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Original Article

A Study on Financial Awareness and Investment Preferences among School Teachers in and Around Sankaranpandal

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ABSTRACT

Investment plays an important role in the financial life of salaried employees, as they depend on a fixed and regular income. In today's changing economic environment, individuals need to plan their investments carefully to meet future goals such as retirement, education, and financial security. This study aims to understand the investment preferences of salaried employees, the factors influencing their decisions, and their level of awareness about different investment options.The research focuses on how employees balance risk and return while choosing investment avenues. The study is based on both primary and secondary data. Primary data was collected through a structured questionnaire from salaried individuals, while secondary data was gathered from research papers, journals, and online sources. The findings show that most salaried employees prefer safe investment options such as fixed deposits and insurance, while some are shifting towards mutual funds and equity investments. Factors like income, risk tolerance, and financial knowledge play a key role in influencing investment decisions.

KEYWORDS

Financial Awareness, Investment Preferences, School Teachers, Financial Literacy,Personal Finance Management, Savings Behaviour, Investment Decisions, Risk Tolerance, Retirement Planning, Income Allocation, Financial Planning, Sankaranpandal Region.

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1. INTRODUCTION

Financial awareness has become an important part of modern life because individuals today face many financial decisions related to saving, spending, investing, insurance, and retirement planning. In the present economic environment, simply earning an income is not enough; people must also manage their finances wisely to achieve long-term financial security. Financial awareness helps individuals understand financial concepts such as budgeting, saving habits, investment opportunities, risk management, and inflation. It enables them to make informed financial decisions and avoid unnecessary financial difficulties. Individuals with better financial knowledge are more capable of planning their future needs, managing expenses effectively, and selecting suitable investment options according to their financial goals. School teachers form an important group of salaried employees in society. They play a major role in shaping the knowledge and values of future generations. Although teachers are academically qualified, many of them may not possess sufficient knowledge about financial planning and investment opportunities. Since teachers generally depend on a fixed monthly income, proper financial management becomes essential for meeting family expenses, children's education, healthcare needs, and retirement security. Investment decisions among teachers are influenced by factors such as income level, age, risk tolerance, educational background, and awareness of financial products. Traditionally, many teachers prefer safe investment options like bank deposits, insurance policies, and provident funds because of their low-risk nature. In recent years, increasing inflation, rising living costs, and economic uncertainties have made financial planning more important than before. Various investment avenues such as mutual funds, shares, pension schemes, gold, and real estate are now available for individuals to improve their financial stability. Technological developments and digital financial services have also made investment activities easier and more accessible. However, the effective use of these opportunities depends largely on financial awareness and confidence in handling financial matters. This study focuses on analyzing the level of financial awareness and investment preferences among school teachers. It aims to understand their knowledge about financial planning, the types of investment avenues they prefer, and the factors influencing their investment decisions. The study also helps identify gaps in financial literacy among teachers and highlights the importance of improving financial education for better financial wellbeing and future security.

1.1. Objectives of the Study

- To examine the level of financial awareness among school teachers.
- Tostudythe savingpatternsandinvestmentpreferencesof schoolemployees.
- Toidentifyfactorsinfluencing financialplanning services.
- Toanalysistherelationshipbetweenincomelevelsavingbehaviourandinvestment behaviour.
- Tosuggestmeasurestoimprovefinancialplanningpracticesamongsalariedemployees

2. REVIEW OF LITERATURE

- Ardra& Regina (2025): Their research showed that salaried employees prefer bank deposits and safe investment options.factors such as age, income, and family responsibilities, influence their decisions.

- Hooda, kanwa & gupta (2024): This study found that investment behaviour of salaried individuals depends on income, awareness and expected returns.it highlighted that financial knowledge plays a key role in investment decisions.
- Renu (2023): The study concluded that investment choices differ based on income level, saving habits and market conditionsemployees consider. Purpose of investment and knowledge before investing.

Priti and Purvi (2020) This paper aims to find the behavior of individual investors of Ahmedabad district vis-a-vis available investment avenues in the Indian financial markets.All the investors invest their surplus money in the above-mentioned avenues depending on their risk-taking attitude. ―No pain, no gain‖ it is the golden principle of investment management. Investors cannot avoid risks, but they can minimize the risk by investing their money in various forms of safe investments sothat they can get a moderate profit. This study has led the researcher to conclude that most of the investors of Ahmedabad district prefer bank deposits followed by investments in gold and silver.Zankhana and Ronikadevi(2019) aim of this research are to analyze awareness, perception & behavior regarding different investment avenues available for salaried people and to study various demographic variables and pattern of investment. Data were analyzed using descriptive statistics and chi-square technique was applied to demographic factors and motives of savings. For analysis purpose SPSS software is used. The results show that bank deposit and insurance policies still remain the most preferred investment avenues. Salaried people's age and their motives of savings are dependent on each other.Geethu Gopi and Priyanka et al (2018) identified that investment is an activity confined to specific financial aims of investors. It's the path through which smart money is transferred from the surplus area to the deficit. The money is deposited by the investor with the diverse intention such as appreciation, return and safety. Assefa and Durga (2018) identified that the issue of financial literacy has ever increasing its importance after the recent economic crisis and the call for enhanced financial literacy amongst consumers is a global phenomenon, driven by the growing complexity of financial markets, services and products. Chi-square testwas used to examine the relationship between financial literacy and investment preference. The results of the study concluded that financial literacy level of individuals is very low. These results highlight the need for financial education programs focusing specifically on developing investment knowledge and skills to facilitate informed investment decisions. Dam and Leena et al (2017) says that financial planning is an art with a touch of science to manage one'sownmoneyhavingthepropensitytoaccumulatefor futureandsimultaneously meet with ease the daily financial requirement. Due to diversification of financial services sector individual investors have wide array of products to invest. Individuals need to be financially literate in order to make realistic financial plans and decide the best suited investment product where the returns beat inflation and wealth accumulation is achieved.This study attempts to analyze the relationship between age and income with financial planning. It also studies whether age and income have a positive correlation with the choiceof investment products. Analysis show that majority of individuals have set financial goals. But they are unaware of how to meet their future financial goals. Also, investors are not correctly aware of which product to invest in given their age and income bracket. Sonali and Kalpana (2014) state that investment is an activity that is engaged in by people who have savings i.e. investments are made from savings, or in other words people invest their savings. A variety of investment options are available such as bank, Gold, Real estate, post services, mutual funds & so on. Investors are investing their money with the different objectives such as profit, security, appreciation, Income stability. The study is based on personal interviews with salaried peoples, usingastructured questionnaire. Thedata has been analyzed using percentage, chi-square test, and Person Correlation Coefficient with the help of statistical software. The researcher has analyzed that salaried employees consider thesafetyaswellasgoodreturn oninvestmentonregular basis.Respondentsareawareaboutthe investment avenues available in India except female investors.

3. SCOPE OF THE STUDY

- Assesses the level of financial awareness among the respondents.
- It examines awareness of the key investment options including bank deposits, Mutual funds, stocks, insurances, and pension schemes.
- It It covers essential financial areas such as budgeting, savings, investment and financial management.
- The study is based on primary data collected through a structured questionnaire from 150 respondents.
- The findings are limited in the selected sample and area and aim to provide insights for improving financial awareness and investment preferences.

4. NEED OF THE STUDY

- To assess the level of financial awareness among school teachers in and around Sankaranpandal.
- To identify the investment preferences of school teachers and understand which avenues they trust most.
- To study the factors influencing their investment decisions, such as income, risk, family needs, and knowledge.
- To understand whether teachers are making informed financial decisions or relying only on traditional methods.
- To suggest ways to improve financial literacy and better investment planning among teachers.

4.1. Research Design

The study adopts a descriptive and analytical research design to examine financial Awareness and investment Preferences among the school teachers in Sankaranpandal. A quantitative research approach was followed using primary data collected through a structured questionnaire. The survey method was used for data collection. A sample size of 150 respondents was selected using simple random sampling technique. The Study area is limited to Sankaranpandal. Statistical tools such as Percentage Analysis, Mean Score Analysis, Index Method, Weighted Average Method, Pearson Correlation, One-Way ANOVA, and Descriptive Analysis were used for data interpretation. The

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study also formulates hypotheses to examine financial Awareness levels, Preferences of investment options, factors influencing financial decisions, the relationship between financial Awareness and investment Preferences, and the need for financial Awareness improvement strategies among the School teachers.

4.2. Hypothesis (Indicative)

- H1: Financial awareness significantly influences investment preferences among school teachers in and around Sankaranpandal.
- H2: Demographic factors such as age, income, educational qualification, and teaching experience significantly influence the financial decisions of schoolteachers.
- H3: Awareness of various investment avenues significantly affects the investment behaviour of school teachers.
- H4: Financial awareness has a significant relationship with investment preferences among school teachers.
- H5: Financial education and awareness programs significantly improve investment practices among school teachers in and around Sankaranpandal.

4.3. Limitations of the Study

- The study is limited only to school teachers working in and around Sankaranpandal, so the findings may not represent teachers in other regions.
- The research is based on the responses provided by the respondents, and there may be chances of personal bias or inaccurate information.
- Due to time constraints, the study was conducted with a limited sample size.
- The study focuses only on selected aspects of financial awareness and investment preferences and does not cover all financial activities.
- Changes in economic conditions and market fluctuations during the study period may influence the investment behaviour of respondents.
- The study considers only school teachers and excludes other salaried professionals for comparison.

5. RESEARCH GAP

Many studies have been conducted on financial awareness and investment behaviour among salaried individuals. However, only a limited number of studies have focused specifically on school teachers and their investment preferences. In particular, studies related to teachers working in rural and semi-urban areas are comparatively less. Most of the earlier research has concentrated on general financial literacy, while very little attention has been given to how factors such as age, income, teaching experience, and family background influence the investment decisions of teachers. In addition, the awareness level of teachers regarding different investment avenues and modern financial products has not been studied in detail.Furthermore, very few localized studies have been carried out among school teachers in and around Sankaranpandal. Therefore, the presents study attempts to fill this gap by examining the financial awareness and investment preferences of school teachers in the selected area.

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