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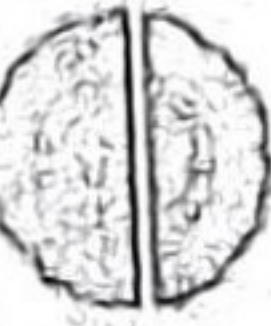
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MODES OF HIGHER SECONDARY TEACHERS IN ALAPPUZHA DISTRICT


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RECENT INVESTMENT MODES OF HIGHER SECONDARY TEACHERS IN ALAPPIZHA DISTRICT

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ABSTRACT

Investing is the act of putting one's resources to work for oneself via the acquisition of tangible assets or financial instruments such as real estate, term deposits, stocks, and bonds. In simple terms, Money works to earn more money. The study aims to examine the investing patterns among the higher secondary teachers of the Alappuzha district of Kerala. The study follows a descriptive pattern. To obtain primary data from 61 selected respondents using the Convenience Sampling Technique, a structured questionnaire was employed. Statistical tools such as percentage analysis and descriptive analysis are used for analysing the primary data. Nearly half of the respondents invested less than Rs. 5000 every month. Monthly instalment payments, such as SIPs, are more popular with the sample population. The vast majority of respondents invest through bank accounts. Indian investors' portfolios are often dominated by gold, FDs, PPFs, and real estate. Real estate is the most heavily invested asset class. Cultural favouritism, large profits, and safety all impact an investor's decision to invest. Investors seem to be deterred by liquidity and inflation risk. It is encouraged that investors diversify their investment strategies by exploring other investment avenues and investing in a variety of asset classes.

Key words: Investment, portfolio, investment pattern, Assets, investment decisions

INTRODUCTION

Many individuals mistakenly believe that saving and investing are synonymous. They are not. Saving is the portion of the income that one lays away for future consumption. Investing, on the other hand, is the process of taking one's resources and putting them to work for them via the purchase of goods or financial instruments such as real estate, term deposits, bonds, and stocks. Money is earned through investing. Return we get back as in the form of dividend, interests and rent. This is known as "income gain." Additionally, the investment may appreciate over time, enabling an individual to profitably sell at the right time. The ordinary Indian saves less than a quarter of his or her income. 25% of families spend more than they earn. While over 80% of Indians invest primarily for their children's education and retirement, the salaried class invests the most, 33% of their income. However, the majority of that money is finally spent on medical crises (Dayana & Rodrigues, 2021). According to a survey performed by Dinero, above 64% of young Indians were facing issues with investing in

financial instruments. As per the poll, which was dependent on responses from 500 participants, 51 per cent of them set away a particular amount of money each month from their salaries, but decision-making remained tough due to a lack of specialised knowledge, jargon, and an overflow of information (Dinero, 2022).

The current downturn in Indian investment is mostly a reflection of eroding confidence and increased policy uncertainty. While these changes have resulted in some interest rate widening, only a fraction of the investment slowdown can be attributable to the rise in financing costs. Thus, it looks as if the present slowdown in Indian investment is mostly a result of poor business confidence and policy uncertainty. Thus, progress on structural reforms and removing supply-side constraints will continue to be crucial in reviving confidence and reviving investment and economic development (Anand & Tulin, 2014). The business environment and economic instability have a substantial influence on investment, especially corporate investment. Before 2008, investment grew quickly as a result of a favourable business climate. However, the drop in corporate confidence after the crisis, particularly between 2011 and 2012, has led to a reduction in investment. Additionally, we discovered that increased economic uncertainty is connected with fewer investments and vice versa. As a result, measures aimed at ensuring a stable economic climate are critical for reversing the economy's investment downturn (Saboo & Bisnoi, 2021). Increased per capita income and greater access to banking services greatly boost India's savings rate. Public savings, on the other hand, have a detrimental effect on private and family savings. Additionally, the researchers examined the causal relationship between savings and income. The findings imply that income per capita and savings rate are causally related in a one-way fashion (AGRAWAL et al., 2010).

Economists have long been fascinated by saving and investing behaviour. Economic cycles such as boom, recession, depression, and recovery have an influence on not just the amount of GDP but also on family income and, therefore, on the saving ratio and investment behaviour. The economy's transition from one cycle of the economic cycle to the next results in a shift in the way individuals save and invest. The current study attempts to study the recent investment patterns among the higher secondary teachers of the Alappuzha district in Kerala.

REVIEW OF LITERATURE:

Panpaliya et al., (2020) examine and analyse numerous investment opportunities in India. Researchers examine three investing routes in this research paper: stock, mutual funds, and bank term deposits. It is discovering excellent opportunities for investors to invest in a wealth path that generates gorgeous income. Investors may contribute to economic development and riches by expanding their economic fortunes.

Krishnamoorthi, (2019) claims that saving and investing practises vary by individual and location, as savers pursue a variety of goals, including safety, predictability, and liquidity. Similarly, the motivation for such behaviour varies considerably owing to the influence of both internal and external variables on savers. Savings from all sides are critical in the Indian environment. Though 70% of our people live in villages and are primarily dependent on agriculture, agricultural savings are insufficient owing to uneconomic farm operations, and the same is true for state enterprises. Additionally, company owners and self-employed individuals' savings are neither secure nor guaranteed, since they are contingent on business circumstances.

Sree, (2017) states that the savings of Indians must consider four factors: the causes of savings, the mix of savings, the techniques of saving measurement, and the trend of saving. Numerous elements influence a teacher's career progress. One of the primary variables affecting a teacher's efficiency is his or her quality of life. Teachers' attitudes toward consumption, saving and investing mirror their financing decisions, which affect their profession, and their quality of life, in the educational system. This study is on critical stakeholders in the educational system and is significant in the subject of educational reform.

Balamurugan & Jambulingam, (2017) try to ascertain investors' investment behaviour and

investment preferences. Investor perception will allow for an accurate assessment of how investors feel about the company's goods and services. Today's severe economic circumstances have compelled businesses to make difficult choices. The majority are making cautious business choices that reflect a survival mentality. During these trying times, it is vital to understand what investors are doing continuously. Executives need a third-party assessment of investors' allegiances.

Shivakumar & Thimmaiah, (2015) observes that the primary aspect determining teachers' quality is their lifestyle, which is strongly impacted by their purchasing habits, savings, and investments. Thus, the teacher's attitude toward savings and investment will have a significant influence on the quality of instruction. In this regard, the current research focuses on the behaviour of schoolteachers in Mysore towards saving and investing. Additionally, the research examines additional factors such as the link between savings and investments.

Virani, (2012) attempted to ascertain the association between schoolteachers' savings and investing patterns. The research was conducted on a variety of public and private school instructors. The data were gathered from 100 teachers from various schools around Rajkot distributing survey questionnaires. Despite their meagre salaries, instructors have been saving for future expenses. The wage level is the primary factor affecting the savings of school instructors. As per the study, the major part of respondents is putting cash away in bank savings in preparation for an unpredictable situation. The primary objective of investing is for education, the marriage of their children, for their retirement life.

STATEMENT OF THE PROBLEM:

The study focuses on the higher secondary teachers of the Alappuzha district and their investment behaviour. Savings play a major role monthly expenditure of the Indian middle class and their quality of life. Most Indians endeavour to save more each month in an attempt to secure their future after retirement, plan for their children's studies/marriage, build a house and improve their standard of living. Investments are seen as a way to secure a worry-free future. Indians are more attached to investments in the form of gold or real estate and are naturally motivated to invest in those avenues. But several new investment modes have arisen in the past few decades widening the investment portfolio of Indians. Higher secondary teachers are considered to be in the upper earning band among schoolteachers and hence are capable of investing in different avenues. The study attempts to trace their investment preferences, the weightage of their investments and the factors that attract or deter their investment choices within the limitations of the Alappuzha district.

OBJECTIVES OF THE STUDY:

1. To assess the investment modes and investment patterns among the higher secondary teachers of the Alappuzha district
2. To analyse the types of investment and their weightage in terms of the investment amount.
3. To study the factors influencing investments and factors deterring investments pattern among the higher secondary teachers of the Alappuzha district.

RESEARCH METHODOLOGY

The present research centres on recent investment modes for higher secondary teachers in the Alappuzha district. The current study is based on primary data acquired from higher secondary teachers in public and private schools in Alappuzha district Kerala. Respondents were drawn at random from different taluks in the Alappuzha district. The acquired data was carefully examined by creating appropriate tables. The raw data, acquired through a survey questionnaire, were tabulated and analysed using the Percentage Analysis.

Table 1: Demographic Variables

Variables	Elements	No. of Respondents	% of Respondents
Gender	Male	28	45.9
	Female	33	54.1
Nativity	Resident of Alappuzha	37	60.66
	Migrated to Alappuzha	24	39.34
Gross Individual earnings per Month	Less than Rs. 10,000	9	14.75
	Rs. 10000 to Rs. 30000	29	47.54
	Rs. 30001 to Rs. 1 Lakh	13	21.31
	Above Rs. 1 Lakh	10	16.39
Gross Family earnings per month	Less than Rs. 10,000	3	4.92
	Rs. 10,000 to Rs. 30,000	19	31.15
	Rs. 30,001 to 1 lakh	27	44.26
	Above Rs. 1 lakh	12	19.67
Nature of Job	Private School teacher	26	42.62
	Government School Teacher	35	57.38

INTERPRETATION:

According to table 1, the female respondents are 54.1 per cent and males are 45.9 per cent. A fair distribution of gender with a slightly higher number of females is noticed as the study focuses on teachers. Only 60.66 per cent of the respondents are residents of Alappuzha. Except for a meek 14.75 per cent, all the respondents earned more than Rs.10,000. Except for 4.92 per cent, the Majority of the family's gross income was greater than Rs.10,000. 42.62 per cent of the respondents were private school teachers justifying the difference in salaries and 57.38 per cent were government teachers.

Table 2: Self-Assessment Towards Investment

Factors	Elements	No. of Respondents	% of Respondents
Money set aside for investment every month	Less than Rs. 5000	28	45.90
	Rs. 5000 to Rs. 10000	19	31.15
	Above Rs. 10000	14	22.95
Type of investment payment you prefer	One-time investments	27	44.26
	SIPS/Monthly investments	34	55.73
Type of bank account you own	Salary	36	59.02
	Savings	25	40.98
Usual invest	Investment through bank	35	90.16
	Unregulated investments	6	9.83

INTERPRETATION:

Table 2 showcases the self-assessment of respondents concerning their investments. Concerning the money set aside for investment, 45.90 per cent stated that they set aside less than Rs. 5000 every month. 31.15 per cent set aside Rs. 5000 to Rs. 10000, and 22.95 per cent set aside above Rs. 10000 for investment every month. Regarding the type of investment payment, 44.26 per cent prefer one-time payments, and 55.73 per cent prefer to invest using SIPs. 59.02 per cent of the respondents owned a salary account and 40.98 per cent owned savings accounts. Concerning the mode of investment, 90.16 per cent invested through banks and 9.83 per cent invested through unregulated methods. It could be observed that despite the increase in bank accounts and banking services, investment through unregulated means is still prevailing among higher secondary teachers in the Alappuzha district which may include chit funds and gold payments.

Table 3: Type of Investments Done

Type of Investment	No. of Respondents	% of Respondents
Stocks	25	40.98
Certificate of Deposit	19	31.15
Bonds	21	34.43
Real Estate	29	47.54
Fixed Deposits	32	52.46
Mutual Funds	17	27.87
Public Provident Fund (PPF)	31	50.82
National Pension System(NPS)	25	40.98
Unit Linked Insurance Plan(ULIP)	21	34.43
Unregulated chit funds	29	47.54
Digital Gold/ Physical gold	49	80.33

INTERPRETATION:

Table 3 displays the different types of investments done by higher secondary teachers in the Alappuzha district. 40.98 per cent of the respondents have invested in stocks, 31.15 per cent have invested in CDs, 34.43 per cent have invested in bonds, 47.54 per cent have invested in real estate, 52.46 per cent have invested in fixed deposits, 27.87 per cent have invested in mutual funds, 50.82 per cent in PPF, 40.98 per cent in NPS, 34.43 per cent in ULIPs, 47.54 per cent in chit funds and 80.33 per cent in gold. It could be observed that gold, FDs, PPF and real estate continue to dominate the investments of Indians.

Table 4: Modes of Investment Based on Your Weightage of Investment

Type of Investment	Weightage	Rank
Stocks	3.18	4
Certificate of Deposit	2.63	10
Bonds	3.19	3
Real Estate	3.52	1
Fixed Deposits	3.04	7
Mutual Funds	3.13	5
Public Provident Fund (PPF)	3.47	2
National Pension System(NPS)	3.07	6
Unit Linked Insurance Plan(ULIP)	3.19	3
Unregulated chit funds	2.67	9
Digital Gold/ Physical gold	2.80	8

INTERPRETATION:

Table 4 ranks the modes of investment based on the weightage of investments. Real estate investment ranks first followed by PPF, bonds/ULIPs. Stocks are also found to be gaining investor attention and are ranked fourth. Chit funds, though a middle-class favourite, are ranked ninth as they are considered small investments. CDs are the least favourite in terms of investment weightage and rank tenth. Real estate investments carry a substantial weightage as they are considered to be assets with the highest value appreciation and tax benefits too.

Table 5: Advantages Influencing Investments

Advantages Influencing Investments	Mean Score
Stocks provide higher inflation-adjusted returns than other asset groups.	2.73
Certificates of Deposit fetch higher interest rates	3.14

Real estate investments offer a higher rate of appreciation	3.47
Fixed deposits are extremely safe and increase one's investments	3.28
Mutual funds are apt for individuals with a high-risk appetite and provide good returns	2.46
PPF is considered one of the safest investments and provides a tax deduction	3.08
NPS is a good pension scheme for employees of unregulated Fields	2.93
ULIPs provide flexibility and liquidity	3.26
Unregulated chit funds provide higher returns	3.48
Gold investment is the favourite of India	3.86

INTERPRETATION:

Table 5 illustrates the beneficial variables that impact an investor's choice to make an investment. Investments in Gold continue to dominate as the favourite investing venue of Indians with a mean score of 3.86, Chit funds and real estate also dominate due to their higher returns with a mean score of 3.48 and 3.47. Fixed deposits are also found to be widely appreciated due to their assured safety. Mutual funds have received the least mean score of 2.46 as the middle-class Indians have a very less risk appetite and steer away from risky investments. Favouritism, high returns and safety in investment seem to have a great influence on the investor preference.

Table 6: Factors that Defer Investments

Factors that defer Investments	Mean Score
Stock investing may provide attractive returns depending on one's risk tolerance.	3.09
CDs provide no liquidity and face inflation risk	3.53
Bonds are exposed to credit risk reinvestment risk, prepayment risk, liquidity risk, interest rate risk and others.	3.13
Additional expenditures incurred with real estate include regular maintenance and upkeep, taxes, and utility costs.	3.43
Only 5 lakh of an FD is insured irrespective of the invested amount- Safety concern	3.26
Mutual funds are linked o market risks	3.13
There is a maximum limit of 1.5 lakhs for a PPF account	3.09
NPS through safe provides lesser benefits	3.04
ULIP investments are complex	2.80
Unregulated chit funds are extremely dangerous	3.13
Increasing gold prices affect investments	2.89

INTERPRETATION:

Table 6 showcases the factors that defer investors. Lack of liquidity and inflation risk seems to be a major deterrent for investors with the highest mean score of 3.53. The second most influential factor was additional expenditures and taxes with a mean of 3.43 followed by the concern for safety with a mean of 3.26. Indian middle-class investors are not much deterred by complicated investments or changes in prices. It can be observed that the Indian populace continues to invest in gold despite its rising prices.

FINDINGS:

The following findings have been observed from the analysis:

- Nearly half of the respondents invest less than Rs.5000 every month.

- Monthly payments such as SIPs are more preferred among the sample populace.
- A substantial majority of the respondents invest through bank accounts.
- Indians' investments tend to be dominated by gold, FDs, PPFs, and real estate.
- Real estates carry the highest weightage of investment.
- Cultural favouritism, high returns, and safety influence investor preference toward investing.
- Liquidity and inflation risk seem to be significant deterrents for investors.

SUGGESTIONS:

Based on the findings, the following suggestions are made

- Indian investors must explore every possible investment avenue instead of sticking to traditional investment patterns alone.
- A certain level of risk-taking may also benefit the investors in the long term and hence investments in stocks and mutual funds must also be considered.
- An increase in monthly investments as savings is suggested as a notable percentage of the respondents invest very less.
- More investments in tax saving instruments will benefit the salaried class better.

CONCLUSIONS:

Investments for the future carry a substantial weightage among the middle-class populace of India who strives to break out of the rat race. But it can be seen that the higher secondary teachers in the Alappuzha district are not investing enough to achieve financial freedom. The advent of Aadhaar based financial inclusion has led to a financial condition where every savings or investment avenue is coherently linked to an individual's bank account. The findings are also synonymous with this fact as most of the respondents prefer to invest through their bank accounts. Also, it is observed that the populace prefers to park their investments in the most popular and traditional investment avenues such as gold, FDs, and real estate. Though the middle-class populace is slowly becoming aware of diverse investment options present before them such as stock market investments, ULIPs or mutual funds, Middle-class investors such as higher secondary teachers in the Alappuzha district are reluctant to make risky investments and hence prefer higher returns and safety in their investments. Most of the investment decisions are influenced by safety and tax benefits among the salaried class of people. It is suggested that the investors must explore more investment venues and invest in diversified modes of investment.

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