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A Research Paper

On

A Study of Saving and investment habit of Tribal Women of Valsad district of Gujarat

By

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Abstract

The main objective of the research paper was to ascertain saving and investment habit of rural area of tribal women of Valsad district. This paper is based on study of rural household savings behavior. The study is conducted through primary survey with 100 rural households of Valsad district. The study was to determine the relationship between the savings and investments habit among the household. People save money so that they can consume more in the future with requirement. People have different behaviour towards savings and inequality in income levels. There are people who believe that money received today should be used to meet current needs and that the future will be taken care of. There are others who also hold the view that no matter how little one's income is there is the need to save part of that income. There are many villages that still remain inaccessible, without electricity or basic sanitation facilities, where the population enjoys no steady source of income. On the whole rural poverty in India has alerted the world. India has warned the world over rural poverty. It is generally believed that rural India is the center of poverty. After meeting their livelihoods, there is very little income left for rural people to save.

Introduction

Investment is the sacrifice of certain present value for the uncertain future reward. It entails arriving at numerous decisions such as type, mix, amount, timing and grade. Savings are non-spending or deferred consumption. These methods include saving money aside, for example, a Deposit account, Saving accounts, pension account, an investment fund or cash. Saving also includes reducing costs, such as Recurring costs. However, increased savings does not always correspond to increased investment. If the savings are stashed or Do not deposit under the mattress, or otherwise not deposited into financial an intermediately like a bank, post office etc. there is no opportunity for anyone savings will be recycled as an investment by the business. This means that saving may increase without increasing investment, possibly causing a short-fall of demand (a pile-up of inventories, a cut-back of production, employment, and income, and thus a recession) rather than to economic growth. In the short term, it can result in savings if the investment falls below overall demand and economic boom growth. In the long term, if savings come down from investment, they are finally Decreases investment and disrupt future growth. Today the spectrum investment is indeed wide. An investment is challenged with array of investment avenues like bank deposits, real estate, Agriculture, small savings, post office, life insurance schemes, bullions, commercial deposits, corporate security- bonds, mutual funds, and equity and preference shares. Among all investment, investments like in a bank deposits are safest and most preferred by the women. Indian economy is doing indeed well in recent years. There are a large number of villages that are quickly being engulfed via sub-urbanization, with a large proportion of the rural population engaged in non-agricultural activities. With the advent of technological development, a large number of villages are reaping the fruits of an agricultural revolution, through improved methods of cultivation and diversified farming practices, and as a result are experiencing near urban income level. (Pathy, 2017)

Literature Review

(pathy, 2017) Researcher found that the majority of rural Households have less knowledge about the investment in industrial securities, insurance, gold etc, but at the same time they prefer to make investment in bank and post office. Most of the rural households select their investment option by evaluating two factors safety of principal and return from investment. In this study we have analyzed the saving behavior of household in rural areas, it reveals that most of the people belong to agriculture family and their economic condition influences them to retain their surplus income for further savings. Their aim of savings might be used for further live hood, cultivation purpose, and social need or for the domestic needs and future need which ultimately leads to national savings. The national savings pave the way for investment in the infrastructural and economic development of the country. (Kani., 2016) The study also draws an important conclusion from the study that the investors are a keen to invest in long term and less risk product, much interest to earn the good return on their investments. Investors are aware about the

factor affecting the short term as well as long term investment plans and they do take advice from the different experts, self analysis by investors themselves. This intensive study will somehow help investors in deciding the current investment their savings.

(Umamaheswari & Suganthi, 2015) This paper made attempted to study out Today the teaching community has started realizing the importance of money and money's worth. They are initiated to prepare a budget for the proposed expenses and compare it with the actual expenses met by them, so that they are not influenced by other tempting and fashionable expenses. It is evident from the study undertaken that most of the teachers are saving money as bank deposits, gold , post office deposits and LIC. (Bhavsar, 2013) This Study find out that Today the teaching community has started realizing the importance of money and money's worth. They are initiated to prepare a budget for the proposed expenses and compare it with the actual expenses met by them, so that they are not influenced by other tempting and fashionable expenses. It is evident from the study undertaken that most of the teachers are saving their money for the purpose of their children's education, marriage and other welfare expenses. (Bhardwaj, Sharma, & Sharma, 2013) It can be inferred from the study that majority of the employees (80) have knowledge about the industrial securities, cross-tabulation of knowledge about securities and income level reveals that as the income of the employee's increases, awareness about securities also increases. Though 80 percent of the employees are aware of industrial securities but only 8 percent of them are investing in it. Further, analysis shows that some employees have invested in equity shares and very few in debentures while most of the employees do not invest in industrial in industrial securities. Further, none of the employees are satisfied with such investments. Thus at last it could be concluded that most of the employees are aware of investments in securities but they are not investing in it as they consider it as an unsafe investment.

Statement of the Problem

The people save the money in order to meet the financial requirement in future because the future is unpredictable. So savings are required in order to meet the financial requirements. There is a huge scope of savings and investment because of the presence number of small individual, self help groups and government banks and private banks in valsad and the circulation of money is also high. This study has been done to analyze the savings and investment habit of tribal household of valsad district.

Scope of the Study

The present research study covered the tribal women who associated with self help groups of valsad district of Gujarat on their habit of savings and investments. The study does not cover the tribal women of other talukas of valsad district.

Objectives of the Study

- To determining the factor which influenced savings in the study area.
- To study the attitude toward saving.
- To assess the saving preference of the tribal women.

Research Methodology

The primary data were used for the study. Data have been collected through questionnaire method and survey method. 100 respondents have been collected from rural locations of Dharampur Taluka of Valsad district. Secondary data have also been used for the study. Percentage method is used for analyzing the collected data.

Saving Pattern of Tribal Women: An Analysis

One of most urgent concerns for the economics of the developing world is need for prepare household financial resources. Despite the variety of vehicles that are intended to mobilize and allocate financial resource in developing countries, few offer strategies for meeting the need of poor and lower income people for financial services savings are increasingly being acknowledged as a powerful tool for poverty reduction. In this section to fulfillment of the study objectives, the important factor like monthly income, monthly expenditure, monthly savings, reason of savings, sources of savings, sources of information, are to be analyzed.

Purpose of the Respondent's Savings

Sr. No.	Purpose of the savings	No. of Respondent	Percentage
1	To purchase agricultural land	12	12.0
2	For children's education	93	93.0
3	Economic security after retirement	10	10.0
4	For construction of house	4	4.0
5	For children's marriage	41	41.0
6	For health care	61	61.0

Source: Primary Data

The above table shows the majority of the sample respondents save money for children's education, the next purpose goes to the for health, the third choice of the respondents for the children's marriage, the next purpose of respondents purchase of agriculture land, than after economic security after retirement and the last choice of construction of a house.

Problem faced while Saving the Require Amount

Sr. No.	Problems Faced	No. of Respondents	Percentage
1	Insufficient income	56	56.0
2	Social Occasion	10	10.0
3	Expenses arising due to illness	32	32.0
4	Unexpected Expenditure	2	2.0
	Total....	100	100

Source: Primary Data

The data on various problem faced by the women members of the SHGs in saving the expected amounts, were classified it was found that insufficient income, social occasions sickness and other contingencies were found to be the major factors 56 % of the women members of the SHGs found it difficult to save planned amount due to insufficient income 10% of them could not save enough due to frequent social occasion, 32% failed to save targeted amounts due to expenditure incurred during sickness and the remaining 2% of them found to it difficult to save enough due to other contingencies.

Sources of Guidance for Investment

Sr. No.	Sources of guidance for investment	No. of Respondents	Percentage
1	News papers	3	3.0
2	Family and close friends	34	34.0
3	Various bulletin and books	1	1.0
4	SHGs	78	78.0
5	Internet surfing	17	17.0

Source: Primary Data

The table given above provides data on various sources giving guidance to the selected women regarding investment. It is found that only 3% of them get guidance from the newspapers, 34% from family and friend, 1% from various bulletins and books, 78% got guidance from the SHGs,

while 17% got guidance from internet. Thus, in Dharampur Taluka, the women members associated with the SHGs mainly got guidance regarding investment from sources like SHGs and friend and relatives but sources like various bulletins/book and internet are not fully used.

Saving and Investment Goals of the Respondents

Sr. No.	Saving and Investment Target	No. of Respondents	Percentage
1	Saving and investment with goal	83	83.0
2	Saving and investment without goal	17	17.0
	Total....	100	100

Source: Primary Data

Examining the detail about the saving and investment targets of the women members of the SHGs, it is found that 83% of them set targets beforehand, and deposit their saving accordingly. But only 17% of them do not set any targets for savings. Thus a large majority of the women associated with the SHGs in Dharampur Taluka have predetermined targets for saving and deposit the targeted amount.

Factors encouraging the Respondents to Make Investment

Sr. No.	Encouraging Factors	No. of Respondents	Percentage
1	Rate of returns	87	87.0
2	Securities	40	40.0
3	Diversification of investment	19	19.0
4	Increase in the value of investment	14	14.0
5	Others	3	3.0

Source: Primary Data

Looking at the classification of the factors providing incentives for savings to the women members of the SHGs, it is found that most of respondents select rate of return, security of the investment diversification of investment increase in the value of investment certainty of returns etc are the factors that provide incentives to the women members for investment. It is found that 87%, 40% and 19% of the women members got incentives for investment through rate of return, security and diversification of investment respectively on the other hand, only 14% women

members thought that increase in the value of investment provided them incentives for investment 3% of the women members thought that degree of risk certainty of returns etc. were enough incentive for making incentives. Thus the most important incentives of investment in Dharampur Taluka were rates of return and security of investment.

Objectives for Investment Made by the Respondents

Sr. No.	Objectives for investment	No. of Respondent	Percentage
1	Increasing wealth	64	64.0
2	Tax saving	7	7.0
3	Better returns	38	38.0
4	For accidental expenses arising in the future	35	35.0
5	Other	5	5.0

Source: Primary Data

Studying the objective of the SHGs women members for financial investment, it is apparent that 64.0% and 7.0% of them had made investment for the purposes of increasing their wealth and tax saving respectively. In addition, 38% and 35% of them made investment for getting better returns and for meeting contingency expenditure in future respectively. The remaining 5% women had other proposes such as security for future, economic freedom in future etc. Thus it is found that the objectives of women members of the SHGs of Dharampur Taluka for making investment were mostly increasing wealth, getting better returns and meeting contingency expend fare in future.

Option of investment

Sr. No.	Option of Investment	No. of Respondents	Percentage
1	Animal husbandry	31	31.0
2	Children education	15	15.0
3	Agriculture	22	22.0
4	Cottage industry	2	2.0
5	LIC Scheme	15	15.0

6	Post office Scheme	2	2.0
7	Bank deposits	19	19.0
8	Recurring deposits	2	2.0

Source: Primary Data

Examining the data on the investment made in various channels by the SHGs women members it is found that 31% of them had investment animal husbandry in the last five years 15% had made investment in their children's education 22% had made maximum investment in agriculture, 2% had Maximum investment in cottage industries, 15% in various plan of the LIC, while 19% and 2% of them had made highest investment in bank deposits and recurring deposit respectively. Thus, the women members of the SHGs of this area have invested more in animal husbandry, agriculture and children's education.

Conclusion

It can be concluded from the study that majority of the tribal women have less knowledge about the investment in industrial securities, insurance, gold etc, but at the same time they prefer to make investment in increasing wealth, better return and for accidental expense etc. Many problem faced by respondents while saving like insufficient income of sources, Expenses arising due to illness and many others, But even so, they regularly save on small money. They especially received information from self-help groups and friends and family about investing. Most of the tribal women select their investment option by evaluating two factors safety of rate of return and securities of investment. Most of the respondents invest their savings in animal husbandry and agriculture, LIC and children's education. In this study I have analyzed the saving behavior of tribal women in rural areas, it reveals that most of the people belong to agriculture and husbandry family and their economic condition is influences them to retain their surplus income for further savings. Their savings can be used for more live hoods, cultivation purposes, and social requirements or for domestic needs and future needs that ultimately lead to national savings. The national savings surface the way for investment in the infrastructural and economic development of the country.

Suggestions

- Awareness campaigns should be organized by banks and government with the motive of creating awareness about the concept of saving and investing in the study area.

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