SAVING AND INVESTMENT BEHAVIOUR OF TEACHERS – AN EMPIRICAL STUDY

Dr. Ananthapadhmanabha Achar*

ABSTRACT

The competency of a teacher is a major determinant of the quality of the education. Teacher's professional advancement is decided by many factors. One of the main factors which strongly influence the efficiency of teacher is his quality of life. The quality of one's life is closely related to the level consumption, savings and investment. The attitude of teachers toward consumption, saving and investment would reflect their economic behaviour, which would influence quality of life and in turn influence their profession and the education system. Research in this aspect of important stakeholder in education system assumes significance in the field of educational reform. In this context the present research study titled "An analysis of behaviour of teaching community towards saving & investment" is undertaken. This research paper is focused on saving & investment patterns of primary, high school, college and university teachers in Udupi District of Karnataka State.

(Key words: Education, Teachers and saving and investment behaviour)

* Professor and Director , Department of Business Administration, Sahyadri college of Engineering and Management, Vishweshwarayya Technical University , karanataka .

1. Introduction

Teaching is the one the most popular profession across the globe. Teachers are an important force in our society, not only because of their sheer numbers but much more because they are guarantors of the education of future generations, especially in the developing countries like India. A teacher enjoys the privileged position of 'unleashing the human potential of students (learners) within the formal education system' and thereby transforming the individuals, families, communities and society-at-large. The competency of the teacher is a major determinant of the quality of the education. Teacher's professional advancement is decided by many factors. One of the main factors which strongly influence the efficiency of teacher is his quality of life.

The quality of one's life is closely tied to the level or standard of living maintained by that person. The presence or absence of certain material items, such as home, cars, jewellery is commonly associated with standard of life. The ability to spend money for entertainment, health, education, variety in life, art, music and travel also contribute to the standard of life. Large expensive or fancy items are viewed as evidence of high standard of living (Lowarence J Gitman, 1981). Thus management of personal finance i.e. income, consumption saving and investment has a great impact on standard of living.

So attitude of teachers towards consumption, savings and investment would reflect their economic behaviour, which would influence quality of life and in turn influence their profession and the education system. Research in this aspect of important stakeholder in education system assumes significance in the field of educational reform.

Although a few research studies are available which have examined this phenomenon, most of them are conceptual, descriptive, prescriptive, disintegrated and theoretical in nature. Moreover, most of the research articles appearing in the popular press are based on anecdotal evidences rather than rigorous empirical research with diagnostic evaluation. From this analysis, it follows that the 'domain of savings and investment behaviours of teaching community' belongs to the under researched area, and as such, it calls for a comprehensive, authoritative and well integrated

empirical examination of the attitude and behaviours of teachers towards their savings and investment activities.

In this context the present research study titled "Saving & Investment Behaviour of teachers – an empirical study" is undertaken. This research paper is focused on saving & investment patterns of primary, high school, college and university teachers in Udupi District of Karnataka State.

2. Review of literature

Saving Behavior

'Savings' means the act of refraining from spending one's income on consumption. The part of the income, which is unspent, is called savings. From the economist's perspective people allocate disposable income between consumption and savings and at various levels of income, there will be corresponding level of consumption and savings. According to classical definition, saving is 'income minus consumption' and is residual in character. Savings can also be defined as stock, wherein savings stands for change in wealth over a period of time. In this sense it is regarded as the sacrifice in the present consumption for the future (NCAER, 1960).

As an accounting concept, saving may be defined as the residual that is left from income after the consumption choice has been made as part of the household's utility maximization process. Substantially, saving is future consumption, and it is an important example of an inter-temporal decision. Division of income between consumption and savings is driven by preferences between present and future consumption and the utility derived from consumption.

Every individual has a psychological preference for present consumption to equally certain future consumption. Saving means going against this preference and hence involves sacrifices of the preference (Mehta, JK, 1961). Thus, saving is an activity that involves both pain of foregoing consumption and pleasure at a particular moment in time for an anticipated future.

Variables Influencing Saving Behaviour

Saving behaviour is influenced by several factors, important among them are: income, wealth, education, employment status, stages in life cycle, dependency ratio, fiscal policy, pension, insurance and banking infrastructure.

Income is considered as the most important explanatory variable of the household savings. The influence of various concepts of income such as absolute income, permanent income, relative income, transitory income (life cycle income), on saving behaviour have been explained variously.

Wealth: When a household experiences an increase in wealth, it is expected to consume both the added interest income and some portion of the increase in principal (Wilcox, 1991). If attractive rates of return encourage savings, then those with greater wealth have stronger incentives to defer consumption. Studies conducted by Schmidt-Hebel (1987) and Behrm and Sussangkarn (1989) find a negative effect of wealth on savings. Additional research is needed to determine the relationship between wealth and saving, particularly at low levels of wealth.

Education: Several studies (e.g., Bernheim & Garrett, 1996; Diamond & Hausman, 1984; Solmon, 1975) indicate that saving rates increase with education, even after considering a variety of control variables. Solmon also found that motives for saving varied with education. Less-educated individuals were more likely to save providing for emergencies as their primary savings goal, while those with more education cited the desire to provide for children's education and to help them set up households. Since educated individuals appear to have longer time horizons, Solmon suggests that education may alter individual preferences. Although it is likely that education affects willingness to save, more research is needed to confirm this hypothesis and to identify the mechanisms through which this process occurs.

Age distribution: age and stage of the population will also affect the fraction of aggregate income spent (Fisher J, 1952). Both ends of the age distribution, the old and the young tend to spend a higher proportion of their incomes than those in the middle do. The savings-income ratio is small for younger groups, high for middle age groups, and again low among old age groups (Ashok Kumar, et al, 1985).

Employment status is likely to have important indirect effects on saving rates. Full-time, year-round employees are more likely to have access to institutionalized saving mechanisms (e.g., employer-sponsored pension plans); financial information and education; saving subsidies (e.g., employer contributions to pension plans); and payroll deduction. Employment status may help explain saving in low-income households (Sondra Beverly, 1997**).**

Fiscal policies also would influence savings behaviour. Governments generally provide tax shelters for private savings. Willingness to save is influenced by taxation. In order to avoid or reduce the tax burden, people may prefer to save their money in various forms of financial assets. However, it is not clear, whether the tax incentives really rise the aggregate savings (Jenkinson N, 1996).

Availability of public pensions and social security benefits reduces the saving rate by reducing the need of saving for retirement and contingencies.. The presence of wide spread banking infrastructure also has a positive impact on savings (Dr. Mathew Joseph, 1997).

Inflation: It has been argued that inflation has negative impact on savings particularly in a country like India, with low consumption levels where consumers are likely to resist cuts into real consumption. Empirical evidence on the impact of savings has been mixed. Early studies by Diwan (1968), Gupta (1970) and Joshi (1970) find negative or no impact on savings. However, Krishnamoorty and Saibaba (1981, 1982) find positive impact.

Rate of interest exerts influence on the way in which any given level of aggregate disposable income is allocated between consumption and savings (Norashikin et. el. 1993). People save money and try to get good profit in future. This is because they prefer a larger real consumption at a later date than a smaller immediate consumption (Richard A Bilas, et. el. 1974).

Size of the family: Propensity to save and propensity to consume are also influenced by the size of the family. With an increase in family size, the propensity to consume increases due to increased demand for food, clothing and other necessaries of life (Ashok Kumar, P. Jagadeswara, 1985). Every aspect of household economic behaviour is significantly correlated with the presence of children in the household. Children affect the allocation of a given family budget; they affect the household demand patterns in a well-defined way (Martin Bowling, 1996).

The saving behaviour and propensity to consume differ between government employee households and private employee households. It is well known that self-employed people generally save more than others probably because of their definite interest in expanding their business or profession (NCEAR, 1960).

The various studies reviewed above reveal that dividing household income between consumption and saving is a complex process. Several factors influencing them vary over region, time and community. In this context, it would be interesting to analyse the consumption and saving behaviour among teachers and to diagnose the economic and socio- cultural dimensions of such behavioural patterns.

Investment behavior

Personal disposable income of the household is divided between consumption and savings. Savings may be idle or active. Savings becomes active, when it is canalized into 'return bearing avenues'. The act of canalizing savings into return bearing avenues is '**investment'.** In this sense, investment refers to the increase in real capital, which leads to the generation of income. It is the addition to the existing stock of capital assets and leads to capital formation.

'Investment' is a wider concept, and household investment reflects the microform of it. Household investment mainly, refers to canalising household savings into return giving options. Here, decisions are very much based on risks involved and risk- bearing capacity of the investors.

Every investment is exposed to one or another type of risk. There are five major risks in investment, which may be present in varying degrees, in different sorts of investment: non-payment risk, business risk, inflation risk, political risk, and social risk. Therefore, an investor, while investing money would try to satisfy the three objectives- safety, profitability, and liquidity.

The skill in management of investment does not lie in generating high returns alone. It lies in achieving a sound balance between the three objectives viz – profitability – liquidity – safety. Investment planning is not a game of maximizing returns, but a game of delicate balancing. Every investment is a 'trade- off' between risk and returns.

Apart from risk and return other factors that influence investment decision are: marketability, initial investment, tax benefit, loan facility, institution, past experience, age and needs, social conditions, and liquidity.

House hold investment may be in the form – financial investment and physical or real investment. Financial investment comprises deposits in banks, shares, debentures, securities in companies, contributions to provident fund/public provident fund, contributions to chit funds, and insurance. While physical investments include land, buildings, vehicles and stock of raw materials

Determinants of Investment Behaviour

Investment avenues for an individual or family or household are many, generally known as 'instruments'. The preference shown by an investor in choosing a particular instrument is called 'investment behavior'. The process of investment commences with surplus income, which includes operating and non- operating earnings.

The prime determinants of investment behaviour of an individual are: sociological factors, such as culture or sub culture, social classes, reference group; and psychological factors like personality, attitude, beliefs, values and perceived investment- related benefits.

Cultural surroundings and the various groups of people with whom an individual inter relates, greatly influences his perception, thinking and belief about different forms of investment ((Ronald D Michman, 1975).

People's investment behaviour is strongly influenced by the class to which they belong. Research studies have shown that a class membership is a significant determinant of investment behaviour (James H. Mayers and John F. Mount, 1973).

Investor behaviour is also influenced by the small group to which investors belong or aspire to belong. These group may include family, fraternal organisation, labour unions church or religious groups or circle of close friends or neighbours (William D wells, 1975).

Attitudes and beliefs have strong and direct impact on the investor's perceptions in household investment behaviour. Household investment attitudes are formed, generally speaking, by the information investors acquire through their past learning experiences with the investment opportunity, or through their relations with their reference groups such as family, social and work groups, etc. The perception of this information is influenced by personality traits. It is generally agreed that investor personality traits influence their perceptions and investment behaviour (David Krech et al, 1962).

Studies have shown that informal personal advice in face- to- face groups is much more effective as a behavioural determinant than advertising in newspapers, magazines, journals, Television or other mass media. That is, when it comes to selecting investment avenues or changing investment patterns, a prospective investor is more likely to be influenced by 'word of mouth advertising' from the satisfied investors in his or her reference group. This is true especially when the speaker is considered to be knowledgeable regarding the particular investment opportunity (Elihu Katz and Paul Lazarfld, 1955).

Investment process is highly dynamic and complex. It involves many stages such as: problem recognition; information search; evaluation of investment alternatives; taking investment decisions; and post investment behaviour.

Investor information sources could be broadly classified into four major categories: 'personal source' consisting of family, friends, neighbours and 'commercial sources' including advertisement in print and TV, brokers or investment consultant; 'public sources' encompassing mass media and investor rating organisations and finally ' experiential sources' of purchasing , holding and selling the security and the experience gained by the investor.

3. Objectives & Methods

The study intends to answer the following three research questions

(1) What are the major savings and investment avenues currently used by the teaching community?

(2) What are the key views and perceptions of the teaching community in respect of their current savings and investment behavioural patterns?

(3) What factors are responsible for varying savings and investment patterns across different categories of teachers in the study region

The main purpose of this Study is to diagnose the attitude and behaviour of the teachers towards savings and investment, and to understand the resultant economic behaviour and its implications. The specific objectives of this research study are:

(1) to analyse and understand the savings and investment patterns of the teachers;

(2) to identify and discuss the key determinants of savings and investment behaviour of teachers; and

(3) to evaluate and raise major socio-economic implications of such behaviour based on the findings of the study.

Hypotheses

Based on an extensive review of literature and theoretical analysis, the following research hypotheses have been formulated for further investigation in this study.

$H_{1:}$ Individual characteristics of the teachers such as age, gender, marital status and lifestyle determine their decisions to save and investment.

$H_{2:}$ Family characteristics of the teachers such as monthly family income, family earning status (single earner, dual earner and multiple earner households), stage of family life cycle and upbringing status (born and brought up in the formative years: rural or urban) determine their decisions to save and invest.

This study focused on saving and investment behaviour of primary, high school, and college and university teachers in Udupi District of Karnataka State. The study is both descriptive and diagnostic in nature. Analysis and findings are mainly based on the primary data. However, the secondary source of information such as books and periodicals were also consulted for the

purpose of understanding the key concepts and theories relating to the current field of study, and for reviewing earlier studies in the areas of consumption, savings and investment behaviour.

Methodology

Data for the preset study is collected by administering comprehensive, structured and pre-tested questionnaire to five hundred thirty five teachers in Udupi District with a break-up of 146 primary school teachers (27.3 per cent of the total sample), 114 high school teachers (21.3 per cent), 102 college teachers (19 per cent) and 173 university teachers (32.3 per cent).

The respondents for this empirical study included only 'those *teachers who have been regularly working in various educational institution* The 'disproportionate stratified random sampling technique' is used to choose the respondents in order to fairly and adequately represent the teaching community in Udupi District, .

The statistical package for social scientists (SPSS-X1) was used to process the field survey data. Relevant statistical tools and techniques such as percentages, chi-square statistics, correlation and multiple regression analyses and diagrams were used for analysing and interpreting the survey data.

4. Major findings

The major findings of the study is presented in two parts

(a) analysis of the saving and investment behaviour of teaching community across different categories of teachers and (b) factors influencing Determinants of savings and investment behaviour.

Table 1(a): Proportion of monthly income spent on different forms of saving and investment by primary, high school, college and university teachers

Sl. No.	Savings and investment items	Proportion of monthly income saved & invested				Total
		Nil	< 10	10-20	> 20	

1.	Postal savings/N.S.C.					
	a) Primary	35.0	39.7	18.1	7.2	100
	b) High school	24.6	37.7	25.4	12.3	100
	c) College	13.7	30.4	26.5	29.4	100
	d) university	12.2	44.5	22.5	20.8	100
2.	Life Insurance					
	a) Primary	8.9	65.8	25.3	00.0	100
	b) High school	14.0	38.6	42.1	05.3	100
	c) College	10.8	42.1	21.6	25.5	100
	d) university	13.9	39.9	42.2	04.0	100
3.	Public Provident Fund					
	a) Primary	59.6	40.4	0.0	0.0	100
	b) High school	65.8	34.2	0.0	0.0	100
	c) College	74.5	20.6	4.9	0.0	100
	d) university	68.8	21.4	9.8	0.0	100
4.	Real Estate					
	a) Primary	69.9	0.0	9.6	20.5	100
	b) High school	85.1	0.0	3.5	11.4	100
	c) College	87.2	5.9	0.0	6.9	100
	d) university	85.0	0.0	5.2	9.8	100
5.	Jewellery/Gold					
	a) Primary	12.3	24.7	28.1	34.9	100
	b) High school	14.9	29.8	34.3	21.0	100
	c) College	16.7	46.1	22.5	14.7	100
	d) university	9.8	50.3	27.7	12.2	100
6.	Corporate Securities					
	a) Primary	73.3	0.0	7.5	19.2	100
	b) High school	82.4	0.0	5.3	12.3	100
	c) College	67.6	4.9	16.7	10.8	100
	d) university	52.6	13.3	14.4	19.7	100
7.	UTI Units					
	a) Primary	32.2	19.2	12.3	36.3	100
	b) High school	36.0	25.4	16.6	22.0	100
	c) College	36.3	43.1	8.8	11.8	100
	d) university	32.9	22.6	20.2	24.3	100
8.	Money Circulation Scheme	77.4	22.6	0.0	0.0	100
	a) Primary	90.3	9.7	0.0	0.0	100
	b) High school	87.3	12.1	0.0	0.0	100
	c) College	84.4	21.1	3.5	0.0	100
	d) university					
9.	Bank Deposits					
	a) Primary	9.6	61.0	15.8	13.6	100
	b) High school	13.2	60.5	16.7	9.6	100
	c) College	10.8	57.8	13.7	17.7	100
	d) university	12.1	17.9	31.2	38.8	100

10.	Others					
	a) Primary	0.0	87.7	12.3	0.0	100
	b) High school	10.5	89.5	0.0	0.0	100
	c) College	18.6	81.4	0.0	0.0	100
	d) university	27.2	67.0	5.8	0.0	100

(Source: field survey data)

The analysis of the savings and investment behaviour among different categories of teachers in study region points out that:

1. The popular savings and investment avenues used by the teaching community in the study region include postal savings/ National Saving Certificate (NSC), life insurance, public provident fund, real estate, jewellery/gold, corporate securities, and bank deposits.
2. There is significant relationship between the category of teachers and proportion of monthly income allocated for savings & investment. For example, college teachers appear to save and invest more out of their monthly income than their counterparts in the university.
3. Around 74.0 per cent of primary school, 83.0 per cent of high school teachers had not invested in corporate securities. However the trend is slightly different among college and university teachers. Around 34.0 per cent of university teachers and 27 per cent of college teachers invested more than 10 per cent of their monthly income on corporate securities.
4. Among all category of teachers, around 50.0 per cent of respondents invested less than 10.0 per cent of their income on LIC. This indicates that LIC in not a popular form saving and investment for the teaching community in the study region
5. The proportion of monthly income invested in Bank deposits and small savings among all categories of teachers is very low. However the proportion of income invested in deposits and small savings increases with increase in income level.
6. It is also interesting to note that gold jewellery and UTI are the most preferred form of investment for primary and high school teachers, while for college and university teachers, Bank deposits, NSC and LIC are the most preferred form of investment
7. The teaching community as a whole, reported low degree of investment in money circulation scheme, real estate, and public provide fund and corporate securities. This trend indicates that by and large teaching community is demonstrating risk aversion investment behaviour as they tend to invest in low – risk return investment avenues.

Table 1(b): Proportion of monthly income spent on different forms of saving and investment by the teaching community (over all trend)

Sl. No.	Savings and investment items	Proportion of monthly income saved and invested				*Total* N=535 (100)
		Nil	< 10	10-20	> 20	
1.	Postal savings/N.S.C.	113 (21.0)	209 (39.0)	122 (23.0)	91 (17.0)	535 (100)
2.	Life Insurance	64 (12.0)	252 (47.1)	180 (33.6)	39 (7.3)	535 (100)
3.	Public Provident Fund	357 (66.7)	156 (29.2)	22 (4.1)	00 (00)	535 (100)
4.	Real Estate	435 (81.3)	06 (1.1)	27 (5.4)	67 (12.2)	535 (100)
5.	Jewellery/Gold	69 (12.9)	204 (38.1)	151 (28.2)	111 (20.8)	535 (100)
6.	Corporate Securities	361 (67.4)	28 (5.2)	59 (11.1)	87 16.3)	535 (100)
7.	UTI Units	182 (34.0)	140 (26.2)	81 (15.1)	132 (24.7)	535 (100)
8.	Money Circulation Scheme	451 (84.3)	78 (14.5)	06 (1.2)	00 (00)	535 (100)
9.	Bank Deposits	61 (11.2)	248 (46.4)	110 (20.7)	116 (21.7)	535 (100)
10.	Others	78 (14.6)	429 (80.2)	28 (5.2)	00 (10)	535 (100)

Source: filed survey

In the case of savings and investment pattern of the teaching community, when compared to the national trend (CSO Survey 2002), the following observations are made:

The percentage of investment in Public Provident Fund (PPF) at the National level was 16.1 per cent. The results of the present study of the teaching community in the study region shows that around 99 per cent of teachers invested less than 10 per cent of their income in public provident fund which is much lower than the National trend.

The proportion of investment in deposits and small savings, at the national level constitutes about 39.4 per cent. Compared with this trend as the present study shows, the proportion of income allocated for deposits and small savings among all categories of teachers is low. More than one-half of the teachers invested less than 10 per cent in deposits and small savings.

At the National level, the proportion of investment in LIC was 14.2 per cent. The present study results show a different picture in this regard. More than one half of the teaching community invested less than 10 per cent of their monthly income on LIC which is lower than national trend. This may be due to the low return on LIC and availability of numerous other investment avenues in recent years.

Investments on shares and units constitute about 2.7 per cent of the total financial investment at the national level. According to present study, around 67.4 per cent of the respondents had not invested in corporate security and only 17.0 per cent had invested more than 10.0 per cent. Thus the attitude of teaching community towards corporate securities is similar to the National trend.

Above all it is worth noting that the savings and investment behaviour of the teachers is very much related to the income tax exemptions. Safety and liquidity are the other important criteria for selecting investment avenues

Absence of assured returns, free of risk, tax benefits, risk coverage take the limelight in respect of teachers saving or investing habits. However compulsory savings and government regulations were also the reasons for saving and investing, with a fairly significant representation from the respondents.

Major reasons/purpose of saving and investment

It is a well known fact that the motives for savings and investment are social and economic in nature. Productivity, security and tax concessions are the main motives of savings and investment.

Table 2. Presents the various motives of savings and investment of teaching community in the study region.

Table 2 Major reasons / purposes of savings and investment

Sl. No.	Purpose/ Reasons	Category of teachers				Total (N=441)
		Primary (n_1=120)	High school (n_2=96)	College (n_3=81)	University (n_4=144)	
1.	Assured returns	98 (81.6)	87 (90.6)	69 (85.2)	102 (70.8)	356 (80.7)
2.	Freedom from risk	95 (79.2)	83 (86.4)	72 (88.9)	97 (67.4)	347 (78.7)
3.	Tax benefits	41 (34.2)	61 (63.5)	77 (95.1)	117 (81.2)	296 (67.1)
4.	Risk coverage	91 (75.8)	86 (89.6)	74 (91.3)	93 (64.6)	344 (78.0)
5.	Compulsory savings	68 (56.7)	59 (61.4)	69 (85.2)	103 (71.5)	299 (67.8)
6.	Children's education	32 (26.7)	37 (38.5)	42 (52.0)	57 (39.6)	168 (38.1)

7.	Daughter's marriage	14 (11.7)	29 (30.2)	37 (45.7)	49 (34.0)	129 (29.2)
8.	Speculation	39 (32.5)	43 (44.8)	46 (56.8)	53 (36.8)	181 (41.0)
9.	Capital appreciation	44 (36.7)	47 (49.0)	56 (69.1)	64 (44.4)	211 (47.8)
10.	Government regulation	63 (52.5)	72 (75.0)	64 (79.0)	91 (63.2)	290 (65.7)
11.	Deduction at source	38 (31.7)	27 (28.1)	43 (53.1)	73 (50.7)	181 (41.0)

Note: *The total number of respondents is only those who invested in various sources and excludes those who didn't invest at all.*

In all the different categories of the respondents, the important motives for savings and investment were assured returns, freedom from risk, and tax benefits. Risk coverage also assumed an important place, compulsory savings and government regulation also constituted important motives for savings and investment of the respondents. While economic motives dominated savings and investment, even social considerations cannot be lost sight of. These considerations were more prominent in the case of the respondents under the category of college teachers, followed by university teachers, high school teachers and finally, the respondents of the primary category.

Speculation' as a motive of savings and investment was prominent in the case of the respondents under the college teacher's category, followed by the high school teachers, university teachers and finally, the primary school teachers.

Type of information gathered before taking investment decision

type of information normally gathered before taking a decision to invest in a particular source is presented in table 03.

Table 3: Factors influencing decision to invest in a particular source

Factors influencing investment decisions	Category of teachers				*Total* (N = 441)
	Primary (n = 120)	High school (n_2 = 96)	College (n_3 = 81)	University (n_4 = 144)	
Initial amount of investment	28 (23.3)	21 (21.9)	19 (23.4)	36 (25.0)	104 (23.6)

Potential return	97 (80.8)	89 (92.7)	69 (85.2)	144 (100)	399 (90.5)
Potential risk	81 (67.5)	79 (82.3)	57 (70.4)	133 (92.4)	350 (79.4)
Liquidity	53 (44.2)	47 (49.0)	63 (77.8)	102 (70.8)	265 (61.1)
Public image of the source of investment	48 (40.0)	43 (44.8)	47 (58.0)	81 (56.2)	219 (49.6)

Potential return and Potential risk appear to be the key factors influencing the investment decision for the entire category of teachers, followed by liquidly and public image of the source of investment. The respondents under the categories of college and university teachers appeared to be more liquidity conscious than the respondents under the categories of primary and high school teachers

Table 4: Major sources normally consulted before investing money by the sample teachers.

Consulting Sources	Category of teachers				*Total* (N = 441)
	Primary (n = 120)	High School (n_2 = 96)	College (n_3 = 81)	University (n_4 = 144)	
Family members/relatives	31 (25.8)	37 (38.5)	33 (40.7)	59 (41.0)	160 (36.3)
Friends	76 (63.3)	56 (58.3)	59 (72.8)	64 (44.4)	255 (57.8)
Colleagues	68 (56.7)	62 (64.6)	53 (65.4)	89 (61.8)	272 (61.7)
Investment consultants	13 (10.8)	17 (17.7)	23 (28.4)	28 (19.4)	81 (18.4)
Information from news-papers/investment journals	08 (6.0)	13 (13.5)	36 (44.4)	56 (38.9)	113 (25.6)

For all the categories of teachers, colleagues, family members and relatives appear to be the major consulting sources for investment. It is worth noting that the role of investment consultants and information from newspapers and investment journals is not very significant. The college

teachers appear to be more guided by information from newspapers and investment journals than the other categories of teachers.

Determinants of Saving and Investment Behaviour

Savings and investment behaviour is influenced by several factors: sociological, psychological ,demographical and economic. An attempt is made in this section to analyse the various determinants of savings and investment behaviour of the teachers. It is widely accepted in literature that various economic factors (size of income, disposable and discretionary income) individual differences (personal likes and dislikes), and family circumstances (family lifestyle and consumption patterns) strongly influence the saving and investment behaviour. The teaching community covered in this study cannot be an exception to this phenomenon.

To find out association between individual characteristics such as age, gender, marital status; social features such as education, life cycle stages, type of family, family location (rural/urban); family characteristics such as income, family earning status, occupational status ***and*** saving and investment Behaviour of the respondents, chi-square test is applied .The researcher proceeded on the 'null hypothesis', so that there was no association between the independent and dependent attributes. If the calculated value of chi-square, at certain level of significance, was less than the table value, the research hypothesis was accepted, other-wise, the hypothesis was rejected drawing the inference that there was no association between the attributes.

The test of significance and correlation co-efficient for Various Scio- economic, demographic and psychographic factors influencing consumption behaviour of teaching community is presented in table 5.1 and 5.2

Table 5.1 : Chi-square test results

	Chi Square test results				
	Hypothesis	Chi Square value	P value	df	Accept or Reject
Age	HO: Two attributes "age" and "level of savings and investment" are not related. **H_1**: Two attributes "age" and "level of savings and investment" are related.	102.311	< 0.0001	12	Since the P value of the test is (< 0.01), Ho is rejected
Gender	**H_O**: Two attributes "gender" and "level of savings and investment" are not related. **H_1**: Two attributes "Gender" and "level of savings and investment" are related	34.73	< .0.0001	03	Since the P value of the test is (< 0.01), Ho is rejected
Marital Status	**H_O**: Two attributes "marital status" and "level of savings and investment" are not related. **H_1**: Two attributes "marital status" and "level of savings and investment" are related.	52.981	< 0.0001	06	Since the P value of the test is (< 0.01), Ho is rejected
Education	**H_O**: Two attributes "educational status" and "level of savings and investment" are not related. **H_1**: Two attributes "educational status" and "level of savings and investment" are related.	47.359	< 0.0001	12	Since the P value of the test (< 0.01), Ho is rejected
Occupational Status	**H_O**: Two attributes "Occupational status" and "level of savings and investment" are not related. **H_1**: Two attributes "Occupational status" and "level of savings and investment" are related	6.981	< 0.639	09	Since the P value of the test is significantly high, (>0.0.1) we accept the null hypothesis
Monthly family income	**H_O**: Two attributes "monthly family income" and "level of savings and investment" are not related. **H_1**: Two attributes "monthly family income" and "level of savings and investment" are related.	66.799	< 0.0001	12	Since the P value of the test (< 0.01), Ho is rejected
Family structure	**H_O**: Two attributes "type of family structure" and "level of savings and investment" are not related. **Alternate Hypothesis H_1**: Two attributes "type of family structure" and "level of savings and investment" are related.	17.3472	(< 0.0.1)	6	Since the P value of the test (< 0.01), Ho is rejected

The test of significance and correlation co-efficient for Various Scio- economic, demographic and psychographic factors influencing saving and investment behaviour of teaching community is presented in table 5.2

Table 5.2 Respondents Characteristics and savings, Investment Behaviour: Tests of Significance and Correlation co-efficient.

Variables	X^2	Significance	(r)
1. Age (35-55 years)	102.311	<0.01	0.56
2. Gender (Female)	34.73	<0.01	-0.41
3. Marital Status (Married)	52.981	<0.01	0.31
4. Educational Status (higher qualification)	47.359	<0.01	-0.28
5. Occupational Status	6.981	NS	0.01
6. Monthly family income (Rs.15000-25000)	66.799	<0.01	0.17
7. Family earning status (Multiple earners)	21.607	<0.01	0.34
8. Family structure (Nuclear)	17.3472	<0.01	0.15
9. Stage of family lifecycle (Grown up, dependent children)	63.9067	<0.01	0.21
10. Upbringing status (Urbanised outlook)	20.7557	<0.01	0.18
11. Lifestyle (Happy-go-lucky, intimacy, intellectual thrills)	163.2502	<0.01	0.42

The results of the chi-square and test significance clearly show that except occupational status of the respondents, all the other characteristics significantly influenced their decisions to save and invest. As indicated by the chi-square statistic (Table 5) except gender (r= -0.41) and educational status (r= -0.28), all other characteristics positively co-related with the savings and investment behavioural patterns of the respondents. It is worth noting that some of the respondent-

characteristics exhibited high positive correlation with the savings and investment behaviour such as age (r=0.560), marital status (r=0.31), family earning status (r=0.34) and lifestyles (r= 0.42).

In fact, the result of the chi-square statistic will indicate only the association of attributes and the correlation coefficient highlight the magnitude and direction of the relationship between the respondent's characteristics and savings, and investment behaviour. But these analyses will not be adequate enough to identify the key determinants of savings, and investment behaviour of teaching community in the area covered by this study. Accordingly multiple regression analyses were carried out to provide a statistical rigour to the survey findings.

Determinants of Consumption, Savings, and Investment Behaviour: Results of Multiple Regression Analyses

Table 5.3: savings and investment behaviour: Multiple Regression Analysis.

Predictor variable	R	R^2	Adj. R^2	p
savings and Investment Behaviour				
(1) Individual Characteristics • Age (0.15) • Gender (-0.17) • Marital status (0.21) • Lifestyle (0.18)	0.52	0.27	0.09	0.001
(2) Family Characteristics • Family earning Status (0.14) • Stages of FLC (0.16) • Monthly Family Income (0.13)	0.48	0.23	0.06	0.001

Note: *Figures in the parentheses indicate the respective beta-coefficient (β) of individual measures in each lock of predictor variables*

Table 5.3 shows the results of regression analyses in which the two outcome variables (' savings and investment behaviour') were separately regressed on the two blocks of predictor variables: individual characteristics and family characteristics, the predictor variables were age gender, marital status, educational level, occupational status and lifestyle of the respondents. On the other hand, in the second block of family characteristics, the predictor variables were monthly family

income, family earning status, family structure, stage of family life cycle (FLC), and the upbringing status of the respondents.

Individual measures within a block having significant increments in explained variance with a given outcome (savings and investment) are indicated along with their respective betas (β).

It is worth noting that both the blocks of predictor variables (individual characteristics and family characteristics) accounted for significant amounts or increments in explained variance on saving and investment behaviour. In addition, individual measures within each block had significant and independent relationships with the outcome variable.

Monthly family income, stage of family lifecycle and the upbringing status revealed a significant influence on their decisions to save and invest. Those teachers belonging to 'multiple-earner household' with grown-up but dependent children tend to spend more on consumption activities than their respective counter parts in the teaching community. Furthermore, those teachers belonging to the average monthly family income bracket of Rs.15,000-Rs.25,000; having youngest child six years or over or older, married without children; and a rural upbringing tend to save and invest more than their respective counterparts.

The analysis of the saving and investment behaviour of teaching community reveals that Savings and investment tend to be high in the case of those who are above 55 years of age, females, married respondents, undergraduates, high school teachers, extended families, and those with a rural background. On the contrary, savings and investment tend to be low in the case of younger respondents, the males, single respondents, those with higher educational qualifications, joint families, fun-seekers, etc.

It is, therefore clear that, savings and investment levels are influenced by a variety of factors. An increase in the propensity to consume reduces the propensity to save and invest.

4. Conclusion

The present study made an earnest attempt to answer three research questions, test two research hypotheses and achieve three objectives. 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.

It should be noted that this research study was carried out in one district covering one community focusing on one dimension of the dynamics of the saving and investment in order to facilitate an in-depth analysis of the phenomenon. Accordingly, the study was confined to different categories of teachers working in various educational institutions in Udupi District of Karnataka State with a special emphasis on their attitude and behaviour towards consumption, savings and investments. Hence it is micro study, the findings, discussions and conclusions cannot be generalised so as to make them applicable to all sections of the society in all States in India due to differing social-economic and cultural circumstances.

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Author's Profile:

(Dr. Ananthapadhmanabha Achar has 24 years of experience in teaching, training and consultancy. Before joining Sahyadri as Director of MBA, he worked in Manipal group of institutions more than two decades. During his tenure as professor at Manipal Institute of Management, he had occupied several administrative positions like Head centre for Small Business Management, Chairman placement committee, student welfare officer etc. His areas of specialization in teaching are Human Resource Management and Business Strategy. He has conducted nearly 100 short and long term executive education programmes for both and SME and Large organization and he has coordinated several research projects in the area of poverty elevation, rural development and women empowerment. He has presented nearly 30 research papers in the national international conference. Presently, he is working on collaborative research on "Impact of leadership on school performance - A cross cultural comparison of schools in Malaysia and Karnataka'. He also provides consultancy services for designing Training and Development Programmes to corporate organizations.

Dr.Achar is Bachelor in commerce, Post Graduate in Management from Mangalore University and Ph.D. in Human Resource Development from Manipal University. He is an active member of various professional bodies such as International Society for Third Sector Research, Indian Society of Training and Development.)