



## **SAVING HABIT AND INVESTMENT AWARENESS AMONG THE RURAL HOUSEHOLD WITH SPECIAL REFERENCE TO NANJUNDAPURAM PANCHAYAT**

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### **ABSTRACT**

*The savings habits and investments awareness by the people vary from person to person and even with same person during two periods due to differ in motives. There are many motives for savings and their investments. However, capital appreciation, regular income, tax planning, diversification and minimization of risks, health and education of family members, performance of ceremonial activities like marriage, birth and death, purchase of fixed and current assets, construction of houses, etc, are the some important motives behind savings and investments in people. This study was analyzed with 120 respondents. Simple percentage method and ranking analyses were used for this study*

### **INTRODUCTION**

One can meet one's short term needs through one's savings but to meet long term goal one need to make investments. The ability to save depends on the level of income. To invest is to allocate money in the expectation of some benefit in the future. Savings in a general public relies upon two components, in particular the capacity to spare and the longing or impact for investment funds.

### **STATEMENT OF THE PROBLEM**

- ✓ Whether the socio-economic background of rural households helps them to save and to invest.
- ✓ Whether the rural households are aware of various saving and investment schemes.
- ✓ What are their sources of income and expenditure.
- ✓ What are the factors determine their investment decision and What kinds of problems are faced by rural households while making investment.

### **OBJECTIVES**

- ✓ To study the socio-economic status of the rural household.

- ✓ To analyse the problems which prevent the rural household from savings and investments.
- ✓ To examine the awareness of rural household towards various savings and investment avenues.

### **RESEARCH METHODOLOGY**

The present study is an empirical one because it is mainly based on primary data. Besides, the secondary data were also collected from related to journals and online sources.

### **PRIMARY DATA AND SECONDARY DATA**

- ✓ In primary data has been collected by using methods of questionnaire.
- ✓ The secondary data was collected from various possible records like books websites.

### **SAMPLING SIZE**

The sample of 120 respondents were chosen for the study.



## AREA OF THE STUDY

The study have been conducted in nanjundapuram panchayat.

## REVIEW OF LITERATURE

**Abhaykumar Gasti (2017)** <sup>1</sup>“Saving and Investment Behaviour of Rural Household: an analytical Study of Households of Dharwad District of Karnataka State” saving and investment are the an integral part of our everyday life and it is hard for one to meet the normal and sudden uses without the best possible measure of saving and their reasonable investments. Almost certainly, there are numerous roads of investments accessible for financial specialists to put their investment funds in the present situation of market yet these roads have focused more on urban territories. In perspective on this, the provincial financial specialists are not approaching to contribute their saving because of absence of information to deal with their investment portfolio to amplify their arrival and to limit hazard.

**Jyoti Mahadeo Patil (2017)**<sup>2</sup> “A Study of Saving and Investment Pattern of Rural inhabitants relating to Postal and Banking Schemes” The saving from the household sector of India contributes a lion’s share to the total saving of the nation and has a major influence on the Indian economy. Saving rate of the household sector of both the rural and urban sectors should be stepped up to boost the saving and thus the Indian economy.

## DATA ANALYSIS AND

### INTERPRETATION

#### SIMPLE PERCENTAGE METHOD

#### WHERE DO YOU INVEST YOUR SAVINGS OF THE RESPONDENTS

S.NO	FACTORS	NO OF RESPONDENTS	PERCENTAGE
1	Fixed deposits	47	40
2	Stocks	28	23
3	Gold/silver	27	22
4	Real estate	18	15
	<b>Total</b>	<b>120</b>	<b>100</b>

## INTERPRETATION

The table shows 40% of the respondents are 47 is invest your savings in fixed deposits and 23% of the respondents are 28 is invest your savings in stocks and 22% of the respondents are 27 is invest

<sup>1</sup> Abhaykumar Gasti “Saving and Investment Behavior of Rural Household: an analytical Study of Households of Dharwad District of Karnataka State”(2017) ISSN: 2454-1362

<sup>2</sup> Jyoti Mahadeo Patil “A Study of Saving and Investment Pattern of Rural inhabitants relating to Postal and Banking Schemes”(2017).

your savings in gold/silver and 15% of the respondents are 18 is invest your savings in real estate.

Majority 40% of the respondents are 47 is invest your savings in fixed deposits.

## RANK ANALYSIS RANKING OF THE INVESTMENT OF RESPONDENTS KNOWLEDGE

S. NO	INVESTMENTS	RANK I	RANK II	RANK III	RANK IV	RANK V	RANK VI	TOTAL SCORE	RANK
1	Companies Shares & Bonds	74(6)	23(5)	12(4)	5(3)	2(2)	5(1)	631	1
2	Mutual Funds	12(6)	52(5)	35(4)	7(3)	7(2)	8(1)	515	2
3	Real Estate	13(6)	26(5)	37(4)	17(3)	15(2)	13(1)	460	4
4	Government Bonds & Securities	17(6)	19(5)	29(4)	21(3)	23(2)	12(1)	484	3
5	Long Term deposits in Banks/Post Office/Financial Institutions	8(6)	30(5)	23(4)	26(3)	25(2)	9(1)	427	6
6	Gold/Silver/Precious Stones and Metals	12(6)	27(5)	26(4)	22(3)	19(2)	15(1)	430	5

## INTERPRETATION

The table shows that the out of 120 respondents, Companies Shares & Bonds in the rank 1, Mutual Funds in the rank 2, Real Estate in the rank 4, Government Bonds & Securities in the rank is 3, Long Term deposits in Banks/Post Office/Financial Institutions in the rank is 6, Gold/Silver/Precious Stones and Metals in the rank is 5

Majority of the respondents have knowledge about Companies Shares & Bonds. So rank 1 is company shares & bonds.

## FINDING, SUGGESTIONS AND CONCLUSION

### FINDINGS

#### SIMPLE PERCENTAGE ANALYSIS

- ✓ Majority 28% of the respondents are 20-25 years and 25-30 years.
- ✓ Majority of 63% of the respondents are 75 male.
- ✓ Majority 46% of the respondents are 55 is have owned house.
- ✓ Majority 38% of the respondents are 46 is own decision makers.



- ✓ Majority 40% of the respondents are 47 is invest your savings in fixed deposits.
- ✓ Majority 50% of the respondents are 60 is aware of bank deposits.
- ✓ Majority 38% of the respondents are 46 is low risk investor.
- ✓ Majority 32% of the respondents are 39 purpose of investment is emergency need.
- ✓ Majority 28% of the respondents are 33 is Lack of awareness of savings and investment.

### RANKING ANALYSIS

- ✓ Majority of the respondents have knowledge about Companies Shares & Bonds. So rank 1 is company shares & bonds.

### SUGGESTIONS

- ✓ As the majority of the respondents are focusing on conventional roads of investment, mindfulness ought to be made towards present day venture roads which help them to show signs of improvement return.
- ✓ As the capacity to save and invest depends mainly on life style, government should take necessary steps to change their life style to suit the changed economic scenario.
- To enhance the saving habits of rural mass, they ought to be spurred by potential methods.
- Mindfulness must be made among provincial mass towards deluding promotion and speculation misrepresentation of the private associations engaged with doing reserve funds and venture business.

- ✓ Steps must be taken to open mail station branch and bank office in every single rustic territory. So the rustic family unit can have simple access to such establishments to set aside and put away their cash.

### CONCLUSION OF THE STUDY

Most of the respondents are aware of various savings and investment avenues. But their awareness level towards modern savings and investment avenues is low. In most cases, most of them suffer from lack of information to make savings and investment decision. The study concludes that there is a need to improve the financial literacy of the rural masses.

### REFERENCE

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