



## An analytical study on investment motives of the college teachers in Assam

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### Abstract

All investors make their investment in the hope that some benefits will accrue in future. However, the nature of benefit required may vary from investor to investor which in turn affects their investment preference. This paper makes an attempt to study the investment motives of college teachers in Assam. Subsequently, the paper also analyzes the correlation between select demographic characteristics and investment motives of the college teachers. Primary data for the purpose of the study have been collected from 384 college teachers working in different provincialized colleges in Assam. The data analysis results show that the highest preferred investment motive is availing tax benefits which is followed by the investment motive of preparing for emergency needs the study also finds that the relative importance of each investment motive is different from investor to investors or even within the same class of investors.

**Keywords:** Investment motive, tax benefits, college teachers, Assam

### Introduction

Investment, by its essence, involves allocating resources today with the expectation of reaping benefits in the future. Every investor aims to gain returns over time, although the specific benefits sought may vary. With numerous investment avenues available, such as government securities, life insurance, and property, each offering distinct advantages, investors must weigh factors like stability of returns, liquidity, and potential for high returns. What suits one investor may not suit another, depending on individual objectives and awareness of investment risks. Previous literature, particularly in the Indian context, highlights factors like liquidity, expected returns, tax savings, and future security as key influencers of investment decisions. Safety, periodic returns, and wealth accumulation are also paramount considerations. Studies reveal demographic variations in investment objectives; for instance, female investors may prioritize safety and regular income, while salaried individuals across age, income, and marital status prefer secure, long-term investment options.

### Research Methodology

The research conducted is both descriptive and analytical, focusing on collecting and analyzing data from 384 college teachers employed across various provincialized colleges in Assam. The sampling technique employed was stratified random sampling, ensuring representation from different districts of Assam. The selection of sample colleges was proportionate to the number of colleges in each district, as guided by the Director of Higher Education, Assam. Specifically, out of the 301 provincialized colleges in Assam, 141 were selected for inclusion in the study. This comprehensive approach allows for insights into the perspectives of permanent college teachers from diverse geographical regions within the state. However, it's

important to note that the study excludes teachers from schools, private colleges, universities, as well as engineering, medical, and other technical educational institutions. Additionally, teachers working on a contractual basis were not part of the study's scope. This delineation helps ensure a focused analysis on the specific group of permanent college teachers within the provincialized colleges of Assam.

### Objectives of the study

1. To examine the investment motives of the college teachers in Assam.
2. To analyze the correlation between demographic characteristics and investment motives of the college teachers.

The variables under study in the present research can be categorized into dependent and independent variables. The dependent variables are the investment motives of the respondents, while the independent variables encompass various demographic characteristics. Specifically, the dependent variables consist of seven investment motives labeled from M1 to M7, as identified through the literature review. On the other hand, the independent variables include age, gender, marital status, academic specialization, place of residence, and income. These demographic characteristics are considered independent as they are hypothesized to influence or explain variations in the respondents' investment motives. Through analyzing the relationships between these independent and dependent variables, the study aims to gain insights into the factors driving individuals' investment decisions.

**Data Analysis**

**Table 1:** Investment Motives of the Respondents

Investment Motives	Mean	Std. Dev.	Rank
Capital Appreciation (M1)	3.76	0.684	3rd
Tax Benefits (M2)	4.08	0.850	1st
Security of Life (M3)	3.49	0.852	4th
Independence in Life (M4)	2.78	1.381	6th
Adjusting Inflation (M5)	2.04	0.831	7th
Children's Education and Marriage (M6)	3.41	0.923	5th
Emergency needs (M7)	4.05	0.841	2nd
Overall	3.37		

Source: Field Survey

The investment motives of respondents are analyzed based on mean scores, standard deviations, and rankings. Tax Benefits" emerges as the top investment motive with a mean score of 4.08 and the lowest standard deviation, indicating strong agreement among respondents regarding its importance. "Emergency needs" closely follows as the second-ranked motive with a mean score of 4.05, suggesting a high priority for financial security and preparedness among respondents. "Capital Appreciation" ranks third with a mean score of 3.76, highlighting the significance of wealth

growth in investment decisions. "Security of Life" and "Children's Education and Marriage" are ranked fourth and fifth, respectively, indicating the importance of both personal and family-related financial stability. Meanwhile, "Independence in Life" and "Adjusting Inflation" rank sixth and seventh, reflecting relatively lower importance attributed to factors related to personal autonomy and inflation management. Overall, the investment motives of respondents demonstrate a prioritization of financial security, tax benefits, and emergency preparedness, underscoring a pragmatic approach to investment decisions aimed at ensuring stability and growth in various life circumstances.

Correlation between Demographic Characteristics and Investment Motives:

In order to study the correlation between demographic characteristics and investment motives of the college teachers, the following hypothesis has been formulated-

**Ho:** There is no significant correlation between demographic characteristics and investment motives of the college teachers.

Correlation analysis has been conducted to test the hypothesis and the results of the same have been presented below-

**Table 2:** Correlation Analysis

Demographic Variables		M1	M2	M3	M4	M5	M6	M7
Age	Pearson Correlation	-0.08	.659**	-0.03	-.116*	0.03	.131**	.665**
	Sig. (2-tailed)	0.13	0.00	0.59	0.02	0.61	0.01	0.00
	N	384	384	384	384	384	384	384
Gender	Pearson Correlation	-0.01	.357**	-0.06	.682**	0.00	.231**	.388**
	Sig. (2-tailed)	0.85	0.00	0.28	0.00	0.95	0.00	0.00
	N	384	384	384	384	384	384	384
Marital status	Pearson Correlation	0.07	-.263**	.113*	.107*	-0.09	-.624**	-.248**
	Sig. (2-tailed)	0.17	0.00	0.03	0.04	0.09	0.00	0.00
	N	384	384	384	384	384	384	384
Department	Pearson Correlation	-0.05	.417**	0.06	.111*	0.02	-0.09	.410**
	Sig. (2-tailed)	0.30	0.00	0.23	0.03	0.75	0.09	0.00
	N	384	384	384	384	384	384	384
Place of Residence	Pearson Correlation	-0.02	.337**	-0.01	.109*	0.04	-0.03	.332**
	Sig. (2-tailed)	0.72	0.00	0.81	0.03	0.42	0.60	0.00
	N	384	384	384	384	384	384	384
Income Level	Pearson Correlation	-0.07	.893**	0.01	0.02	0.07	-0.06	.906**
	Sig. (2-tailed)	0.18	0.00	0.83	0.69	0.16	0.21	0.00
	N	384	384	384	384	384	384	384

\*\* . Correlation is significant at the 0.01 level (2-tailed).

\* . Correlation is significant at the 0.05 level (2-tailed).

The correlation analysis reveals intriguing relationships between demographic variables and various investment motives among the respondents. For instance, age demonstrates statistically significant positive correlations with "Tax Benefits," "Independence in Life," "Children's Education and Marriage," and "Emergency Needs," suggesting that as individuals age, they tend to prioritize these financial goals more prominently. Similarly, gender exhibits significant correlations with "Tax Benefits," "Independence in Life," "Children's Education and Marriage," and "Emergency Needs," indicating gender-based differences in investment preferences. Moreover, marital status displays significant correlations with "Tax Benefits," "Security of Life," "Independence in Life," "Children's Education and Marriage," and "Emergency Needs," suggesting that marital status influences various investment motives. Place of residence shows significant

correlations with "Tax Benefits," "Independence in Life," and "Emergency Needs." Additionally, income level demonstrates strong significant correlations with "Tax Benefits," and "Emergency Needs."

**Summary of Findings and Discussion**

The findings from the analysis of data reveal several key insights into the investment motives and their relationships with demographic variables among college teachers. Firstly, the study identifies that the most preferred investment motive among college teachers is availing tax benefits, followed closely by preparing for emergency needs. This suggests that while college teachers have diverse investment motives, they prioritize tax exemption benefits offered under Income Tax laws, which can be accessed through various investment avenues. Additionally, investment motives such as seeking returns or capital appreciation,

ensuring security in life, and planning for children's education and marriage are also considered significant by college teachers when making investment decisions. Moreover, the correlation analysis demonstrates significant relationships between demographic variables and investment motives. Notably, all demographic variables exhibit a significant relationship with the investment motive of availing tax benefits. Gender shows a significant positive correlation with the investment motive of achieving independence, indicating that female respondents prioritize this motive more than their male counterparts. Conversely, age demonstrates a significant negative correlation with the investment motive of independence in life. Marital status reveals a significant negative correlation with tax benefits and children's education and marriage, suggesting that these motives are less important among unmarried respondents. Furthermore, income level exhibits a strong positive correlation with investment motives related to tax benefits and preparing for emergency needs. These findings underscore the complex interplay between demographic factors and investment motives among college teachers, offering valuable insights for tailored financial planning and investment strategies. By understanding these relationships, policymakers and financial advisors can better cater to the diverse needs and preferences of college teachers in their investment decisions.

### Conclusion

Indeed, behind every investment decision lies a distinct motive, which can span from ensuring safety and security for oneself or loved ones to seeking financial gains through returns or tax exemptions. The significance of each investment motive varies from one investor to another, and even within the same group of investors. Furthermore, the importance assigned to different investment motives can differ across various demographic characteristics. As different investment options cater to distinct investment motives, it becomes imperative for investors to be cognizant of the suitability of a particular investment option for their individual investment motive when making investment decisions. Similarly, financial planners need to prioritize this aspect to effectively position their investment products in the minds of investors. By understanding and addressing the diverse investment motives prevalent among investors, both investors and financial planners can make informed decisions that align with their financial goals and aspirations.

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