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## *Saving and Investment Pattern Of Private School Teachers – A Study With Reference To Wardha City, Maharashtra*

**Arti Fattepuria<sup>1</sup>**

Research Scholar, DMS, B. D. College of Engineering,  
Sevagram

**Sukeshni Telgote<sup>2</sup>**

Research Scholar, DMS, B. D. College of Engineering,  
Sevagram

**Hemali Choudhary<sup>3</sup>**

Research Scholar, DMS, B. D. College of Engineering,  
Sevagram

*Abstract: The research study was based on the responses of the respondent's i.e. private school teachers towards the savings and Investment pattern in Wardha city, Maharashtra. The aim of the study was to determine the relationship between the savings and investments literacy among the private school teachers. The study was done on the different private school teachers. The data was collected by distributing a structured questionnaire to 100 private school teachers in different schools of Wardha City. In spite of low income the teachers have been saving for future needs. The major impact on savings is due to the level of income of the private school teachers. The research shows that majority of the respondents are saving money as Bank deposits for the safety of future. The main avenues of investment are Bank deposits and the main purpose of investment is for children education, marriage, and safety after retirement.*

*Keywords: Annual Income, Annual Savings, Investment, Private School Teachers.*

### I. INTRODUCTION

Money is a vital part of our life. People work to earn money to purchase a house, to live, to eat, wedding of their children. To save means to put aside a portion of income as deferred for consumption. Saving means the total accumulated amount of income that is not spent on consumption. Therefore, saving is important or necessary to survive.

Savings means sacrificing the current consumption in order to increase the living standard and fulfilling the daily requirements in future. As circulation of blood is necessary for the survival of the individual in the same way savings are also necessary for unpredictable future in order to meet the emergencies in life, While Investment is an economic activity of employment of funds with the expectation of receiving a stream of benefits in future.

### II. REVIEW OF LITERATURE

**Mooij (2005)** studied that since the early 1990s, significant progress was made with regard to education in India. This positive development stands, however, in sharp contrast with the way in which government teachers themselves think and talk about education. Instead of feeling pride and satisfaction, many teachers were unhappy, and often self-critical. Based on focused group discussions and interviews with teachers in Andhra Pradesh, south India, the study analyses the reasons behind motivations and demotivations of government schoolteachers and concludes that there was a need for a new professional ethos and culture.

**Michael Kremer, Nazmul Chaudhury, F. Halsey Rogers, Karthik Muralidharan, Jeffrey Hammer (2005)** found that twenty-five percent of teachers were absent from school, and only about half were teaching, during unannounced visits to a

nationally representative sample of government primary schools in India. The researchers found little evidence that attempting to strengthen local community ties reduced absence. Teachers from the local area had similar absence rates as teachers from outside the community. Locally controlled non-formal schools have slightly higher absence rates than schools run by the state government. The existence of a PTA was not correlated with lower absence. Private-school teachers were only slightly less likely to be absent than public-school teachers in general, but were 8 percentage points less likely to be absent than public-school teachers in the same village.

**Archna v. Hegde, Deborah j. Cassidy (2009)** interviewed twelve kindergarten teachers in their study, and a constant comparative method was used to analyze the interviews. This study included a focus on academics vs. play, the importance of worksheets, the importance of groups for socialization, and the difficulties of implementing a play-based curriculum.

**Bhardwaj Rajesh, Raheja Rekh and Priyanka (2011)**, examine —Analysis of Income and Savings Pattern of Government and Private Senior Secondary School Teachers. The study concluded that the major source of income of Government teachers is salary while tuition fee for private teachers. Mostly Government & Private teachers both used Bank Deposits and Life Insurance for investing their savings. Government school teachers received more perks in comparison to private teachers. The main objective of savings of Government teachers is an emergency and security while for private teachers is children education and purchase of consumer durable.

**Dr. S. Mathivannan and Dr. M. Selvakumar (2011)** studied on saving and investment pattern of school teachers – A study with reference to Sivakasi Taluk, Tamil Nadu. The study concludes that 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.

**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 plays a 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.

**Dr. Ananthapadmanabha Achar (2012)** studied on —Saving and Investment Behaviour of Teachers - An empirical study. In the ultimate analysis individual characteristics of teachers such as age, gender, marital status, and lifestyle determined the savings and investment behaviour of teaching community in the study region. In a more or less similar manner, their family characteristics such as monthly family income, stage of family life cycle, and upbringing status emerged as determinants of their savings and investment behaviour.

### III. RESEARCH METHODOLOGY

It is a systematic effort to achieve the truth. It includes the identification of study area, the procedure for collecting data, analyzing the data and finding the conclusion or truth based upon the scientific procedure. Research in common parlance refers to a search for knowledge. One can also define research as a scientific and systematic procedure for obtaining pertinent information on a specific topic. In fact, research is a careful, systematic and scientific investigation or inquiry for search of new facts in any branch of knowledge.

**3.1 Need of the Study:** It investigates the investment pattern of private school teachers. It will throw light on the most and the least popular avenues of investment chosen by the private school teachers. It will throw drivers of investment done by the private school teachers. This study examines the select age group and income level of school teachers, which invest in various drives or types of investments. It will show the impact of interest rates on investment pattern and signify the extent of

movement economic indicators have on financial investments. This study brings out the importance of making investment decision.

### 3.2 Objectives of the Study:

- » To evaluate the saving habits of private school teacher.
- » To analyze the investment pattern of the private school teacher.
- » To study the socio-economic background of private school teacher in Wardha city.

### 3.3 Hypothesis:

- » Private school teachers have a habit of saving for their future safety.
- » Private school teachers prefer investment option having less risk.

### 3.4 Research Design:

A research design is simply the framework or plan for a study that is used as a guide in collecting and analyzing the data. It is a blueprint that is followed in completing a study. It is the arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy in procedure.

| Particular                 | Research Design                |
|----------------------------|--------------------------------|
| Sample size                | 100 private school teachers    |
| Data collection method     | Primary data                   |
| Data collection sources    | Private Schools of Wardha city |
| Nature / Type of the Study | Descriptive Research           |
| Sampling Technique         | Convenience Sampling           |

### 3.5 Scope of the Study:

The study covers only the school teachers working in private schools of Wardha city.

## IV. DATA ANALYSIS AND INTERPRETATION

### 4.1 Demographic information:

Table No.1

| Sr. No.              | Status          | No. of Respondents | %          |
|----------------------|-----------------|--------------------|------------|
| <b>Gender</b>        |                 |                    |            |
| 1                    | Male            | 46                 | 46         |
| 2                    | Female          | 54                 | 54         |
| <b>Total</b>         |                 | <b>100</b>         | <b>100</b> |
| <b>Age</b>           |                 |                    |            |
| 1                    | 21-30           | 28                 | 28         |
| 2                    | 31-40           | 43                 | 43         |
| 3                    | 41-50           | 21                 | 21         |
| 4                    | Above 50        | 8                  | 8          |
| <b>Total</b>         |                 | <b>100</b>         | <b>100</b> |
| <b>Qualification</b> |                 |                    |            |
| 1                    | UG without B.Ed | 3                  | 3          |

|                        |                 |            |            |
|------------------------|-----------------|------------|------------|
| 2                      | UG with B.Ed    | 12         | 12         |
| 3                      | PG without B.Ed | 14         | 14         |
| 4                      | PG with B.Ed    | 52         | 52         |
| 5                      | Other           | 19         | 19         |
| <b>Total</b>           |                 | <b>100</b> | <b>100</b> |
| <b>Marital Status:</b> |                 |            |            |
| 1                      | Married         | 69         | 69         |
| 2                      | Unmarried       | 31         | 31         |
| <b>Total</b>           |                 | <b>100</b> | <b>100</b> |
| <b>Monthly Income</b>  |                 |            |            |
| 1                      | Less than 5000  | 13         | 13         |
| 2                      | 5000-10000      | 19         | 19         |
| 3                      | 10000-20000     | 53         | 53         |
| 4                      | Above 20000     | 15         | 15         |
| <b>Total</b>           |                 | <b>100</b> | <b>100</b> |

*Source: Primary Data*

Interpretation: The above table reveals that out of the total respondents 54% are female members. Table no. 1 show that the majority of the respondent's age is between 31-40 years, 8% of the responded were in the age group of above 50 years, 21% of the respondents were in the age group of 41-50 years and 28 % of the responded were in the age group of 21-30. The majority of the teachers have completed PG with B.Ed. i.e. 52%. 69% of the respondents were married and 31% of the respondents were unmarried. It is also inferred from the above table that 13% of the respondents of the sample school teacher have monthly income of less than rupees five thousands. Families, which were having monthly income from 5000-10000 and 10000-20000 amounted to 19% and 53% respectively. It can be seen that the respondents have monthly income above 20,000 is 15%.

#### 4.2 Level of Your School

The sample respondents in the study are belonged to primary schools, high school and higher secondary schools. Table no. 2 shows the classification of responded on the basis of the level of school to which the respondents belong.

**Table No. 2**

| Particular       | No. of Respondents |
|------------------|--------------------|
| Primary          | 62                 |
| High school      | 21                 |
| Higher secondary | 17                 |
| <b>Total</b>     | <b>100</b>         |

*Source: Primary Data*

Interpretation: From the collected data it can be said that majority of the teachers are belongs to primary level school i.e. 62%, 21 per cent of the respondents belonged to the high schools and only 17% teachers belongs to Higher secondary school.

#### 4.3 Annual Savings of the Respondents

The savings normally depends upon the respondent's willingness to save money. Table 4 shows the classification of the respondents on the basis of their annual savings.

**Table No. 3**

| Sr. No. | Savings           | Number of Respondents |
|---------|-------------------|-----------------------|
| 1.      | Below 30,000      | 10                    |
| 2.      | 30,000 – 60,000   | 35                    |
| 3.      | 60,000 – 90,000   | 25                    |
| 4.      | 90,000 – 1,00,000 | 20                    |
| 5.      | Above 1,00,000    | 10                    |
|         | <b>Total</b>      | <b>100</b>            |

*Source: Primary Data*

Interpretation: The above table shows that 10 per cent of the respondents do save below Rs.30,000 and above Rs.1,00,000, 35 per cent of the respondents do save Rs.30,000 - 60,000, 25 per cent of the respondents do save Rs.60,000 – 90,000 and 20 per cent of the respondents do save Rs.90,000 – 1,00,000.

#### 4.4 Reason for Saving

**Table No. 4**

| Sr. No. | Reasons                | Number of Respondents |
|---------|------------------------|-----------------------|
| 1.      | High return            | 14                    |
| 2.      | More safety            | 49                    |
| 3.      | Liquidity              | 16                    |
| 4.      | Good customer services | 6                     |
| 5.      | Tax benefits           | 15                    |
|         | Total                  | 100                   |

Source: Primary Data

Interpretation: It is clear from the table no. 4 that for 49 per cent of the respondent's reason for selecting particular mode of saving was Safety. Nearly half of the respondents considered Safety for selecting the mode of savings. High return, liquidity, good customer service and tax concession was the reason for 14 per cent, 16 per cent, 6 per cent and 15 per cent.

#### 4.5 Most Preferred Investment Option

**Table No. 5**

| Sr. No. | Avenues          | Number of Respondents |
|---------|------------------|-----------------------|
| 1.      | Bank Deposits    | 35                    |
| 2.      | Post Office      | 15                    |
| 3.      | Real Estate      | 13                    |
| 4.      | Gold/Silver      | 8                     |
| 5.      | Insurance        | 19                    |
| 6.      | Govt. Securities | 5                     |
| 7.      | Mutual Fund      | 5                     |
|         | Total            | 100                   |

Source: Primary Data

Interpretation: It is clear from table no.5 that 35 per cent of the investors preferred bank deposits. Those who preferred post office deposits, real estate and gold and silver amounted to 15 per cent, 13 per cent and 8 per cent respectively. Insurance, government securities and mutual funds were preferred by 19 per cent, 5 per cent and 5 per cent of the respondents respectively. According to the sample respondents, Bank Deposit was considered as the main avenue of the investment followed by Insurance.

## V. FINDINGS, CONCLUSION AND RECOMMENDATION

### Findings:

- » Out of the total respondents 54% are female members.
- » Majority of the respondent's age is between 31-40 years.
- » The majority of the teachers have completed PG with B.Ed. i.e. 52%.
- » 69% of the respondents were married and 31% of the respondents were unmarried.
- » It can be seen that the greater part of the respondents (53%) have monthly income above Rs. 10000-20,000.
- » Majority of the teachers are belongs to primary level school i.e. 62%.
- » It can be seen that the majority of the respondents (35%) do save Rs.30,000 - 60,000 annually.

- » Nearly half of the respondents considered Safety for selecting the mode of savings.
- » According to the sample respondents, Bank Deposit was considered as the main avenue of the investment followed by Insurance.

### **Conclusion:**

Today, the living standard of the people increasing day by day so teacher community has started realizing the importance of savings and proper investment of their savings. It is evident from the study undertaken that most of the teachers are considered Safety for selecting the mode of savings and Bank Deposit was considered as the main avenue of the investment followed by Insurance. If the following recommendations are adopted, there may be a bright chance to increase the savings and investment habits of private school teachers in Wardha City.

### **Recommendations:**

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

- » Today there are so many special investment schemes in market which encourage people for the saving.
- » The investors have to identify the market situation and price fluctuations in the precious metals.
- » Most of the teachers prefer Bank F.D and insurance as the investment option, there is lack of awareness about other avenues like equity, and mutual fund etc. so if they want to invest in them they should regularly read newspapers, journals and articles related to stock market.
- » To enhance the saving habits, the saving mode must attract people by providing many offers and new attractive schemes.

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