

Investors' Attitude towards Savings in Post Office

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Abstract

There are a lot of investment choices and one must select the most appropriate one. The person dealing with the planning needs to know all the various investment choices and how these can be chosen for the purpose of attaining the overall objectives. The details of making the investment along with the various ways in which the investment has to be maintained and managed. The developing countries like India face the enormous task of finding sufficient capital in their development efforts. Most of these countries find it difficult to get out of the vicious circle of poverty of the low income group, low savings, low investment, low employment etc. With high capital output ratio, India needs very high rates of investments to make a leap forward in her efforts of attaining high levels of growth. Since the beginning of planning, the emphasis has been on investment as the primary instruments of economic growth and increase in national income. In order to have production as per target, investment is considered the crucial determinant and capital formation is to be supported by appropriate volume of saving.

1.1 Introduction

In the beginning of the 19th century, there were only a few banks and that too in big towns and cities. It was very difficult for the common man who wanted to save his small amount of money in the bank to go to a bank as he had to incur expenditure for the journey. Further, saving habit amongst the people was almost nil, and most of the people had their small savings in the form of gold and silver. On the other hand, the Government wanted to encourage savings because they were in dire need of money for various developmental activities, for strengthening military establishments and for carrying out administrative reforms. These factors compelled the Government to start Savings bank through the Post Office.

Government Savings Bank was started in the three Presidency towns of Calcutta, Madras and Bombay in 1833, 1834 and 1835 respectively. In 1860, the Secretary of state for India initiated steps for empowering the post offices to undertake savings bank operations in India, similar to that of the U.K. But the Government was under organized and not mature enough to take upon such banking business. Some changes took place subsequently in the management of Savings Bank. Between 1863 and 1865, the management of the Savings Bank was transferred from Government Treasuries to the Presidency Bank, and each Presidency Bank framed its management. The deposit allowed was Rs. 500 in a year up to a maximum of Rs. 3000 and the interest rate was fixed at 3.75 percent per annum. In practice, the SB counters were kept open twice in a week.¹

Financial services of the Post Office form a profitable business today, although they were started as a supplementary income generating operation. Post offices render a plethora of agency services in addition to their basic duty of mail delivery. These services include savings Bank, Money Order, Postal Order and Postal Life Insurance. This helps the postal Department produce income to the extent of nearly 45% of its budget revenue.

Savings bank work was undertaken by post offices on 1 April 1882 and the entire banking operations were kept under the supervision and management of postmasters. In Tamil Nadu, the introduction of POSB was confined to small places. The object of establishing SB was to extend banking facilities to millions of poor and middle class people living in the farthest corners of the country and to accumulate and invest their savings, and to use the same for the economic development of the country and also to meet the administrative needs and requirements of the Government. It also aimed at encouraging thrift.

India Post is committed to provide basic postal facilities throughout the country at an affordable price. A network of 1.55 lakh post offices in the country, the largest in the world, of which more than 1.39 lakh are in the rural areas, is indicative of this commitment.

Rapid introduction of information technology has not only changed the way post offices do business the world over, but also the business that post offices do. In this era of fast developing information and communications technology, large scale induction and assimilation has become vital for the sustenance and growth of India Post.²

¹ Ramachandiran. K, Indian Postal History focus on Tamil nadu, Imayaa Publication, Chennai, Edition 2011, Pp119-120

² India Post, Annual Report, 2010-2011

1.2 Basic Concepts

1.2.1 Savings and Investment

Investment is the employment of funds with the aim of achieving additional income or growth in value. Investment is the allocation of monetary resources to assets that are expected to yield some gain or positive return over a given period of time. These assets may range from safe investments to risky investments.¹ Investments have become a basic necessity for everyone. Each investor has different objectives that need to be met depending on age, income, and attitude towards risk. Investors have to work out their investment profile to determine which investments are right for them and should consider important factors such as personal status, plans, and constraints. To achieve progress and maintain the status quo in the ever-changing scenario of the present day world, it is important to raise the income level adapting some mode of saving or the other.²

1.2.2 Problems of Saving in India

These are the problems encountered by the Investors in India.

1. Low per capita income
2. Demonstration effect in urban India (mainly in cities)
3. Exemption of agriculture income from income tax.
4. Failure of public sector undertaking.

1.2.3 Why do People Save?

The following are the reasons for savings by the Investors in India.

1. For precautionary needs.
2. For additional income
3. For increasing standard of living.
4. For Growth in future wealth.
5. For future use.
6. As a habit.

1.2.4 How to Increase Savings ?

The following ways in which, the savings could be increased in India.

1. Production of unnecessary durable goods should be restricted.
2. Exemption limit of savings from income tax should be raised.
3. There should be development of banking habits in country.
4. For private sector there should be reasonable ceiling on the salary.
5. There should be tax on income from agricultural sector.
6. The unproductive expenditure should be curtailed.
7. APM (Administered Price mechanism) should be rationalized.
8. Stringent control over expenditure in government sector.

1.3 Objectives of the Study

With a view to finding out the answers to the above questions, the following objectives are framed. The broad objectives of the study are to understand the perceived opinion and the attitude of the rural investors in Dharmapuri District on postal investments. However, the specific objectives of the study are:

1. To outline the origin and growth of postal investments in India and Tamil Nadu
2. To measure the level of awareness of the rural investors towards postal investments.
3. To examine the perceived opinion of the rural investors towards postal investments in Dharmapuri District.
4. To identify the rural investors' attitude and to evaluate the different factors influencing postal investment decisions.
5. To offer suggestions for the improvement of the features of postal investments and thereby to increase the collections through postal investments.

1.4 Hypotheses

Based on the above objectives, the following hypotheses have been postulated:

1. There is no association between level of awareness and investors' attitude towards savings.
2. There is no association between demographic variable and investors' attitude towards Postal Investment

¹ Preeti Singh,(2007) Investment Management, Himalaya publishing House, p.1

² Journal of Organization management, October – December, 2006

Schemes.

3. There is no association between opinion of the rural investors and investors' attitude towards agents.
4. There is no association between demographic variable and investors' attitude towards Post office.
5. There is no association between demographic variable and investors' attitude towards services.
6. There is no association between demographic variable and investors' attitude towards Advertisement.

1.5 Limitations of the Study

The study is not free from limitations. The following are the limitations of the present study:

1. This study is confined to a particular selected region, that is, Dharmapuri District and hence conclusions are drawn with due care when an attempt is made to generalize the results.
2. Due to paucity of time and fund, the size of the sample is restricted to 600.
3. The study is confined to the Rural investors only and therefore the outcomes cannot be generalized to other category investors.
4. As this study is concerned with financial matters, investors' reluctance to disclose information on some items in the questionnaire had to be encountered. Many of the responded schedules could not be considered because the respondents were not willing to disclose the amount of investments in various schemes. Hence schedules were drafted in such a way as to elicit qualitative information. Through such data their perception and attitude towards postal investment were measured.

2.1 Review of Literature

In order to find a research gap, earlier studies relating to the rural investors perception and postal investment have been thoroughly studied. The study has been identified with personal preferences on various postal investment schemes which are available in the study area and various research studies are also taken into account.

The views expressed by various authors have been reviewed in a broad sense so as to confine itself for reference. Based on the investors' preference and their mode of selection of postal investments, the essence of the related literature has been presented in this chapter.

A. Vinayagamoorthy and K.Senthilkumar (2012)¹ in their study titled "An analysis of Postal Investment and Small Savings", have shown that mobilization of domestic financial resource has remained a major concern in many developing countries. Despite the variety of vehicles that are intended to mobilize and allocate financial resources, only very few offer strategies for meeting the needs of poor and lower income people. Savings are increasingly being acknowledged as a powerful tool for poverty reduction. Postal savings funds play a significant role in financing public debt and in a number of countries, the funds are intermediated through a variety of policy based financial institutions with developmental objectives, returning the funds to the direct benefits of the community of savers. Savings is the excess of income over consumption expenditure. Savings are meant to meet contingencies and raise standard of living of individual savers.

A study by **N. Kathirvel A. Mekala (2010)**² titled "Women Investors' Perception Towards Online Trading In Tamilnadu With Special Reference To Coimbatore District" shows that a good financial system provides the intermediation between savers and investors and promotes faster economic development. An investment share requires a careful evaluation of factors related to the economy, industry and the company. This analysis is called fundamental analysis. An investor is surrounded by many factors in her consideration of making investments. She is interested in liquidity of her assets. She is also interested by the fact that there is an increasing number of women working in the organization. 1. To identify the demographic profile of women investors. 2. To identify the factors influencing the women investors while making investment. 3, To suggest suitable measure to protect the interest of women investors. In this study the researcher used Descriptive research, which is concerned with describing the characteristics of a particular individual or of a group. The primary data have been collected from women investors. The data were collected using interview schedule method. The interview schedule for women investors is prepared in such a way that they are able to express their opinions freely and frankly. In this research the researcher has selected Coimbatore District. There are many sample designs from which the researcher chooses in this study Convenience Sampling design. In order to find out association between factors associated with financial decision-making of women investors, two-way table according to their factor group was framed. Chi-square test is applied to them to find out the association between the selected variables and financial decision-making perception of women investors. The data collected are based on the questionnaire the results of which will vary according to the opinions of individuals. The study is based

¹ A. Vinayagamoorthy and K.Senthilkumar (2012) 'An analysis of Postal Investment and Small Savings' *Banking Finance*, Vol.XXV No. 02 February, Pp 18-22.

² N. Kathirvel A. Mekala (2010) 'Women Investors' Perception Towards Online Trading In Tamilnadu With Special Reference To Coimbatore District' *Tecnia Journal of Management Studies Vol. 5 No. 1*,

upon prevailing investor's behaviour. The women investor may change according to time, fashion, technology, development etc. It could be seen from this that the calculated value is less than the table value at 5% level thus letting the null hypothesis be accepted. Hence it is clear that there is no association between savings per month and time taken for investment decision. Basic knowledge must be given to the investors about all types of investments, so that the investor can make a better choice that best suits their investment plan.

R. Ganapathi and S. Anbu Malar (2010)¹ Studied Investors Attitudes towards Post office Deposit Schemes. The post Office has long been known as a medium to inculcate the habit of thrift and savings among the agricultural workers. But over time, its role has changed and it has grown to become one of the best avenues to channel investment from even the wealthy investors and use them fruitfully in nation building activities. There has been introduction of several types of deposit schemes that cater to the differing needs of different classes of investors. They are well-known for their tax saving schemes, high interest rates and the safety and liquidity that they offer. This has enabled them to compete successfully with the other avenues of investment available to investors like commerce, etc. This study is an attempt to identify the awareness, preference and attitudes of investors towards various deposit schemes offered by the Post Office among 300 respondents of the Coimbatore District.

3.1 Financial Services

Presently, eight savings schemes are operated from the post post offices across the country. These are Savings Account, Recurring Deposit (RD), Time Deposit (TD), Monthly Income Scheme (MIS), Public Provident Fund (PPF), Kisan Vikas Patras (KVP), National Savings Certificates (NSC) and Senior Citizens Savings Scheme (SCSS). The outstanding balance under all national savings schemes in post office is Rs. 5,828.329.6 million as on 31.3.2010.

The following table 3.3 shows that the savings bank schemes profile as on 31.03.2010

Table- 3.3

Savings Bank Scheme: Profile (As on 31.03.2010)		
Name of Schemes	Number of Accounts	Outstanding Balance (Rs. in Millions)
Saving Accounts	88564993	264571.0
RD Accounts	75309193	628194.8
TD Accounts	9336144	275712.5
MIS Accounts	25061189	2016921.3
NSS Accounts (87 & 92)	492651	44528.6
PPF Accounts	2256033	260949.6
Senior Citizens Savings Scheme (SCSS)	1182504	249888.0
Cumulative Time Deposit	345962	191.9
Fixed Deposit	6627	242.0
NREGA	22699010	
Total	225254306	3741199.7
Savings Certificate		
NSC VIII		547765.3
KVP		1539364.6
Total		2087129.9
Grand Total		5828329.6

(Source : Annual Report 2010-2011)

The Post Office savings bank is the oldest and by far the largest banking system in the country, serving the investment need of both urban and rural clientele. These services are offered as an agency service for the Ministry of Finance, Government of India. Several products on offer serve various investment requirements of the customers.

¹ **R. Ganapathi and S. Anbu Malar(2010)** 'Investors Attitudes towards Post office Deposit Schemes' *BVIMR Management Edge*, Vol. 3, No.2, Pp 26-45

Savings Bank Account (SB): Serves the need of regular deposits and withdrawals. Cheque facility is also available.

Recurring Deposit Account (RD): Offers a monthly investment option with a handsome return at the end of five years with option to extend the account period. Insurance cover facility is also available with some conditions.

Monthly Income Scheme (MIS): offers a fixed investment option for five years with monthly interest payment facility. The facility of automatic credit of interest to SB account available.

Public Provident Fund (PPF): Offers intermittent deposits subject to certain limits for a 15 year period coupled with income tax exemptions subject to certain conditions, on the investment. Loan and withdrawal facilities also available.

Time Deposit (TD): Fixed deposit option for periods ranging from one, two, three to five years with facility to draw yearly interest offered at compounded rates. Automatic credit facility of interest to SB account.

Senior Citizens Savings Scheme (SCSS): Offers fixed investment option for senior citizens for a period of five years, which can be extended, at a higher rate of interest that are paid in quarterly installments.

National Savings Certificates (NSC) (VIII) issue: with a fixed investment for 5 years on certificates of varied denominations. Pledging facility available for availing loan from Banks.

National Savings certificates (IX) issue: Fixed investment tenure of 10 years. Post Office also offers Insurance product through Postal Life Insurance (PLI) and Rural Postal Life Insurance (RPLI) schemes with low premium and high bonus.

The following table 3.4 shows that the revision in interest rates of postal savings schemes w.e.f. 1st April 2012

Table - 3.1
Revision in Interest Rates of Postal Savings Schemes w.e.f 1st April 2012.

Interest Rate			
Name of Scheme	Period	Interest Rates from 1.12.2011	Interest Rates from 1.4.2012
Saving Account	General	4.00%	4.00%
Time Deposit	1 year	7.7%	8.20%
	2 year	7.8%	8.30%
	3 year	8.0%	8.40%
	5 years	8.3%	8.50%
5 years Recurring Deposit	5 year	8.0%	8.40%
Monthly Income Account	5 years	8.2%	8.50%
Sr. Citizen Savings Scheme Account	5 year	9%	9.30%
Public Provident Fund Scheme Account	15 years	8.6%	8.80%
National Savings Certificate(VIII th) Issue	5 years	8.4%	8.60%
National Savings Certificate (IX-Issue)	10 years	8.7%	8.90%

4.1 Research Methodology

Since the researcher has confined his study to survey method, it is essential to select sample respondents area of the study and selected Rural investors for the study. It is equally important that sample respondents should represent the entire universe. Hence the selection of sample respondents gets significance as already been stated in the first chapter itself, and the sample represent have been selected in the study area so as to respondent the entire population. The study is confined to the entire Dharmapuri District which has five Taluks. In order to give equal importance to all taluks and the investors available in the study area, sample respondents have been selected.

4.1 Selection of Investors

As shown in the Post Office records, the level of living of people in the rural areas has been fast changing in investment in Post Office. The investors' attitude has been catching up in this area. It is evident from the study that the sample respondents have invested their savings into postal investment for future benefits. For the study, postal investment schemes have been taken into account and how they are going to select the same in the event of investment in the postal Schemes. The postal investments chosen for the study are Savings Account, Recurring Deposit Account, Monthly Income Account, Time Deposit Account, National Savings Certificate, Public Provident Fund, Kisan Vikas Patra and Postal Insurance etc...

4.3 Selection of Sample Respondents

Sample respondents who have invested in post office have been selected from taluk wise and then the number of investors in post office selected from rural areas in Dharmapuri District has been considered for the study. Finally, total number of investors in all five taluks have been taken into account. Then, out of five taluks, only four rural taluks have been taken into consideration for the study. 150 sample respondents have been selected from each taluk in Dharmapuri District. Therefore, 600 sample respondents (4 X 150 = 600) have been contacted and monitored through the interview schedule personally. So the ultimate sample consists of 600 postal investors. The sample forms the representative of the total postal investors in Dharmapuri District. As such it is a representative sample of the postal investors in Dharmapuri District. The following table shows the details of the total number of respondents (Taluk-wise) considered for the study.

Table: 4.1
Investors and Sample Respondents

SI. No.	Name of the Taluk	No. of Post Offices	No. of Investors	Questionnaire Served to Respondents
1	Palacode	53	37,265	150
2	Pappireddipatti	64	42,361	150
3	Harur	51	39,462	150
4	Pennagaram	34	30,904	150
Total		202	149,992	600

(Source: Primary data)

4.4 Sources of Data

The Sources of data were primary as well as secondary. The data collected from the survey constitute primary and the information gathered from books, journals, magazines, reports, dailies were secondary. The data collected from both these sources were scrutinized, edited, and tabulated.

4.5 Interview Schedule Design

The postal investment of the Rural area belonged to middle and upper middle classes. As they were uneducated, it was decided to use interview schedule to collect the required details from them. Accordingly, the interview schedule with post master was handed over personally to the investors from the list taken from post office and they were requested to collect information in interviews.

4.6 Structured Interview Schedule

A Structured Interview Schedule was prepared for the study, with three parts. Part-I was to incorporate general information about the rural investors. Part-II of the Interview Schedule was framed to obtain the information sources used by the investors particularly by sources information in the search process, the evaluation criteria used in making the final decision, and the factors influencing the investors in the decision making process. Part-III investors' comments related to attitude towards savings, Postal investment schemes, Agents, Post office, Services, Advertisement and finally investors' comments over postal investment.

4.7 Pilot Study and Pre-testing

A pilot study was conducted to ascertain the feasibility of conducting an inquiry about rural investors perception and postal investment with special reference to Dharmapuri district in North Tamilnadu. In this connection, the researcher contacted 60 investors through post office. Convenience sampling method was applied. The study had

confirmed the feasibility of the inquiry and the quality of the items in the Interview schedule.

Pre-testing was carried out to add quality for the research. The researcher pre-tested the Interview schedule with 60 respondents in the month of January 2011 and did sharpening, editing and leveling in the Interview schedule. The formulated interview schedule was tested before starting up the actual data collection. Thus, pre-testing gave a power to the accomplishment of the research work.

4.8 Data Collection

Samples have been selected from the universe at Dharmapuri District itself on simple random basis. The district has five Taluks viz., Dharmapuri, Palacode, Pennagaram, Pappireddipatti and Harur. Therefore, the researcher has taken only four taluks among the five because only four are considered as rural areas. In every taluk a list of investors who have invested in all postal investment schemes has been collected from the post office. From the list, 150 sample respondents have been selected from each post office by using simple random sampling.

150 sample respondents have been selected from each taluks in Dharmapuri District. Therefore 600 sample respondents (4 X 150 = 600) have been approached and monitored through interview personal. All the respondents have answered all the questions and provided all required information so as to reveal their perception in Postal investment schemes and attitude.

The interview schedule has been framed based on the study conducted by pre-test and pilot study. The five point Likert scale is used to know about the discretion of the investors on postal investment.

In continuation of monitoring the interview schedule, direct interaction was made with all respondents and post offices to know about their personal discretion over the postal investments.

4.9 Period of Data Collection

The inquiry was conducted with the investors of postal investment schemes from March 2011 to August 2011.

4.10 Data Analysis and Interpretation

Data collected from various sources have been measured and tested with appropriate statistical tools namely, Percentage analysis, Chi-square test, Factor analysis, ANOVA, and Correlation Analysis. Results have been interpreted accordingly in order to know the correct investment decision of respondents.

4.11 Techniques of Analysis

The primary data collected from the potential respondents from Dharmapuri District have been properly sorted, classified, edited and tabulated in the proper format and analyzed by developed appropriate statistical tools. The researcher used Excels spreadsheet for recording and calculation of 600 samples. He also used Statistical Package for Social Science (SPSS) a computer software package of statistical tools for deploying different basic and advanced statistical tools in the research in order to check the accuracy of the procured data.

The researcher used the following statistical tools for analyzing the data procured from the potential respondents from Dharmapuri District.

1. Descriptive Analysis
2. Chi-square Analysis
3. Factor Analysis
4. ANOVA
5. Correlation Analysis

4.12 Analysis of Personal Data

The personal data collected from the investor of the selected postal investments were classified and presented below:

4.12.1 Gender - wise Classification of the Respondents

The act of saving in Indian families seems more to be the duty of men than of women and is even more tradition bound. Further, to men, saving is a matter of "habit" rather than the outcome of rational calculation. Hence, men also do invest and the sex wise classification is presented in the following table 4.2

Table.4.2

Gender - wise classification of the Respondents

Gender	No. of Investors	Percentage
Male	382	63.7
Female	218	36.3
Total	600	100

(Source: Primary data)

The above table shows that 382 (63.7%) investors are male and the rest 218 (36.3%) investors are

females. This set of data reflects the state of Indian population which has more number of men than that of women. This indicates that males are playing dominant role in taking investment in post offices.

4.12.2 Age -wise Classification of the Respondents

Both savings and investments are decided by the quantum of income and in turn income is influenced by the age of investors. A common belief is that when age gets increased, income also increases. With their experience and qualification, elderly people may earn more than the youngsters. But at the same time they may have to spend more for maintaining the family. The age -wise distribution of sample investors is presented in the following table 4.2.

Table.4.3
Age - wise Classification of the Respondents

Age	No. of Investors	Percentage
Up to 30	206	34.3
31-40	156	26.0
41-55	126	21.0
56 and above	112	18.7
Total	600	100

(Source: Primary data)

From the above table, it is ascertained that 206(34.3%) of the sample investors are up to 30 years of age, 156 (26.0%) of the sample investors are between 31 & 40 years of age, 126 (21.0%) of the sample investors are between 41 & 55 years of age and 112 (18.7%) of the sample investors are between 56 years and above of age.

Among the sample investors, the highest percentage fall under the category Up to 30 years of age, and the lowest percentage fall under the category 56 years and above of age. This may be because, the people whose age is up to 30 have the highest concerns, like their children's education, marriage, etc.,

4.12.3 Education - wise Classification of the Respondents

In order to know the impact of qualification of sample investors on planning and decision making aspect of their own personal finance, classification was made under five groups namely, up to Higher Secondary level, Degree level, Post-Graduate level, Professional level, Illiterate level and others. Sample investors who come under these five categories are presented in the following table 4.4.

Table.4.4
Education - wise Classification of the Respondents

Education	No. of Investors	Percentage
Up to HSC	308	51.3
Graduate	140	23.3
Postgraduate	86	14.3
Professional	35	5.8
Illiterate	13	2.2
Others	18	3.0
Total	600	100

(Source: Primary data)

The above table reveals that 308 (51.3%) of the sample investors have Up to higher secondary education, 140 (23.3%) of the sample investors are Graduates, 86(14.3%) of the sample investors are Post - Graduates, 35(5.8%) of the sample investors have professional education, 13(2.2%) of the sample investors are illiterate and the remaining 18(3.0%) of the sample investors belong to other categories.

4.12.4 Marital Status of the Respondents

In order to understand the marital status of sample investors, an attempt was made and the data are presented in the following table 4.5.

Table.4.5-Maritals Status of the Respondents

Marital	No. of Investors	Percentage
Married	434	72.3
Unmarried	166	27.7
Total	600	100

(Source: Primary data)

The above table shows that 434(72.3%) of the sample investors are married persons and 166 (27.7%) of the sample investors are unmarried. Married men and women have their family responsibilities and they are more worried about their future than the unmarried people.

4.12.5 Number of Family Members

The influence of different family members on decision making is one area of interest in the filed of Investor attitude. In some case, decisions are made by one individual with little influence from other family members. In other case, the interaction is so strong and actually yields a joint decision rather than just an influence of one member on another. Hence members in the respondent's family have been studied. The details of family size are given in the following table No.4.6.

Table.4.6 Family Size

No. of Members	No. of Investors	Percentage
Two	31	5.3
Three	220	36.7
Four	229	38.2
More than Four	120	20.0
Total	600	100

(Source: Primary data)

The above table 4.5 shows that 229(38.2%) respondents are having four members in their family and 220(36.7%) respondents are having three family members 120(20.0%) are having more than four and 31(5.3%) are two members in the family. The responses showed that maximum number of respondents live in nuclear family. Two children was common structure of the family. When they take decision to make the investment, elder's advice was not available. At the same time, the decision was taken either. Parents influence in decision was usually future risk faced by the children.

4.12.6 Annual Income

The income available for spending after deducting expenditure for necessities or fixed items such as food, cloth, transportation, shelter, and utilities, has greater influence in taking investment decision. Also, complex adjustments are necessary for household size, area of residence, and other demographic characteristics. The family income must be high enough to satisfy nearly all our important desires. One of the most significant developments of this decade and beyond is the changing nature of income levels. The following table.4.7 presents the classification of the respondents according to their income.

**Table.4.7
Annual Income**

Income	No. of Investors	Percentage
Less than 60,000	193	32.2
60,001 to 1,50,000	252	42.0
1,50,001 to 3,00,000	140	23.3
More than 3,00,000	15	2.5
Total	600	100

(Source: Primary data)

The highest group i.e., 252(42.0%) Investors belonged to the income bracket of 60,001 to 1, 50,000. It is followed by 193(32.2%) Investors whose monthly income falls in the category of Less than 60,000. 140 (23.3%) Investors' monthly income is 1, 50,001-3, 00,000. There are 15 Investors who earn above 3, 00,000. Income level and its disposal rate are important criteria for taking postal Investments. Majority of the respondents earn Rs.60,001 to 1,50,000. The rate of the postal investments for the study is equal to their total

earnings. Time between conceiving the idea, taking and actual implementation was too lengthy.

4.12.7 Source of Income

Investors' employment status may have bearing on their investment pattern and these five major classifications were made and the relevant particulars are presented in following table 4.8.

Table.4.8 Source of Income

Source	No. of Investors	Percentage
Daily Wages	111	18.5
Farmers	25	4.2
Govt. Employee	143	23.8
Private Employee	122	20.3
Business	147	24.5
Professional	47	7.8
Others	5	0.8
Total	600	100

(Source: Primary data)

Those who are working in the Daily wage are 111(18.5%). There is 25(4.2%) respondents who are farmers. Those who are working in the government employee are 143(23.8%). There are 122(20.3) respondents who worked in the Private employee. The respondents 147(24.5%) who are running the business. The professional includes Doctors, Lawyers and Chartered Accountants 47(7.8%) and other are from 5(0.8%) respectively. Source of income and its disposal rate are important criteria for taking postal investments. Majority of the respondents is running business.

4.13 Factors Motivated to Investment

Investors' decision to invest in various investment avenues is influenced by several factors. These factors may be grouped as 1. Necessity of Life 2. Provision and Contingencies 3. Status 4. Income 5. Tax benefits 6. Social considerations 7. Education of children and Marriage 8. Savings 9. Availability 10. Pension Schemes. These factor has been described as follows in the following table 4.9.

**Table.4.9
 Factors Motivated to Investment**

Sl. No.	Factors	Frequency	Percentage
1.	Necessity of Life	123	20.5
2.	Provision and Contingencies	56	9.3
3.	Status	91	15.2
4.	Income	43	7.2
5.	Tax Benefits	57	9.5
6.	Social Considerations	2	0.3
7.	Education of Children and Marriage	8	1.3
8.	Savings	208	34.7
9.	Availability	2	0.3
10.	Pension Schemes	10	1.7
	Total	600	100.0

(Source: Primary data)

As shown in the above table the highest group i.e., 208(34.7%) Investors belonged to Savings. It is followed by 123(20.5%) Investors whose opinion falls in the category Necessity of Life. 91 (15.2%) Investors

accord importance to status. There are 56 Investors who believe in Provision and Contingencies. Majority of the respondents who perceive savings as paramount.

4.14 Distribution of Sample Investors based on their Investment

The expectation of investors with regards to the rate of return is seldom fulfilled and mostly they receive less than the moderate level of return. In this context, it was considered very important now the rate of return expected by the investors. An attempt was made to understand the expectation, desire or ambition of investors. The relevant details are presented in the following table 4.10.

Table.4.10

Distribution of Sample Investors based on their Investment

Sl.No.	Approximate Investments	No. of Investors	Percentage
1.	Up to 25%	453	75.5
2.	26% to 40%	70	11.7
3.	41% to 50%	67	11.2
4.	above 50%	10	1.7
	Total	600	100.0

(Source: Primary data)

From the above table it is ascertained that 453 (75.5%) percent of the sample investors want to have Up to 20 percent returns on their investments, 70 (11.7%) of the sample investors want 26-40 percent return, 67(11.2%) of the sample investors want 41-50 percent returns, and 10(1.7%) of the sample investors want to have above 50 percent returns on their investment.

4.15 Maturity Period of the Investments

An attempt is made to analyze the extent of investors' satisfaction over the savings. The profile of the sample investors has been discussed by taking into consideration their personal data. Savings is the allocation of a portion of current income for future consumption. A reasonable allocation gives a sense of satisfaction to the investor because it ensures a secured and comfortable life in the days to come.

Table.4.11

Maturity Period of the Investments

Sl.No.	Maturity Period of the Investments	No. of Investors	Percentage
1.	Up to 5 Years	201	33.5
2.	6 to 10 Years	193	32.2
3.	11 to 15 Years	93	15.5
4.	16 to 20 Years	97	16.2
5.	21 to 25 Years	16	2.7
	Total	600	100.0

(Source: Primary data)

From the above table it is ascertained that 201(33.5%) percent of the sample investors want to have Up to 5 years maturity on their investments, 193 (32.2%) of the sample investors want 6-10 years maturity on their investments, 93 (15.5%) of the sample investors want 11-15 years maturity on their investments, 97 (16.2%) of the sample investors want 16-20 years maturity on their investments, and 16(2.7%) of the sample investors want to have 21-25 years maturity period on their investment.

4.16 Channels of Postal Investment Schemes

The distribution of the sample investors based on media to know about the postal investment schemes is as follows:1. Postal office/ Banks 2. Agents 3. Investment consultants/friends/ Relatives 4. Newspaper/Magazines/T.V/Radio 5. Drama and Campaigns 6. Personal 7. Others, These factors were listed in the interview schedule and the respondents were asked to respond. The response of the investors summed up in table 4.12.

Table.4.12

Channels of Postal Investment Schemes

Sl.No.	Media	No. of Investors	Percentage
1.	Postal Office/ Banks	70	11.7
2.	Agents	278	46.3
3.	Investment Consultants/Friends/ Relatives	62	10.3
4.	Newspaper/Magazines/T.V/Radio	141	23.5
5.	Drama and Campaigns	26	4.3
6.	Personal	21	3.5
7.	Others	2	.3
Total		600	100.0

(Source: Primary data)

As shown in the above table 4.12 the highest group i.e., 278(46.3%) Investors were informed by agents. It is followed by 141(23.5%) Investors who get information from Newspaper/Magazines/T.V/Radios. 70 (11.7%) Investors' sought the information from post office/Banks. There are 62 Investors who got opinions from Investments consultants/friends/Relatives. Majority of the respondents sought the assistance of agents.

5.1 Decision Making Behavior of Investors- An Analysis

This chapter focuses on the analysis of investment decision factors and related variables influencing the investment in the postal investment schemes viz., Post Office Time Deposits, Post Office Recurring Deposits, Post office Monthly Income Schemes, National Savings Certificate, National Savings Scheme, Kisan Vikas Patra, Public Provident Funds, Deposit Scheme for Retiring Government Employees, Deposit scheme for Retiring Employee of Public Sector Companies, Postal Life Insurance, Senior Citizens Savings Scheme. This study is based on the Interview schedule. Statistical tool like Chi-square test, Factor Analysis and ANOVA are used in analyzing the data.

5.2 Investors' Attitude towards Savings

Some of the investments are mostly induced by the age factor. Hence, to test whether the age factor also influences the investment decision of the three attitudes towards savings, the related data are analyzed.

Table .5.1 (a)
Age and Investors' Attitude towards Savings

Attitude	Opinion	Age				Total
		Up to 30	31-45	46-55	56 and above	
Economic Development	Strongly Agree	131	76	66	80	353
	Agree	40	25	15	11	91
	Undecided	13	52	7	3	75
	Disagree	11	3	38	18	70
	Strongly Disagree	11	Nil	Nil	Nil	11
	Total	206	156	126	112	600
Security	Strongly Agree	59	83	73	62	277
	Agree	34	20	16	24	94
	Undecided	42	49	3	23	117
	Disagree	69	4	32	Nil	105
	Strongly Disagree	2	Nil	2	3	7
	Total	206	156	126	112	600
Expenditure	Strongly Agree	49	20	9	7	85
	Agree	61	19	8	10	98
	Undecided	30	53	17	43	143
	Disagree	64	60	92	52	268
	Strongly Disagree	2	4	Nil	Nil	6
	Total	206	156	126	112	600

(Source: Primary data)

The above table No.5.1 (a) shows that the opinion of the respondents related to the attitude towards savings and age of respondents related to the Economic development, Security and Expenditure. To find the association between Investors' attitudes towards savings and age, Chi-square tests have been used.

Table .5.1 (b)
Chi-square test-Age and Investors' Attitude towards Savings

Null Hypotheses Ho	Alternate Hypotheses H1	df	Chi-square Value	P-Value	Decision
Attitude towards savings and age are Independent of Economic development	Attitude towards savings and age are Dependent on Economic development	12	166.521	0.001	The P values is less than 0.05 we reject the Null Hypothesis
Attitude towards savings and age are Independent of Security	Attitude towards savings and age are Dependent on Security	12	133.986	0.000	The P values is less than 0.05 we reject the Null Hypothesis
Attitude towards savings and age are Independent of Expenditure	Attitude towards savings and age are Dependent on Expenditure	12	126.928	0.000	The P values is less than 0.05 we reject the Null Hypothesis

As the P values in all cases are less than 0.05, we accept H1 and rejected Ho and conclude that there is association between the Investors' attitudes towards savings.

5.3 Education and Investors' Attitude towards Savings

Some of the investments are induced by the education factor also. Highly educated investors are more likely to

go in search of information probably because they are more familiar with sources and benefits of such a search in difference being greater for the presumably higher interest savings. The psychological variable, a personality measure has no effects on search or decision making but was found to influence the way information was sought.

Regarding the investor's interest in pre-taking information, those with more education might be more information-minded than those with less education. Actual or potential investors are more likely to be better informed than others, and one might expect that higher income or wealth is accompanied by greater knowledge of the investments.

Hence, to test whether the education factor also influences the taking of decision about choosing any of the eleven postal investment schemes, the related data are analyzed.

The following table shows the opinion of the respondents is related to the attitude towards savings and education is related to the taking of the postal investment schemes and to find the association between attitude and education, Chi-Square tests have been used.

Table .5.2 (a)
Education and Investors' Attitude towards Savings

Attitude	Opinion	Education						
		Up HSC	Graduate	Post - Graduate	Professional	Illiterate	Others	Total
Economic Development	Strongly Agree	171	82	74	14	12	Nil	353
	Agree	47	36	5	2	1	Nil	91
	Undecided	47	13	7	8	Nil	Nil	75
	Disagree	43	9	Nil	Nil	Nil	18	70
	Strongly Disagree	Nil	Nil	Nil	11	Nil	Nil	11
	Total	308	140	86	35	13	18	600
Security	Strongly Agree	139	72	49	6	11	Nil	277
	Agree	55	12	14	11	2	Nil	94
	Undecided	56	19	18	6	Nil	18	117
	Disagree	53	37	3	12	Nil	Nil	105
	Strongly Disagree	5	Nil	2	Nil	Nil	Nil	7
	Total	308	140	86	35	13	18	600
Expenditure	Strongly Agree	22	41	9	10	3	Nil	85
	Agree	44	8	30	13	3	Nil	98
	Undecided	79	25	11	8	2	18	143
	Disagree	161	66	34	4	3	Nil	268
	Strongly Disagree	2	Nil	2	Nil	2	Nil	6
	Total	308	140	86	35	13	18	600

(Source: Primary data)

Table .5.2 (b)
Chi-square test and Investors' Attitude towards Savings

Null Hypotheses Ho	Alternate Hypotheses H1	df	Chi-square Value	P- Value	Decision
Attitude towards savings and Education are Independent of Economic development	Attitude towards savings and Education are Dependent for Economic on development	20	376.573	0.001	The P value is less than 0.05 we reject the Null Hypothesis Ho
Attitude towards savings and Education are Independent of Security	Attitude towards savings and Education are Dependent on Security	20	132.166	0.000	The P values is less than 0.05 we reject the Null Hypothesis Ho
Attitude towards savings and Education are Independent of Expenditure	Attitude towards savings and Education are Dependent on Expenditure	20	188.311	0.000	The P value is less than 0.05 we reject the Null Hypothesis Ho

As the P values in all cases are less than 0.05, we reject Ho and accept H1. We conclude that there is association between the Investors' attitudes towards savings.

5.3 Annual Income and Investors' Attitude towards Savings

The husband is more likely to provide material support in traditional families among societies throughout the world and primary leadership authority within the family, and the wife is more likely to provide affection and expressive needs of all small groups (including the family); that is, the need for leadership and fulfillment of the task on the one hand and the need for morale and cohesion on the other.

Dual income wives perceived themselves as less feminine than the single income wives, even though their perceptions of masculinity were not significantly different. The career-minded women perceived themselves as having attributes traditionally regarded as masculine. Even though the wives are different in the terms of their traditional orientation, they do not show significant difference in terms of power structure in the family. The couples are different in terms of their marital structure; the ideology of marital power is similar. As the investment power of the investor depends on his earnings, opinion of the respondents is analyzed to find whether this factor plays a vital role in taking investment decision.

The following table shows data related to attitude towards savings and family members income. To find the association between the attitude towards savings and annual income, Chi-square tests have been used.

Table .5.3 (a)
Income and Investors' Attitude towards Savings

Attitude	Opinion	Annual Income				Total
		<60,000	60,001-1,50,000	1,50,001-3,00,000	>3,00,000	
Economic Development	Strongly Agree	108	159	77	9	353
	Agree	35	28	22	6	91
	Undecided	38	13	24	Nil	75
	Disagree	12	52	6	Nil	70
	Strongly Disagree	Nil	Nil	11	Nil	11
	Total	193	252	140	15	600
Security	Strongly Agree	85	122	60	10	277
	Agree	26	39	29	Nil	94
	Undecided	50	32	30	5	117
	Disagree	29	57	19	Nil	105
	Strongly Disagree	3	2	2	Nil	7
	Total	193	252	140	15	600
Expenditure	Strongly Agree	4	57	24	Nil	85
	Agree	30	21	43	4	98
	Undecided	85	30	17	11	143
	Disagree	74	140	54	Nil	268
	Strongly Disagree	Nil	4	2	Nil	6
	Total	193	252	140	15	600

(Source: Primary data)

Table .5.3 (b)
Chi-square test and Investors' Attitude towards Savings

Null Hypotheses Ho	Alternate Hypotheses H1	df	Chi-square Value	P-Value	Decision
Attitude towards savings and Income are Independent of Economic development	Attitude towards savings and Income are Dependent on Economic development	12	101.232	0.001	The P value is less than 0.05 we reject the Null Hypothesis
Attitude towards savings and Income are Independent of Security	Attitude towards savings and Income are Dependent on Security	12	28.283	0.002	The P values is less than 0.05 we reject the Null Hypothesis
Attitude towards savings and Income are Independent of Expenditure	Attitude towards savings and Income are Dependent on Expenditure	12	155.343	0.000	The P value is less than 0.05 we reject the Null Hypothesis

As the P values in all cases are less than 0.05, we reject Ho and accept H1. We conclude that there is association between the Investors' attitudes towards savings.

6.1 Summary of Results and Findings

The present report has hitherto discussed in detail the results of the study on certain aspects of Rural Investors' Perception and Postal Investment with respect to select postal investors in the rural area of Dharmapuri District in North Tamil Nadu. The summary of results and findings of this study is presented below:

6.1.1 Personal Profile

The results and findings of the personal profile of postal investors are enumerated hereunder:

1. Out of 600 respondents, only (382) 63.7% of the respondents (investors) who invest in post offices are males and (218) 36.3% of the respondents are females. This indicates that males are playing dominant role in taking investment in post offices. Of the total respondents, only 206 respondents are in the age group of up to 30. It indicates that they are expected to have minimum level of experience in the

- selection of investment.
2. Majority of the investors were up to HSC 308(51.3%). They were able to read, understand and process information collected from various sources. Of the total respondents, 72% of the respondents who were selected from postal investment are married and only 27.7% of the respondents are females. This indicates that the necessity and the need for satisfying the requirements of spouse and children prompts the married person to take the investment in post office.
 3. Four member family size was 38.2. It showed that majority of the respondents live in nuclear family. Husband, wife and two children which is a common family structure has been prevailing in the selected study area. Out of 600 respondents, only 42% of the respondents' income level fell within the limit 60,001- 1,50,000. The investment of the post office investments selected for the study is equal to their total savings. Hence time taken between conceiving the idea of taking and actual investment is a long period.
 4. Out of 600 respondents, only 24% of the respondents are business men. On the other hand 23.8% of the respondents are Government employee. It indicated that their income earning was not stable. It affected the choice of making investments.

6.1.2 Investors' Attitude towards Savings

Majority of the investors irrespective of their age group, education, income and opinion of savings, agree that savings are imperative Household investment will help for economic development of the country, savings create a feeling of security and Investment should be treated as an item of expenditure. At the same time a majority of the respondents irrespective of their opinion strongly agree to economic development and security. Hence there is no relationship between investors' attitude towards savings and age, education and income of the respondents.

7.1 Conclusion

Since independence, the prime objective of the government policy in India is to promote a rapid and balanced growth. As development is a continuous process, it requires the utilization of resources more effectively to achieve the accepted means. Sustaining the development mainly depends on the availability of large volume of capital. Availability of adequate finance ensures systematic and uninterrupted development generally in the economy of the country and particularly in the field of postal investments. Necessary postal investments can be made available if the postal investments intermediaries perform their work efficiently and effectively. Banks, non-banking finance companies, post office and share markets are the major intermediaries. These organizations help the retail and rural investors to save and invest their money for a specific purpose. Among the above, India post offices perform their work efficiently and effectively with reference to rural investments. Hence, the postal investments and rural savings have a dual role to play. Primarily they undertake the responsibility of savings of India postal investors and secondly they help the nation to generate the necessary funds resulting in the society's getting overall benefits.

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