



INVESTMENT AWARENESS AND PREFERENCES OF TEACHING FRATERNITY IN HYDERABAD – A STUDY

IR. Kalyani

Research Scholar, Department of Business
Management, MG University, Nalgonda,
Telangana & Professor, AMS School of
Informatics, OU Road, Hyderabad.
irkalyanivikas@gmail.com

Dr. Aluvala Ravi

Professor, Department of Business
Management, Mahatma Gandhi
University, Nalgonda, Telangana.
aravi13371@gmail.com

Abstract:

The vast array of savings and investment firms, the products they offer, terms and conditions of investments, widespread complex rules and regulations have all significantly changed the nature of the financial market and made investing money a very difficult process. Despite the economy's impressive expansion and rising average income levels, India's rate of saving mobilisation is slower. Most investors, especially those in urban areas, are reported to be ignorant about available investment options and the legal requirements.

The aim of the study was to learn more about the teaching fraternity investors in the Hyderabad their savings habits, investment knowledge, and investment preferences. Teachers play a critical role in securing the future of education for the world's youth, particularly in emerging nations like India. According to the responses to the questionnaire, there are considerable differences in the weight that investors give to different investment channels and investing goals. The majority of investors who are demonstrate their preference for safe investment options like gold, mutual funds, real estate and bank fixed deposits.

Key words: *Investment Awareness, Investment preferences, market environment, strategies, knowledge.*

Introduction:

Investment is a challenging in today's world. It encompasses a variety of factors in addition to investing, which involves sacrificing resources today in order to reap bigger rewards years later. Investment depends on the degree of investor's knowledge on the numerous investment avenues, the benefits and risks of the investment products, the selection of the appropriate financial products in accordance with the investment aim, investable funds, and investor risk tolerance, etc.

However, it is only feasible if investors have adequate knowledge of financial assets. The majority of investors are professionals in a country like India with a fairly young demographic profile. Investors must be knowledgeable of financial assets, various investing strategies, and associated dangers in order to be financially independent.

Teachers play a critical role in securing the future of education for the world's youth, particularly in emerging nations like India. Teacher's quality of the instruction is heavily influenced by the teacher's ability which in turn is significantly a reflection of their happiness and quality of life.

This study will assist financial organisations in determining the current level of awareness of financial instruments among the teaching fraternity and aid in developing

measures to provide better investment products. Such studies carried out periodically assist in understanding the changes in investor behaviour, preferences, or attitudes over time.

Literature Review:

Dr Snigdharani Panda and Dr. Liji Panda (2020) Teachers are the most dynamic people in our society because of their extensive knowledge of their subject matter and their ability to inspire others. People place a higher value on gurus who have a positive outlook on their pupils' life. If they have even a sliver of information about financial literacy and personal financial planning, the world will proclaim them godfathers to all students.

Gutti R.K. Prasad and Prof. Byju John (2021) Financial literacy is has been more important in India and throughout the globe after the recent epidemic Covid-19. Many people suffered during this pandemic time because they lacked the financial resources to deal with emergencies and did not have a steady source of income. Financial literacy, however, is not the only skill that is required for proper economic conduct.

Dr. Arul R and Vijay Krishnan V (2019) in their study found that majority of instructors are unwilling to invest because of a lack of understanding about investing options and processes, a desire to avoid risk, and the complexity and formality of the process.

In Himachal Pradesh, Bhushan (2014) conducted research on the awareness levels and financial product investment practises of salaried people. He found the level of awareness from a sample size of 516 respondents, that while the general public has a low level of awareness of newer financial products, it is fairly aware of classic and secure financial goods. Additionally, the majority of responders invest their money through tried-and-true, secure methods. Fewer people invest their money in debentures and the commodity market, whereas more people invest in mutual funds than the stock market.

Investment preferences fluctuate when investors' income and education levels change, according to Bhatt and Bhatt's (2012) examination of investor behaviour among various investor groups based on occupation and educational attainment. The report also indicated that bank deposits are the most popular across all groups of investors since they are less hazardous.

Objectives:

1. To analyse the impact of demographic factors on their investment awareness levels.
2. To understand the relationship between their investment objectives and choice of investment avenues.
3. To study the reasons that influences their preference for an investment.

Hypotheses:

1. There is no relation between demographic factors and investment awareness levels.
2. There is no relation between investment objectives and their choice of investment avenues.
3. There is no relation between investment awareness levels and preferences.

Research methodology:

- * **Primary data:** A questionnaire will be used to collect primary data through survey method.
- * **Secondary Data:** Secondary data was collected from books, journals, websites etc.

The descriptive method used in the present study.

Data collection:

The survey approach was used to gather the primary data. Closed-ended questions were made into a structured questionnaire. The demographics of the respondents as a whole, their knowledge of a few financial instruments, their preferences, their risk tolerance, the goal and maturity of the investment, sources of information about financial products available to investors, as well as obstacles influencing investment decisions.

Sampling:

Non-probability convenience (snowball) sampling was used and 120 respondents belonging to teaching fraternity were chosen for the present study.

Data analysis and findings:

Freidman Chi square test is applied for testing the hypothesis. Cronbach alpha was used for coefficient of reliability. A survey was undertaken through a questionnaire that had two parts Part I demographic details which included name, gender, location, age group, level of education, occupation, and annual income, and Part II had nine core questions as well as supplementary, descriptive questions. The survey results are of the data collected from 120 respondents.

Demographic factors:

Characteristic		Frequency	%
Present Designation:	Assistant Professor	68	56.7
	Associate Professor	34	28.3
	Lecturer	12	10.0
	Professor	6	5.0
	Total	120	100.0
Type of institution:	Aided College	16	13.3
	Government College	10	8.3
	Self-Financing College	78	65.0
	University	16	13.3
	Total	120	100.0
Age:	Up to 30 years	10	8.3
	31 - 40 years	52	43.3

	41 - 50 years	46	38.3
	51 - 60 years	12	10.0
	Total	120	100.0
Gender:	Female	72	60.0
	Male	48	40.0
	Total	120	100.0
Educational qualification:	PG with M.Phil	2	1.7
	PG with NET /SLET/ CSIR	8	6.7
	Ph.D	52	43.3
	Ph.D pursuing	38	31.7
	Post Graduate	20	16.7
	Total	120	100.0
Years of work Experience:	5 years or less	14	11.7
	6-10 years	16	13.3
	11-15 years	34	28.3
	16 -20 years	32	26.7
	Above 20 years	24	20.0
	Total	120	100.0
Marital Status:	Married	106	88.3
	Unmarried	14	11.7
	Total	120	100.0

The table above shows the demographic details of the respondents 5 per cent are professors and 56.7 are assistant professors. Only 8.3 per cent of respondents are working in government colleges and 65 per cent are working in self-financing colleges Only 8.3 per cent are below 30years whereas 43.3 are between 31 and 40 years . 40 per cent are male and 60 per cent are female .1. 7 per cent are post graduates with MPhil whereas 43.3 per cent have PhD degree. 11.7 per cent have less than five years' experience and 28.3 have 11 to 15 years of experience, 11.7 per cent are unmarried and 88. 2 per cent are married.

Characteristic		Frequency	%
Number of dependents:	NA	6	5.0
	2 - 4 persons	108	90.0
	5 - 7 persons	6	5.0
	Total	120	100.0
Monthly Income:	Below Rs.20,000	10	8.3
	Rs.20000 to Rs.30,000	34	28.3
	Rs.30000 to Rs.40,000	18	15.0
	Above 40,000 Rs	58	48.3

	Total	120	100.0
Monthly expenses:	Below Rs.10,000	6	5.0
	Rs.10,000 to Rs. 15,000	24	20.0
	Rs.15,000 to Rs. 20,000	12	10.0
	Rs.20,000 to Rs. 25,000	12	10.0
	Above 25,000 Rs	66	55.0
	Total	120	100.0

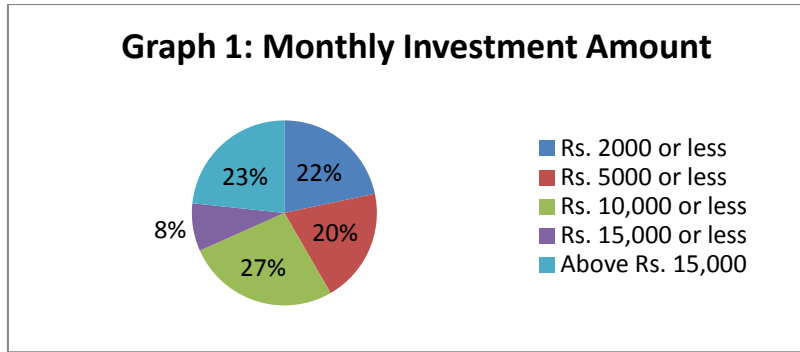
The table above shows 5 per cent have no dependents and another 5 per cent have more than five dependents, 90 per cent have two - four dependents. 8.3 per cent have below 20,000 income and 48.3 have above 40,000, 6 per cent have less than 10000 per month expenses whereas 55 percent have more than 25,000 rupees expense.

Table 3: Other Sources of Income			
	No	Yes	Total
Income of spouse	64	56	120
Income from children	116	4	120
Agriculture income	111	9	120
Income from parents	114	6	120
Income from other sources	89	31	120
None of the above	86	34	120

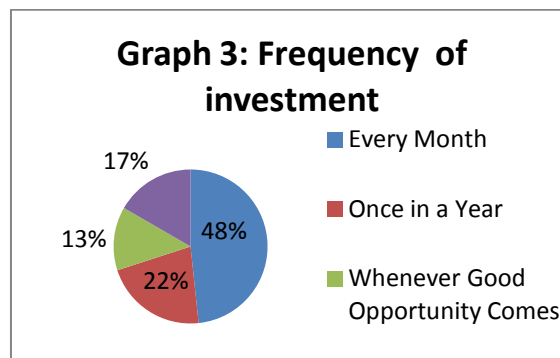
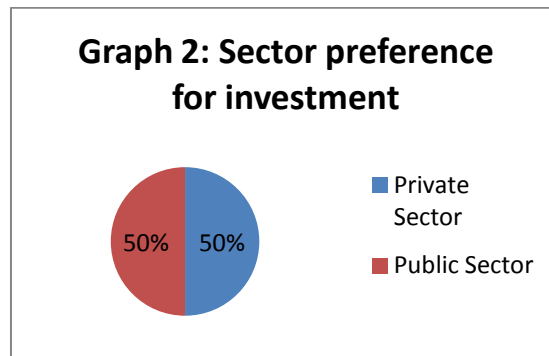
The table above shows that 56 respondents get income from their spouses and 4 respondents get income from their children.

Table 4: Investment Objectives			
	No	Yes	Total
Additional income	101	19	120
Meeting emergencies	73	47	120
Children educational needs	63	57	120
Tax savings	86	34	120
Capital appreciation	103	17	120
Long term wealth accumulation	70	50	120
Retirement planning	82	38	120
Short term gain	110	10	120
Overcome inflationary pressures	110	10	120

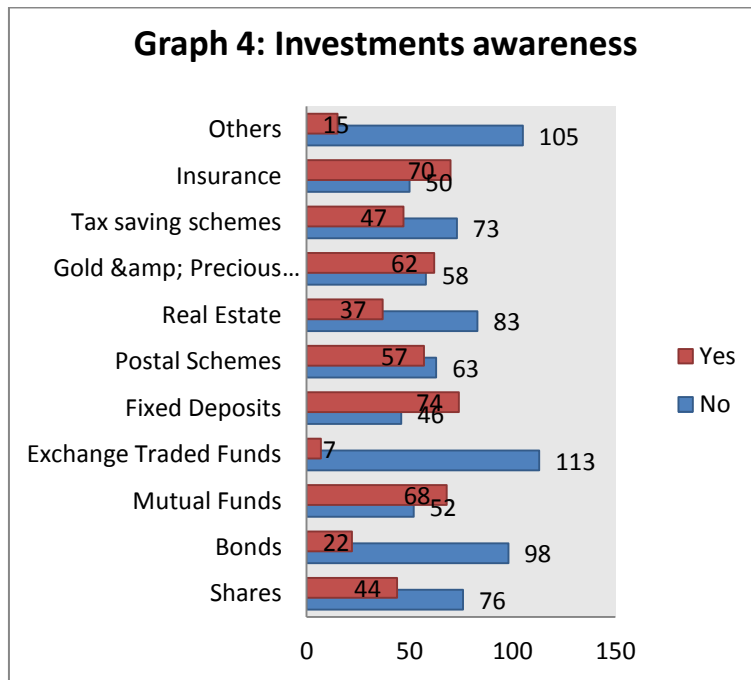
The table above shows 10 respondents each is for short term gains and to overcome inflationary pressures whereas 57 respondents have children's educational needs as investment objectives.



The Graph 1 above shows 8 per cent invest have less than 15,000 monthly income and 27 per cent more than 15,000 per month.



Graph 2 above shows the respondents want to invest equally in both private and public sector. Graph 3 above shows 13 per cent want to invest whenever a good opportunity comes and 48 per cent want to invest every month.



The graph above shows only 7 of the respondents have awareness about exchanged traded funds and 74 of them have awareness about fixed deposits.

Table 5: Sources of gaining Investment Knowledge

	No	Yes	Total
News papers	65	55	120
Television	91	29	120
Radio	118	2	120
Friends and colleagues	60	60	120
Relatives	93	27	120
Investment consultants	92	28	120
Brokers and agents	106	14	120
Magazine/journals	92	28	120
Expert opinions	82	38	120
Social media	78	42	120

From the table above only 2 of the respondents have gained knowledge from radio, whereas 60 respondents have gained knowledge from friends and colleagues.

Types of Investments you are aware	Present Designation		
	Chi-Square	df	P Value
Shares	2.719 ^a	3	.437
Bonds	8.028 ^a	3	.045
Mutual funds	13.319 ^a	3	.004
Exchange traded funds	7.023 ^a	3	.071

Fixed deposits	4.288 ^a	3	.232
Postal schemes	1.881 ^a	3	.597
Real estate	.154 ^a	3	.985
Gold and precious metals	7.247 ^a	3	.064
Tax saving schemes	7.462 ^a	3	.059
Insurance	5.546 ^a	3	.136
Others	19.204 ^a	3	.000

Inference (p value less than 0.05 is significant and otherwise, it is insignificant)

1. Present designation of respondents is the significant factor for awareness of investments in bonds, mutual funds and other financial instruments.
2. Awareness of investments in shares, exchange traded funds etc. is not significantly related with present designation.

Types of Investments you are aware	Type of Institution		
	Chi-Square	df	P Value
Shares	7.127 ^a	3	.068
Bonds	8.982 ^a	3	.030
Mutual funds	9.722 ^a	3	.021
Exchange traded funds	6.541 ^a	3	.088
Fixed deposits	2.191 ^a	3	.534
Postal schemes	4.613 ^a	3	.202
Real estate	5.570 ^a	3	.135
Gold and precious metals	12.763 ^a	3	.005
Tax saving schemes	5.862 ^a	3	.119
Insurance	4.710 ^a	3	.194
Others	6.183 ^a	3	.103

Inference

1. Awareness of investments in bonds, mutual funds and gold and precious metals are significantly related with Type of Institution that respondents work.
2. Awareness of investments in shares, exchange traded funds etc. are not significantly related with type of institution that respondents work.

Types of Investments you are aware	Age of Respondents		
	Chi-Square	df	P Value
Shares	1.803 ^a	3	.614
Bonds	4.861 ^a	3	.182

Mutual funds	2.835 ^a	3	.418
Exchange traded funds	11.958 ^a	3	.008
Fixed deposits	2.755 ^a	3	.431
Postal schemes	9.487 ^a	3	.023
Real estate	14.831 ^a	3	.002
Gold and precious metals	14.308 ^a	3	.003
Tax saving schemes	11.211 ^a	3	.011
Insurance	12.070 ^a	3	.007
Others	8.115 ^a	3	.044

Inference

1. Awareness of investments in exchange traded funds, postal schemes, real estate, gold and precious metals , tax saving schemes, insurance and others are significantly related with age of respondents.
2. Awareness of investments in shares, bonds, mutual funds, etc. are not significantly related with Age of Respondent.

Table 9		Gender of Respondents		
Types of Investments you are aware	Chi-Square	df	P Value	
Shares	.383 ^a	1	.536	
Bonds	5.343 ^a	1	.021	
Mutual funds	1.448 ^a	1	.229	
Exchange traded funds	4.956 ^a	1	.026	
Fixed deposits	8.484 ^a	1	.004	
Postal schemes	10.783 ^a	1	.001	
Real estate	.528 ^a	1	.468	
Gold and precious metals	6.429 ^a	1	.011	
Tax saving schemes	4.902 ^a	1	.027	
Insurance	3.571 ^a	1	.059	
Others	1.270 ^a	1	.260	

Inference

1. Awareness of Investments in bonds, fixed deposits, postal schemes, gold and precious metals , Tax Saving Schemes are significantly related with Gender of Respondents.
2. Awareness of Investments in Shares,, Mutual Funds, etc are not significantly related with Gender of Respondent.

Table 10		Educational Qualification		
Types of Investments you are aware	Chi-Square	df	P Value	
Shares	12.597 ^a	4	.013	

Bonds	11.746 ^a	4	.019
Mutual funds	9.651 ^a	4	.047
Exchange traded funds	1.274 ^a	4	.866
Fixed deposits	13.855 ^a	4	.008
Postal schemes	5.928 ^a	4	.205
Real estate	13.744 ^a	4	.008
Gold and precious metals	1.974 ^a	4	.741
Tax saving schemes	17.949 ^a	4	.001
Insurance	8.316 ^a	4	.081
Others	1.722 ^a	4	.787

Inference

1. Awareness of investments in shares, bonds, mutual funds, fixed deposits, real estate and tax saving schemes are significantly related with educational qualification of respondents.
2. Awareness of investments in exchange traded funds, postal schemes, etc. are not significantly related with Educational qualification of respondent.

Types of Investments you are aware	Years of Experience		
	Chi-Square	df	P Value
Shares	1.360 ^a	4	.851
Bonds	4.911 ^a	4	.297
Mutual funds	1.233 ^a	4	.873
Exchange traded funds	4.569 ^a	4	.334
Fixed deposits	5.617 ^a	4	.230
Postal schemes	4.378 ^a	4	.357
Real estate	5.098 ^a	4	.277
Gold and precious metals	10.734 ^a	4	.030
Tax saving schemes	19.673 ^a	4	.001
Insurance	9.912 ^a	4	.042
Others	5.884 ^a	4	.208

Inference

1. Awareness of investments in gold and precious metals, tax saving schemes and insurance are significantly related with years of experience of Respondents.
2. Awareness of investments in shares, bonds, mutual funds, exchange traded funds; postal schemes, etc. are not significantly related with years of experience of respondent.

Table 12	Marital Status
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Types of Investments you are aware	Chi-Square	df	P Value
Shares	.262 ^a	1	.609
Bonds	.173 ^a	1	.677
Mutual funds	1.406 ^a	1	.236
Exchange traded funds	.982 ^a	1	.322
Fixed deposits	.639 ^a	1	.424
Postal schemes	2.277 ^a	1	.131
Real estate	.038 ^a	1	.845
Gold and precious metals	.190 ^a	1	.663
Tax saving schemes	.747 ^a	1	.388
Insurance	12.652 ^a	1	.000
Others	3.743 ^a	1	.053

Inference

1. Awareness of investments in insurance significantly related with marital status of respondents.
2. Awareness of investments in shares, bonds, mutual funds, exchange traded funds; postal schemes, etc. are not significantly related with marital status of respondent.

Table 13		Number of Dependents		
Types of Investments you are aware	Chi-Square	df	P Value	
Shares	3.732 ^a	2	.155	
Bonds	2.993 ^a	2	.224	
Mutual funds	5.973 ^a	2	.050	
Exchange traded funds	.826 ^a	2	.662	
Fixed deposits	5.781 ^a	2	.056	
Postal schemes	1.073 ^a	2	.585	
Real estate	.039 ^a	2	.981	
Gold and precious metals	1.350 ^a	2	.509	
Tax saving schemes	4.232 ^a	2	.121	
Insurance	10.895 ^a	2	.004	
Others	17.481 ^a	2	.000	

Inference

1. Awareness of investments in mutual funds, insurance and other financial instruments are significantly related with Number of dependents of Respondents.
2. Awareness of Investments in shares, bonds, exchange traded funds; postal schemes, etc are not significantly related with number of dependents of Respondent.

Table 14	Monthly Income		
Types of Investments you are aware	Chi-Square	df	P Value
Shares	5.171 ^a	3	.160
Bonds	11.521 ^a	3	.009
Mutual funds	2.088 ^a	3	.554
Exchange traded funds	5.493 ^a	3	.139
Fixed deposits	4.160 ^a	3	.245
Postal schemes	3.155 ^a	3	.368
Real estate	1.436 ^a	3	.697
Gold and precious metals	3.008 ^a	3	.390
Tax saving schemes	13.162 ^a	3	.004
Insurance	4.789 ^a	3	.188
Others	11.556 ^a	3	.009

Inference

1. Awareness of investments in bonds, tax saving schemes and other financial instruments are significantly related with monthly income of respondents.
2. Awareness of investments in shares, exchange traded funds; postal schemes, etc are not significantly related with monthly income of respondent.

Findings of the study

Demography details such as age, gender, marital status, number of dependents designation, education, and experience have an impact on the investment avenues. Therefore it can be concluded that H1 is accepted.

The saving objectives of the respondents were towards educational needs of children, long term accumulation of wealth and meeting emergencies. The respondents have chosen gold, mutual funds, and bank fixed deposits as investment vehicles. This suggests that they had a preference for conventional investment strategies. Profit is the first goal while selecting investing options, followed by safety and rapid earning. Therefore it can be concluded that H2 is accepted.

The majority of respondents like a "low risk/low return trade off level," hence bank fixed deposits are their preferred option. The respondents are aware of financial terms, mechanism and aspects of investments. When choosing an investment, investors should evaluate their risk tolerance and ability to hold onto a particular investment by comparing the returns of several investment options. Thus H3 is accepted.

Limitation of the study:

For the present study the sample population is drawn only from teaching fraternity of Hyderabad City.

Suggestions for further study:

Similar kind of study can be conducted for teaching fraternity in the rural areas. The study can be extended to teachers who are teaching at various levels.

Conclusion:

It is clear from the study that the majority of respondents from teaching fraternity of Hyderabad city are aware of the several investment opportunities. There are many factors which directly or indirectly, influence the individual investment decisions. The factors chosen for the analysis are capital appreciation, tax benefit, expected return, liquidity, risk minimization, financial security. The study attempts to find out influences of demographical profile on the factors influencing investment decision. The results proved that factors of selection of investment varies according to gender, age, occupation, usage of internet, level of computer knowledge, usage of online trading.

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