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A COMPARATIVE STUDY ON THE INVESTMENT BEHAVIOR OF AIDED AND UNAIDED COLLEGE TEACHERS IN KOZHIKODE DISTRICT: KERALA

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ABSTRACT
The study analyses the investment behavior of college teachers in Kerala who are working in aided, government and unaided colleges. The comparative study considers the demographic characteristics of those employed along with income, risk-taking capabilities, and their overall financial competencies. With rising significance concerning financial literacy and strategies of investments, it is interesting to explore how this particular professional community goes about its finances in the context of how economies and societies function. It attempts to examine the degree of incidences in investment pattern differences that are as a result of job stability, sheer affiliation to an institution, earning, and security in self-employment as may affect aided and unaided college teachers differently. The study will also attempt to show how these variables, in particular, educational level, work-family balance, culture, and traditions, affect strategy implementation in this industry. The research adopts a mixed-methods design which includes both quantitative surveys and qualitative interviews. The qualitative part of the study encompassed a set of structured questionnaires which were administered mainly to a number of college teachers from both college, aided and unaided institutions, information was solicited from them regarding their portfolio investments, risk tolerance appetite, financial goals as well as their demography. A closer look at the findings reveal some variations in investment behavior and preferences which are linked to job security and employment benefits, with agencies who are paid on a commission basis exhibiting more eagerness to take risks in anticipation of enhanced rewards. More so, the results emphasize the role of education level and availability of resources in determining investment policy.
KEYWORDS: *Investment, Investment Behavior, Investment Avenues, Financial Literacy, Risk Management, Risk & Return.*

INTRODUCTION

For the purposes of this paper, investment is understood to be the placement of funds with a view of earning a return in future such as interest or dividends. It is also a way of putting aside resources that will not be directed towards current consumables but will instead, availing benefits in the future. To invest is to take risks and entails sacrificing present assets to earn future returns. Some of the investment avenues include, but are not limited to: bank deposits, shares, bonds, debentures, mutual funds, gold and real estate. When used in a financial context, the word investment changes especially when it is used by economists; it does not warrant the specific definition provided for those with a financial background. For a member of the economic fraternity, 'investment' means net increases in an economy's stocks of fixed assets and services necessary for the production of commodities. Therefore, in this perspective, investment is the net creation of new productive capital in some form, structure, or large machinery that contributes to the capital buildup of the economy. Investment is a type of savings, and the two conjunctions are the economic and financial aspects of the investment. One form of investment could be 'new' or 'second-hand' capital investment that is made directly or through institutions into the money market. Investment behavior is defined more in the context of the actions of individual investors where they seek, assess, acquire, supervise, and at times dispose of various investment products. The next step in the consideration of investment behavior is the behavior of individual investors with regards to the surplus funds or resources available to them and the available instruments. There are reasons for investing, sources of information, evaluation characteristics, people who can influence what has to be invested in and the outcomes of investing. Last but not the least, semantics of, the investors in India, possesses certain traits that make their preferences towards certain investment products different from other investors. There is a pattern where developing countries investors' channel most of their investments in financial assets as compared to physical asset but in India the trend is changing for the physical assets in India the trend has changed and investors now invest in both forms of assets equally. The biggest determinant of why many people still prefer financial assets such as bank deposits is that they are considered safe. Investing in securities is not an easy task and a lot of skill, knowledge and expertise are required because a lot is at stake and one could make wrong decisions and incur losses.

STATEMENT OF PROBLEM

The investment patterns of college teachers, being part of the stable and secure earnings workforce, range to a marked preference for conservative financial instruments such as gold, deposits with banks, and insurance over more volatile higher yield investments. This cautious approach, despite the potential of bigger financial growth through diversified investment portfolios, has in it a reluctant root due to risk aversion. This behavior by the educators of Kerala who identify themselves for their education and progressive personality calls for critical analysis of responses leading to such hesitant investment behavior. It would depend on financial literacy, risk tolerance, and socio-economic influence among other factors affecting such decisions that need detailed further scrutiny.

OBJECTIVES

1. To analyze the investment behavior patterns of aided and unaided college teachers in Kerala.
2. To examine the factors influencing the choice of investment options among aided and unaided college teachers and how these factors differ based on their employment status.

METHODOLOGY

To understand the investment behavior among college teachers, both qualitative and quantitative data collection approaches are used. A Stratified Random Sampling technique has been used to ensure the fair representation of both aided and unaided college teachers in the sample. The population will be split into two strata i.e. Aided college teachers and unaided college teachers. The random sampling method will be applied to each stratum to ensure a varied representation in different demographic variables like age, gender, and experience years. A fixed sample size of 300 respondents is to be interviewed to support firm statistical analysis as well as generalize the findings. A well-tailored survey questionnaire aimed to gather quantitative responses on their investment habits, investor preferences, and willingness to take risk, investment education, and related factors. Interviews using a semi-structured framework will also be carried out for gathering qualitative insights into their orientation towards investments, problems encountered by them, as well as considerations affecting their decisions on investments. Previous researches, reports, and available literature pertaining to the investment behaviors of teachers are also examined to validate the research outcomes.

INVESTMENT: OBJECTIVE & ELEMENTS

Investment is the allocation of funds with the expectation of earning an additional income or growth in asset value. The important characteristic of an investment is the element of 'waiting' for a reward. Investment is the allocation of saved income to different assets expected to yield a positive return over a given period. These assets can range from risk free investments to risky ones, often referred to as financial investments.

OBJECTIVES OF INVESTMENT

1. High priority objectives (Short Period): These are investors objectives that to achieve in a short period with high priority. Thus, people will invest their money accordingly to meet these high-priority objectives.
2. High priority objectives (Long-Term): Investors may focus on long-term needs, such as financial independence post-retirement or funding a child's education. These types of investors usually prefer a diversified portfolio investment approach to meet their long term high priority objectives.
3. Low value objectives: These objectives have less priority and can be achieved after meeting high-priority needs.
4. Wealth making objectives: Investors with surplus income may aim to maximize their wealth by investing in portfolios have capital appreciation and regular income.

ELEMENTS OF INVESTMENT

Investment decisions are influenced by several key elements such as:

- Return on investment: The primary aim of investing in financial instruments is to earn a return which is the reward for investors.
- Investment Risk: Risk in investment refers to the chance of financial loss due to variability in returns on an investment. Every investment has different level of risk various from high to low.

- Time element: Time is a crucial factor in investment and it allows investors to follow a 'buy and hold' strategy for a long time regardless of short term market fluctuations.
- Liquidity of the Investment: Investment decisions are also influenced by the liquidity nature means the ability of an investment to be converted into cash as needed.
- Tax saving benefit: Some investments offer tax exemptions, providing additional benefits to investors.

CLASSIFICATION OF INVESTORS

Investors can be grouped on their risk tolerance basis to:

1. **Risk Averters:** These are the type investors who are avoid risky investments and prefer low risk assets such as government securities, life insurance policies, unit trust certificates etc.
2. **Risk Moderates or Risk Neutrals:** These are the investors who are willing to invest as long as they receive returns of equal value. They typically invest in common stocks and life insurance policies.
3. **Risk Takers:** These investors target higher returns for greater risk and often invest in common bonds and convertible securities.

INVESTMENT BEHAVIOUR

Investment behavior encloses the activities of individuals in searching, evaluating, acquiring, and reviewing investment portfolios and also the disposal of such products when necessary. This behavior reveals how investors allocate surplus financial resources across various financial instruments. The process involves understanding why they invest, where and how they gather information, what factors they evaluate, who influences their investment choices, and their actions post-investment.

INVESTMENT AVENUES

Investors have multiple avenues to park their savings, each carrying certain risks and returns:

Bank Deposits	Popular non-marketable financial assets offered by banks, including savings accounts, current accounts, recurring deposits, and fixed deposit accounts.
Life Insurance	Investment that provides risk protection and tax advantages.
Shares	Represent ownership in a company, offering high returns through dividends and capital appreciation
Debentures	Long-term promissory notes for raising capital, providing fixed interest to debenture holders.
Bonds	Bonds refer to debt instruments bearing interest on maturity.
Real Estate	Real Estate refers to the land and anything permanently affixed to the land.
Mutual Fund	A mutual fund is a professionally managed investment fund that pools money from many investors to purchase securities.
Gold	Gold is one such investment, which has a long-term intrinsic value which helps to protect shields investment from inflation, and equity market declines.

RESULT & DISCUSSION

This section examines the findings from the primary level investigation on the investment behavior of aided and unaided college teachers in Kozhikode district. The main objective is to find out the different patterns, preferences, and motivations root the investment decisions of these two groups. By examining key variables such as risk tolerance, investment objectives, and preferred investment avenues, try to provide a comprehensive understanding of how employment status influences financial behavior.

Table 1.Type of Institution

Institution Type	No.of Respondents	Percentage
Self-Financing College	150	50
Government College	75	25
Aided College	75	25
TOTAL	**300**	**100**

Source: Primary Data

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Table 2 .Comparison between Aided and Unaided College in Investment Preference

Sl. No	Investment Avenues	Frequency	Aided/Govt.	Un-aided	Percentage
1	Bank Deposits	113	56	57	**37.67**
2	Life Insurance	45	23	22	15.06
3	Shares	27	21	6	9.00
4	Debentures	4	4	0	1.30
5	Real Estate	14	10	4	4.72
6	Mutual Fund	31	12	19	10.2
7	Crypto Currency	6	2	4	2.05
8	Gold	60	22	38	20.0

Source: Primary Data

Table 3.Motives of Investment

Factors Influencing Investment/Motive	Ranks	1	2	3	4	5	6	7	8	9
Regular/Additional Income	Aided	24	7	5	4	2	-	1	2	5
	Govt.	33	5	5	3	1	-	2	1	-
	SF	57	12	10	7	3	0	3	3	5
Tax Benefit/Tax Saving	Aided	8	16	6	8	-	-	-	-	10
	Govt.	12	17	4	9	3	-	-	-	7
	SF	20	33	10	17	3	0	0	0	17
Safe Return of Investment	Aided	18	10	13	3	-	-	3	-	6
	Govt.	25	13	-	-	-	-	-	5	4
	SF	43	23	13	3	0	0	3	5	10
Savings for Old Age/Security for Future	Aided	14	9	-	5	3	4	-	-	10
	Govt.	26	-	10	8	-	-	-	-	-
	SF	40	20	10	13	3	4	0	0	10
Emergency Needs	Aided	19	12	-	-	7	4	-	-	6
	Govt.	21	15	7	-	3	6	-	-	-
	SF	40	27	7	0	10	10	0	0	6
Liquidity	Aided	18	11	3	-	3	-	10	-	7
	Govt.	27	11	4	-	-	3	-	3	-
	SF	45	22	7	0	3	3	10	3	7
Wealth Creation	Aided	17	11	7	4	-	3	3	-	8
	Govt.	20	12	10	3	-	-	3	-	-
	SF	37	23	17	7	0	3	6	0	8
Children's Education/Marriage	Aided	16	13	3	-	-	-	3	-	12
	Govt.	14	17	10	3	4	-	-	-	5
	SF	30	30	13	3	4	0	3	0	17
Health Expenditure	Aided	14	11	10	-	-	-	4	8	3
	Govt.	19	9	13	3	-	-	4	2	-
	SF	33	20	23	3	0	0	8	10	3

DISCUSSION ON THE FINDINGS OF THE STUDY

The majority of the respondents (38%) prefer Bank deposits, reflecting a strong preference toward low-risk, safe, and stable investment options. This trend is same for all three groups, with bank deposits is the top priority in investment. Gold (20%) occupied the second-most preferred investment, due its cultural, traditional and financial value. Life insurance (15%) is the next most preferred investment option, indicating a focus on long-term security. Investments in Mutual Funds (10%) and Shares (9%) show moderate priority, while Real Estate (5%), Crypto currency (2%), and Debentures (1%) are the least preferred investment avenues.

- **Bank Deposits:** Highest preference is observed equally among all three categories i.e. self-financing, aided, and government teachers.

- **Gold & Life Insurance:** Higher preference finds among self-financing teachers compared to aided and government teachers.
- **Shares & Mutual Funds:** Teachers from the self-financing sector show a slightly higher preference compared to government teachers, indicating a moderate risk investment behavior.
- **Debentures:** Negligible investment interest, with only a few respondents from the aided sector.

RISK TOLERANCE

The findings points out that a majority of respondents (54%) prefer to take moderate risk, followed by low risk (32%), underlying a careful investment behavior. Among the moderate risk-takers, self-financing teachers lead (60 respondents), followed by aided (50) and government (40).Low-risk preference is uniform across the institutions, with each category showing similar proportions (32%).Only 6% of respondents show a willingness to take high risk, evenly distributed across the three groups. Risk avoidance behavior (8%) is highest among government sector teachers, with no significant difference showed between aided and self-financing sectors.

MOTIVES FOR INVESTMENT

1. **Regular/Additional Income:** Highest across all sectors, but comparatively strong among self-financing teachers.
2. **Safe Return of Investment:** Ranked second by 43%, and government teachers favoring this motive the most.
3. **Future Security/Savings:** Strong across all sectors, showing a focus on future financial stability.
4. **Emergency Needs and Liquidity:** Influenced a significant portion of respondent's investment behavior, with higher emphasis on the self-financing college teachers.
5. **Wealth Creation and Children's Education/Marriage:** Moderate influence on investment behavior, with no significant variation among the respondents.

Self-Financing college teachers have slightly higher preference for market linked investments like shares and mutual funds, showing a comparatively higher tolerance for moderate risk. Aided college teachers shows a balanced investment preferences with a careful approach toward low risk options like bank deposits and gold. Government college teachers favor low-risk and safe options, such as bank deposits and life insurance, aligning with a risk averse mindset. Self-financing teachers may have different investment priorities due to the variations in salary structure and job security compared to aided and government teachers, influencing their investment choices and risk tolerance level.

CONCLUSION

The investment behavior of college teachers varies significantly across government/aided and self-financing sectors due to the institutional factors such as salary structure and job security. Self-financing college teachers have a relatively higher tolerance for moderate risk, favouring market-linked investments like shares and mutual funds. On the other hand, aided college teachers shows balanced preferences, towards low-risk investments such as bank deposits and gold. Government college teachers, known for their risk averse behaviour, choose safe options like bank deposits and life insurance. Regardless of these trends, small proportions across all sectors show a willingness to undertake high-risk investments.

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