

Investment behavior of College Teachers with special reference to Government and Private College in Dharmapuri District

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Introduction

As India is a diverse nation of wide cultural, traditional, religious, ethnic and linguistic differences, behavior of people would vary state to state, even town to town. Though Tamil Nadu is a well-developed state in terms of infrastructure, business and job opportunities, Dharmapuri District is not still in line when compared to the nearby Kongu belt (Coimbatore, Tirupur, Erode, Namakkal & Karur). Dharmapuri District has both government and private institutions for studies like Medical & Engineering, Arts & Humanities. We will discuss about investment behavior of college teachers in Dharmapuri District. Savings is the residual fund available after all expenses mainly intended face any kind of unexpected expenses that may rise in future. Whereas Investment on the other hand is an economic activity that is done with deliberate planning and careful evaluations on the risks involved and returns on the amount being invested. While Savings doesn't seek extensive planning and market knowledge, Investment requires planning, market knowledge and even sometimes advice from respective expertise. People tend to invest in order to increase their wealth, as they wish to lead a safe and comfortable life after their retirement from service. For which people minimize their expenditure by proper budgeting and performing in a variety of investments like bonds, shares, and mutual funds, real assets like gold, land and houses. Usually salaried people have the scope of accumulating the funds for over a period of time and then start investing. Such saving is done at home or in their bank accounts, in their home funds remain dormant but while saving their money in their bank account will support the economy of the country as well.

Investment Behaviour

Investment behaviours are defined as how the investors judge, predict, analyze and review the procedures for decision making, which includes investment psychology, information gathering, defining and understanding, research and analysis. The whole process is "Investment Behaviour" (Slovic, 1972, Alfredo and Vicente, 2010)¹.

1. <http://www.jgbm.org/page/22%20Yu-Je%20Lee%20.pdf>.

Importance of the study

Studying the behavior of anyone will help us to deal sensible with them, which in turn leads to scope of mutual benefit. Understanding the Investment behavior of the college teachers would be very useful as they fall under formal sector of India and also have the potential to save and invest in various financial products that will accelerate the economic growth of our country. Being salaried, college teachers have the capacity to support the economic system consistently. With better awareness about investments, college teachers can help themselves building wealth and can serve building our nation.

Objectives of the Study

- To identify the savings and investment behavior of college teachers in Dharmapuri District in Tamilnadu.
- To identify the savings options they use currently and analyze the factors they consider while investing.
- To study the influence of socio-economic background of the society they live

Review of Literature

Sathiyamoorthy. C and Krishnamurthy (2015)² we can clearly understand that salaried group is safety conscious when it comes to investments rather than the profits. Most of the time their decisions are influenced by their qualifications, age & their family size. Their main intention of saving or investing money is to take care of their welfare of their kids and themselves after retirement.

Murugan G. Dura and Chandrasekaran. G 2014)³ Lack of financial planning awareness plays a vital role among salaried people that leads them not to invest in share market or in chit funds run by private finances. It seems government needs to fill the a huge gap in educating people about grievances process arising on their investments like approaching the concerned authorities or bodies with appropriate evidences and the investors rights. So salaried class focus their investments on lands, government bonds.

Patil. S and Nandawar. K 2014)⁴ We can also see, Salaried people know about all the possible investments options available for them but as they want safer and consistent returns on their investments, they opt for investing their hard earned money in gold, real estate, fixed deposits in their banks.

Bhushan. P 2014)⁵ Having more clarity about the financial products, makes salaried people confident enough to invest in high risk high profit financial products like equity, debentures, mutual funds etc. Where else salaried people with poor financial literacy stick to usual well known low risk investment options. It is need of

2.Sathiyamoorthy. C and Krishnamurthy. K,(2015) 'Investment Pattern And Awareness Of Salaried Class Investors in Trivannamalai District of Tamilnadu', Asia Pacific Journal of Research,Vol1,IssueXXVI,pp75-83.

3.Murugan G. Dura and Chandrasekaran. G, (2014) 'The Opinion and Attitude of Investors Towards Investment Schemes in Tripur District(With Special Reference to Salaried Class',International Journal of Research in Management and Business Studies,Vol1,Issue3,pp 54-56.

4.Patil. S and Nandawar. K (2014)"A Study on Preferred Investment Avenues Among Salaried People With Reference to Pune, India,IOSR Journal of Economics and Finance,Vol5,Issue2,pp9-17.

5.Bhushan. P, (2014) 'Relationship between Financial literacy and Investment Behavior of Salaried Individual', Journal of Business Management & Social Sciences Research, Vol. 3, No. 5.

the hour for the government to educate salaried people on financial market in order to convert their domestic savings into formal investment avenues that may boost the economy.

Mathivannan. S and Selvakumar (2011)⁶ We can note that School teachers prefer to go with their savings habits in banks, followed by insurance and government bonds. Their socio-economic background has a greater impact on their savings and investment habits. Instead of looking only on returns, they seek for safety and tax benefits while investing.

Data collection

This study was complete through secondary data; the secondary data were collected from previous dissertations, thesis, books, research papers, websites, and directorate of college education & department of higher education Chennai.

Limitations of the study

- The study was done through secondary data and dharmapuri district only.
- The responses provided by the previous researchers based on their interest.

Findings of the study

Being from salaried class college teachers of both government & private college, they consider safety as the most important factor while investing. This behavior is a result of lack of financial literacy and lack of awareness about the grievance process available in case of issues. Most of them tend to invest in gold, real estate, secured fixed or recurring deposits in banks and insurance. A few, who are aware of the financial market use other investment options like share market particularly in systematic investment plans and mutual funds.

Conclusion & Discussion

As majority of the college teachers are hesitant to invest in formal financial market due to the lack of awareness and the fear of loss, it is suggested that government needs to run extensive awareness campaign in association with both private and government financial institutions. These awareness campaigns should educate people on available investment options and grievance addressing avenues and the regulatory bodies that monitor the financial activities. By exercising such activities consistently, government and financial institutions can find a considerable growth in the financial market which would be a mutual benefit for people, financial institutions as well as for the government.

6.Mathivannan. S and Selvakumar. M, (2011) 'Savings and Investment Pattern of School Teachers- A Study with Reference to Sivakasi Taluk, Tamil Nadu', Indian Journal of Finance, pp 12-26

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