

SAVINGS PATTERN OF SMALL SCALE INDUSTRIES EMPLOYEES IN COIMBATORE

***Dr. L. SENTHIL KUMAR**

Associate Professor, Department of Commerce Finance,

Dr. N.G.P. Arts and Science College (Autonomous), Coimbatore, Tamil Nadu, India.

Mr.V. S. Prabakar

III. B. Com Finance, Dr. N.G.P. Arts and Science College (Autonomous), Coimbatore, Tamil Nadu, India.

Mr. G. Sanjay

III. B. Com Finance, Dr. N.G.P. Arts and Science College (Autonomous), Coimbatore, Tamil Nadu, India.

Ms. S. Sri Varshini

III. B. Com Finance, Dr. N.G.P. Arts and Science College (Autonomous), Coimbatore, Tamil Nadu, India.

Ms. M. Vaishnavi

III. B. Com Finance, Dr. N.G.P. Arts and Science College (Autonomous), Coimbatore, Tamil Nadu, India

ABSTRACT

Small scale industries are referred to as those industries in which process of manufacturing , production and serving are done on small scale . The investment on such industries is one time and these investment are mostly done on plant and machinery, the total investment on such industries do not exceed 1 crore. There are a number of small scale industries contributing in the economy of Coimbatore. The Coimbatore district Small Industries Association (CODISSIA) has been formed for bringing these industries under one umbrella and address issues faced by them. They are more than 25,000 employee works under the small scale industry in Coimbatore . An emergency fund provides financial security in times of need. Financial institutions household and the national economy. It is necessary to have saving plan because it will help in meeting financial goals like secure future, children education meeting the demands of the family etc. The main objectives is to analysis savings and spending habits of employees at small scale industries employees. Depending on your financial goals, put your money away in a tool that allows you to save and invest for better returns. Some of the options are mutual funds, Mutual funds, Emergency funds, Chit funds, PPF/EPF and othersaving schemes.

1. INTRODUCTION

In today world, everybody wants to enjoy the benefits of money because they have earned it by hard work and efforts made on it. That great, but spending all your money is not the smartest thing to do. Saving of money help people in the long run. There could be uncertainties of future which resist people to save for future. Savings is setting aside the money you don't spend now for emergencies or for the future period. Savings are necessary for uncertain future in context to meet the various need of life. Its money you want to be able to access quickly, with little or no risk, and with the least amount of taxes. Savings means sacrificing the current consumption in order to increase the living standard and fulfilling the daily requirements in future. It can help you by avoiding using credit cards or taking high interest loans. Navigating throw Diploma a financial emergency in good shape serves as a reminder of the value of preserving money. To some it means putting money into the bank. To bank it means buying stock or contributing to a pension plan. Bit to economists, savings means only one things, consuming less in the present to consume more in the future.

2. RESEARCH OBJECTIVES

- To understand the most preferred savings avenue of the small scale industries employees
- To analysis savings and spending habits of employees at small scale industries employees
- To identify the factors considered by the employees for a suitable saving plan

3. STATEMENT OF THE PROBLEM

The people generally do savings to meet their financial requirements in future because they are unsecure about their future event so they want to secure their future living. Every economy is greatly influenced by the savings and investment patterns of the persons in it. Small scale employees frequently think that they never need any financial scheduling, owing to habitual returns and disbursement. The household believe that their reserves involuntarily get collected in the bank and do not require any involvement to take full benefit of financial reward. Small scale employees mostly lack knowledge on savings and investment strategies, they fail to remain successful. In spite of diverse studies, investors and individual to their savings and investment alternatives like real estate, bank, insurance and asset like silver and gold. The study is prepared to analyse the pattern of savings of smallscale employees in Coimbatore.

4. SCOPE OF THE STUDY

The scope of the is restricted to the survey of employees at small scale sector in Coimbatore city, with respect to their pattern of savings. Every economy is greatly influenced by the saving and investment patterns of the persons in it. As an inflationary economy it is wise to study in the savings and investment patterns of people in our economy. With the great deal of knowledge exposure and of course with affair income the employees might tend to make rational and intelligent decision in saving pattern.

5. REVIEW OF LITERATURE

Felix Awuku Afeti (2020) - International Journal of Management, Volume 8 Issue 5 , Financial planning for salaried employees and attendant tax - saving strategies was conducted by the researcher. The researcher correlated financial planning and tax savings of salaried employees. The data was collected a structured questionnaire by means of hand delivery and a Google form filled out by 250 employees working in different sectors in the district. Analysis has been done with percentage analysis, Correlation, One - way ANOVA, T - Test, and Chi - square. Overall findings of the research reveal that tax relief is the most adopted tax savings instrument. The research concludes that salaried employees want to know their tax obligations from the right standpoint and processes of financial planning available to them so that they can make the best use of their earnings by reducing the incidence of tax.

AnnC. Foster (2021) 119 Monthly Lab. Revised 3 The main focus of this article is the relationship between savings and thrift plan provisions and employee participation in such plans. First, savings and thrift plan provisions will be discussed in detail. Then, research using data from the 1993 Employee Benefits Survey of Medium and Large Private Establishments will be described.

Richard H. Thaler (2022) Save More Tomorrow: Using Behavioral Economics to Increase Employee Saving - University of Chicago of California. As firms switch from defined-benefit plans to defined-contribution plans, employees bear more responsibility for making decisions about how much to save. The employees who fail to join the plan or who participate at a very low level appear to be saving at less than the predicted life cycle savings rates. Behavioral explanations for this behavior stress bounded rationality and self-control and that at least some of the low-saving households are making a mistake and would welcome aid in making decisions about their saving. In this paper, we propose such a prescriptive savings program, called Save More Tomorrow. The results is that behavioral economics can be used to design effective prescriptive programs for important economic decisions.

6. DATA ANALYSIS IN INTERPRETATION

6.1. CORRELATION

6.1.1. AGE AND ANNUAL SAVING OF RESPONDENTS

Correlations

| | | Age | Annual Saving |
|---------------|---------------------|------|---------------|
| Age | Pearson Correlation | 1 | .074 |
| | Sig. (2-tailed) | | .445 |
| | N | 110 | 110 |
| Annual Saving | Pearson Correlation | .074 | 1 |
| | Sig. (2-tailed) | .445 | |
| | N | 110 | 110 |

Interpretation:

Based on the given correlation table, the Pearson correlation coefficient between age and annual saving is 0.074. The correlation coefficient indicates a weak positive correlation between age and annual saving. However, the p-value of 0.445 (two-tailed) suggests that this correlation is not statistically significant at the 5% level.

Age of the respondents and verifying the transaction properly has a positive correlation 6.1.2AGE

AND SAVING OBJECTIVES OF RESPONDENTS

Correlations

| | | Age | Saving Objective |
|---------------------------------|---------------------|--------|------------------|
| Age | Pearson Correlation | 1 | -.242* |
| | Sig. (2-tailed) | | .011 |
| | N | 110 | 110 |
| What is your saving objective ? | Pearson Correlation | -.242* | 1 |
| | Sig. (2-tailed) | .011 | |
| | N | 110 | 110 |

*. Correlation is significant at the 0.05 level (2-tailed).

Interpretation:

Based on the given correlation table, the Pearson correlation coefficient between age and saving objective is -0.242. The negative sign indicates an inverse or negative correlation, which means that as age increases, the saving objective tends to decrease. The correlation coefficient is statistically significant at the 0.05 level (two-tailed), as indicated by the asterisk.

Age of the respondents and verifying the transaction properly has a negative correlation

6.2.1 GENDER AND PERCENTAGE OF SAVING OF THE RESPONDENT

Bayesian Estimates of Coefficients^{a,b,c}

| Parameter | Posterior | | | 95% Credible Interval | |
|------------------------------------|-----------|-------|----------|-----------------------|-------------|
| | Mode | Mean | Variance | Lower Bound | Upper Bound |
| Percentage of saving in income = 1 | 1.360 | 1.360 | .005 | 1.221 | 1.499 |
| Percentage of saving in income = 2 | 1.412 | 1.412 | .007 | 1.243 | 1.580 |
| Percentage of saving in income = 3 | 1.444 | 1.444 | .028 | 1.117 | 1.772 |
| Percentage of saving in income = 4 | 1.333 | 1.333 | .021 | 1.049 | 1.617 |
| Percentage of saving in income = 5 | 1.600 | 1.600 | .050 | 1.160 | 2.040 |

- a. Dependent Variable: Gender
- b. Model: Percentage of saving in income
- c. Assume standard reference priors.

Bayesian Estimates of Error Variance^a

| Parameter | Posterior | | | 95% Credible Interval | |
|----------------|-----------|------|----------|-----------------------|-------------|
| | Mode | Mean | Variance | Lower Bound | Upper Bound |
| Error variance | .242 | .251 | .001 | .191 | .329 |

- a. Assume standard reference priors.

Interpretation:

The above table shows Bayesian Anova analysis with 95% Creditable interval. Gender of the respondents and percentage in income made as comparison. As the lower bound is 0.191 & Upper bound is 0.329

6.2.2.SAVING OBJECTIVES AND AGE OF THE RESPONDENTS

Bayesian Estimates of Coefficients^{a,b,c}

| Parameter | Posterior | | | 95% Credible Interval | |
|-------------------------------------|-----------|-------|----------|-----------------------|-------------|
| | Mode | Mean | Variance | Lower Bound | Upper Bound |
| What is your saving objective ? = 1 | 1.879 | 1.879 | .019 | 1.608 | 2.150 |
| What is your saving objective ? = 2 | 2.308 | 2.308 | .048 | 1.876 | 2.739 |
| What is your saving objective ? = 3 | 1.414 | 1.414 | .022 | 1.125 | 1.703 |
| What is your saving objective ? = 4 | 1.600 | 1.600 | .125 | .904 | 2.296 |
| What is your saving objective ? = 5 | 2.000 | 2.000 | .039 | 1.611 | 2.389 |
| What is your saving objective ? = 6 | 1.167 | 1.167 | .105 | .532 | 1.802 |
| What is your saving objective ? = 7 | 1.000 | 1.000 | .078 | .450 | 1.550 |

- Dependent Variable: Age
- Model: What is your saving objective ?
- Assume standard reference priors.

Bayesian Estimates of Error Variance^a

| Posterior | | | | 95% Credible Interval | |
|----------------|------|------|----------|-----------------------|-------------|
| Parameter | Mode | Mean | Variance | Lower Bound | Upper Bound |
| Error variance | .603 | .627 | .008 | .476 | .825 |

a. Assume standard reference priors.

Interpretation:

The above table shows Bayesian Anova analysis with 95% Creditable interval. Age of the respondents and saving objective made as comparison. As the lower bound is 0.476 & Upper bound is 0.825

7. FINDINGS

7.1 CORRELATION

1. Age of the respondents and verifying the transaction properly has a positive correlation
2. Age of the respondents and verifying the transaction properly has a negative correlation

7.2 ONE WAY ANOVA

1. Bayesian Anova analysis with 95% Creditable interval. Gender of the respondents and percentage in income made as comparison. As the lower bound is 0.191 & Upper bound is 0.329
2. Bayesian Anova analysis with 95% Creditable interval. Age of the respondents and saving objective made as comparison. As the lower bound is 0.476 & Upper bound is 0.825

8. SUGGESTION

Today there are so many special investment schemes in market which encourage people for the saving. Investments in the form of bank deposits have been found more popular among employees these employees attribute safety the main reason for making investment in bank deposits.

Hence it is suggested that employees should channelise their surplus in diversified way so that they may get good return. The investors have to identify the market situation and price fluctuations in the precious metals. To enhance the saving habits, the saving mode must attract people by providing many offers and new attractive schemes.

9. CONCLUSION

Today, the living standard of the people increasing day by day so salaried class community has started realizing the importance of savings and proper investment of their savings. They avoid spending money on heavy luxurious life style and preferring the normal living standard. It is evident from the study undertaken that most of the people are saving their money for children's education, marriage and to fulfil the other goals of life.

There is bright chances to increase the saving and investment habits of small scale employees at Coimbatore. On the basis of the study, it can be concluded that small scale employees generally give importance to savings and investment and majority of them are comfortable with bank deposits as they are keen on avoiding the risk.

10. REFERENCE

- 1) Palanivelu V.R., Chandra Kumar K., A Study on Preferred Investment Avenue Among Salaried People With Reference To Namakkal Taluk Tamil Nadu, India, SIES Journal of Management 7(2) (2013), 1-12.
- 2) Vasagadekar Priya, A Research Paper on Investment Awareness among Indian Working Women With Reference to Pune Region 5 (6) (2014).
- 3) Arti Fattepuria, Sukeshni Telgote, Hemali Choudhary (2015) Saving and Investment Pattern Of Private School Teachers – A Study With Reference To Wardha City, Maharashtra, International Journal of Advance Research in Computer Science and Management Studies, ISSN: 2321-7782, Volume 3, Pp73-78.
- 4) Yasodha. M, Dr.G. Ravindran (2017). Savings and Investment pattern of Teachers Working in Arts and Science Colleges in Coimbatore District, International Journal of Science and Research, Vol. 6, June 2017.
- 5) Chauhan, K.K.S. et.al Income, Saving and Investment Behaviour of Small Farmers, Indian Journal of Agricultural Economics, XXVII(4), 2018
- 6) "The Seven Habits of Highly Effective People" by Stephen Convey- This book offers a framework for personal and professional growth that can help small business owners become more effective leaders and achieve their goals
- 7) "Small Business Management: Launching and Growing Entrepreneurial Ventures" by Justin. G. Longenecker, J. William Petty, Leslie E. Palich, and Frank Hoy- This comprehensive textbook covers all aspects of small business management, from planning and financing to marketing and operations.
- 8) <https://mahasdb.maharashtra.gov.in/CGE/home.do>
- 9) <https://www.shodhganga.inflibnet.ac.in>
- 10) <http://www.investopedia.com>