

Investment Portfolio of Senior Citizens in Greater Noida

RAHUL KUMAR

CHAPTER 1

Introduction

A citizen is a person who has the lawful right to belong to a specific country. He has the right to take part in the legislative proceedings of the state to which he belongs. People who are more than sixty years old are commonly stated to as senior citizens or pensioners. This refers to people whose phase in life is usually called old age, though there is no specific way to recognize the formal stage of a normal life duration. People are said to be senior citizens when they reach the age of sixty because that is the age at which most of the people be pensioned off from work. Senior citizens are of four types. First are those who involve in enjoyable searches in the trust that they functioned tough all their life and now are in a feeling to enjoy life. Second belongs to the category that turns to spiritual searches of attending spiritual discourses, deliberation camps and reading of sacred scripture and the like. The third group continues in the same professional practices or business or similar activities and the actions continue so that they can pass time, meet people and sense desirable. They obtain admiration from others as a stuff of repetitive tasks, but slowly the distance rises and they acquire traditional importance. Fourth category moves out of their known circle and engages in actions that interest them and are meaningful to them. During their work life, these doings could have remained remote or simple hobbies. They take interest in public matters, social deal or arts and meet people outside their sphere. They join or form unpaid organizations of diverse types. The problem of ageing is one of the significant areas that concerns with socio-psychological factors. Elderly people are becoming one of the significant groups in the society. Ageing is an inevitable phenomenon in all living organisms. Ageing is a complex process involving biological, psychological, social and environmental components. Psychological ageing is a result of the deterioration of biological process, slowing down of psychological activities like memory, intelligence, emotional reactions and verbal ability. Sociological ageing is the completion of adult social roles and the inability to continue the roles and it becomes difficult for these people to live as a self-sufficient member of the family or the society. The concept of ageing and position of the aged form an integral part of the institutional and ideological culture of a society. Social development of a country depends on its

economic growth and provision of social and economic security to all sectors of the population. The ageing of the population is a factor, which needs to be included in the political, economic and social equations.

The study analyses the investment pattern of the senior citizens in Greater Noida City. The study has been conducted from the point of view of the senior citizens who have invested their money in different investment avenues. Instead, the study could also be gauged from the angle of the institutions offering investment avenues. In the present study, the researcher has looked into the issues as the third party. The study covers the investment avenues of the senior citizens, the investment pattern of the senior citizens, attitude of the senior citizens towards investment and the factors influencing the attitude of the senior citizens towards investment.

CHAPTER- 2

Review of Literature

Angus Deaton (1980) in his report "Savings in Developing Countries: Theory and Review" states that "savings is not only about accumulation it is about smoothing out consumption in the face of volatile and unpredictable income and helping to ensure the living standards of poor people whose lives are difficult and uncertain". He also states that these are in a line between savings and growth investments of cycled savings behavior⁷.

Shetty, S.L. (1990) in his study "Savings Behaviour in India in the 1980s", states that the moderate levels of household savings has been sustained because of substantial sublimation of house hold consumption. He also points out that the fiscal privileges on saving instruments seem to have tended to produce sizeable per verse 'wealth' effects which in turn seem to have contributed to the encouragement for conspicuous consumption and may affect the 20 disposable income of the household sector and in turn the household saving⁸.

Copon. N. Fitzimons (1992) in his article "Rationality and the Mutual Fund Purchase Division under Reviews" discovered the degree to which investors make purchase decisions reliable with modern finance theory. The theory proposes that "purchase decision for financial assets should be made on the basis of investors' belief regarding the future returns and the risk of these assets. He concluded that his study results presented support for the notion that the mutual fund investment decision is better considered a multi- attribute frame work, where return and risk are just two of a set of characteristics the importance of which differs across consumers"⁹.

Dang Thu (1994) in his study entitled "Local Level Policy Development for Integrating the Elderly into the Development Process in Vietnam" out lined the profile and the characteristics of the elderly especially on their economic participation and potentials and examined the potentiality of great economic integration of the elderly in to their immediate locality. He concluded that 38.7 percent elder persons had savings.

72.8 percent elders helped their children to generate income. 89 percent of the elderly contributed money to their family budget¹⁰.

Humayun Kabir, M.D. (1994) in his study "Local Level Policy Development to Deal with the Consequences of Population Ageing in Bangladesh", analysed the economic participation and potentials of the elderly to develop appropriate policies and programmes to harness the economic potentials of the local level elderly. He concluded that majority of the elder persons do not have economic security. Senior citizens are valuable resources. The residual capacity and rich experience of them should be used for the socio-economic development of the society¹¹.

Suchint Phala Kornkula (1994) in his study "Country Policy Development for the Elderly at the Local Level in Thailand" studied the elderly to provide directions for meaningful inputs to the national policy on ageing for the government. He concluded that local activities are mostly concerned with personal health and institutional medical care. To recover the economic status of the elderly, communities need to evolve nationwide policies on taxation, public security and psychological support¹².

Mohammad Afzal (1994) in his study "Local Level Policy Development on Consequences of Ageing: Country Case Study in Pakistan" analysed older persons' economic participation and potentials to get an understanding about the opportunities that could be used for the economic integrations of the elderly. He 22 concluded that the government and non-governmental organizations should provide monetary and other support enabling them to remain economically self-reliant. The help of the government is also needed by the elderly for creating business opportunities and for their professional guidance. Large portion of the elderly continued to contribute in cash and by work participation, generated and enhanced family income¹³.

Djuhari Wirakartakusumah, M. (1994) in his study "Local Level Policy Development on Consequences of Ageing: Indonesia Case" studied the policies to be adopted in anticipation of augmented needs for services to the elderly. He concluded that the elderly generally lived with their families. They assumed sufficiently significant roles in the lives of their families. They maintained good relations with their communities.

CHAPTER 3

Research Methodology

3.1 Hypotheses of the study

1. The individual factors do not have an effect over the attitude of the investors towards investment.
2. The financial factors do not have an impact over the attitude of the investors towards investment.

3.2 Period of Study

The study period arrays from Jan. 2020 to April 2022, and the data have been collected from the respondents during the period of six months from November to April 2022.

3.3 Conceptual Definitions

Senior Citizen:

Senior citizen is a phrase used to refer to an old person, especially one over the age of 60. Diverse segments have arranged dissimilar ages for offering discounts and assistances to senior citizens:

- Banks and railways deliver rebates, higher benefits on deposits and other amenities to people that are 60 years aged and or over.
- The tax Department, which originates under the purview of the Finance Ministry, classifies an individual who is 65 years and above for oldster tax exemptions.
- Air India offers oldster reductions to males who are 65 years and above and females who are 63 years and above as on the date of beginning of trip.
- The minimum age of eligibility for maturity pension varies from 55 to 65 years from state to state.

- Senior Citizens Unit Plan of UTI proposals the advantage of medical treatment to seniors and their partners who are 58 years and older. Senior Citizens Saving Scheme recommends a regulation of 55 to 60 years as an eligibility requirement.
- Local Municipal Corporations such as that of Delhi recommends 65 years because the age of availing assistances for senior citizens consistent with the DMC Act of 1957.
- The National Policy of Older Persons recognizes an individual who is 60 years aged and above as an oldster.

For the purpose of the study, the retired persons who are above 60 years old and who have invested their retirement benefits in various forms of investments are taken into consideration.

Pension: A sum of money paid frequently by a government or company to a person who is considered to be too old or too ill / sick to work is considered pension.

Pensioner: A person who is receiving a pension, especially from the government is a pensioner.

Retirement: The period of life after one has stopped work at a particular age.

Income: The money that a person, a area, a country, etc. receives from work, from devoting money, from business, etc.

Expenditure: The act of expenditure or using money; an amount of money spent: a decrease in public / government / military expenditure.

Salary: A fixed periodical payment made to a person for his services. Money those staffs obtain for doing their job, mostly professional employees or people working in an office, typically paid every month.

Investment: The act of investing money to purchase property, stocks in a company and the like in the expectation of making profit.

Old age: involves of ages approaching or outstanding the average life duration of human beings, and thus the end of the human life cycle.

Portfolio: Many times, the depositors go on receiving assets in an ad - hoc and accidental manner and the result is high risk, low return outline which they may face. All such possessions would 39 establish his portfolio and the wise saver will revise his list in the portfolio in the light of risk and return.

Risk: A person or thing that is likely to root problems or hazard at some time in the future. It can be defined as a situation where the possible consequences of the decision that is to be taken are known.

Return on Investment: The income expected to be realized from any investment, regardless of size, made by an individual or a company.

Attitude: Attitude is a cerebral and neural state of willingness organised through knowledge, using a directive or dynamic inspiration upon the individual's reply to all objects and situations with which it is connected.

3.4 Sampling

The study is an experiential study and consists of both main and secondary data. The secondary data have been collected from various magazines, journals, periodicals and from internet. Further the records of Lead Bank and Treasury Office are also used in the study. The primary information has been collected from the senior citizens by administering a well-structured interview schedule. The study concentrates only on the pensioners among senior citizens. 200 pensioners who have invested a portion of their retirement benefits for their future have been selected for the purpose of the study and have been interviewed.

The study is an extensive one covering senior citizens particularly senior citizens or pensioners living in Greater Noida of Gautam buddha Nagar district. There are around 16800 pensioners in roll in the Greater Noida city among a population of around 1.18 lakhs. The study is an empirical study based on the sampling data. The sampling frame consists of 200 respondents selected through a survey and a questionnaire is given to them to answer some financial and personal questions. It is decided to draw 200 respondents from an employing systematic random sampling.

The senior citizens are given with some questions related to their personal life and some to their financial investments. The Data is collected and then analysed on different parameters and is presented in the detailed manner below in chapter 4.

3.5 Tools of analysis

To observe the socio-economic circumstances of the senior citizens, the researcher has used percentage analysis to know the magnitude of the variables. The purpose for investment has been analysed and interpreted through Factor Analysis. The impact of the sample investors on the economic factor's has been analysed with the Pair Sign Test. The attitude of the sample respondents towards investment are converted into various levels with the help of mean and standard deviations, and then compared with various personal and economic factors by Chi Square Test. Further the needs are graded and compared according to Maslow's Need Hierarchy Theory.

Chi - Square Method

The Chi-Square method is that the hottest non-parametric test of importance in social research. it's wont to make the contrast between two or more insignificant variables. The test is applied in arithmetical studies to confirm the distribution of observed data with assumed theoretical distribution. the dimensions of chi-square define the extent of or the degree of difference between theory and observation. With the assistance of chi-square test, it's known whether a given difference between observed data and expected data is thanks to chance variation or thanks to inadequacy of the idea to suit the observed data. The greater the inconsistency 42 between the observed and expected frequencies, the greater is that the value of Chi-Square. The formula applied in this case is given below.

$$(\text{Chi})^2 = \text{summation} [(O - E)^2 / E]$$

Where O refers to the experiential freq. and the E refers to the predictable freq.

Factor Analysis

Factor analysis may be a general term for several specific computational techniques. It begins with the development of a replacement set of variables supported the relationships within the matrix. the foremost frequently used approach is principal component analysis. This method transforms a group of variables into a replacement set of composite variables or principal components that aren't correlated to every other. These linear combinations of variables called factors account for the variance within the data as an entire. the most objective here is to scale back the variables into manageable number of things which facilitate easy interpretation.

Weighted Average Method

This is developed after developing Likert-type scales. Likert scales are developed by utilising the item analysis approach wherein a selected item is evaluated on the thought of how well it discriminates between those persons whose total score is high and other people whose score is low. It consists of variety of statements which express either a favourable or unfavourable attitude towards the given object to which the respondent is asked to react. Each response is given a numerical score to record then weights are being imposed according to the importance of the matter. The scores are then multiplied by the weights to succeed in the weighted average ranks.

Garrett Ranking

It is often wanted to interpret orders of merit into units of sum or scores. This may be completed by means of tables. Following formula is used to transmute ranking into scores. This is extremely valuable in

the case of those qualities which are not easily calculated by normal methods, but for which persons may be arranged in order of merit. The formula used to transmute ranking into score is

$$\text{Percent position (PP)} = 100 (R - 0.5) / N$$

Levels of Attitude

The levels as to low level, medium level and high level are estimated on the source of mean and standard deviations. The low level is calculated by $\bar{x} - \sigma$, high level by $\bar{x} + \sigma$, and the medium level by $\bar{x} \pm \sigma$

Pair Sign Test

The sign test has vital application in problems involving paired data. In these problems, each pair of sample values are often replaced with a symbol if the first value is greater than the second, a symbol if the first value is smaller than the second, or be discarded if the two values are equal. Here the researcher has used this test to know the impact of investment and expenditure before and after retirement with the assistance of the subsequent formula.

$$Z = (X - np) / \sqrt{npq}$$

3.6 Limitations of the study

1. The study pertains only to the pensioners among the senior citizens though there are many more senior citizens living in the district without getting pension.
2. Some inherent problems like family disputes, family burdens leading to socio - psychological problems are purposefully omitted.

CHAPTER 4

Data Analysis & Interpretation

Senior Citizens are a vital part of the society. they need worked hard all the years for the event of the state also because the community. They own vast experience in several walks of life. The youth of today can improvement from the experience of the senior citizens in taking the state to greater heights. At this age of their life, they have to be taken care of and made them special. A man's life is generally divided into five main stages, namely, infancy, childhood, adolescence, adulthood and adulthood. In each of those stages, a private has got to find himself in several situations and face different problems. The adulthood isn't easily. In adulthood, physical strength deteriorates, mental stability diminishes; money power becomes bleak including negligence from the younger generation. In India, nearly 40 percent of senior citizens who live with their families are reportedly facing exploitation of 1 kind or another, but just one in 6 cases actually involves light.

4.1 Personal Profile of the Sample Senior Citizens

The study is an empirical study which covers 200 senior citizens who have invested their retirement benefits and the results arrived at have been summarized, analysed and interpreted. The senior citizens are classified into four groups according to their age. They are older citizens in the age group of 60-64, 65-69, 70-74 and 75 and above. The result shows that in the study group 119 (59.5%) are from the age group of 60-64, 59 (29.5%) are between 65 and 69, 18 (9%) belong to the age group of 70-74% and only 4 (2%) are 75 or above. Males outnumber r females among the study groups. Males consist of 84 percent and female's 16 percent, with 3 percent unmarried and 13 percent living without spouses. Regarding the educational status of the sample senior citizens, 25 percent of them have completed pre-university course, 36 percent are graduates, 12 percent post-graduates, 6 percent professionals, and 21 percent possess the qualifications like diploma, and other technical courses. Out of them, 96 percent are privileged to live with their family members and only 4 percent are living separately. With regards to the house condition, nearly 89 percent are living in their own houses, 7 percent in leased houses and only 4 percent in rented houses. 22 percent respondents belong to forward community. 70 percent are from backward community.

4 percent are most backward and 4 percent are scheduled caste. There are 38 percent who associated themselves with the Senior Citizens Associations. Among the sample senior citizens, 100 (50 percent) are from service sectors, 50 (25 percent) from government departments, and another 50 (25 percent) are teachers. Among them, 47 are working after retirement, 9 in government service, 28 in private sectors, and 10 in non-governmental organization. With regard to the employment position of the spouses, 8.5 percent are working, 34 percent have retired and 57.5 percent are simply housewives. 38 percent of the respondents associated themselves with Senior Citizens Associations.

4.2 Social Status of Senior Citizens

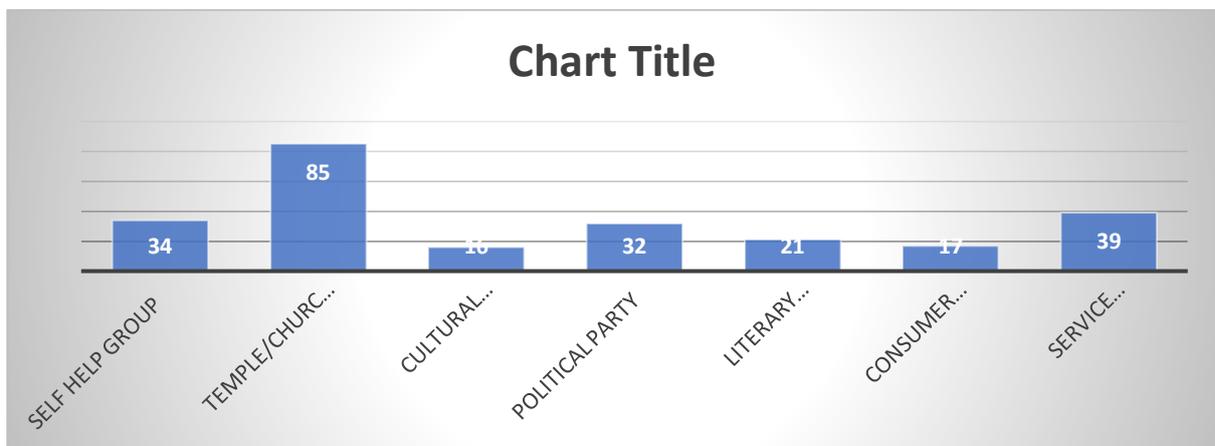
The least noticed of the poor in India are the elderly. many elderlies in India are trapped in misery through a mix of low income and poor health. the traditional support structure of the family is increasingly unable to affect the matter. during a world where the joint family is breaking down, and kids are unable to need care of their parents, many the elderly face poverty. The emerging demographic profile and socio-economic scenario of the country indicate that matters will worsen dramatically within the years to return. Being alone is bad for both physic and mind of every human being. As man is a social animal, he/she needs companion, fellowship, association and the like within the family as well as among the society irrespective of the age, employment, income and the like factors. As such the involvement of sample senior citizens in various social groups has been elicited and is analysed.

Social Status of the senior Citizens

S No.	Social Status	member	non-member	Total	Percentage
1	Self Help group	34	166	200	17
2	Temple/Church committee	85	115	200	42.5
3	Cultural Association	16	184	200	8
4	Political Party	32	168	200	16
5	Literary association	21	179	200	10.5
6	Consumer Association	17	183	200	8.5
7	Service Organization	39	161	200	19.5
Average		35			17.5

Source: Primary Survey

The study reveals that 17 percent have associated themselves with the self-help groups, 42.5 percent with religious groups like church and temple Committees, 8 percent in cultural associations, 16 percent in political parties, 10.5 percent in literary associations, 8.5 percent in consumer associations and nearly 19.5 percent in other forms of service organizations. On an average, 35 persons consisting of 17.5 percent have actively involved themselves in different associations.



4.3 Problems of Senior Citizens

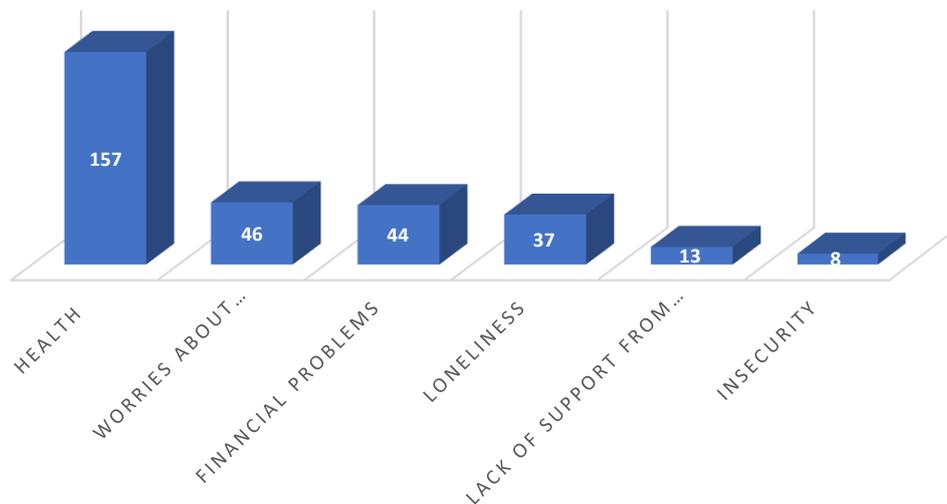
Safety and security of the elderly, especially those living alone, are a concern. The rise within the number of these who are 'non-productive' and who don't produce any 'hope' directly raises an economic problem. It's also a social problem. Aside from food and shelter, the old need care and medicines. They also desire for love and tender care. They might wish to interact, be heard, be visible, and would really like a touch of space of their own and have a positive and creative role to play in society. Among the old, the issues of old women, single, divorced and widowed, are different from those of old men. The old age is a happy one for very few, but painful for many due to the many problems they face in the life. The major problems are health, loneliness, financial, worries about dependants, lack of care from the personal members, and a feeling of insecurity. The problems faced by the sample respondents are presented below.

Problems Faced by the Senior Citizens

S No.	Problems	Senior Citizens		Total	Percentage
		With problem	without problem		
1	Health	157	43	200	78.5
2	Worries about Dependants	46	154	200	23
3	Financial Problems	44	156	200	22
4	Loneliness	37	163	200	18.5
5	Lack of Support from Family	13	187	200	6.5
6	Insecurity	8	192	200	4
	Average	51			25.5

Source: Primary Survey

The major problem encountered by the sample respondents is health which constitutes 78.5 percent, and is followed by worries about dependants to the extent of 23 percent, financial difficulties by 22 percent, loneliness by 18.5 percent, lack of support from the family by 6.5 percent and only 4 percent feel the sense of insecurity.



4.4 Economic profile of Senior Citizens

Some of the factors determining the economic status of the sample senior citizens like assets owned by them, their income, expenditure, savings and debts are discussed below.

4.4.1 Assets

Fixed Assets

Fixed Assets are those assets which are acquired for long term purpose. It requires large amount coupled with careful planning. They are of such a nature that they can be used over a considerable period of time. These assets are not easily convertible into cash and include land, buildings, furniture, household durables and the like. 107 The following table exhibits the value of fixed assets owned by the senior citizens before and after retirement.

Fixed Assets of Senior Citizens

S No.	Value (in lakhs)	No of Respondents		Increase/ Decrease	Increase/ Decrease percentage
		Before retirement	After retirement		
1	Upto 20	124	118	-6	-4.83
2	20 to 40	33	46	13	39.39
3	40 to 60	21	22	1	4.76
4	60 to 80	14	11	-3	-21.42
5	Above 80	8	3	-5	-62.5
	Total	200	200		

Source: Primary Survey

With regard to the fixed assets, only 14 members have been able to increase them with the help of the retirement benefits, and for others, they have not been able to raise the assets due to their other commitments. The overall changes in fixed assets are negative.

Liquid Assets

Liquid assets are those resources which can be transformed into cash instantly or at a short notice without reduction of value. It consists of money in hand, bank deposits and the like. The following table reveals the amount of liquid assets owned by the respondents before and after retirement.

Liquid Assets of Senior Citizens

S No.	Value (in lakhs)	No of Respondents		Increase / Decrease	Percentage
		Before retirement	After retirement		
1	Upto 5	142	151	9	6.33
2	05 to 10	26	33	7	26.92
3	10 to 15	13	9	-4	-30.77
4	15 - 20	11	6	-5	-45.45
5	Above 20	8	1	-7	-87.5
	Total	200	200		

As far as the liquid assets are concerned, 16 sample senior citizens have increased it after retirement. Before retirement, 142 had liquid assets to the extent of Rs.5 lakhs. But after retirement, 151 have liquid assets worth Rs.5 lakhs. 26 have liquid assets between Rs. 5 to 10 lakhs. before retirement, but after retirement 33 have the same volume of liquid assets. But the overall changes in liquid assets are negative.

4.4.2 Annual Income

Income of a person may arise from various sources according to the nature of job as well as according to financial capacity and financial background. It may differ from person to person according to their ability and requirements. The major sources of income generation are grouped as returns from investment, income from property and business, salary from job after retirement and pension, insurance, investment.

Source of Income

The senior citizens get income regularly from different sources. The prominent sources are returns from investments, property and business, salary and pension and insurance policies. The details are given below:

Source of Income of the Senior Citizens

S No.	Sources	No. of Respondents	Percentage
1	Return from Investments	134	67
2	Income from Property and Business	81	40.5
3	Salary and Pension	200	100
4	insurance & Others	42	21

Source: Primary Survey

The above table discloses that 134 defendants get income from their investments, 81 from their business and property, all the 200 receive pension and 42 receive income from insurance policies and other sources.

Amount of Annual Income

The amount of annual income of the sample senior citizens form different sources are noted below:

Income of the Senior Citizens

S No.	Sources	No. of Respondents	Percentage
1	Upto 1	92	46
2	1 to 2	79	39.5
3	2 to 3	18	9
4	above 3	11	5.5

Source: Primary Survey

The above table exhibits those 92 respondents get income up to one lakh, 79 respondents in between one lakh and two lakhs, 18 in between 2 and 3 lakhs and only 11 get more than 3 lakh income.

4.4.3 Annual Expenditure

With regard to the nature of expenditure, some expenditure is avoidable and some others are unavoidable in nature. Some must be immediately incurred and others can be postponed. Here expenditure incurred by the senior citizens are divided into two broad categories as family expenditure and personal expenditure. Family expenditure includes the routine expenditure of food, clothing, shelter and the like whereas personal expenditure here means the medical, travel and the like expenses which are incurred exclusively for by the senior citizens.

The amounts spent by the senior citizens annually to run their family before and after retirement are presented in the following table.

Family Expenditure of the Senior Citizens

S No.	Amount in Rs.	No of Respondents		Increase/ Decrease	Percent -age
		Before retirement	After retirement		
1	Upto 5	12	38	26	216.67

2	05 to 10	47	94	47	100
3	10 to 15	61	24	-37	-60.65
4	15 - 20	52	36	-16	-30.77
5	20 - 25	23	8	-15	-65.22
6	Above 25	5	-	-5	-100
	Total	200	200		

Source: Primary Survey

The annual family expenditure after retirement for 38 respondents is up to Rs. 50,000, for 94 respondents it is Rs. 50,000 to 1,00,000, for 61 it lies between Rs. 1,00,000 and 1,50,000, for 52 respondents it is between Rs. 1,50,000 to 2,00,000, 23 respondents spent more than 2 lakhs but less than Rs. 2,50,000 and only 5 percent spent more than Rs. 2,50,000.

Personal Expenditure of the Senior Citizens

S No.	Sources	No of Respondents		Increase/ Decrease	Percentage
		Before retirement	After retirement		
1	Upto 2	11	3	-8	-72.72
2	2 to 4	73	13	-60	-82.19
3	4 to 6	105	75	-30	-28.57
4	6 to 8	7	101	94	1342.85
5	Above 8	4	8	4	100
	Total	200	200		

Source: Primary Survey

Regarding the personal expenditure of the senior citizens, 3 respondents spent up to Rs. 20000 annually, 13 spent more than Rs.20000 but less than Rs.40000, 75 spent in between Rs.40000 and 60000, 101 lie in between Rs.60000 and Rs. 80000 and only 4 spent more than Rs. 80000.

4.4.4 Debts

Senior citizens borrow money to satisfy their financial needs. Personal loans are helpful when one is in immediate need of monetary assistance. Senior citizens are usually denied regular loans due

to their inability to point out proof of a daily level of income. However, recently, banks have started offering loans to pensioners and older people that can provide collateral security within the sort of an asset such as a home or land. This loan is often wont to meet various expenses like medical costs, marriage of grand children or paying adulthood home fees. Loans like UCO Bank's 'UCO Pensioner' and 'UCO Mortgage' are specially created for senior citizens. Other banks that provide special loans for senior citizens are the Bank of Saurashtra, Union Bank of India and therefore the United Bank of India. Some characteristics of loan schemes for older citizens are the straightforward events, special counters and data centres that are accessible. the subsequent table reveals the number of respondents having debts or no debts.

Debts of the Senior Citizens

S No	Status	No of Respondents	Percentage
1	With debts	57	28.5
2	without debts	143	71.5
Total		200	200

Source: Primary Survey

Out of the sample respondents, only 28.5% have debts while 71.5% have no debts which means most of the respondents have no heavy financial burden or commitments in life, after their retirement. The amounts borrowed by the respondents are detailed below.

Number of Debts of the Senior Citizens

S No	Amount in lakhs	No of Respondents	Percentage
1	upto 1	32	56.14
2	1 to 2	10	17.54
3	2 to 3	12	21.05
4	3 to 4	1	1.76
5	above 4	2	3.51
Total		57	100

Source: Primary Survey

With regard to the number of debts, nearly 56 percent have borrowed up to Rs. one lakh, 18 percent in between Rs. one lakh and Rs. two lakhs, 21 percent have more than Rs. two lakhs but less than Rs. three lakhs, and the rest of 5 percent borrowed above Rs. three lakhs. The purposes for which the senior citizens are borrowing are presented below.

Purposes of Borrowing of the Senior Citizens

S No	Purpose	No of Respondents	Percentage
1	Education of Children	23	40.35
2	Marriage of Children	17	29.82
3	Medical Expenses	9	15.79
4	Help the Children	8	14.04
Total		57	100

Source: Primary Survey

The purposes behind the borrowing are: 23 have borrowed for meeting the educational expenses of their children, 17 for the marriage of their children, 9 to meet their medical expenditure, and the remaining 8 for helping their children. The following table describes the sources of borrowing of the sample defendants.

Sources of Borrowing of the Senior Citizens

S No	Sources	No of Respondents	Percentage
1	Friends & Relatives	14	24.56
2	Money Lenders	11	19.3
3	Banks and Co-operatives	32	56.14
Total		57	100

Source: Primary Survey

The above table displays that 14 have borrowed from their friends and relatives, 11 from money lenders and 32 from banks and cooperative societies.

4.4.5 Savings

Savings are inevitable to all, even including senior citizens. The government has introduced various financial schemes and programmes for the benefit of retired people. The senior citizens savings scheme is useful instrument available to ex-defence personnel and their dependants. The nationalised banks and private sector banks also provide many senior citizens savings schemes to develop savings habit among the senior citizens. 116 The senior citizens also have the habit of saving, as it saves them in times of need. The following table reveals the saving habits of the sample senior citizens.

Saving Habits of the Senior Citizens

S No	Saving habit	No of Respondents	Percentage
1	Regularly	142	71
2	Rarely	26	13
3	Occasionally	20	10
4	Not at all	12	6
	Total	200	100

Source: Primary Survey

Among the sample senior citizens, 142(71%) have the practice of saving regularly, 26(13%) save rarely, 20 (10%) occasionally and only 12(6%) do not have the practice of saving at all. The different forms of savings of the sample senior citizens are presented below:

Mode of Savings of the Senior Citizens

S No	Mode	No of Respondents	Percentage	Rank
1	Insurance Policies	42	21	VI
2	Securities	45	22.5	VI
3	Savings certificates	68	34	II
4	Chit funds	26	13	VII
5	Property	47	23.5	IV
6	Gold	13	6.5	VIII

7	Bank Deposits	147	73.5	I
8	Postal Savings	54	27	III

Source: Primary Survey

The above table discloses that 42 defendants have insurance policies, 45 have invested in securities, 68 possess savings certificates, 26 have deposited in chit funds, 47 have bought property, 13 have invested in gold 147 have bank deposits, and the rest 54 have postal savings account. The bank deposit gets the first rank, savings certificate comes second, postal savings, property, securities, insurance policies, chit fund and gold occupy the third, fourth, fifth, sixth, seventh and eight ranks respectively.

4.4.6 Assets Before and After Retirement

Economic security throughout adulthood should unavoidably result from continued preparation through lifelong contributions. an outsized a part of the savings of senior citizens is engaged in non-liquid assets like homes and property. Senior citizens usually don't have a daily income and if they use their savings, then it gets difficult to satisfy living expenses. The effectiveness of any activity can be measured with the help of its impact on the lives of the people. It may be monetary or non-monetary. Generally, people prefer monetary benefits to non-monetary ones. Monetary benefits are otherwise known as economic impact. It means the improvement of income, expenditure, savings, personal investment and business investment and the standard of living of the people. The assets owned by the senior citizens after retirement show their economic status. Old age problems can be solved easily only when they have sufficient assets and income. The assets owned by the sample senior citizens before and after retirement are analysed here with the help of paired sign test. The statistics is

$$Z = X - np/\text{sqrt}(npq)$$

The following table shows whether the assets of the senior citizens are increase or decreased after retirement.

Assets of the Senior Citizens Before and After Retirement

Assets	Increase		Decrease		No Change	
	No of Respondents	percentage	No of Respondents	percentage	No of Respondents	percentage
Property	47	23.5	82	41	71	35.5
Bank Deposits	113	56.5	34	17.5	53	26.5
P.O. deposits	50	25	4	2	146	73
securities	30	15	6	3	164	82
Insurance policies	15	7.5	15	7.5	170	85
Gold	9	4.5	4	2	187	93.5
Savings certificate	52	26	16	8	132	66

Source: Primary Survey

4.5 Investment Pattern

4.5.1 Avenues of investment

The investment avenues preferred by the sample senior citizens for the investment of their retirement benefits are listed below.

Avenues of Investment of the Senior Citizens

S No	Investment Avenues	No of Respondents	percentage
1	Bank Deposits	113	56.5
2	postal Savings	50	25

3	Insurance policies	15	7.5
4	securities	30	15
5	Savings certificate	52	26
6	Property	47	23.5
7	Gold	9	4.5

Source: Primary Survey

The above table explains that 113 respondents deposited their retirement benefits in banks, 50 in post offices, 15 in insurance policies, 30 in securities, 52 in savings certificates, 47 invested in properties and 9 in gold. The amounts invested by the respondents in different types of deposit schemes are given below.

Investment in Deposit Schemes

S No	Amount in lakhs	No of Respondents	Percentage
1	Upto 2	43	24
2	2 to 4	89	49
3	4 to 6	36	20
4	6 to 8	6	3
5	8 to 10	3	2
6	Above 10	2	2
Total		179	100

Source: Primary Survey

Out of the respondents, 179(89.5%) have invested their retirement benefits in various forms of deposits schemes like bank deposits, postal savings, savings certificates, insurance companies and in securities. Majority of the respondents (168) deposited up to Rs. 6 lakhs. Only 11 respondents deposited more than 6 lakhs.

4.6 Purpose of Investment

Judicious planning of assets not only secures the long run, but also provides an honest return on investment. Senior citizens should plan and choose financial schemes well beforehand to receive monetary benefits. These financial schemes and plans are offered by banks, fund houses and

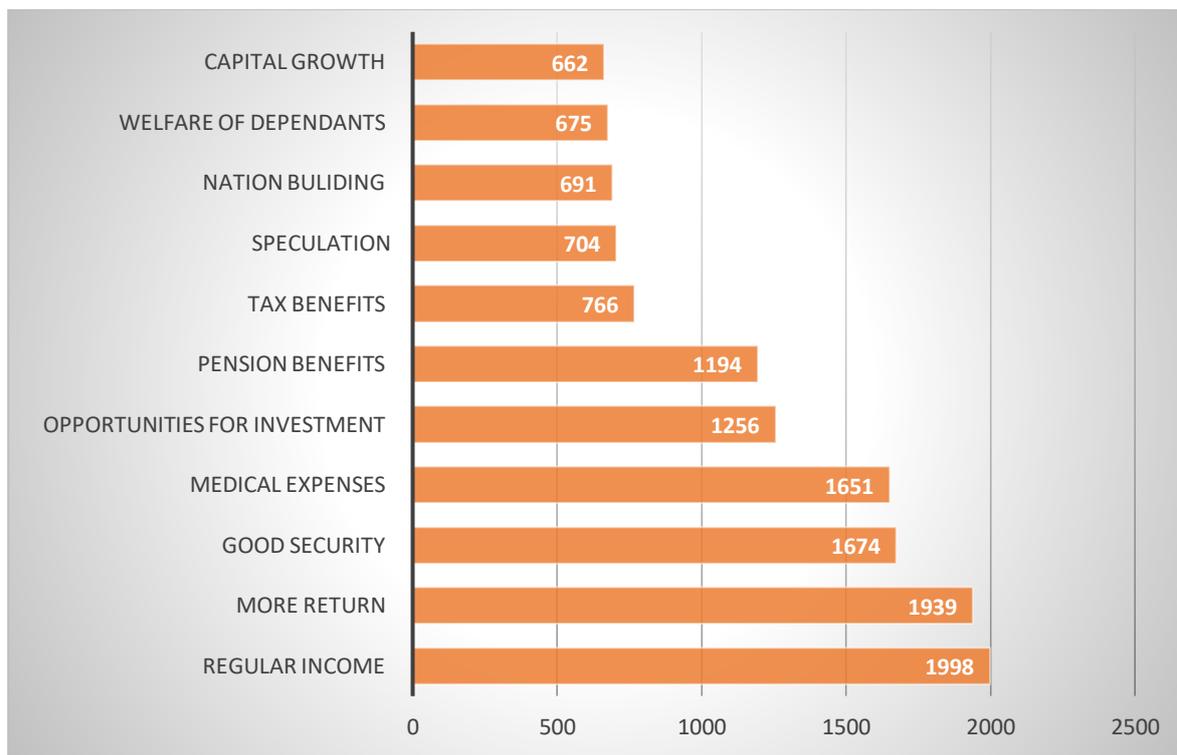
financial institutions. Proper planning of obtainable income options leads to better management of expenses. Financial planning allows them to understand various goals such as buying a replacement car, paying for health expenses, happening foreign vacations and living a financially secure life after retirement. The tactics and various steps that cause the proper management of finances are called financial planning. They'll have received money from voluntary retirement scheme or stored-up money over the years from salary and pension. There are many avenues where they're going to invest this money. This includes stocks, bonds, gold, land, unit investment company of India, mutual funds, fixed deposits and post office schemes. Apart from this, senior citizens also can choose tax-free bonds offered by the Federal Reserve System Bank of India. This scheme provides financial security to their lifelong savings. The interest earned on these tax-free bonds provides a daily source of income. However, selecting the right mixture of schemes according to their needs for profit, liquidity and safety are often a daunting task. They'll spend time reading upon different schemes available for information before choosing the foremost suitable one. This may take plenty of some time and convince be quite hassle. The purpose for which the senior citizens are making investments is listed below.

Purpose of Investment

Variables	Weighted Average Score	Percentage	Rank
Regular income	1998	15.12	I
More return	1939	14.68	II
Good Security	1674	12.67	III
Medical Expenses	1651	12.5	IV
Opportunities for investment	1256	9.51	V
Pension Benefits	1194	9.04	VI
Tax Benefits	766	5.8	VII
Speculation	704	5.33	VIII
nation building	691	5.23	IX
Welfare of Dependants	675	5.11	X
Capital Growth	662	5.01	XI
Total	13210	100	

Source: Primary Survey

The opinion of the investors is collected in the form of ranks and the scores thus collected are analysed by weighted average ranks. The result shows that the main aim of the sample senior citizens is to get regular income, more returns, good security, medical expenses, opportunities for further investment, pension benefits, tax benefits, speculation, nation building, welfare of dependants, and to have capital growth. The survey results are further interpreted with factor analysis.



4.7 Opinions about Investment

The following table explains the opinions of the senior citizens about the investment made by them.

Opinion the of Senior Citizens about Investment

S No	Opinion	No of Respondents	Percentage
1	Very Good	17	8.5
2	Good	128	64

3	Fair	49	24.5
4	Bad	3	1.5
5	Very Bad	3	1.5
Total		200	100

Source: Primary Survey

As far as the opinion on investment is concerned, out of the sample respondents, 64 percent consider their investment as good, 8.5 percent consider it as very good, 24.5 percent consider it as fair and only 3 percent have negative opinion that their investment. is bad or very bad.

4.8 Attitude towards Investments

Attitude here refers to the mind map of the respondents while investing their money. This is mainly based upon the immediate and future needs of the persons. This is an indicator for the safe and secured life of the investors. Investment in a safer place is a booster and will give mental peace to the investors.

Weighted Average on the Attitude towards Investments

Variable	High	Medium	Low	Total	Rank
Weights	3	2	1		
Investments give prompt repayment at the time of maturity	525	16	17	558	I
Investments provide security for life	477	58	12	547	II
Investments give regular and reasonable returns	432	54	29	515	III
Investments pass on the fortune to next generation	366	102	27	495	IV
The volume of investments depends on the quantum of cash in hand	363	98	30	491	V
Investments enlarge future income	315	98	46	459	VI
Investments facilitate a sense of financial independence	306	106	45	457	VII

Investment is subject to the income of the family members	276	130	43	449	VIII
Investments are numerous (variety)	282	102	55	439	IX
Investments offer loan facilities	231	148	49	428	X
Investments ensure stable standard of living	213	140	59	412	XI
Educational level of the family members induces the investment pattern	186	158	59	403	XII
Investments build reserve for contingencies	201	136	65	402	XIII
Investments command respect during old age	201	128	69	398	XIV
Investments encourage savings	189	140	67	396	XV
Investment indemnifies the future responsibility towards the family	153	188	55	396	XVI
Investment decisions are in accordance with the life expectancy and post retirement plan	138	206	51	395	XVII
Government provides incentives	159	170	62	391	XVIII
Investments strengthen self-confidence	183	122	78	383	XIX
Investment is prompted by the motivators	144	166	69	379	XX
Investments enhance routine activities	144	154	75	373	XXI
Investments help the economic development of the country	144	150	77	371	XXII
Investments help reduce tax burden	102	174	89	365	XXIII
investments help minimize the family expenditure	114	160	82	356	XXIV
Investments protect from inflation	99	162	86	347	XXV
Total	5943	3266	1396	10605	
Percentage	56	31	13		

Source: Primary Survey

Weighted average has been calculated and the components are ranked. After assigning weights, the scores are changed and as per the result, 56 percent have come under high, 31 percent under medium and 13 percent as low level holder. The average score is calculated as 424 and it is found that there are 10 components falling above the average and the rest 15 fall below the average.

4.9 Application of Maslow's Need Hierarchy Theory

Motivation is considered the 'Why' of behaviour. According to Marguerite C. Burk, "motivation refers to the drives, urges, wishes or desires which initiate the sequence of events known as behaviour. A motive or drive may be defined as a stimulated need that an individual seeks to satisfy. Motives are inner states that direct people toward the goal of satisfying a felt need. The individual is moved to take action to reduce a state of tension and to return to a condition of equilibrium. It is to be noted that a need be aroused or stimulated before it becomes a motive. The arousal may be internal or external. Besides, just thinking about a need may trigger the arousal of that need". Abraham Maslow in his book "Motivation and Personality" has put forward a theory of motivation called "holistic - dynamic" theory. He interpreted human motivation in terms of hierarchy of needs and observed that when lower-level needs of basic amenities are satisfied, man starts looking for higher level needs of status and self-development. Basically, needs are classified into two classes, that is, innate needs and purchased needs. Innate needs are inherent in nature like anger, hunger, desire etc. then they're mentioned as natural needs. Developed needs are based upon experience. The satisfied wants don't motivate the workers. Only displeased wants induce men to figure hard. Maslow is of the judgement that desires or needs are in an order. This motivation is common in every person's life and in every sphere of life which finds no exemption in the life of senior citizens also. Their motives for investments simply depend on their varied needs at various situations. Hence, a comparative analysis has been carried on to know the inner motives of the senior citizens in connection with their attitude on investment. Maslow grouped needs as lower-level wants and higher-level desires in the following order.

Basic Physiological Needs

The elementary physiological needs are worried with food, shelter, clothing etc. and these wants are intrinsic in nature. If these needs are not pleased, other requirements will not arise and are a more powerful motivating force than the other needs.

Basic Needs of the Senior Citizens

Variables	Score	Percentage
Investments give prompt repayment at the time of maturity.	175	40
The volume of investments depends on the quantum of cash in hand.	121	27
Investments give regular and reasonable returns	144	33
Total	440	100
Average	147	

Source: Primary Survey

The study reveals that of the sample respondents, 40 percent mainly aimed at getting immediate benefits for their investment, and the rest 27 percent aimed at investing their money as per the amount available in their hands after meeting their requirements, and 33 percent aimed at getting regular and reasonable returns for their investment in their old age without burdening others. The average score in this case is 147.

Safety and Security Needs

Safety and security desires appear only when the basic physiological wants are satisfied. Safety needs are worried with physical risk or loss of present elementary physiological needs. The safety and security needs of the senior citizens include physical security, financial and social security, defence etc.

Security Needs of the Senior Citizens

Variables	Score	Percentage
Investments provide security for life	159	53
Investments enhance routine activities	48	16
Government provides incentives.	53	18
investments help minimize the family expenditure.	38	13
Total	298	100
Average	75	

Source: Primary Survey

53 percent of the sample respondents have made investments mainly to have a financially secured life, 16 percent to enhance their routine activities, 18 percent to get incentives from the government, and 13 percent to minimize the family expenditure. The average score in this case is 75. Their main motive is to have safe and secured life after retirement

Belongingness and Social Needs

Man may be a social animal. He wants to like and be loved during a society or during a family. Exchange of feelings and grievances, love, sociability, recognition, conservation and belongingness are a number of the samples of social needs. Sense of belonging, affection and love or the desire to be accepted by the members of the family and other individuals and groups come under these social needs.

Self Esteem or Belongingness Needs of the Senior Citizens

Variables	Score	Percentage
investments offer loan facilities.	77	19
Investments help reduce tax burden.	34	8
Educational level of the family members induces the investment pattern.	62	15
Investment is subject to the income of the family members.	92	22

Investment is prompted by the motivators.	48	11
Investments facilitate a sense of financial independence.	102	25
Total	415	100
Average	69	

Source: Primary Survey

The average score in this need is estimated as 69. 'Investments facilitate a sense of financial independence', with a score of 102, ranks first, which is followed by 'investment is subject to the income of the family members' with 92, 'investments offer loan facilities' with 77, 'inducement of the educational level of the family members' with 62, 'investment is prompted by the motivators like agents and brokers' with 48, and 'to reduce tax burden' with 34. Hence, economic independence gives much of the mental satisfaction they need to the senior citizen investors.

Status Needs

Regard and standing needs are otherwise called ego needs or selfish needs. Self-confidence, independence, achievement, competence, knowledge, status, credit and appreciation are a number of the samples of esteem and standing needs.

Status Needs of the Senior Citizens

Variables	Score	Percentage
Investments encourage savings.	63	14
Investments command respect during old age.	67	15
Investments enlarge future income.	105	23
Investments ensure stable standard of living.	71	15
Investments strengthen self-confidence	61	13
Variety of investments are available.	94	20
Total	461	100
Average	77	

Source: Primary Survey

The purpose of investment of 23 percent of the respondents is that the investment will enlarge future income, for 20 percent, variety of investments are available, for 15 percent each to command respect in the society and to ensure a stable standard of living, for 14 percent, to improve their savings, and for 13 percent, investments strengthen self-confidence. Here, majority of the motives depend on the future than the present.

Self-Actualization /Achievement Needs

Requirement for self-development, self-actualization, self-advancement, wants to take on increased duties, liberation of creative talents are the various factors which affect the self-actualization needs of the human beings. The self-actualization is a life process of self-improvement.

Self-Actualization /Achievement Needs of the Senior Citizens

Variables	Score	Percentage
Investments build reserve for contingencies.	67	18
Investments pass on the fortune to the next generation.	122	33
Investments help the economic development of the country.	48	13
Investments protect from inflation.	33	9
Investment decisions are in accordance with the life expectancy and post retirement plan	46	13
Investment indemnifies the future responsibility towards the family.	51	14
Total	367	100
Average	61	

Source: Primary Survey

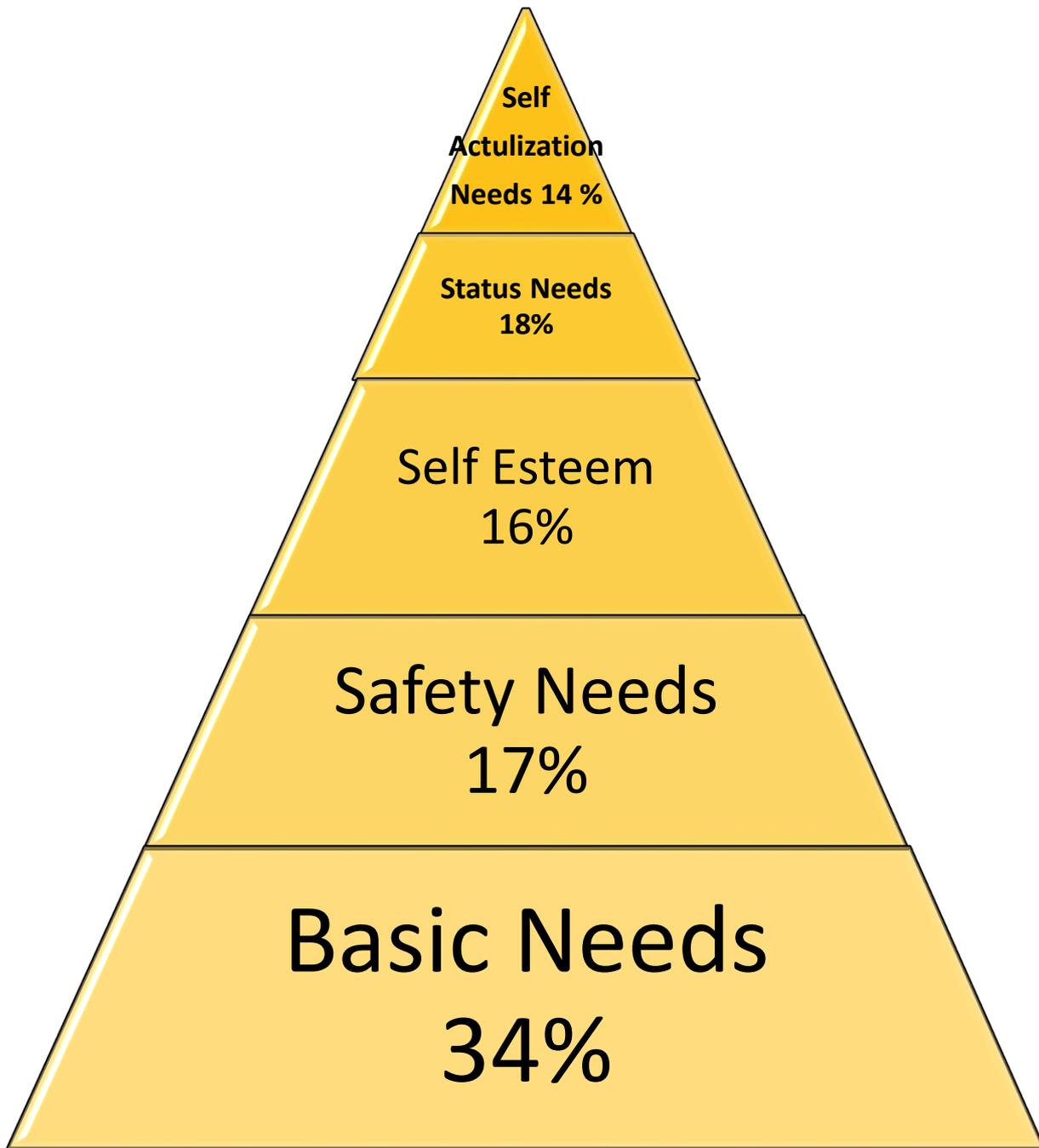
The analysis shows that out of the sample respondents who want to achieve something in life through their investment, 33 percent have the opinion that they invested the amount for the benefit of the next generation, 18 percent to build reserve for contingencies, 14 percent to fulfil their responsibility towards their family, 13 percent each to help the economic development of the country and to make investment decisions in accordance with the life expectancy and post retirement plan, 9 percent to protect from inflation. The average score in this regard is 61.

Needs of the Senior Citizens

Need	Average Score	Percentage	Rank
Basic Needs	147	34	I
Security Needs	75	17	III
Self Esteem Needs	69	16	IV
Status Needs	77	18	III
Self-Actualization Needs	61	14	V
Total	429	100	

Source: Primary Survey

The average scores of each need are converted into percentages and then ranked. As such, the levels of attitude towards investment concentrate more on the basic needs, which is followed by status needs, security desires, confidence needs and then by self-actualization needs.



CHAPTER 5

Summary

The study reveals that the senior citizens have good personal and economic backgrounds. Only a few are able to find an employment even after retirement in various organizations. They avail only few privileges of the senior citizens. They have invested in various forms and in various sources. Their investment pattern is closely bound by monetary motivation, capital appreciation and perpetuities related to future securities. The self-motivated investment equals to other inducements for investment. Many of them have associated themselves in social activities by being members in various organizations. The major problems faced by them are health concerns, worries about dependants, financial difficulties, loneliness, lack of security and a sense of insecurity. Significant changes are found in case of family expenditure, medical expenditure and expenditure on transport and education. All of them have investments in various forms. Their annual income from investments forms a major portion of income apart from their regular pension and the like. Only a few have debt burden that too meant for meeting unusual family expenditure. All have utilized and invested their retirement benefits wisely in fixed and liquid assets according to their needs and requirements. They are satisfied with their investments also.

The levels of attitude towards investment vary from person to person and are highly influenced by regular and increased income coupled with their educational levels rather than the personal factors. The Maslow's Need Hierarchy Theory has been applied to their investment attitudes and it is found that their main motive for investment is to fulfil their basic monetary needs. They often come across the problems of investment in relation to returns and risk. The correlation analysis in this connection shows that inflexibility is the main cause for risk in investment. Hence, it is advised that the potential senior citizen investor must analyse the various types of investments and their impacts with a financial analyst to overcome risk and to get proper and regular returns from what they have invested.

CHAPTER 6

REFERENCES

1. Kohli A.S., "Social Situation of the Aged in India", Anmol Publications Pvt. Ltd., New Delhi, 2002, pp. 1,5
2. Robert H. Binstock et al., "International Perspectives on Aging" Population and Policy Challenges, 2000, p. 76
3. B. Raj and B.G. Basad, 1971. "A Study of Rural Aged Persons in Social Profile" Indian Journal of Social Work 32: pp. 155-62
4. Dr. S.D. Gokhale et al. 1994. "Economic Potential of the Elderly and Local Level Policy Development on Consequences of Ageing in India" pp.
5. National Policy on Ageing, 1999. Indian Gerontological Association, Ministry of Social Justice and Empowerment, Govt, of India
6. website: www.indiacensus.net
7. Angus Deaton, 1989. "Savings in Developing Countries: Theory and Review". Proceedings of the World Bank Report, Annual Conference on Developmental Economics p. 61
8. Shetty, S.L, 1990. In his study "Savings behaviour in India in the 1980", Economic and political weekly. March 17, pp 555-560
9. Copon. N. Fitzimons, 1992. in his article "Rationality and the Mutual Fund Purchase Division under Reviews" Journal of Financial Services Research 11(3) pp. 69-73

10. Dang Thu, 1994. "Local Level Development for Integrating the Elderly into the Development Process in Vietnam", Economic and Social Commission for Asia and the Pacific. Asian Population Studies Series No. 131 F. United Nations, New York, pp. vii,
11. Humayun Kabir, M.D., 1994. "Local Level Policy Development to Deal with the Consequences of Population Ageing in Bangladesh" Economic and Social Commission for Asia and the Pacific. Asian Population Studies series No. 131-A, United Nations, New York, pp. 18,19
12. Suchine-Phala Kornkule, 1994. "Country Policy Development for the Elderly at the Local Level in Thailand". Economic and Social Commission for Asia and the Pacific. Asian Population Studies Series no. 131-E, United Nations, New York, pp.24,25
13. Mohammad Afzal, 1994. "Local level policy development on consequences of Ageing: country case study in Pakistan" Economic and Social Commission for Asia and the Pacific. Asian Population Studies Series No. 131 - D United Nations, New York. pp. 63, 64
14. Djuhari Wirakarta Kusumah, M., 1994. "Local Level Policy Development on Consequences of Ageing: Indonesia. Report of a study undertaken in Indonesia under the project Local level policy development to deal with the consequences of population ageing. Economic and Social Commission for Asia and the Pacific. Asian Population Studies Series No. 131 - C, UN, New York, pp. 45-4 7
15. Gokhale, S.D., Nirmala Pandit, Radha Raj, 1994. "Economic Potential of the Elderly and Local Level Policy Development on Consequences of Ageing in India" Report of a study undertaken in India. Economic and Social Commission for Asia and the Pacific. Asian Population Studies Series No. 131-B, United Nations, New York, pp. 1,52,53 48
16. Ketil Huiding et al. 1998. cc Marco Economic Effects of Pension Reforms in the Context of Ageing Populations: Overlapping Generations' Model. Simulations for Seven OECD Countries". Economics Department Working Paper No. 201
17. Ajay Shah, 1999. "Rethinking Old Age Income Security in India" project OASIS.

18. Noriyuki Takayama, 2000. "Pension Reform of PRC: Incentives, Governance and Policy Options". Paper presented for the Fifth Anniversary Conference on Challenges and the New Agenda for the Peoples Republic of China, Asian Development Bank, Tokyo, p. 16.

19. Courtney Coile et al. 2000. "Social Security and Retirement" Center for Retirement Research working paper.

20. Corie. E. U C Cello, 2000. "Investment Decisions and Social Security Reforms" Center for Retirement Research, working paper.

21. Alan L. Gustman, 2001. "Imperfect Knowledge, Retirement and Saving" Retirement Research Center University of Michigan.

22. Alan. L. Gustman et al. 2002. "Retirement and Wealth", Retirement Research Center university of Michigan.

23. Timothy Smeeding, 2002. "Income Maintenance in Old Age: Current Status and Future Prospects for Rich Countries" Centre for Retirement Research working paper.