETWEEN INCOME AND SAVINGS

In order to analyse the relationship between income and savings, chi-square test has been applied. Table 6 shows the opinion of respondents on income and savings.

Table 4 : Classification Of Respondents On The Basis Of Their Annual Savings

Sl. No.	Annual Savings	Number of Respondents	Percentage to Total
1.	Below ₹ 50,000	66	83.00
2.	₹ 50,000 - ₹ 1,00,000	14	17.00
	Total	80	100.00

Source: Primary Data

Table 5 : Details Of Age And Savings Of Respondents

Sl. No.	Age	Yearly Savings		Total
		Below ₹ 50,000	₹ 50,000- ₹ 1,00,000	
1.	Below 30 Years	9	1	10
2.	30 - 40 Years	32	10	42
3.	40 - 50 Years	15	2	17
4.	Above 50 Years	10	1	11
	Total	66	14	80

Source: Primary Data

Table 6 : Opinion of Respondents On Income and Savings

Sl. No.	Yearly Income	Yearly Savings		Total
		Below ₹ 50,000	₹ 50,000 - ₹10,0000	
1.	Below ₹ 1,00,000	12	1	13
2.	₹ 1,00,000 - ₹2,00,000	40	6	46
3.	₹ 2,00,000 - ₹ 3,00,000	12	2	14
4.	Above ₹ 3,00,000	4	3	7
	Total	68	12	80

Source: Primary Data

From the Table 6, it can be inferred that out of total sample respondents, 13 respondents had yearly income of below ₹ 1,00,000, 46 were having yearly income of ₹ 1,00,000 to ₹ 2,00,000, 14 respondents had an income of ₹ 2,00,000 to ₹ 3,00,000 and the remaining 7 respondents had an income of above ₹ 3,00,000. Table 7 also shows the yearly savings of the respondents on the basis of income.

In order to study the relationship between the income and savings of the respondents, the **Chi-Square Test** has been applied.

CHI-SQUARE TEST

Chi square test is applied in statistics to test the goodness of fit to verify the distribution of observed data with assumed theoretical distribution. Therefore, it is a measure to study the divergence of actual and expected frequencies.

$$\text{Chi-square test } (\chi^2) = \frac{(O-E)^2}{E}$$

$$E = \frac{\text{Row Total} \times \text{Column Total}}{\text{Grand Total}}$$

O = Observed frequency

E = Expected frequency

Df= Degrees of freedom

$Df = (r-1)(c-1)$

r= row

C= column

For the purpose of this study, the null hypothesis that *there is no relationship between the income and the savings of the respondents* has been framed.

RESULTS OF CHI-SQUARE TEST

Degrees of Freedom	=	11
Table Value at 5 per cent level	=	19.7
Calculated value		212.99

Since the calculated value 212.99 is greater than the table value at 5 per cent level of significance, it is concluded that there is a significant relationship between income and savings.

MODE OF SAVINGS OF RESPONDENTS

Table 7 shows the various modes of savings by the respondents.

Table 7 : Mode of Savings

Sl. No.	Saving Mode	Number of Respondents	Percentage to Total
1.	Cash in Hand	2	3.00
2.	Post Office	35	44.00
3.	Bank	38	47.00
4.	Chit Fund	5	6.00
	Total	80	100.00

Source: Primary Data

It is clear from Table 7 that 47 per cent of the respondents were saving their money in banks. Those who were saving their money in post office and chit fund amounted to 44 per cent and 6 per cent respectively. Nearly half of the respondents saved their money in banks.

REASON FOR SELECTING A PARTICULAR MODE OF INVESTMENT

The researchers were interested to know the reason for selecting the particular mode of savings. The details are exhibited in Table 8. It is clear from Table 8 that for 72 per cent of the respondents, the reason for selecting the particular mode of savings was '*safety*'. High rate of interest, good customer service, nearest mode and tax concession were the reasons for 5 per cent, 4 per cent, 5 per cent and 14 per cent of the respondents respectively. Nearly two-thirds of the respondents considered '*safety*' for selecting the mode of savings.

MAIN AVENUES OF INVESTMENT

Bank, post office deposits, investment in land and buildings, gold/silver, government securities and the like were the major investment avenues available to the investors. Table 9 shows the classification of respondents on the basis of avenues of investment.

It is clear from the Table 9 that 40 per cent of the investors preferred bank deposits. Those who preferred post office deposits, land and buildings and the gold and silver amounted to 12 per cent, 13 per cent and 9 per cent respectively. Insurance and government securities were preferred by 23 per cent and 3 per cent of the respondents respectively. According to the sample respondents, '*Bank deposit*' was considered as the main avenue of investment followed by '*Insurance*'.

Table 8 : Opinion Of Respondents For Selecting A Particular Mode

Sl. No.	Reasons	Number of Respondents	Percentage to Total
1.	High Interest	4	5.00
2.	More Safety	58	72.00
3.	Good Customer Service	3	4.00
4.	Nearest Mode	4	5.00
5.	Tax Concession	11	14.00
	Total	80	100.00

Source: Primary Data

Table 9 : Classification Of Respondents On The Basis Of Avenues Of Investment

Sl. No.	Avenues of Investment	Number of Respondents	Percentage to Total
1.	Bank Deposits	32	40.00
2.	Post Office	10	12.00
3.	Land and Building	11	13.00
4.	Gold/Silver	7	9.00
5.	Insurance	18	23.00
6.	Government Securities	2	3.00
	Total	80	100.00

Source: Primary Data

PURPOSE OF INVESTMENT

Table 10 shows the classification of respondents on the basis of purpose of investment.

Table 10: Classification Of Respondents On The Basis Of Purpose Of Investment

Sl. No.	Purpose	Number of Respondents	Percentage to Total
1.	Children's Education	52	65.00
2.	Marriage	2	2.50
3.	Tax Concession	11	13.75
4.	Security after Retirement	14	17.50
5.	Resale Purpose	1	1.25
	Total	80	100.00

Source: Primary Data

Table 10 reveals that for 65 per cent of the respondents', children's education was the purpose of their investment. Children's marriage, tax concession and security after investment were other purposes of investment which amounted to 2.5 per cent, 13.75 per cent and 17.5 per cent respectively.

Only 1.25 per cent of the respondents invested their money for the purpose of resale (making profit). Nearly two-thirds of the respondents invested their money to meet out the expenses of their children's education.

INVESTMENT DECISION MAKER

The decisions regarding the investment were either taken by the investors or any one from their family. Table 11 clearly shows the details regarding investment decision makers. Table 11 expresses that 50 per cent of the respondents' spouses made the investment decision. 37.5 per cent of respondents made their own investment decisions. Only 12.5 per cent of the respondents' took the decision in consultation with their fathers. According to half of the respondents (50%), the investment decisions were taken by their spouses.

Table 11 : Investment Decision Maker

Sl. No.	Decision Maker	Number of Respondents	Percentage to Total
1.	Self	30	37.50
2.	Husband/Wife	40	50.00
3.	Father	10	12.50
	Total	80	100.00

Source: Primary Data

ANALYSIS OF FACTORS INFLUENCING THE INVESTORS

The following seven factors which influence the investors for investment have been identified.

- ⊗ Rate of return
- ⊗ Tax concession
- ⊗ Safety
- ⊗ Regularity of return
- ⊗ Liquidity
- ⊗ Good services
- ⊗ Convenience

The sample respondents were asked to rank the factors which influence investment decision in the order of their preference. Weightages are given in the following model:

Rank	I	II	III	IV	V	VI	VII
Weightage	7	6	5	4	3	2	1

The weighted average score was calculated for each factor and on that basis, the overall ranks were assigned. Table 12 reveals the ranking of factors influencing investment decisions.

Table 12 : Ranking of Factors Influencing Investment Decision

Sl. No.	Factors	Weighted Average	Rank
1.	High Rate of Return	3.41	V
2.	Tax Concession	4.69	II
3.	Safety	6.01	I
4.	Regularity of Return	3.61	IV
5.	Liquidity	3.17	VI
6.	Good Services	3.01	VII
7.	Convenience	3.7	III

Source: Primary Data

Table 12 reveals that among the seven factors influencing the investment decision, safety got the first rank with 6.01 score, followed by tax concession, convenience, regularity of return, high rate of return, liquidity and good services. The main factor influencing the investment decision was safety, followed by tax concession for a particular investment.

RANKING OF PREFERENCE OF RESPONDENTS ON THE TYPE OF INVESTMENT

Six types of investments preferred by the sample respondents were government securities, equity share, gold/silver, insurance, bank deposits and land and buildings. The sample respondents were asked to rank the type of investment they prefer. Table 13 shows the ranking of preference of the type of investment by using weighted average score method.

Table 13 : Ranking of Preference Of Respondents On The Type Of Investments

Sl. No.	Type of Investment	Weighted Average	Rank
1.	Government Securities	4.86	I
2.	Primary of Secondary Shares	1.84	VI
3.	Gold/Silver	3.72	IV
4.	Insurance	2.76	V
5.	Bank Deposits	4.05	II
6.	Land/Building	3.76	III

Source: Primary Data

Table 13 reveals that among six types of investment alternatives, the first rank went to government securities with 4.86 score followed by bank deposits, land and buildings, gold/silver, insurance and equity shares. Among various type of investment alternatives, the first preference went to the investment in government securities.

RELATIONSHIP BETWEEN ANNUAL INCOME OF THE FAMILY AND PREFERENCE OF INVESTMENT

In order to analyze the relationship between annual income and preference of investment, chi-square has been applied. Table 14 shows the details of annual income and preference of investment.

Table 14 : Annual Income and Preference of Investment

Sl. No.	Annual Income of the Family (₹)	Preference of Investments						Total
		Government Securities	Shares	Gold & Silver	Insurance	Bank Deposits	Land & Building	
1.	Below 1 lakh	3	--	3	1	5	1	13
2.	1 lakh - 2 lakh	13	--	4	10	13	6	46
3.	2 lakh-3 lakh	2	--	3	5	3	1	14
4.	Above 3 lakh	2	1	1	1	1	1	7
	Total	20	1	11	17	22	9	80

Source: Primary Data

In order to study the relationship between the income and preference of investments of the respondents, the **Chi-Square Test** has been applied

HYPOTHESIS

There is no significant relationship between annual income of the family and the preference of investment.

Result of Chi-Square Test

Degrees of Freedom	=	18
Calculated Value	=	17.7012
Table Value at 5 per cent level	=	28.9

Since the calculated value of chi-square 17.70 is less than the table value at 5 per cent level of significance, there is no significant relationship between the annual income of the family and the preference of investments.

IDEAL PERIOD OF INVESTMENT

The period of investment is an important factor to be considered while taking investment decisions. Table 15 shows the opinion of the respondents on the period of investment.

It can be inferred from Table 15 that only 5 per cent of the respondents preferred to invest for less than 1 year. Those respondents who preferred 1 year - 2 years, 2 years - 3 years and 3 years - 6 years amounted to 19.75 per cent, 20 per cent and 40 per cent respectively. Those who preferred above 6 years period for investment amounted to 16.25 per cent. More than half of the respondents had considered above 3 years' period as the ideal period.

Table 15 : Opinion of Respondents on the Period of Investment

Sl. No.	Period	Number of Respondents	Percentage to Total
1.	Less than 1 Year	4	5.00
2.	1 Year - 2 Years	15	18.75
3.	2 Years - 3 Years	16	20.00
4.	3 Years - 6 Years	32	40.00
5.	6 Years and Above	13	16.25
	Total	80	100.00

Source: Primary Data

RANKING OF PREFERENCE OF RESPONDENTS ON FIXED INCOME INVESTMENTS

The investments can be classified into fixed return investment and variable return investments. The fixed return investments scheme were government securities, bank deposits, preference shares and the like. The sample respondents were asked to rank their choice on fixed income investment schemes. Table 16 shows the ranking of their choice on fixed income investment.

Table 16 : Ranking of Fixed Return Investment Scheme

Sl. No.	Investments	Weighted Average	Rank
1.	Government Securities	3.77	I
2.	Bank Deposits	3.1	III
3.	Insurance	3.21	II
4.	Preference Shares	2.37	V
5.	Loans/Bonds	2.54	IV

Source: Primary Data

It is inferred from Table 16 that the first rank goes to the government securities followed by insurance, bank deposits, loans/bonds and preferential shares. Among the various choices of fixed return investment schemes, the most preferred choice was government securities.

RANKING OF PREFERENCE OF RESPONDENTS ON VARIABLE INCOME INVESTMENTS

The variable return investment schemes were shares, agriculture, chit fund and the like. The sample respondents were asked to rank their choice on variable income investment schemes. Table 17 shows the ranking of their choice on variable income investment schemes.

Table 17 : Ranking of Variable Return Investment Scheme

Sl. No.	Investments	Weighted Average Scores	Rank
1.	Shares	2.2	I
2.	Agriculture	1.9	II
3.	Chit Funds	1.81	III

Source: Primary Data

It is inferred from the Table 17 that the first rank goes to the shares followed by agriculture and chit funds. Among the various choices of variable return investment schemes, the most preferred choice was shares.

CLASSIFICATION OF RESPONDENTS ON THE BASIS OF EXPECTED RATE OF RETURN

The expectation of investors with regard to rate of return is seldom fulfilled and mostly, they receive less than the

moderate level of return. In this context, it is considered very important to know the rate of return expected by investors. Table 18 shows the expected rate of return of the sample respondents.

Table 18 : Expected Rate of Return of Respondents

Sl. No.	Expected Rate of Return (%)	Number of Respondents	Percentage to Total
1.	Below 5%	4	5.00
2.	6 - 10%	27	34.00
3.	11 - 15%	23	29.00
4.	Above 15%	26	32.00
	Total	80	100.00

Source: Primary Data

Table 18 reveals that 34 per cent of the sample investors wanted to have 6 - 10 per cent return on their investments, followed by 32 per cent of sample investors who wanted above 15 per cent. Those who expected 11 - 15 per cent rate of return amounted to 29 per cent. Only 5 per cent of sample investors wanted to have below 5 per cent return on their investments. More than half of the respondents expected more than 10 per cent rate of return on investment.

SEX AND EXPECTED RATE OF RETURN OF INVESTORS

Now-a-days, women are earning at par with men. Their earning capacity has increased and that enabled them to construct their own investment portfolio. A general opinion is that women would expect a higher return than men. Moreover, when they earn, their spending behaviour is influenced by their income. A common thinking is that working women spend more than housewives. In this regard, whether men and women show any significant association in expected return on investment, an analysis has been made and results are presented in the Table 19.

Table 19 : Sex and Expected Rate On Return

Sl. No.	Sex	Expected Rate of Return (%)				No. of Investors	Mean	Standard Deviation
		<5	6 - 10	11 - 15	>15			
1.	Male	--	6 (3.75)	5 (31.25)	5 (31.25)	16	12.69	4.2
2.	Female	4 (6.25)	21 (32.81)	18 (28)	21 (32.81)	64	12.69	4.44
	Total	4	27	23	26	80	12.69	4.36

Source: Primary Data

It is ascertained from the Table 19 that 37.5 per cent of male sample investors and 32.81 per cent of female sample investors expected 6 - 10 per cent of return on their investments, 31.25 per cent of the male investors and 28 per cent of female investors expected 11 - 15 per cent of return on their investments, 32.81 per cent of the female investors and 31.25 per cent of the male investors expected above 15 per cent, 6.25 per cent of the female investors only expected below 5 per cent rate of return on their investments.

MARITAL STATUS AND EXPECTED RATE OF RETURN

Marital status is also one of the main constraints in the level of savings. The level of spending behaviour also differs according to the marital status. The rate of return expected by the investors based on the marital status also differs. An analysis has been undertaken and the data is presented in the Table 20. Table 20 reveals that 57.14 per cent of unmarried sample investors and 31.5 per cent of married sample investors expected 6 - 10 per cent of return on their investments,

Table 20 : Marital Status and Expected Rate of Return

Sl. No.	Marital Status	Expected Rate of Return (%)				No. of Investors	Mean	Standard Deviation
		<5	6 - 10	11 - 15	>15			
1.	Married	4 (5.48)	23 (31.5)	2 (28.77)	25 (34.25)	73	12.86	4.36
2.	Unmarried	--	4 (57.14)	2 (28.57)	1 (14.28)	7	10.86	3.64
	Total	4	27	23	26	80	12.69	4.36

Source: Primary Data

34.25 per cent of the married sample investors and 14.28 per cent of the unmarried sample investors expected to have more than 15 per cent of return on their investments, 28.77 per cent of married investors and 28.57 per cent of unmarried investors expected to have 11 - 15 per cent of return on their investments.

YEARLY SAVINGS AND EXPECTED RATE OF RETURN

Saving activity is a part of life of every income earner. Expenses of family are an important constraint in deciding the level of savings. A reasonable return from investments may result in further savings. Hence, the impact of yearly savings on the expected rate of return from investment is analyzed. The results are presented in Table 21.

Table 21 : Yearly Savings and Expected Rate of Return

Sl. No.	Yearly Savings (in ₹)	Expected Rate of Return (%)				No. of Investors	Mean	Standard Deviation
		<5	6 - 10	11 - 15	>15			
1.	<50,000	4 (6.06)	24 (36.36)	18 (27.27)	20 (30.30)	66	12.09	4.69
2.	50,000 - 1,00,000	--	3 (21.42)	5 (35.71)	6 (42.86)	14	14.07	3.84
	Total	4	27	23	26	80	12.69	4.36

Source: Primary Data

It is apparent from the Table 21, that 42.86 per cent of investors with ₹ 50,000 - ₹1,00,000 yearly saving range expected to have more than 15 per cent return on their investments. 35.71 per cent of investors with ₹ 50,000 - ₹1,00,000 yearly savings range expect to have 11 - 15 per cent return on their investments.

STUDENT'S T - TEST

The Student's t test has been applied to find out whether there is any significant relationship between the sex, marital status and yearly income of the sample investors and the expected rate of return on their investments. The t -value has been calculated by using the following formulae:

$$t = \frac{\bar{x}_1 - \bar{x}_2}{S} \times \sqrt{\frac{n_1 n_2}{n_1 + n_2}}$$

$$S = \sqrt{\frac{(n_1 - 1) S_1^2 + (n_2 - 1) S_2^2}{n_1 + n_2 - 2}}$$

For this purpose the following hypothesis has been framed:

HYPOTHESIS

There is no significant relationship between the sex, marital status and yearly savings of the respondents and the expected rate of return on their investments.

Result of t-Test

Particulars	Table Value @ 5 %	Calculated Value	Result
Sex and Rate of Return	2.571	0.0002	Not Significant
Marital Status and Rate of Return	2.571	0.64	Not Significant
Yearly Saving and Rate of Return	2.571	0.59	Not Significant

From the above calculation, it is inferred that there is no significant relationship between the sex, marital status and yearly savings of the sample investors and their expected rate of return.

YEARLY INCOME AND EXPECTED RATE OF RETURN

The main motive of everyone is to earn and this intention does not disappear at any point of time. Generally,

irrespective of level of income, everyone aspires for more and more income. Receipt of large income does not stop the recipient from earning again. The desire for high rate of interest increases. Hence, it is presumed that investors of all levels of income will aspire for high rate of return from their investment. With this assumption, the analysis has been made and the data is presented in the Table 22.

Table 22 : Yearly Income and Expected Rate of Return

Sl. No.	Yearly Income (in ₹)	Expected Rate of Return (%)				No. of Investors	Mean	Standard Deviation
		<5	6 - 10	11 - 15	>15			
1.	<1,00,000	2 (15.38)	8 (61.54)	1 (7.69)	2 (15.38)	13	12.29	4.45
2.	1,00,000 - 2,00,000	1 (2.17)	17 (36.95)	12 (26.09)	16 (34.78)	46	12.67	4.47
3.	2,00,000 - 3,00,000	1 (7.14)	2 (14.28)	8 (57.14)	3 (21.43)	14	12.64	3.99
4.	>3,00,000	--	--	2 (28.57)	5 (71.43)	7	16.57	2.26
	Total	4	27	23	26	80	12.69	4.36

Source: Primary Data

It is evident from Table 22 that 71.43 per cent of the investors were earning above ₹ 3,00,000 yearly, and expect more than 15 per cent return on their investments. 57.14 per cent of the investors were earning ₹ 2,00,000 - ₹ 3,00,000 yearly and expected to have 11 - 15 per cent return on their investment, 61.54 per cent of the investors were earning less than ₹ 1,00,000 yearly and expect 6 - 10 per cent return on their investments. One-way ANOVA has been applied to find out whether there is any significant relationship between the yearly income of the respondents and the expected rate of return on their investments.

HYPOTHESIS

There is no significant relationship between the yearly income of the respondents and the expected rate of return on their investments.

Table 23 : ANOVA For Expected Rate of Return

Sources of Variation	Sum of Squares	d.f	Mean Square	F - Ratio
Between Groups	196.16	3	65.39	
				2.90
Within Groups	225.24	10	22.52	

The ANOVA result shows that the calculated F - ratio value is 2.90, which is less than the table value of 3.7083 at 5 per cent level of significance. Hence, there is no significant relationship between the yearly income of the respondents and the expected rate of return on their investments.

SUMMARY OF FINDINGS

The findings of the study are summarized below :

- ✿ Majority of the respondents (80%) were female, were in the age group of 30 -40 years, were graduates, were married and managed their family expenditure only with their income.
- ✿ Majority of the respondents' (57.5%) families had an annual income of ₹ one lakh to ₹ two lakhs and three-fourths of the respondents were managing their family expenditure by consulting their spouses.
- ✿ More than two-thirds of the respondents were preparing monthly budget for their expenditure and expenses of 57 per cent of respondents exceed their budget. Nearly three-fourths of the respondents' actual expenses exceeded the budget to the extent of 10 per cent - 20 per cent.
- ✿ More than three-fourths of the respondents' annual saving was below ₹ 50,000. There is negative relationship between the age and the savings and there is a significant relationship between income and savings.
- ✿ Nearly half of the respondents saved their money in banks and two-thirds of the respondents considered 'safety' for selecting the mode of savings.
- ✿ Majority of the respondents (62.5%) were regular investors. 'Bank deposits' are considered as the main avenue of

investment followed by '*Insurance*'. Nearly two-thirds of the respondents invested their money to meet out their children's education.

✿ The main factor influencing the investment decision was *safety*, followed by tax concession for particular investments. Among various types of investment alternatives, high preference was given to the investment in government securities.

✿ There is no significant relationship between annual income of the family and the preference of investments. Among various choices of fixed return investment schemes, the most preferred choice was government securities.

✿ There is no significant relationship between the sex, marital status and yearly savings of the sample investors and their expected rate of return.

✿ There is no significant relationship between the yearly income of the respondents and the expected rate of return on their investments.

SUGGESTIONS

Based on the study the researcher wants to offer few suggestions and recommendations. They are:

✿ The absence of saving/investment habits is fear of insecurity on return for the deposited money. This hurdle can be removed only by the savings or investments modes. It should give assurance for the repayment of the deposited money.

✿ By establishing many special investment schemes, the savings mode can encourage the saving habits.

✿ To enhance the saving habits, the saving mode must attract the people by providing many offers or attractive prices.

✿ The investors have to identify the market situation and price fluctuations in precious metals.

✿ The persons who want to invest in stock markets should read newspapers, journals, books and other publications on investment matters.

✿ Investors holding shares and debentures should, as far as possible, deal only with registered members of recognized stock exchanges, in places where there are no stock exchanges, they may deal with sub-brokers who have connections with registered brokers.

CONCLUSION

Today, the teaching community has started 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 influenced by other tempting and fashionable expenses. 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 welfare expenses. If the stated suggestions are adopted, there may be a bright chance to increase the savings and investment habits of school teachers in Sivakasi, Tamil Nadu.

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