A STUDY ON SAVINGS AND INVESTMENT BEHAVIOUR OF YOUTHS OF NAGAON TOWN, ASSAM, INDIA

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A B S T R A C T

The words savings and investments are often used interchangeably but conceptually they are different. Saving is an income set aside for meeting emergencies or fixed future needs whereas Investment is an assets made by channelizing the savings into productive use. Savings usually yields low or nil returns but investment if made with proper study, yields productive returns. This paper studies the various factors that influence youths for saving and investment in Nagaon town in Assam. A primary research is conducted on 150 respondents and their data is studied through frequency and percentage tables. A major finding from this research concludes that post graduated students, high income group people, and nuclear family members prefer to invest more. The most preferred mode of investment is Fixed Deposit at Bank and then second ranked preference is Life Insurance.

1. INTRODUCTION

Savings and investment are used interchangeably but the terms have difference in meaning (Genberg & Swoboda 1992). Saving is an income set aside for meeting emergencies or fixed future needs. Savings has low risk but it yields minimal returns. Savings are usually deposited in savings bank account or kept safe at homes. Investment is an assets made by channelizing the savings into productive use. The risks and returns in investment varies from instruments to instruments and time to time (Panagopoulos & Tzionas 2023). People make investment for the aim of capital appreciation. There are two types of investment: One is passive investment and another is active investment. Passive investment is a kind of one time investment which involves low buying and selling frequency (Jaquart et al. 2023). For ex- One time mutual funds, here buying is made once on fixed terms and then selling is done. It involves less engagement of investors (Fisch 2021). On the other hand, active investment demands the investor to be frequently involved in buying and selling hence engagement is high (Gollier & Pouget 2022, Johnston, Belinga, & Segrestin 2022). The examples of active investments are stock trading, options trading etc. There are various ways and instruments to make investments (Bertoldi, et al. 2021). A few popular mentions can be: Fixed deposits, Post office savings, Life Insurance, Gold, Stock market, Real estate, Mutual fund etc. According to a data released by Consumer spending outlook 2022, 40% of people were willing to invest in Equity stock and mutual fund and only 15% on property, assets and gold. In recent times, investments in stock has increased. According to a survey published in Times of India, the share pf stock in total savings is highest of all time i.e; 4.8% up from 4.3% in march 2021.

Research Objectives

The objective of the paper is to study the various factors that influence youths for saving and investment in Nagaon town in Assam, India.

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2. METHODOLOGY

The research was conducted on 150 Respondents of age group 18 to 40 years in Nagaon town. Primary data was collected from those 150 employed youths using google forms questionnaires. The data has been presented by using frequency and percentage table. Also ranking analysis of preference of different saving and investment avenues that are available in market is used. Different websites were surfed to collect statistical data.

3. LITERATURE REVIEW

Deaves, Veit & Cheney (2007) in their research paper titled, "The saving and investment decisions of planners: a cross-sectional study of colleges employees" studied different demographic attribute and their relation with employee's propensity plan . They concluded that investment in pension plans were positively correlated and men tend to save less when compared to women. The risk bearing tendency is positively related to income and negatively related to age.

Kibet et al. (2009) in their research paper studied factors influencing saving and investment using microeconomics approach. They concluded that various demographics positively influence the saving and investment behavior expect age.

Geetha & Ramesh (2011) in their research paper titled, "A study on people's preferences in Investment Behaviour" studied different investment avenues which

is prefered by male and female of different age groups. They concluded that upto age group of 50 people prefer to invest in NSC, PPF etc. People above age group 60 prefer to invest in LIC.

Syed, Nigar & Ullah (2017) in their paper titled, "An Analysis Of Household Savings And Investment Behavior Among Different Income Groups In Urban Area Of District Peshawar" studied the behavior of various factors and their relation with savings and investment using multiple linear regression. They concluded that all other variables like earning, education level etc has a positive impact on savings and investment. Only dependent member has negative impact with savings and investment.

4. DISCUSSION /ANALYSIS AND OUTCOMES

Results are presented in Table 1. Preference of savings and investment with age; Table 2. Preference of savings and investment with Gender; Table 3. Preference of savings and investment with Education; Table 4. Table showing Preference of savings and investment with Income; Table 5. Preference of savings and investment by Gender and Education; Table 6. Savings and investment by family size and experience of savings and investment; Table 7. Respondent's awareness of Investment instruments and Table 8. Ranking of Savings and Investment avenue preference by respondents.

Table 1. Table showing Preference of savings and investment with Age

			Age		Total
			18 to 30	31 to 40	
Preference	Savings	Count	54	37	91
		% within the age	82.28	44.55	61.11
	Investment	Count	12	47	59
		%within the age	17.72	55.44	38.89
Total		Count	66	84	150
		%within the age	100	100	100

(**Source:** Field Study)

Interpretation: Savings is preferred by majority (61.11%) of the respondents as compared to investment (38.89%). In addition to age group between 18 to 30 years prefer savings (65%) more than the age group of

31 to 40 (45%). On the other hand, age group between 31 to 40 years prefer investment (55.44%) than that of age group of 18 to 30.

Table 2. Preference of savings and investment with Gender

			Gender		Total
			Male	Female	
Preference	Savings	Count	32	64	96
		% within the Gender	55.24	69.33	61.11
	Investment	Count	26	28	54
		%within the Gender	44.76	30.67	38.89
Total		Count	58	92	150
		%within the Gender	100	100	100

(**Source:** Field Study)

Interpretation: It was found that there is a very less gender difference for preference of savings and investment .Out of total 96 respondents, (69.33%) female prefer savings and (58%) male prefer savings .Out of total 54 respondents, (30.67%) female prefer investment and (44.76%) male prefer investment. It was found that female prefer savings more than investment.

Table 3. Preference of savings and investment with Education

			Education			Total
			Secondary Level	Graduate	Post Graduate	
Preference	Savings	Count	45	31	16	92
		% within education	82.82	47.44	52.63	61.11
	Investment	Count	9	34	15	58
		%within education	17.19	52.56	47.37	38.89
Total		Count	54	65	31	150
		%within education	100	100	100	100

(**Source:** Field Study)

Interpretation: It was found that post graduate respondents prefer investment (47.37%) more than graduate (52.56%) and respondents only with secondary level of education (17.19%). On the other hand, respondents having secondary education prefer savings (82.82%) more than those who are graduate (47.44%) and postgraduate (52.63%).

Table 4. Table showing Preference of savings and investment with Income

			Income			Total
			Low	Medium	High	
Preference	Savings	Count	36	22	34	92
		% within income	82.69	57.45	49.38	61.11
	Investment	Count	7	17	34	58
		%within income	17.31	42.55	50.62	38.89
Total		Count	43	39	68	150
		%within income	100	100	100	100

(**Source:** Field Study)

Interpretation: It was found that there was a less variance among the three income groups regarding the choice of savings and investment. Low income group (82.69%) prefer savings more than investment. High income group prefer almost equally that is (49.38%) prefer savings and (41%) prefer investment.

Table 5. Preference of savings and investment by Gender and Education

	Gender					
	Male			Female		
	SL	G	PG	SL	G	PG
Savings	42 (71.43)	2 (12.5)	4 (45.45)	40 (92.45)	2 (23.08)	0
Investment	16 (28.57)	18 (87.5)	5 (54.55)	4 (7.55)	9 (76.92)	8 (100)
Column Total	100	100	100	100	100	100
No. of respondents	58	20	9	44	11	8

(**Source:** Field Study)

Interpretation: It was found that (71.43%) male and (92.45%) female having secondary education prefer savings more than the other two categories of respondents with graduation and post-graduation. (87.5%) of male graduates and (76.92%) of female graduates prefer investment. Gender has no influence over savings and investment behaviour**.**

Table 6. Savings and investment by family size and experience of savings and investment

| | Family Size | | | | | |
| | Nuclear Family | | | Joint Family | | |
	Less than 1 year	2 to 5 years	More than 5 years	Less than 1 year	2 to 5 years	More than 5 years
Savings	19 (95.83)	31 (86.05)	26 (75.61)	1 (40)	4 (20.83)	9 (27.91)
Investment	1 (4.17)	5 (13.95)	9 (24.39)	3 (60)	16 (79.17)	26 (72.09)
Column Total	100	100	100	100	100	100
No. of respondents	20	36	35	4	20	35

(**Source:** Field Study)

Interpretation: It was found that respondents with nuclear family prefer savings more than investment. Respondents who have less than 1 year experience of earning, prefer savings (95.83%) and respondents who have 2 to 5 years of experience of earning prefer investment (79.17%) which is followed by (72.09%) respondents who have joint family and more than 5 years of experience of earning.

Table 7. Respondent's awareness of Investment instruments

Awareness of investment instrument	Mutual Fund (%)	Equity (%)	Debenture (%)	Equity / Currency derivatives (%)	Currency future (%)
Awareness (N=150)	82.32	82.32	71.61	61	52.91
Investors awareness (N=58)	100	96.12	81.36	73.32	61
Non investors awareness(N=92)	83	54.82	51.17	21	9

(**Source:** Field Study)

Interpretation: It was found that out of total 150 respondents (82.32%) and (82.32%) aware about mutual fund and equity investment irrespective of their preference.All the investors are aware about mutual fund (100%) followed by equity (96.12%) and debenture (81.36%). Most of the non-investors (83.00%) are aware about mutual fund investment followed by equity investment (54.82%).

Table 8. Ranking of Savings and Investment avenue preference by respondents

Savings and Investment avenue preferred by the respondents rank wise	Rank
1. Post office savings	4th
2. Life Insurance savings	2nd
3. Fixed Deposit with banks	1st
4. Local Societies	9th
5. Gold	3rd
6. Real Estate	7th
7. Mutual Fund	5th
8. Stock Market	6th
9. Debt Market	10th
10. Tax savings schemes	8th

(**Source:** Field Study)

Interpretation: From the above table it is clearly revealed that respondents place fixed deposit with banks at 1st rank followed by Life insurance savings at 2nd rank and gold as 3rd rank as saving and investment avenue. Respondents ranked debt market, local societies and tax saving scheme the least.

5. FINDINGS AND CONCLUSION

From the above research it is found that age group between 18 to 30 years respondents prefer savings and age group between 31 to 40 years prefer investment. It is found that gender has no influence over savings and investment behaviour. Post Graduate respondents prefer investment more than graduate and respondents only

with secondary level of education. Respondents having secondary education prefer savings more than those who are graduate and post graduate. Low income group prefer savings more than investment and high income group prefer almost savings and investment equally. Respondent having nuclear family prefer savings more than investment and joint family prefer investment more than savings. It was also observed that all the investors are aware about mutual fund. Majority of the respondents placed fixed deposit with bank at first rank, life insurance savings at second rank and debt market, local societies at the least rank.

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