A Study On Householder Savings & Investment Behavior in Theni District

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Abstract: *Investment of hard earned money is a crucial activity of every human being. Investment is one of the foremost concerns of every individual investor as their small savings of today are to meet the expenses of tomorrow. This study deals with investors' preference of Shares, Debentures, Mutual fund, Bank deposits and Life insurance etc. Savings of the people are invested in assets depending on their risk and return demands, safety of money, liquidity, the available avenues for investment, various financial institutions, etc. In developing country like India, householder savings and investment is the major source of capital for economic activities. Hence, a study of investment behavior of households has to understanding the level of knowledge of householders about investment. If the saving is low, then the investment will also be low leading to low capital formation. The present paper explains different reasons of savings, awareness level and association between demographic factors and awareness level among householders of Theni district.*

Key Words: *Investment, Savings, Householder.*

1. INTRODUCTION:

Saving is a key principle. People who make a habit of saving regularly, even saving small amounts, are well on their way to success. It's important to open a bank or credit union account so it will be simple and easy for you to save regularly. Then, use your savings to plan for life events and to be ready for unplanned or emergency needs.

The concept of savings plays an important role in economic analysis. Saving is defined as the difference between income and consumption. During pre-independence period in India. People spent most of their income on consumption and only a small amount of income was left in the form of saving.

Savings generate investment. Investments in turn create capital. Capital can be used by the same person, who has accumulated and created it, or it can be lent to others. Normally assets at individuals disposal are suited for a single-time use or application. If householders have an apple in their hands, the minute they start biting it and enjoying it, the apple is no longer there. But wealth or capital represents assets that are put to repeated use.

2. REVIEW OF LITERATURE:

RajarajenVanjeko, December 2010, Finance Indian investors investment characteristics showed that the use of these characteristics for a better understanding of individual investors and their financial product needs. It also shows that investor's future preferences. The study reveals the increasing popularity of equity as an investment option among individual investors.

Ramprasath.S and Dr.B.Karthikeyan, December 2013, on individual investors behaviour towards select investments, states that the majority of these investors are giving much importance for the factor "safety". Similarly investment avenues such as Bank deposits, LIC policies and Bullion has been preferred by the individual investors. Similarly the majority of the investors are periodically evaluating the performance of their investment avenues.

Ramakrishna Reddy &Ch.Krishnudu, December 2009, on investment behaviour of rural investors in their study states that the investment culture among the people of a country is an essential prerequisite for capital formation and the faster growth of an economy. Investment culture refers to the attitudes, perceptions, and willingness of the individuals and institutions in placing their savings in various financial assets, more popularly known as securities. A study on the investors' perceptions and preferences, thus assumes agreater significance in the formulation of policies for the development and regulation of security markets in general and protection and promotion of small and house-hold investor in particular.

3. STATEMENT OF THE PROBLEM:

Saving is a very important component which is responsible for combating or meeting any emergency accrued by the individuals or the households or any corporate agencies. Saving is more of meant for meeting contingencies but sometimes it also act as a form of investment. But sometimes people are not inclined towards saving and the very delicate reason is lack of awareness. The present study can be a relevant one to know the reason of dissaving and if saving occurs the what are the determinants which are responsible for saving.

4. OBJECTIVES OF THE STUDY:

The present study on householder Saving and Investment Behavior in Theni District.
- To know about the structure of Saving & Investment pattern in India.
- To know about the profile of the respondents.
- To find out the Savings & Investment pattern in Householder.
- To analyze the Householders satisfaction level in Savings & Investment Behavior.
- To offer the Summary, Findings & Suggestions about the study.

5. SCOPE OF THE STUDY:

This study is an attempt to provide not only a state wide estimate of the extent and patterns of saving and investment in the household sector in rural and urban areas, but also the saving and investment profiles of multitudinous categories of households. The findings of this research will also raise a number of interesting issue for future research. As research reports shows that frequency of investment pattern, factors, income level play more significant role in deciding pattern of investment. So analyzing the factors that affect investment pattern of investors and other investment criteria provide the valuable insights.

Data Collection

*Primary Data:*The study is based on primary data and necessary data required for the study are collected through questionnaire form 80 respondent.

*Secondary Data:*Secondary data was collected from various published Journals, Magazines, Report, Websites and Manuals.

Tools of Analysis
- Simple Percentage
- Likert's Scaling Technique
- Ranking Method

6. LIMITATIONS OF THE STUDY:

The study has the following limitations:

- The researcher humbly believe that present study will be helpful to all the concerned and be an addition in the area of study.
- The study has been carried out by applying convenience sampling techniques.
- The study is only applicable to Theni District and not to any other similar areas.
- The householder savings behavior may differ in future according to the situation. So the same results can't expect in future.

Analysis of Data

6.2 Simple Percentage

Variables	Categories	No of Respondents	Percentage
Gender			
Gender	Male	58	72.5
	Female	22	27.5
Age of the Respondents			
Age	18-30	27	33.75
	31-40	21	26.25
	41-50	32	40
Education Qualification of the Respondents			
Education Qualification	Illiterate	3	3.75
	SSLC	10	12.5
	HSC	12	15
	UG	35	43.75
	PG	20	25

Occupation of the Respondents			
Occupation	Private Employee	15	18.75
	Government Employee	22	27.5
	Business	26	32.5
	Home Maker	17	21.25
Marital status of the Respondents			
Marital Status	Married	48	60
	Un Married	32	40
	Total	80	100

Table 1.1 Demographic Profile of the Respondent

From the above table1.1 shows that majority of the respondents(72.5%) is under Male Category, (40%) respondents are under age group of between 41-50 years; Under Educational qualification of the respondent, most of the respondents are (43.75) having the qualification of UG Degree, 32.5% of the respondents are doing the Business and 60% of the respondent are Married.

Satisfaction Factor Analysis
6.2. Likert's Scaling Technique
Most frequently used summated scales in the study of social attitudes follow the pattern devised by Likert. For this reason they referred to as Likert type scale. In Likert scale, the respondent is asked to respond to each of the statement in terms of several degrees, usually five degrees (but at times 3 or 7 may also be used) of agreement or disagreement.

As 5 point Likert's scaling technique is under to find out the most influencing factor, points were given below:
Highly Satisfied – 5 Point
Satisfied – 4 Point
Neutral - 3 Point
Dissatisfied - 2 Point
Highly Dissatisfied – 1 point

Table 2.1 Ranking Factor of Satisfaction Level

S.No	Aspects	HS-5	S-4	N-3	DS-2	HDS-1	Total	Rank
1	Wealth creation	46 (230)	21(84)	11(33)	0(0)	2(2)	349	I
2	Children Education	30(150)	34(136)	11(33)	3(6)	2(2)	327	II
3	Assets dream	28(140)	24(96)	20(60)	7(14)	1(1)	311	IV
4	Future uncertain need	36(180)	20(80)	10(30)	12(24)	2(2)	316	III
5	Planning for retirement	25(125)	34(136)	6(18)	7(14)	8(8)	301	V
6	Others	31(155)	19(76)	17(51)	5(10)	8(8)	300	VI

The Table 2.1 shows that the householder savings & investment is highly satisfied with their wealth creation. The second satisfaction level in children education. Third position got the future uncertain need. Fourth position is the assets dream. Fifth position is Planning for retirement and sixth position is others.

6.3. Ranking Method

Table 3.1

Main Benefits	Frequency	Rank
Low Income/Under Employment	30	I
Consumption goods price level is increased	4	VI
Replacement of debt	7	V
Unexpected expenditure	8	IV
Lack of indepth knowledge	3	VII

High return (or) profit	16	**II**
Income taxes and duties	12	**III**

The Table 3.1 shows that out of seven factors specified while factors affecting the householder savings & investment, I rank is given Low income/Under Employment, II rank is given High return (or) profit, III rank is given Income taxes and duties, IV rank is given Unexpected expenditure, V rank is given Replacement of debt, VI rank is given Consumption goods price level is increased, VII rank is given Lack of indepth knowledge.

7. FINDINGS AND SUGGESTION:

Findings

Findings are the means from interpretation and generalizations which provides suggestions and after valuable conclusion. In this regard the researcher consolidates the findings of her research under study.

- Out of 80 respondents, 58 respondents belongs to the Male.
- Out of 80 respondents, 32 respondents belong to the age group of 41-50 category.
- 35 respondents were having the educational qualification of UG Degree.
- Out of 80 respondents, 30 respondents belongs to the Occupation of Business.
- Out of 80 respondents, 48 respondents were Married.

Suggestion

On the basis of above findings the researcher provides the following suggestion from the present study.

- In our government framed the some other saving schemes. It is an announced in our government. But the savings amount is based on our income level in fixed percentage.
- Today there are so many special Investment schemes in market which encourage people for the saving. In our government make the some awareness programme given to the public.
- To enhance the saving habits, the saving mode must attract the people by providing many offer and new attractive schemes.
- One more opportunities are given to the investors for computerized saving the activities. This activities increased by various promotion activities.

8. CONCLUSION:

Today, the living standard of the people increasing day by day so the householders has started realizing the importance of savings and proper investment of this savings. They avoid spending money on heavy luxurious life style and preferring the normal living standard. It is evident from the study undertaken that most of the people are saving their money for safety, future protect & fulfil the other goals of life. In our government create the fixed percentage of saving norms announced to the public. This activities are create the overall the people must followed the fixed savings habit. Because our government frame the norms our citizen are must followed. This is bright future to increase our saving & investment habits of householder at Theni District.

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