



A STUDY OF SAVING AND INVESTMENT PATTERN AMONGST PRIVATE SECTOR BANK EMPLOYEES IN PANCHKULA DISTRICT

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ABSTRACT

Now a day's saving and investment are the essentials for the future safety and security. Everybody wants to secure their future against uncertain events and conditions. Not only the regular investors made savings and investments but salaried employees also invest in various investment avenues. The present study is based on primary data which is collected by distribution of structured questionnaire to 50 private sector banks employees. An attempt is made to study the available investment avenues in India and the level of investment awareness among the salaried bank employees. In this paper mainly the response of the respondents in the Panchkula district about the pattern followed by them to save their income in the way of making investment in various investment options are recorded and interpretation is done accordingly.

Keywords: *Saving, Awareness of Investment avenues, private sector bank employees, preferred investment.*

INTRODUCTION

Investment means deployment of saving in some investment options for some future period with the imitative of earning an income in present or near future. Investors have to take investment decisions to get a fair value of appreciation or regular income on their investments. Most of the investors like to save their money in the traditional investment options like bank fixed deposit, PPF, insurance, post office schemes and gold etc. but in today's scenario a large varieties of investment options are available in the market which provide more return at the minimum risk. Now Indian investors are more aware and well knowledge about new investment avenues like share market securities, real estates and mutual fund etc. Investment may be safe investment to risky investment. Every investor has different objectives and needs depending upon on their age, income, attitude, preference, qualification, awareness etc.

Additional income on capital invested can be achieved only by making good investment. Financial independence, increase in wealth and to meet its future personal goals is only through proper financial planning. Only saving is not sufficient for the people to meet their main present and future needs like children education, marriage, purchase a house, illness etc. all above needs cannot be fulfills without any type of borrowing or loan, it can be fulfill only by making a good investment. In order to meet the various needs the investor has to invest in various options which generally provide high return or regular income with less risk & loss. Investment provides surety about financial stability in future. If anyone wants safety and security in future, he has to adopt and follow the well planned investment pattern and having a good knowledge of financial planning.

Motivating Factors of Investment

Economic Factors	Sociological Factors	Psychological Factors
a) Tax Benefits b) Safety of Money c) Regular Returns	a) Level of Education b) Age of the investor c) Status of Family	a) Acquiring wealth b) Social Status

REVIEW OF LITERATURE

Dr. V. M. Selvaraj and M. Nallakannu, (2018) concluded in their study that investors are more sensitive about their safety and investments. Investors always invest in those securities which have low risk factors and generate good return than others in the short period.

Dr. Rajesh Mankani and Mahalakshmi Kumar, (2017) analyzed that working women are more aware and save a major portion of their income and invest such savings wisely so that they can generate good income and growth of their investment for their future benefits. Working women have good knowledge about the all current investment avenues and their wisely use their earnings in saving and investments than others.

Ishmeet Singh (2017) studied the various modes of saving and investment adopted by Indian households over the years. Study was descriptive and based on secondary data. He also studied the impact of Govt polices and SEBI initiatives taken towards the investment. Investment plays an important role in the economic development of a country. Peoples invest in the physical as well as financial assets to get the higher returns assets on them. Inventors have a lack of confidence to invest in the financial markets, but due to the SEBI and Govt initiatives and awareness programmees now a day's investors are getting the interest and investing in the new financial products as a result there is favorable growth of Indian Economy

Dr. Navdeep Kaur and Deepak Sood, (2015) analyzed that investment is undertaken with an expectation of return. While taking the investment decisions various factors must be considered like age, education level, income of the investors etc.

M. Yasodha & G. Ravindran, (2015) investigated to determine the investment pattern among the colleges teachers in Coimbatore district. The researchers studied that the investment scenario is changing in India due to FDI and globalization in the developing countries. Data was collected from the 748 college's teachers to study their saving and investment pattern. The study concluded that majority of the respondents save their money in secure & safety mode of investment like bank deposits, insurances policies gold etc. which were called low risk instruments. The data was analyzed by using f-test and chi-square statistical tools and concluded the results. Main study found that investors are more sensitive about their investments & they invest regularly in low risk and safe investment.



Punnet Bhushan, (2014) examined that people basically more interested to invest in traditional instruments than the share market securities. People have less knowledge about the new financial instruments & capital markets. They prefer low risk return investment instruments than high risk returns instruments. He suggested that investment knowledge must be provided to the investors so that they can use knowledge to make a profitable investment.

OBJECTIVES OF THE STUDY

1. To study the saving & investment pattern of bank employees in Panchkula district.
2. To find out the investment habits of bank employees.
3. To study the Investment avenues available for investment in India.
4. To study the awareness level of bank employees towards available investment avenues.

HYPOTHESIS

1. H0: There is no significant difference between educational qualification and awareness of the bank employees.
H1: There is a significant difference educational qualification and awareness of the bank employees.
2. H0: There is no significant relation between investment pattern and age group of the respondents.
H1: There is significant relation between investment pattern and age group of the respondents.

RESEARCH METHODOLOGY

In present study both Primary and secondary data is considered. Primary data is collected by making a simple questionnaire and distributed to the 50 private sector bank employees in the region of Panchkula. In addition to this the data collected from various newspapers, magazines, books, websites, and journals etc. on saving and investment pattern. Respondents have to give their option in very easy way by ticking the best option according to their knowledge & preference.

DATA ANALYSIS AND DISCUSSION

Data collected through questionnaire and analyzed below with the help of table indicating with numbers of respondents and percentage.

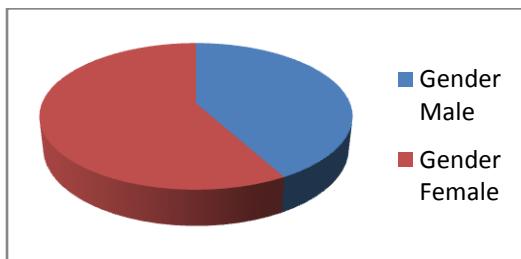
Table-1: Profile of respondents (based on questionnaire in the areas of Panchkula)

Variable	Categories	No of Respondents	Percentage %
Gender	Male	21	42
	Female	29	58
Age	20-25	26	52
	25-45	20	40
	45-60	4	8

Education	UG	24	48
	PG	19	38
	Others	7	14
Marital Status	Married	24	48
	Unmarried	26	52
Income Level (Annual)	150000-250000	13	26
	250000-500000	25	50
	Above 500000	12	24
Experience	Upto 1 Year	15	30
	1-5 Year	32	64
	Above 5 Year	3	6

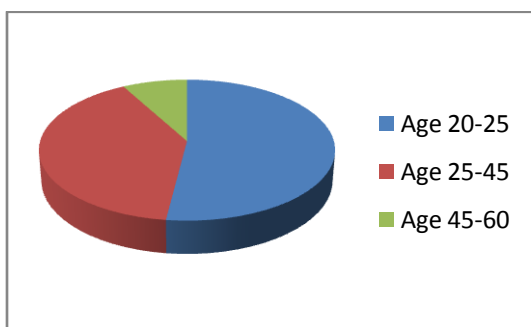
On the basis of Gender

Among the respondents, 42 % are male whereas 58% are female.



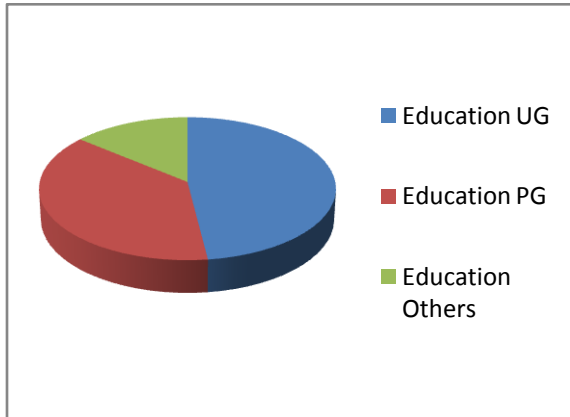
On the basis of Age of the respondents

Among the respondents 52% belong to the age category of 20-25 years followed by 40% in 25-45 years category, 8% in age group 45-60 years.



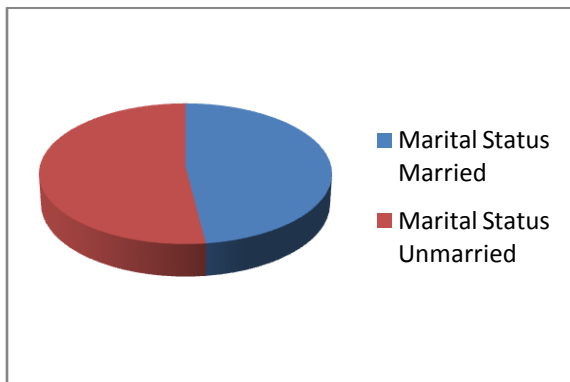
On the basis of Education Qualification of the respondents

Among the respondents 48% of the bank employees are under graduate whereas about 38% respondents are post graduate and 14% employees holding the diploma and certificate courses. It is observed that most of the bank employees are graduate.



On the basis of Marital Status

Among the respondent's 48 % of bank employees in panchkula district are comes under married category whereas 52% are comes under unmarried category.



On the basis of Annual Income

Among the respondents, 26% respondent's annual income varies between 1.5 to 2.5 lakh, 50% respondents annual income lies between 2.5 to 5.0 lakh and 24% respondents annual income lies above 5.0 lakh.

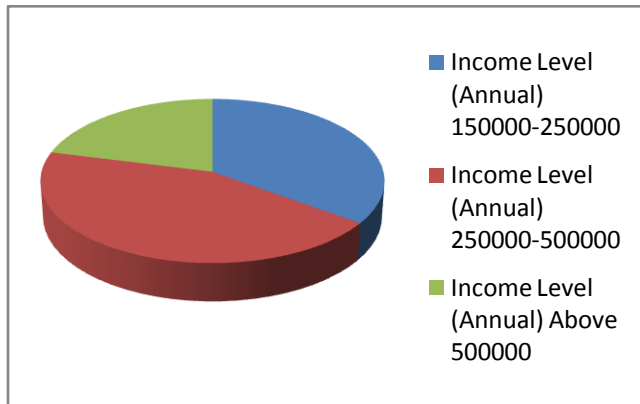
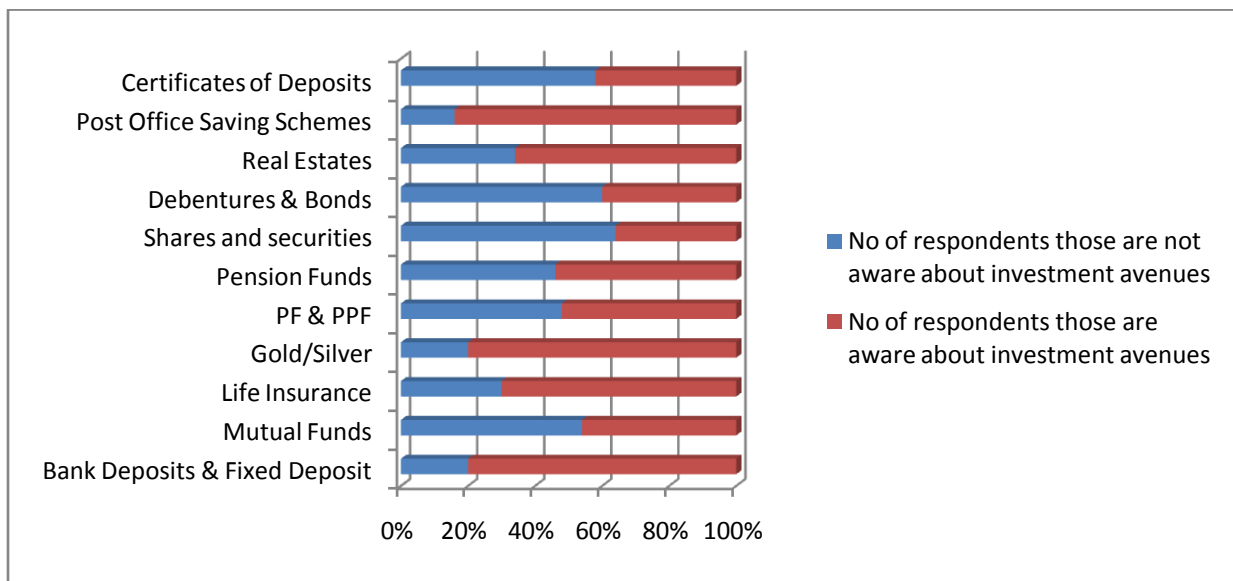


Table-2: Awareness level of Respondents towards the various available investment avenues

Investment Avenues	No of respondents those are not aware about investment avenues	No of respondents those are aware about investment avenues	Total
Bank Deposits & Fixed Deposit	10	40	50
Mutual Funds	27	23	50
Life Insurance	15	35	50
Gold/Silver	10	40	50
PF & PPF	24	26	50
Pension Funds	23	27	50
Shares and securities	32	18	50
Debentures & Bonds	30	20	50
Real Estates	17	33	50
Post Office Saving Schemes	8	42	50
Certificates of Deposits	29	21	50





It can be seen from table 2 that most of the respondents prefer to save and invested in LIC, bank deposits and PPF. As these are the better options to avail the tax benefits. Some of the staff are also like to invest in the mutual funds as there are more safe and less risky investment option than the share security markets.

Table-3: Main Reasons of Saving and Investment

Sr.no	Particular	No of Respondents
1	High Returns	21
2	Tax Benefits	33
3	Liquidity	30
4	Safety and Security	45
5	Uncertain needs and emergency	48
6	Children Marriage	27
7	Children Education	35

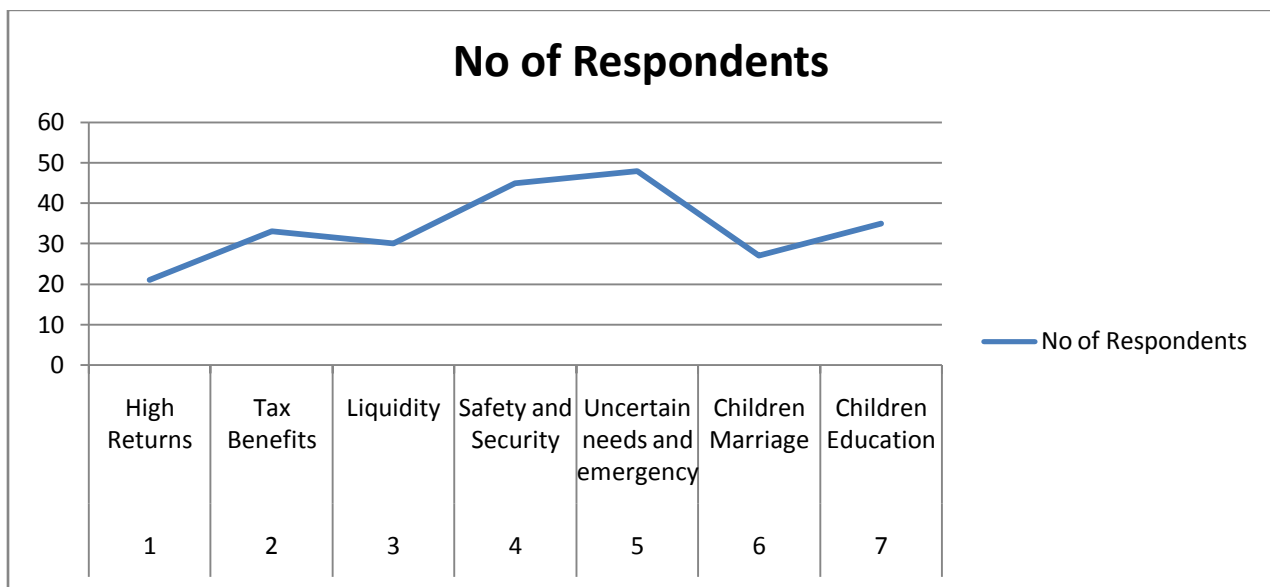


Table 3 describes the main reasons of saving and investment. It is found that most of the respondents save for their children marriage and education purpose. Whose income is more than 5 lakh prefer those investment options which provide tax benefits to them & help them to earned best and regular income.

HYPOTHESIS TESTING

1. **H₀:** There is no significant difference between Educational Qualification and awareness of the bank employees.



Table 4: Relationship between Educational Qualification and awareness of the respondents:

Educational Qualification	No of Investors Aware	No of Investors Not Aware	Total
Post Graduate	13	2	15
Under Graduate	14	5	19
Others	4	12	16
Total	31	19	50

Chi-Square test has been applied and result of test is below

Degree of Freedom

$$V=(r-1)(c-1)$$

$$V=(3-1)(2-1)$$

$$V=2$$

Degree of Freedom	2
Table valve at 5% level	5.99
Calculated valve	14.272

Since the calculated valve of chi-square test 14.272 is more than the table valve at 5% level of significance. So the null hypothesis is rejected. Hence there is significant relation between educational qualification and awareness of the respondents.

- H0:** There is no significant relation between investment pattern and age group of the respondents.

Table 5: Relationship between investment pattern and age group of the respondents:

Age	Bank	Insurance	Post Office schemes	Mutual Funds	Real Estates	Precious Article/Gold	Other Securities	Total
20-25	5	2	0	2	0	0	0	9
26-45	10	4	2	3	1	0	0	20
46-60	7	5	3	0	2	2	2	21
Total	22	11	5	5	3	2	2	50

Chi-Square test has been applied and result of test is below

Degree of Freedom

$$V=(r-1)(c-1)$$

$$V=(3-1)(7-1)$$

$$V=12$$

Degree of Freedom	12
Table valve at 5% level	21.0
Calculated valve	12.810



Since the calculated value of chi-square test 12.810 is less than the table value at 5% level of significance. So the null hypothesis is accepted. Hence there is no significant relation between investment pattern and age group of the respondents

FINDINGS OF THE STUDY

- a) 66 % respondents making investment for tax benefits.
- b) Bank deposits, LIC and PPF are the top three investment avenues amongst the bank employees.
- c) 48% respondents are married and save money for the children future and security.
- d) 58% of the respondents are female and more aware than male staff towards investment.
- e) Tax planning is the main objective of the respondents.
- f) Investment in share market is influence by annual income.
- g) Demographic variables like age, sex, age, martial status and educational qualification are also affects the investment and saving decisions

CONCLUSION

This research papers shows that education plays an important role in present day investment. Investors are more aware about the different investment avenue available in market. Everyone has its own way of saving and investment pattern which is depending on the annual family income level of the investors. It can be concluded from the study that the bank employees always make investment to get regular returns and to avail the tax benefits. The majority of the investors prefer to invest in the bank deposits schemes followed by PPF, insurance and mutual funds. It is concluded at last that whatever the level of income, needs, education level, dependent or independent every investors want safety of their money and wants to play safe.



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