

An Analytical Study on Retirement Financial Planning Of Teachers in Private Colleges

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ABSTRACT

This paper is about the study of an analytical study on retirement financial planning of teachers in private colleges, where it is completely depending on primary and secondary data and trying to understand how a private college teacher plans on for retirement financial planning. This study was conducted to measure the Demographic differences in characteristics and the financial resource awareness with the preferences of selecting the scheme for financial retirement planning by the private college teachers. To understand these the data was collected with the help of both primary and secondary mode. The primary data is used for understanding the purpose and the secondary data was used for fulfilling the purpose. For these the tools which were used were ANOVA and correlation. From this study we can understand that the teachers have preferred fixed deposit schemes and it should be diversified into recent investment avenues.

KEYWORDS: Retirement, Financial planning

I. INTRODUCTION

One of the most crucial and significant parts of the achievement is planning. A personal financial plan is crucial for everybody and their loved ones who want to avoid future financial troubles and difficulties. Financial freedom and stability, both short and long term, are things that people aspire to have until the end of their lives. It is critical to plan financially for one's retirement years so that one does not experience considerable sadness or unneeded anguish in what is intended to be the reward for working so hard throughout their younger years.

The terms financial and investment planning are synonymous in the context of personal finance. To distinguish between the two concepts, we must first have a thorough understanding of them. In investment planning, the -rate of interest

component is critical. Only a few parts of the Investing Planning process, which also includes assessing markets and the investment environment before developing an investment portfolio, include setting investment goals and determining risk appetite. Investment planning is the process of committing money to one or more assets for a predetermined period of time. An investment is anything that is not consumed today but is kept for later use.

II. REVIEW OF LITERATURE

John Hamilton Noone et al. (2009), in their study on -Pre-retirement planning and wellbeing in Later Life: A Prospective Study – reported that those who had a superannuation plan were 45 percent more likely to be very satisfied with their retirement and 24 percent more likely to rate their physical health as excellent, while those who had discussed their retirement plans with their spouse were 86 percent to 96 percent more likely to report higher levels of satisfaction.

Shanta B. Artige (2009) conducted a study entitled -A Sociological study of post-Retirement plans of college teachers I in Gulbarga city on a total sample of 160 retired college teachers to find out their post-retirement plans. Based on the findings it was reported that when asked about the post retirement plans, majority of respondents (54%) told that they were engaged in academic activities such as research, writing, letters to newspapers, articles, reading newspapers etc. since their retirement. On the other hand, 46 percent were engaged in non-academic activities such as social service, employment, looking after property, business and family. It is clear that a little more than half of the respondents (54%) were interested in academic activities.

Gargi Pant (2013), in her study entitled -Retirement Planning of Female Faculty Members - An Expense or saving for the Future concluded that

married women are more aware of the retirement planning and done more for retirement as compare to unmarried women. It is also analysed that the females" are moderate risk bearer and like to invest in less risky avenues

Dr. Madhu Raikwar and Prof. A. M. Khan (2012) conducted -A Comparative Study of Engagement of Retired Men and Women on 320 elderly people. The findings of the study stated that half of the retired persons (50.82%) had planned to engage further in one or the other task and data indicated that the main reason of accepting re-employment was to keep busy (97.62%) and 53% wanted to work for mental satisfaction. It was also reported that males who were employed during their productive years" were not inclined to contribute in household activities after retirement.

Robert L. Fuller and David L Redfering (1976) conducted a study on -Effects of Preretirement Planning on the Retirement Adjustment of Military Personnel and found that there is a significant difference between the degree of retirement planning and the degree of retirement adjustment. No significant difference was found between rank and retirement adjustment as well as between no. of years retired and retirement adjustment.

III. STATEMENT OF PROBLEM

V. ANALYSIS

Table 1 - Gender wise classification

Gender	No of respondents	Percentage
Male	74	74%
Female	26	26%
Total	100	

From the above data it was clear that the 74% of the respondents were males and 26% were female. It reveals that majority of them were male teachers.

Table 2 - marital status

Marital status	No of respondents	Percentage
Married	72	72%
Unmarried	28	28%
Total	100	

From the above data it was clear that 72% of the respondents were married and the 28% of the respondents remain unmarried. It gives an information that majority have family influence regarding their savings and investment

Teaching is becoming one of the most rewarding and pleasurable careers available. The majority of employees, it is often assumed, do not plan for their retirement. They would join more schemes, manage their savings and contributions to funds, understand how to take advantage of tax benefits through such schemes, monitor their portfolio on a regular basis and make necessary changes for better returns, and create a sustainable source of income from these funds when they retire.

OBJECTIVES

1. To measure the differences in demographic characteristics of teachers in college towards retirement financial planning approach
2. To measure the financial resource awareness and their preference of selecting the scheme for financial retirement planning.

IV. METHODOLOGY

To answer the purpose of the project, both primary and secondary data is collected. Primary data is collected especially to answer the purpose and it includes questionnaire to be filled, observations and interviews Data are collected from 100 respondents. Secondary data is data that has been collected either to fulfil the purpose of some research. These are collected from published sources, articles, journals, websites etc...

Table 3 - Preference on retirement financial planning

Preference	No of respondents	Percentage
Savings bank a/c	30	30%
Financial dep & chit funds	18	18%
Investment in land & building	22	22%
Investment in stock & mutual funds	10	10%
Insurance company schemes	11	11%
Post office	9	9%
Total	100	

From the above data it was clear that 30% of the respondents were preferred to savings a/c , and only 9% of the respondents preferred post office savings. The respondents doesn't showed a forward move towards the recent innovative ideas in financial planning.

Table 4 - Awareness about various financial resources

Awareness	No of respondents	Percentage
Strongly agree	48	48
Agree	33	33
Neutral	19	19
Disagree	0	0
Strongly disagree	0	0
Total	100	

From the above data it was clear that 48% of the respondents were strongly agree about various financial resources available for retirement planning, 33% of the respondents were agree about various available for retirement planning and 19% of the respondents were neutral.

HYPOTHESIS TESTING

AIM: To measure the differences in demographic characteristics of teacher in college towards retirement financial planning approach

H₀₂: Gender wise there is no significant difference in retirement financial planning approach of teachers in college

Table 5 - the difference in gender of teachers in college towards retirement financial planning ANOVA

	Sum of squares	df	Mean square	F	Sig.
Between groups	.808	4	.808	3.624	.060
Within groups	21.396	96	.223		
Total	22.204	100			

For the above table the one way ANOVA was run with gender as independent variable and plan about retirement financial planning as dependent variable. Result of ANOVA showed that there is no significant difference between gender and plan for retirement financial planning. The one – way ANOVA results can be represents as

F(100)=3.624, p=.060. Hence the null hypothesis that there is no significant difference between gender and plan for financial retirement planning H₀₃: marital status wise there is no significant difference in retirement financial planning approach of teachers in college

Table 6 - the difference in marital status of teachers in college towards retirement financial planning ANOVA

	Sum of squares	df	Mean square	F	Sig.
Between groups	.214	4	.214	.933	.337
Within groups	21.990	96	.229		
Total	22.204	100			

For the above table the one way ANOVA was run with marital status as independent variable and plan about retirement financial planning as dependent variable. Result of ANOVA showed that there is no significant difference between marital status and plan for retirement financial planning. The one – way ANOVA results can be represents as
F(100)=.933, p=.337

Hence the null hypothesis that there is no significant difference between marital status and plan for financial retirement planning.

AIM: To measure the financial resource awareness and their preference of selecting the scheme for financial retirement planning

H₀₆: There is no significant difference between awareness about various financial resources for saving and preference of retirement financial resources

Table 7 - the financial resource awareness and their preference of selecting the scheme for financial retirement planning

Correlations

		awareness about various financial resources	preference on financial planning
awareness about various financial resources	Pearson Correlation	1	-.938**
	Sig. (2-tailed)		0.000
	N	100	100
preference on financial planning	Pearson Correlation	-.938**	1
	Sig. (2-tailed)	0.000	
	N	100	100

From the above table, we can understand that the correlation coefficient derived from the analysis is significant value is > 0.001(0.000), which indicates there is no significant relationship between awareness about various financial resource for saving and preference of retirement financial resources.

VI. FINDINGS

- 74% of the respondents were under male category.
- Most of the respondents were married
- There is no significant difference between demographic character and retirement financial planning approach of teachers in college.
- there is no significant relationship between awareness about various financial resource for saving and preference of retirement financial resources.

VII. CONCLUSION

Retirement is a major part of life, and retirement planning is still a relatively new notion in India. Retirement planning is a fluid process that is influenced by a variety of factors. When planning for retirement, people must consider social, economic, and political factors as well as their own needs. It is undeniable that demographic variables have an impact on all aspects of retirement planning. The most important thing to know before it's too late is that everyone has responsibility for his or her own retirement planning. India's financial markets are attracting investors from all around the world. However, the average person's participation in markets is extremely minimal. It's also regarded to be sentiment-driven, and the market's maturity has been called into doubt on several occasions. The

underdeveloped pension market in India is a key source of concern when it comes to retirement planning. Individuals have little faith in annuities since they are limited. Individuals with Indian values are in a better financial position as a result of their savings. The habit of saving is clearly present among Indians, but channelling these funds to earn good returns and assisting individuals in accomplishing long-term financial goals is the order of the day. In order to do this, intermediaries must put their hands up, raise awareness, and focus on solution selling rather than product selling. As a result of the study's findings, the majority of employees selected fixed deposit schemes, which should be diversified into more modern investment possibilities. The study reveals that the majority of employees have adequate understanding of various investment schemes, although their reach is on the lower end of the spectrum.

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