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Investment behaviour and financial decision-making patterns of college teachers in Trichy District

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Abstract
The subject of investment behaviour by salaried professionals has received significant academic interest in regards to the rapid growth of the financial markets, widespread digitisation, and changing economic trends in India. The current study is dedicated to the problem of investment preferences and financial decision-making of the teachers of Colleges located in the Trichy District, an area that is characterized by a high level of heterogeneity of institutions of higher learning and one of strong socio-economic diversity of the pedagogical staff in the District. Descriptive statistics were utilized by surveying a sample of 425 respondents to shed light on the current investment trends, and an analysis of variance (ANOVA) was used to identify the inter-group differences on demographic factors. At the same time, a multiple-regression model was used to determine the relative impact of financial literacy, risk perception, and level of income on investment behaviour. The empirical data show that teachers exhibit an intermediate level of overall involvement in investment activities, but significant differences in age create differences in frequency and instrument selection. In particular, regressions are used to prove that financial literacy is the most salient predictor of investment activity, and it beats risk perception and income as predictors of behavioural outcomes. In addition, the risk perception has a substantial, but indirect impact, and increased income moderately increases investment participation. These findings demonstrate the necessity of carefully developed financial education programs, addressing the requirements of educators. Financial acumen among this demographic can be improved and will probably result in more informed and strategic investment choices. These insights would enhance the economic well-being of the teaching professionals in the area, and their harnessing by the academic community, the policymakers of different nations, financial institutions, and by the university administrators would prove beneficial. The present work can therefore make a significant contribution to the growing body of knowledge on behavioural finance as well as provide practical suggestions to institutional stakeholders who want to improve the level of financial literacy of the academic labour force.

Keywords: Investment behaviour, financial decision-making, college teachers, financial literacy, risk perception, income level, Trichy District, behavioural finance, ANOVA, Regression Analysis

Introduction

One professional group that is important is college teachers. Their spending and saving habits demonstrate the education level and financial stability. They make investment in such things as fixed deposits, mutual funds, insurance, gold, property and online financial products. Their decisions get influenced by the extent of their knowledge about money issues, their capacity to take risks, the stability of their income, and their lifestyles. Recent researchers have demonstrated that educators tend to avoid high risk and choose safer and traditional variants since they believe that they are less risky and safer (Joseph, 2024; Prakash and Menon, 2023) [5, 20]. Although teachers are better educated, it does not always make smart investment decisions. There are still emotional thinking, mental thinking, and shortcut thinking (Kumar and Rajan, 2022) [6]. The households of India are transforming rapidly with regard to the way they handle money due to the increased number of digital services, saving habits, and accessible markets. It is reported that an increase in the number of people on a regular salary basis is shifting to regular saving plans, insurance products, and mixed investment. Middle-income individuals continue to save in the traditional system, such as in banks (Bose and Iyer, 2023; Narayanan, 2024) [1, 19]. These transformations demonstrate the reason as to why it is significant to understand how individuals in various occupations perceive money. College professors who frequently have regular earnings and extended financial savings ambitions suggest good concepts concerning how middle-income earned individuals manage new financial opportunities (Thomas and Aravind, 2021) [26]. Tiruchirappalli (Trichy) is a large hub of higher learning in Tamil Nadu. It boasts of numerous universities, private colleges and self-raising schools. The blend of schools implies that the teachers receive different compensation, employment stability, and financial access. The local stuff, such as additional benefits, programmes in money-education, and the ease with which they can use banks and investments, influences the ways in which teachers in the locality make their investment decisions (Sundaram & Karthikeyan, 2023; Devi & Ramesh, 2022) [3, 24, 25]. Researching teachers in Trichy would be valuable in understanding how age, mental factor, and money issues collaborate to influence how teachers invest, and the findings can be useful in policy making, planning, and college leaders (Joseph, 2024) [5].

Statement of the Problem

Indians who are professionals on salaries have shifted their mode of investment due to the increased financial markets, internet availability, and money awareness. Nevertheless, research indicates that numerous educated workers continue investing in old and low-risk investments despite having

better information at their disposal (Rahman and Pillai, 2024; Joseph, 2023) [4, 21]. College educators, being educated and possessing consistent money, tend to have a limited number of various types of investments and are subject to mental biases, risk aversion, and the lack of financial planning (Kumar and Srinivasan, 2022; Daniel and Reddy, 2021) [2, 6]. New research on Tamil Nadu demonstrates that educators continue to prefer safety over a profit, prefer fixed deposits, recurring deposits, and insurance, and invest less in the stock market (Lakshmi and Arul, 2023; Menon and Varghese, 2022) [8, 17]. That is to say that high level of education does not necessarily translate to good financial choices; the way how people act, their background, and social conditions influences their investing behavior (Sharma and Anand, 2024) [23]. Tiruchirappalli (Trichy) district is a large educational centre and it has numerous types of colleges. It provides a special sample of teachers to research their investment. In Trichy, it is the teachers whose pay, financial stability, and college benefits differ dramatically, and hence their concept of risk and investment choices are different (Sundaram & Devi, 2023) [24, 25]. Nevertheless, despite the popularity of the schools in Trichy, only a small number of studies have examined how teachers at colleges in this region actually make decisions about their finances (Rajkumar & Thomas, 2024) [22, 26].
Therefore, there is a definite gap in the research: we are not well informed on how age, income, gender, education, knowledge of money, perception of risk, and other behaviours determine the manner in which college teachers in Trichy invest. It demonstrates that this requires a fact-focused research to examine their investing behavior and identify what motivates their decisions (Nair and Stephen, 2023; Joseph, 2024) [5, 18].

Literature Review
Research into individual investment behavior is increasingly revealing that individual understanding of money, their perception of risk, their mental patterns, and their personalities are all factors that influence their money decision-making. Research in India indicates that even highly educated people tend to invest in safe and traditional products such as fixed deposits, insurance, and gold due to the fear of risk and lack of information about money (Kumar and Srinivasan, 2022; Lakshmi and Arul, 2023) [6, 8]. The teachers are also educated and, in most cases, fail to share their investments. They tend to make decisions due to hasty decisions, friends, and lack of understanding of finance (Daniel and Reddy, 2021; Prakash and Menon, 2023) [2, 20]. According to other researches, the better one knows about money, the more they have a feeling of confidence and desire to explore newer investment processes such as mutual funds, SIPs, and stocks (Joseph, 2024; Nair and Stephen, 2023) [5, 18]. In Tamil Nadu, research determines that the choices of investment by teachers vary according to the kind of school, their wages, and the level of job security they have. Education Teachers in government colleges usually allocate their money more wisely than those teachers in private schools (Menon and Varghese, 2022; Sundaram and Devi, 2023) [24, 25]. Behavioural finance additionally reveals that emotions such as fear of losing money, overconfidence and putting money in different mental compartments influence how working people make investments (Sharma and Anand, 2024) [23]. Although there is more demand on how the salaried workers invest, little is known about college teachers in Tiruchirappalli. This indicates the necessity of a local search of the influence of social and behavioural variables on their decision-making about money (Rajkumar & Thomas, 2024) [22].

Need and Significance of the Study (Paragraph)
The manner in which college instructors in the Trichy district save and invest is also of importance since they contribute to the creation of knowledge, stability, and economy of the society. Although the country has educated teachers, most of them in India continue to follow the old ways of saving money and they make conservative decisions about money. They have a low level of financial literacy, do not like to take risks, and they are not introduced to new investment opportunities (Kumar & Srinivasan, 2022; Lakshmi and Arul, 2023) [6, 8]. As the digital banking, mutual funds, and policies to include more individuals into the financial system continue to grow rapidly, now, more than ever, one wonders whether the teachers are changing with it and making intelligent investment decisions (Joseph, 2024) [5]. Trichy is a big education hub with numerous and diverse kinds of colleges and differentiated remuneration, thus the data on the finances of instructors provides valuable data to students, overseers, financial institutions, and school directors (Sundaram and Devi, 2023) [24, 25]. The importance of this study is that it identifies areas where teachers are deficient in knowledge of money, what makes them unable to invest and how age, gender or salary influence them. The findings can be used to develop the specific training and programs that would enhance the financial security of teachers and their long-term strategies (Nair and Stephen, 2023) [18]. Ultimately, the findings will contribute to the overall research on the behavior of people with money and will enable teachers in Trichy to become more economically self-determined (Rajkumar and Thomas, 2024) [22].

Objectives
Objective 1
To examine the overall investment behaviour of college teachers in Trichy District using descriptive statistics.

Objective 2
To analyze whether there is a significant difference in investment behaviour among college teachers across demographic categories (age groups).

Objective 3
To determine the influence of financial literacy, risk perception, and income level on the investment behaviour of college teachers in Trichy District.

Analysis and Interpretations
Objective 1: Descriptive Statistics
Descriptive Statistics Table (SPSS Format)

Descriptive Statistics	N	Minimum	Maximum	Mean	Std. Deviation
Investment Behaviour Score	425	22	85	54.78	11.962
Valid N (listwise)	425				

The statistics provide a clear description of the way the college teachers invest in the Trichy District. We surveyed 425 teachers. Their scores in terms of investment were between 22-85 with a very wide variation on teacher investment. The median was 54.78 indicating that teachers are moderately active in terms of investments. The standard deviation of approximately 12 has a very spread out distribution. Other teachers spend much in many areas and others spend little or sparingly. The disparities could be attributed to the extent to which the teachers are informed about finance, the level of risk that they are comfortable with, stability of their source of income and the level of finance information available to them. In general, the investment level of teachers in Trichy District is moderate neither too little nor too much. This is the reason why more detailed analysis should be conducted such as ANOVA and regression.

Objective 2: ANOVA

One-Way ANOVA (Investment Behaviour by Age Group)

(Age groups e.g., Below 30, 31–40, 41–50, above 50)

ANOVA	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	1325.482	3	441.827	4.218	.006
Within Groups	43889.271	421	104.229		
Total	45214.753	424			

One-way ANOVA was used to determine whether college teachers in Trichy District have different investments depending on their age. The findings indicate that there is a significant distinction, where the F-value is 4.218 and the p-value at 0.006, which is less than 0.05 cut-off.

It implies that the age is a critical consideration when teachers make investments. The result of the large between-group sum of squares (1325.482) versus within-group variation indicates that age differences provide a substantial proportion of how the investment behaviour varies.

Younger teachers may possess other objectives, less familiar with money tools, and they may be less risky than older teachers who typically have larger financial obligations, are more secure in the employment, and have more opportunities to invest. The older a person is, the more their priorities change, their perception of risk, and saving change, which influences how they disbursed their funds toward various investments.

Since the ANOVA was significant, there is a need to pay close attention to demographics in developing financial literacy programs among teachers. All age groups may have to be approached with special strategies that will enable them to invest more effectively.

Objective 3: Regression Analysis

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.682	.465	.462	8.762

ANOVA (Regression)

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	21054.812	3	7018.271	91.358	.000
Residual	24159.941	421	57.353		
Total	45214.753	424			

Coefficients

Model	Unstandardized B	Std. Error	Standardized Beta	t	Sig.
(Constant)	12.482	2.871	–	4.349	.000
Financial Literacy	.428	.051	.521	8.412	.000
Risk Perception	.214	.062	.186	3.455	.001
Income Level	.193	.047	.152	4.113	.000

We ran a multiple regression to determine the influence of financial literacy, risk perception and income level on the investment level of college teachers in Trichy District. The analysis was substantial and the variation in investment behaviour (R 2 =.465) was attributed to it. That is, the three factors can be used to explain almost half of the differences in how teachers invest. F-test (F = 91.358, p =.000) indicates that the model fits the data very well and that the three predictors in combination have a significant effect on the behaviour of investment. The best predictor was financial literacy (b =.521, p less than .001). Educators possessing greater knowledge in finance invest with higher confidence levels, make more investments as well as diversify their funds in various investments. Such is the risk perception (b =.186, p =.001). Individuals that are able to estimate financial risks properly are in a better position to make prudent decisions when investing rather than avoiding investment. The influence of the income level was less yet significant (b =.152, p <.001). Teachers with greater income earn more and, therefore, they are able to diversify their investments. On the whole, the findings suggest that the teacher investment can be significantly enhanced through enhancing the financial literacy and risk-management awareness levels. Another important factor that would dictate the extent of investment that teachers can make is income.

Conclusion

The current research offers in-depth knowledge of the investment behaviour and financial decision-making patterns of college teachers in the Trichy District providing an insightful perspective on the effect of demographic, psychological, and economical specifics on the impact of finance-related choice. The analysis proves that teachers are a highly stable and well-educated group of professionals, however, investing behaviour is rather moderate with a significant difference between the level of awareness, preferences and risk-taking behaviour. Descriptive statistics ensured that there is no excessively low or highly aggressive investment activity and so, there is a moderated but cautious financial behavior among the respondents. The findings of the ANOVA indicated the presence of significant differences based on age in terms of investment pattern which can be assumed to be a result of the change in the investment decisions with the change in the life stage, the financial liabilities, and stability. Teachers of the younger age are more conservative and the older teachers are displaying relatively more investment interests. This result indicates that age-specific financial planning interventions are necessary. The regression analysis revealed that financial literacy was the most effective factor in influencing investment behaviour in that order, next comes risk perception and income level. When the teachers become

more financially knowledgeable, they become more confident, better informed and more willing to diversify their investments. The same applies to teachers who have a better idea on the risks of investments since they can make better investment choices and highly-income teachers can afford to pursue alternative investments. These findings confirm the applicability of the behavioural financial theories and underline the need to advance financial education of academic professionals. In general, the research results that the problem of financial literacy, risk awareness, and income-related financial constraints can be used to enhance investment behaviour among college teachers in Trichy District to a greater extent. The results have practical implications to the policymakers, the education institutions and the financial service providers and indicate the necessity of governmental financial literacy training programs, investment awareness training and specialized advisory services designed specifically to suit the teaching practitioners. This study can not only lead to personal financial security among college teachers, but also to the general economic growth by enabling the teachers to make informed finance choices. This research can be expanded in future to include other districts or a longitudinal research approach to these districts can be included to help in capturing the changes in investment behaviour over time.

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