Chapter – 5

Findings and Conclusions

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5.1 Introduction:

This chapter is an attempt to study the findings and conclusion of the research work done in previous chapters. The findings and conclusion drawn are completely based on the data collected for this research work only. The findings and suggestion placed in this will prove beneficial for long run if the due attention is given to them.

For the present study both primary and secondary sources of information are used. The information obtained is then separated and analysed on the basis of various profiles and grounds in order to reach maximum possible micro level. Socio-economic parameters like nature of job, gender, annual income are considered for minute analysis. Conclusions are based on various analytical tools. The stated conclusions provided the base on which researcher come in a position to meet the object of the study.

As per the report published by RBI in 2013, only 34% of Indian population has basic banking access which boldly reflects the current financial environment and required scope of improvement. The object of the present study is to examine degree of investment awareness among college teachers, as they can play instrumental role in the task of spreading financial awareness among college students the next earners of the nation. Their current investment patterns, scope for improvements, probable hurdles in improvements and ways to solve these issues.

The investment options have wide range of variation. Still the traditional and conservative outlook has overshadowed modern financial products. Lack of required investment awareness and high complexities of modern investment avenues are basic problems in this path. Despite of some remarkable measures taken by prominent players like government authorities, RBI, Commercial and Private Banks, huge unattended portion of society remain out of the circle. It emphasized on urgent and effective large scale arrangement of nationwide programme. In this way the core issue of the research topic signifies that an adoption of financial awareness programme is the need of hour.
5.2 Findings of the study:

A questionnaire is designed to evaluate the degree of investment awareness among the college teachers and the work of evolution has been done on the basis of responses gathered from the stakeholders. The work of data analysis is done with the help of computer software Microsoft Excel. The process of data collection was covered in an year from 500 respondents of Latur district out of them 432 have registered their responses. The demographic data has been sorted on the basis of their age, gender, income, nature of job. Following are the findings observed by researcher.

1] A range of age variation is recorded as per the response of stakeholders. As per the collected data there are 172 respondents between 20 to 30 years, 138 respondents are between 31 to 40 years, 93 teachers are in between 41-50 years and 29 respondents are above 50 years. The data reveals that there are more people from the age group of 21 to 30 years.

2] According to research it has been found that 66% of the respondents are male and 34% are female teachers. It shows that there are majority of male teachers in Latur district.

3] Out of total respondents covered in the study 203 (47%) teachers are working as full time teachers i.e. granted segment with high potential of investment. On the other hand 149(34%) are working on contract basis. Being limited income possibilities their investment possibilities also get minimized.

4] Income level plays a vital role in the investment behaviour of the respondents. The collected data shows that majority of the respondents (150) falls under the income range of 1 to 5 lakhs per annum on the other hand only 55 (12%) of them could earn more ten lakhs par annum.

5] Securing future of the children is the prime object behind majority (38%) of the respondents which is followed by planning for retirement by 24% of the respondents. It indicates that earning excess money is not
an object but arrangements for better tomorrow is main concern of the respondents.

6] Traditional and so called orthodox mentality is still upholding the investment behaviour of the respondents. Bank (28%), Gold (20%) and Real estate (23%) are the most preferred options as investment vehicles.

7] Over confidence on own decisions or blindly following the method adopted by friends and relatives are commonly found error about investment decision among the teachers. 32% of them stated that they never consult with others before investment and 24% blindly follow friends’ investment pattern. Only 28% use to consult with financial consultant for their investment.

8] Sense of security is the essence behind every investment irrespective of the degree of risk involved in it. The purpose is not served if the investor is not satisfied for the investment done. Only 18% of the respondents have stated that they are completely satisfied about the investment they have made. It indicates the intense need of investment education for the stakeholders for a society as whole.

9] Inefficiency to exploit available resources and/or under utilization of information source are basic causes behind poor performance of financial literacy campaign. Development of information and technology has paved many ways to deal the issue of such ignorance. Many business news channels telecast investment related programmes but can’t attend so called TRP as like other T.V. shows.

10] India has a legacy of traditional family and modern values. Age old HUF system has directed our social and economic behaviour. We learn vary basic things form our elders and follow their style. But unfortunately very few of us could get elders guidance about investment. We have discussed that investment decisions are mainly taken without involvement of others kept the next generation untrained in this field.
Our current education system has not paid due attention for financial literacy of the students. Inclusion of financial awareness content in academic syllabus is very rarely found in our country.

Easy access for modern financial product is not available still. Despite the rapid growth of modern means of communication and transmission of information, majority of the investor remain away from the modern investment avenues. They have both potential and willingness to invest in modern financial products like shares and Mutual funds. 60% of the respondents still find such dealings difficult and remain adamant for the same.

Majority of the respondents (87%) agreed on the point that financial education is necessary to all students and it is not a need of commerce student alone. It once again strengthens the researcher’s ideology about urgent need of implementation of financial education programme for a society at large.

There are various factors which disturbs the investment planning of an individual.

Family responsibilities and standard of living are two broad and basic litmus tests for investment decisions. Other factors with high potential to affect investment are inflation, medical expenses and tax structure. Surprisingly three of them can be smartly deal with smart investment decision but current investment trend of teachers make them helpless. 30% of them have stated that inflation affect their investment where as 24% of them rated medical expenses as a hurdle for investment.

Investment is still a random activity followed without any analysis and critical evaluation. When the respondents were asked a question in this relation only 19% of them have accepted that they use to check the effect of new investment made on existing investment avenues. It is quite expected form such learned segment of the society. 34% of the
respondents have stated that some time they check an effect caused by new investment on existing one.

5.3 Conclusion of the study:

The present research work is started keeping some objects and assumptions in mind. These objects and assumptions directed researcher to frame general conclusions after detail data analysis. The urgent need of financial education is once again reflected by the responses of the stakeholders. Degree of investment awareness of college teachers is strategically important having long run impact on the economy. The impact of age old investment practices like investment in gold or real estate are still working as a prominent factors in the minds of respondents. Modern investment vehicles like shares and mutual funds are opted on rarely basis. Bank Fixed Deposit is still most preferred form of majority of the respondents and majority of the respondents feel that procedure for modern investment option is complicated in nature.

During the course of research about the study of degree of investment awareness and behavioural pattern of college teachers some interesting and noticeable conclusions are constituted. Following are some of the conclusions.

1) Majority of the respondent stated that the prime object behind their investment is securing future for children, which was followed by planning for retirement and arrangement for unforeseen event.

2) Among the various investment vehicles Bank FD is most commonly adopted option indicate strongly the importance of banking sector in the Indian investment environment.

3) Most of the respondents conveyed that they never use to consult with any one while taking investment decision and decide the same on their own.

Surprisingly for the response of another question many of them frankly agreed that they rarely go in detail of the new investment options which strongly emphasized the urgent need of financial literacy and awareness.
4] The degree of satisfaction regarding own investment is not completely seen among majority of the respondents. Very less proportion of them are completely satisfied for their existing investments and huge segment of respondent is partly satisfied about own investment.

5] Less than fifty percent of respondents use to watch investment related programme where as most of them accepted that they could watch it very few time. This represented the Indian physiology and degree of interest and seriousness about such an important concern.

6] Comparatively very less respondents deal in shares and Mutual Funds as investment vehicles where as investment in gold attracts major part of investors. Many of the respondents stated that investment in shares and mutual funds requires expertise and it is quite complicated. In fact many of the respondents can’t even frame their own opinion on the complexity of the investment in shares.

7] Fifty percentage of the respondents express the need of availability of investment information in mother tongue in order to convey exact information and ease in understanding the financial products.

8] Almost all respondents unanimously urged the need of financial education to all faculty students and majority of them showed their readiness to impart investment education to their students if they receive proper training.

9] Medical expenses, is the primary factor which majorly affects the investment decision but on the contrary very less respondents had opted health/ medical insurance. Majority of them have life insurance cover but they don’t have any arrangement for their unexpected medical expenses.

10] Most of the respondents started their investment between 25-30 years and spend to maintain standard of living, occasionally visiting shopping mall.
11] Investment and provision for contingency are not separate in most cases and stated that medical expenses, tax structure and inflation disturb their investment plans very often.

12] Investment is not a purposeful and planned activity for most of the respondents as very few of them prepare plan for next year’s investment. Five years is the maximum ideal duration for most of them which is really a short period for fruitful investment.

13] Conservative approach regarding money makes most of the respondents too much cautious and keeps them away from advanced financial products and nurture traditional low risk low profit approach which in turn hinders high capital formation process of nation. Remarkably very less number of respondents are ready to take calculated risks for greater benefits.

14] Modification and updating the current investment is done by very less number of respondents and majority of them remain stick to their traditional approach where safety is primary expectation followed by which is high profit expectations.

15] Authorized channel of investment are adopted by most of them still there are some respondents who never study the effect of new investment on existing investment. Many of them modestly accepted that very little time they have gone through the minute details of the investment options and verify the hidden costs. Nearly 50% of them never checked the suitability of investment with their investment goals.

16] A large segment is still away from internet banking where as majority of them is having internet connectivity. Uninterrupted internet availability can be utilized to improve the financial literacy. About one third of the respondents are still unaware about the SEBI and its functions which is quite challenging situation.
17] A huge portion of the respondents are unable to express their views on safe and profitable investment and majority of them agreed that investment in gold attracts them.

18] Portfolio management is a new concept used in smart investment allocation which needs to be adopted on large scale. 34% of the respondents adopted traditional and 14% adopted modern investment vehicles to park their investment and both are completely extreme in nature.

5.4 **Suggestions of the study:**

The analysis of the collected data has helped the researcher to build concrete conclusions about the investment awareness of college teachers in Latur District. The conclusions are completely based on primary and secondary data collected during the research work. On the basis of the general and specific conclusions researcher is able to frame some suggestions which are as follows –

1] Every educational institution imparting U.G. and P.G. level education needs to constitute a Financial Training cell within its fold where participation of student is also sought and various related activities are to be arranged to develop investment skill of teachers and students.

2] Expertise, SEBI’s resource persons, financial consultants, bankers, and brokers can be invited to incorporate MOU with above resource persons to update the investment knowledge of students and teachers.

3] Traditional and high safety on the cost of less profitability approach need to be changed by purposeful counselling and efforts in order to diversify the flow of investment towards productive investment like shares, mutual funds should be done.

4] Appropriate and assured retirement plan for every stake holder should be provided at very early stage of employment irrespective of the nature of job. It will certainly make an investor assured about the retirement
and ready to adopt more risky but profitable investment opportunities. As it seems to be the major concern and reason behind the investment. It will help to strengthen the capital formation possibility in nation.

5] Maximum arrangement should be done in the direction of investment guidance by SEBI and other financial institutions to generate the financial awareness in colleges rather society at whole.

6] Co-curriculum activities like NSS, Environmental studies and other institutional social responsibility programmes should be incorporated with financial literacy programmes.

7] An attempt to imbibe the importance of investment among the students must be made by arranging interactive talk shows between students, teachers and related eminent personalities from the fields of investment markets.

8] Investment information must be provided in mother tongue and in simpler form in order to obtain desired result. Mare a plethora can’t prove beneficial. Realistic and practical illustration should be provided in an attractive manner to achieve maximum financial awareness.

9] Compulsory medical and life insurance scheme should be provided to every employee. As proper insurance cover and secure future even after retirement can definitely prepare an investor to take calculated risk and adopt new forms of investment like shares and Mutual Funds.

10] Ability to judge suitability of investment option, evaluating the risk return proportion should be inculcated among young investors which constitute the objective of financial awareness.

11] It is very oblivious that well aware and visionary teachers can only transform the financial awareness to the students which is the only channel to nurture our future generation for a bright financial future.

12] It is found that majority of investors take the investment decision on their own without consulting any other person. The government and related institution like SEBI, IRDA, and RBI should provide free online
consultancy, investment calculator like that of Policy Bazaar, mobile application to encourage potential investors.

13] Portfolio Management skills should be incorporated in the study for commerce students and online trading in securities modules should be used as assignments.

15] Real experiences of investors following smart investment techniques need to be collected in soft form to transmit the same to encourage other prominent investors with the help of modern means of information and technology tools.

16] Smart mobiles and high internet access can be utilized to spread simple investment tips like simple what’s app massage, face book and other social networking sites

17] The Mock drill technique or case study method can be used as a training to subscribe modern financial products because majority of the respondents have stated that the procedure for the same is complicated and need expertise.

18] Every college should gather important news articles, RBI publications, published interviews in library for the reference which can be utilized to guide future investment decisions.

19] Clippings of interviews of prominent resource persons telecasted earlier can be complied through software like you tube which can be used as important information source.

20] Colleges can arrange group discussion based on practical investment experiences, possible smart investment techniques, do’s and don’ts of investment along with the participation of teachers, resource persons and students.

21] College can arrange investment evaluation camp as like medical checkup camp after specific intervals in order to assess the effectiveness of investment done by teachers in the context of updated investment environment.
Modern investment options should be elaborated with simple language with the help of posters, brochures on the occasion of annual assembly to spread the massage among huge stakeholders.

Along with theoretical knowledge, practical experience of subscribing various investment avenues should be provided to the students and advanced training of which should be provided to the teachers.

The concept of decentralization should imbibe in the minds of teachers and all investors as majority of them have concentrated on one specific type of investment options. The rule ‘Don’t keep all your eggs in one basket’ must be inculcated among college teachers and new investors in case of investment selections.

We have been teaching to save more and spend in accordance with income and necessities. Though we are good savers but fail to take smart investment decisions. This condition has bilateral effects. One individual saving is short to attract good returns and cannot earn better reward. Other effect is the process of capital formation get slower down as saving can be withdrawn with short notice.

No risk no profit rule can’t be ignored while taking investment decision. As majority of the respondents expect high returns and high security at once which is rarely possible. The degree of risk acceptance of college teachers and common. Investor should be improved by purposeful efforts and shift their investment flow from non productive to productive or from traditional to modern investment Products.

Borrowing and spending habits of an individual also hampers investment possibilities. In response of one question respondents have accepted that they frequently visit shopping centres and malls and have to spend specifically to maintain standard of living. Effective counselling is required to seek improvisation in investment.
Borrowing habits of the college teachers is quite satisfactory as majority of them have stated that they approach bank for their borrowing which is a good sign and reflects fair financial behaviour which needs to be maintained.

Insurance protection is of almost important factor for every income earner specifically head of the family. A future of whole family is completely dependent on him and any mis happening may ruin financial future of the dependents. Therefore inbuilt insurance arrangement should be incorporated with salary arrangements irrespective of nature of job.

Government should frame restrictive policies on gold purchase and set maximum purchase limit. Restriction on cash purchase of gold will definitely bring improvement in the traditional investment pattern. Major portion of investment is dumped into gold purchases which is a non productive form of investment. If such measures are taken, considerable amount of foreign currency can be saved on the other hand selection of other investment options will boost the market.

5.5 Scope for Future Research

This study is microscopic in nature with limited geographical as well as operational area. Being related with one district i.e. Latur the results of the study are also small in nature. Following points must be considered for future study.

1) The same study can be extended up to national level. As the investment behaviour of college teachers at national level may present broader views and a comprehensive sketch of degree of financial awareness among college teachers.

2) Specific professionals like doctors, Lawyers, Elite corporate employees etc. can be selected for studying their investment behaviour separately or in comparison.
3) A nation wide study is helpful to compare state of investment awareness of other nations and steps taken by them in order to obtain improvement for the same.

4) All round financial growth and object of social security can’t be achieved without adequate financial and investment awareness which once again underline the need of financial literacy programme at national level.

5) As a higher concentrated efforts and for microscopic nature schools teachers’ investment aptitude can also be studied which possess a potential of other research topic which may serve a prepose of deep investigation.

6) Government efforts regarding social financial welfare can be directed by encouraging such targeted research activity. Government Schemes like Prime Minister Jan Dhan Yojana and Jivan Jyoti Vima Yojana can yield high result with the help of many research activities in such a way.

7) Individuals with higher investment capacity can be purposefully shifted towards productive form of investment which can be delt through specialized research exercise.