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Investment Awareness and Behavioral Perception Towards Selection of Investment Avenues among Teaching Professionals in Andhra Pradesh State

Kesadaran Investasi dan Persepsi Perilaku Terhadap Pemilihan Jalan Investasi di Antara Pengajar Profesional di Negara Bagian Andhra Pradesh

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ABSTRACT

Teachers can save and invest to have a great retirement plan, even though they work in a noble profession with modest pay. This blog will cover risk management, investment plans, and the social aspects of investing. If you're a teacher looking to invest, this guide will help you make the most of your money. This study looks at how teachers save, invest, and make choices. Investment planning, factors influencing investment preferences, the mindset of teaching professionals when choosing an investment avenue, and their desire for their savings to be invested in the safest and most liquid manner are just a few of the many facets of savings and investment behavior and selection. However, each person's choice differs based on their tolerance for risk. Their investment objectives also vary. This research seeks to identify why young professionals are investing more. The current study investigated teaching professionals' investing behavior using a survey. This study examines why teaching professionals invest.

ABSTRAK

Guru dapat menabung dan berinvestasi untuk memiliki rencana pensiun yang baik, meskipun mereka bekerja di profesi yang mulia dengan gaji yang tidak seberapa. Blog ini akan membahas manajemen risiko, rencana investasi, dan aspek sosial dalam berinvestasi. Jika Anda seorang guru yang ingin berinvestasi, panduan ini akan membantu Anda memanfaatkan uang Anda sebaik-baiknya. Studi ini melihat bagaimana guru menabung, berinvestasi, dan membuat pilihan. Perencanaan investasi, faktor-faktor yang memengaruhi preferensi investasi, pola pikir para guru profesional saat memilih jalan investasi, dan keinginan mereka agar tabungan mereka diinvestasikan dengan cara yang paling aman dan likuid hanyalah beberapa dari sekian banyak aspek dari perilaku menabung dan investasi serta pemilihannya. Namun, pilihan setiap orang berbeda berdasarkan toleransi mereka terhadap risiko. Tujuan investasi mereka juga berbeda-beda. Penelitian ini berusaha untuk mengidentifikasi mengapa para profesional muda berinvestasi lebih banyak. Penelitian ini menyelidiki perilaku investasi para profesional pengajar dengan menggunakan survei. Studi ini meneliti mengapa para profesional pengajar berinvestasi.

INFORMASI ARTIKEL

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Introduction

An investment is an asset or object purchased to generate revenue or credit. In economic terms, an investment is the buying of products that are not used today but will be utilized to build value in the future. In finance, an investment is a financial asset purchased with the expectation that it will generate additional income or will be sold at a higher cost price for a profit. Investment is a financial activity engaged with the goal of generating a return. It is the commitment of cash saved from present use to reap future rewards. Thus, it serves as a reward for waiting for money. So, the first step toward investing is saving.

The primary elements driving investment are safety, return, capital growth, risk, liquidity, tax advantages, and convenience. There are several investing possibilities accessible, each with a different risk-reward trade-off. Examples include bank deposits, stocks, mutual funds, post-office savings, insurance, gold, and tangible assets. Understanding the fundamental concepts and doing a thorough study of the available options will assist investors in developing a portfolio that maximizes returns while limiting risk exposure. An investment is the sacrifice of present money or other resources for future advantages, and it can be defined as the net addition to a country's physical stock of capital. In today's financial environment, there are several investment opportunities available.

Literature Review

According to the literature, several scholars have conducted extensive research on investors' investing awareness and behavioral perception. It was stated that numerous psychosocial elements influence people, such as education, information, awareness, and responsibility.

The primary goal of this study is to assess how different factors influence investing decisions and risk preferences (Jadhav et al., 2023). The goal of this research is to better understand the saving and investing habits of IT professionals (Shaik et al., 2022).

In this study, the researcher investigates the factors that influence and drive investing, the investment channels available to various groups of people, and the consequences of pandemics on investor decisions (Mehta Senior & Vijayakumar, 2021). The goal of this research is to examine the mediation effect of psychological biases, specifically financial risk tolerance (FRT) and financial overconfidence, on the relationship between individual investors' personality traits and their investment performance (perceived) in the context of a developing financial market, such as Indian Capital Markets (Akhtar & Das, 2020).

Das & Rajesh (2020) did a study on the pattern of savings among female investors and concluded that, while several schemes are available for investment, the majority prefer to participate in traditional avenues. Investors choose investment alternatives based on their knowledge of various investment channels, risk tolerance, and investment objectives. The material reviewed above demonstrates the major influence on investors' views of diverse investment opportunities (Selvan & G., 2021). His study attempts to identify flaws in investors' perceptions of various investment opportunities in Tamil Nadu.

This study investigates the motivations for savings, awareness level, investing pattern, and conduct of investors in Delhi (Bansal & Hassan, 2019). Ushalakshmi & Selvavinayagam (2019) investigate the investment behavior of college teachers in government and private colleges in the Harapuri District. Researchers discovered that as salaried college teachers in both government and private colleges, they prioritize safety while investing.

This study examines the impact of risk perception, socioeconomic surroundings, return perception, venality degree, revolution in investment plans, and knowledge of investor behavior on mutual funds (Abbas et al., 2019). This study focuses on FL and its relationship with financial instruments and financial activities (Gupta et al., 2018).

Pandey & Kathavarayan (2017) conducted a study on the saving and investing habits of college staff members in the Puducherry region. This study looks at how investors prefer shares, debentures, mutual funds, bank deposits, and life insurance, among others. This study looks into how demographic characteristics and investing goals influence the investment strategies that individual investors pick (Chaurasia, 2017). A structured questionnaire was employed in this survey approach.

Goel & Khatik (2017) investigated investors' awareness of mutual fund investing in India. They observed that while the majority of respondents were aware of mutual funds, they had not invested in them due to a lack of comprehensive knowledge about them. Researchers performed research to better understand the saving and investing habits of Bengaluru's teaching professionals (Anju & Anuradha, 2017).

Manek (2017) performed a study on the investment behaviour of Rajkot City professionals. According to the researcher, investors were supposed to make a high return while remaining risk-averse. Mishra & Mishra (2016), in their article titled "Financial Risk Tolerance among Indian Investors: A Multiple Discriminate Modeling of Determinants," used the individual

value of materialism to investigate risk tolerance among employees at a reputable higher education institute in Bhubaneshwar, Odisha, India. However, this study ignores the investors' occupation and education level, which influence their investing decisions and risk tolerance levels. These two are the most significant factors.

Raut & Das (2015), in their study on Behavioral Prospects of Individual Decision Making, highlight common decisional errors made by investors and portfolio managers. They determined that emotional contagion, imitation, information cascades, psychological patterns such as representativeness availability, and anchoring heuristics all influence individual investing decisions. Debbich (2015) investigates whether financial advice from financial product providers may take the place of customer financial literacy.

The majority of participants in the study are putting money aside for bank deposits as a safeguard against an uncertain future (Sathiyamoorthy et al., 2015). Aren & Dinç Aydemir (2014) to sum up, a significant amount of research has looked at how people's financial literacy affects their ability to make financial decisions. The study investigates the savings and investment habits of school teachers in Rajkot (Virani, 2013).

Van Rooij et al. (2012) this research aimed to ascertain the correlation between the patterns of savings and investments among educators. The researcher in this study identifies no desire to control financial unhappiness with a personal budget (Shahrabani, 2012).

Methodology

Investing in all types of assets is becoming an increasingly popular trend, attracting people from all walks of life, regardless of career, economic status, education, or family history. When a person has more money than he needs for current consumption, he acts like a potential capitalist. Businesses that have made substantial financial gains may desire to spend their profits on expanding their existing business or starting a new one. An investment can be defined as a sacrifice of present cash or other resources in exchange for future benefits, or it can be defined as the net addition to a country's physical stock of capital. In the current monetary market condition, several routes of finance are available. The two most important factors of any investment are time and risk. However, during the time of investment, their emotional inclinations, deep-seated thought patterns, psychological biases, and other factors may influence their investment behavior. The current study focuses on the investment

behavior of all teaching professionals who live in the Guntur and Krishna districts. The study focused on understanding individuals' preferences for investment avenues, the variables influencing their investment decisions, and their level of investment awareness.

Objectives

1. To explore the investing preferences of teaching professionals.

2. To investigate the factors impacting Teaching Professionals.

3. To study the aims to assess the satisfaction level of teaching professionals with financial services provided by investment agencies.

4. To give recommendations for improving investment behavior among teaching professionals.
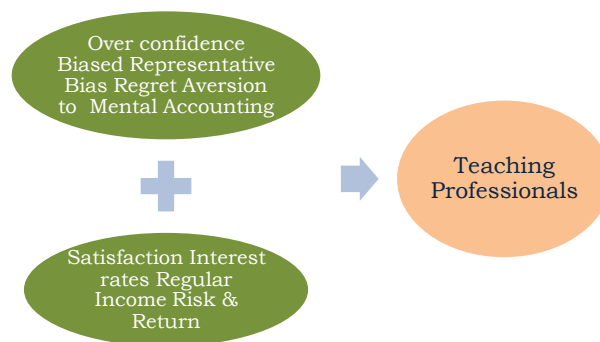
Conceptual framework

Behavioral factors

Figure 1. Conceptual Framework Behavioral Factors

Data Collection

Primary data was collected via a Google form from 100 respondents. The respondents were all teaching professionals who worked at various educational institutions in the Guntur and Krishna districts of Andhra Pradesh. Secondary data is obtained from a variety of sources, including papers, books, journals, records, and websites.

Hypotheses

H0: There is no significant difference between Income and choice of investment avenues.

H1: There is no significant difference between the age and Income level of respondents.

Tools for Analysis

Data from the surveys were collected in MS Excel and then entered into SPSS 20.0 software to produce the necessary results. Other tools used included ANOVA, T-test, Chi-square test, and Correlation Analysis.

Results

The study's findings indicate that among teaching professionals, there was a substantial variation in the factors impacting their investment preferences based on gender. The hypothesis's t-test results are shown in Table 2. From the perspective of managerial decision-making, it was discovered that lower interest rates, tax advantages, and safety and security were the main factors influencing male respondents' investment decisions when it came to accepting the alternative hypothesis and rejecting the null hypothesis. In a similar vein, women favored less costly alternatives over oil-based ones to meet their needs.

Table 1. Different Investment Preferences of Teachers

Investment options	Duration of Investment (Minimum)	Who Can Invest?	Risk	Returns offers
Equity	NA	An investor who understands how to balance risk and return.	High	NA
M F	ELSS schemes typically have a three-year lock-in term.	An investor willing to take on medium to high risk.	Low/High	Market Linked
National Pension Scheme (NPS)	60-Years	An investor planning for retirement.	Low/High	Market linked (8 to 10 %)
Public Provident Fund (PPF)	15-Years	Long-term investment goals	Zero	7.9 %
Bank Fixed Deposits (BFD)	7-Days	Someone who does not want to accept risks or be exposed to equity.	Zero	Fixed returns vary among banks.
Senior Citizen Savings Scheme (SCSS)	5-Years	Senior citizens	Zero	8.7 %
Pradhan Mantri Vaya Vandana Yojana (PMVVY)	10-Years	Senior citizens	Zero	7.4 %
Post Office Monthly Income Scheme (POMIS)	5-Years	Indian citizen	Zero / Low risk	7.7 %

Table 2. T-test results for demographic factors concerning factors impacting teaching professionals' investment

Factors impacting investment options for teaching professionals	Gender	N	mean	sd	t value	p value
Rate of Interest	Male	50	2.61	.495	3.117	.002
	Female	50	2.46	.500		
Return & Risk	Male	50	2.67	.477	1.205	.229
	Female	50	2.62	.488		
Regular Income	Male	50	2.86	.352	6.048	.000
	Female	50	2.63	.509		
Safety & Security	Male	50	2.3	.502	1.613	.107
	Female	50	2.38	.545		
Tax benefits	Male	50	2.38	.499	2.707	.007
	Female	50	2.48	.525		

Source: SPSS 20.0 was used to compute primary data

Table 3. ANOVA Results to Identify the Factors Affecting Teaching Professionals' Investment Behavior

Factors impacting investment options for teaching professionals	Age (years)	N	mean	sd	t value	p value
Rate of Interest	25-35	25	2.00	.000		
	36-45	15	2.50	.707	2.543	0.080
	46-60	10	2.56	.500		
Return & Risk	25-35	40	2.00	.000		
	36-45	25	3.00	.000	4.288	0.014
	46-60	55	2.66	.479		
Regular Income	25-35	55	2.50	.500		
	36-45	40	2.80	.707	13.037	.000
	46-60	36	2.79	.414		
Safety & Security	25-35	23	1.75	.957		
	36-45	33	3.00	.000	4.225	.015
	46-60	22	2.33	.511		
Tax benefits	25-35	44	2.00	.816		
	36-45	31	2.00	1.414	2.023	.133
	46-60	29	2.42	.502		

Source: SPSS 20.0 was used to compute primary data

Table 4. Summary of the Multiple Liner Regression Study Results

Model	R	R Square	Adjusted R square	Std. Error of the estimate
1	.317 a	0.1	0.095	0.978

Model		Sum of squares	df	mean squared	F	Sig.
1	Regression Model	52.752	3	17.584	18.369	.000b
	Residual Value	473.857	490	0.957		
	Total	526.609	491			

Source: SPSS 20.0 was used to compute primary data

a. Dependent Variable: Investment behavior of teaching professionals

b. Predictors: (Constant), Income, Gender, Age

Table 5. The respondents' investment decision (dependent variable) and other independent variables' connection

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Co linearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	9.643	.746		12.928	.000		
	Age	1.310	.234	.241	5.608	.000	0.986	1.015
	Gender	-.244	.093	-.112	-2.618	.009	0.994	1.006
	Income	-202	.060	-.144	-3.353	001	0.988	1.013

Source: SPSS 20.0 was used to compute primary data

Table 3 shows the findings of an ANOVA that looked at age differences and variables impacting investment preferences for educators. It was discovered that those who answered who were older than 35 years old gave various considerations more weight when making decisions. The null hypothesis is thus disproved.

Table 5 Highlights the relationship between the respondents' investment decisions (dependent variable) and various independent variables such as age, income, and gender. Multiple linear regression analysis was performed, which demonstrated that the overall model is significant. It is well established that age, gender, and income all have a substantial impact on investing preferences among teaching professionals.

Findings

1. Teaching employees are generally aware of many financial options, including bank deposits and government security measures.

2. Risk perception is high for stock and mutual funds, but low for bank savings and government securities.

3. Equity and mutual funds are expected to yield higher returns than insurance. They merely bought insurance to protect their lives.

4. According to several respondents, savings are mostly for family security.

5. Savings and investments cover unforeseen medical expenses.

Conclusion

The investment behavior of teaching professionals demonstrates that the majority of respondents have only a small amount of savings. They are also given a higher priority over bank deposits and insurance policies. The primary purpose of investment is profit, with the long-term goal of providing for their family's necessities. Economic conditions are a major element influencing investment decisions. More than half of the respondents chose medium-term investments with moderate risk and moderate returns. The majority of respondents are content with their current returns while also expecting an increase in returns. Respondents obtained information about the investment from family members and acquaintances. So, teach professionals to invest more, which will lead to economic progress.

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