RESEARCH ARTICLE

INVESTMENT PATTERNS OF SENIOR CITIZENS IN INDIA – A CASE STUDY OF KOTTAYAM DISTRICT, KERALA

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ARTICLE INFO	ABSTRACT
	Investment is the backbone of the development of a nation because the collection of the savings of the people from various categories are very much relevant for the industrial and economic development of a nation. More than 80% of the savings of the nation are scattered around the small and medium income people including the senior citizens especially the pensioners. In short the senior citizens in all categories either pensioners or non-pensioners are playing an important role in the capital formation and economic and industrial development in all states in India. Therefore, the study of investment patterns of senior citizens are having eminent relevance in this economy. In this study, the researcher depict the problems and prospects of the investment pattern of the senior citizens of Kottayam district of Kerala.

INTRODUCTION

Investment is an activity that is engaged in by people who have savings. Though it may mean many things to many persons, it can be seen that investment involves employment of funds with the aim of achieving additional income or growth in value. The essential quality of investment is that it involves waiting for a reward, that is, investment involves a sum of money incurred at a point of time whereas the benefits are released at different point of time in future. Investment is a commitment of resources which have been saved in the hope that some benefit will accrue in future. Thus investment may be defined as "Commitment of funds made in the expectation of some positive rate of return". Expectation of return is an essential element of investment. As such the return is expected to be realized in future. A citizen is a person who has the legal right to belong to a particular 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 of age are commonly referred to as senior citizens or seniors. Senior citizens are a treasure to the society. They have worked hard all the years for the development of the nation as well as the community. They possess vast experience in different walks of life. The youth of today can gain from the experience of the senior citizens in taking the nation to greater heights.

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At this age of their life, they need to be taken care of and made to feel special. In India, nearly 40 percent of senior citizens who are living with their families are reportedly facing abuse of one kind or another, but only 1 in 6 cases actually comes to light.

Statement and scope of the problem: Kerala has got the highest life expectancy at birth -71.8 years for males and 77.8years for females. The old age dependency ratio is also increasing day by day. Due to these reasons, senior citizens need a regular income by way of investments. This study focuses on the investment pattern of senior citizens. The study analyses the investment pattern of the senior citizens in Kottayam district. The study has been conducted from the point of view of the senior citizens who have invested their money in different investment avenues.

Objectives of The Study

- To identify and analyze the problems and prospects of investment patterns of senior citizens in the Kottayam district of Kerala.

METHODOLOGY

The study consists of both primary and secondary data. The primary data have been collected from the senior citizens by administering a well-structured questionnaire. The secondary data have been collected from various books, journals and

from internet. The sample size is 60 and the sampling technique used is convenience sampling.

Tools for Analysis

In order to process and to analyse the data the researcher would proposes to use some statistical methods and techniques like measures of central tendency (Mean, Median, Mode etc), and some of the Statistical Testing (Chi-square test) and other data representation tables, charts and diagrams.

Limitations of the study

- 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. And this study is limited to Kottayam district, a district in Kerala, hence the generalisation is limited.
- The method of study adopted for this thesis is sample survey, there fore the study is faced with the disadvantages of the sampling and it is one of the important limitation of sample survey that it may not possible to ensure the representativeness of the sample.
- There were many respondents who hesitated to give information because of the feeling that it will adversely affect their interest.
- This study is based on the primary and secondary sources of data. The secondary data had limitations as the available data may not be accurate as desired, not up to date. The method of data collection is by observation, interview and questionnaire. These methods of data collection had also some limitations.

FINSINGS AND DISCUSSIONS

- There is a close association between educational qualification and investment pattern of senior citizens.
- The study reveals that there is association between gender and investment pattern.
- 92%of the respondents live as a family while the rest of them live as single.
- 87percentage of them were aware of the privileges of senior citizens.
- Among the respondents, 27percentageis having employment after their retirement.
- More than 60percentage of the respondents had completed their higher secondary education.
- Out of 60 respondents, 28percentage of them have chosen life insurance as an investment avenue, 23percentage have chosen gold, 20percentage have chosen bank FD, 18percentage have chosen shares, 8percentage have chosen post office and 1percentage have chosen mutual fund as an investment avenue. The investment pattern of senior citizens is understood from this findings.
- The study shows that 90 percentage of the respondents spend their money for their basic needs, some spend it for a better standard of living and some for living a luxury life.
- For some, priority was given for meeting the future needs of their children and grandchildren while some others priority was to meet unforeseen events. Creation of properties were given priority by some. Through this the purpose behind the investment is clear.

- The primary expectation of investment of most of the respondents was all the three aspects such as safety, liquidity and return.
- Lack of liquidity and low return were the major problems of most of the respondents, while some others were of the opinion that high risk and unstable return were their problems. Problems of investment faced by the senior citizens are clear form this findings.
- Some of the respondents were fully satisfied while some others were partially satisfied. There were also some who were not at all satisfied.

TESTING OF HYPOTHESIS

Null Hypothesis (H0)- There is no association between gender and investment pattern.

Alternative Hypothesis (H1)- There is association between gender and investment pattern.

Chi-Square Tests

	Value	Df	Asymptotic Significance (2-sided)
Pearson Chi-Square	74.923[a]	12	.000
Likelihood Ratio	27.433	12	.007
N of Valid Cases	60		

a. 15 cells (71.4%) have expected count less than 5. The minimum expected count is .02.

The chi-square test allows us to test this hypothesis.

In this case, the p value is smaller than the standard alpha value, so reject the null hypothesis that asserts the two variables are independent of each other.

To put it simply, the result is significant- the data suggests that the variables gender and investment pattern are associated with each other.

Null Hypothesis 2 – There is no association between educational qualification and investment pattern.

Alternative Hypothesis 2 – There is association between educational qualification and investment pattern.

Chi-Square Tests			
	Value	Df	Asymptotic Significance (2-sided)
Pearson Chi-Square	95.672[a]	24	.000
Likelihood Ratio	41.587	24	.014
N of Valid Cases	60		
a. 31 cells (88.6%) have expected count less than 5. The minimum expected count is .02.			

It is to be concluded that we must reject the null hypothesis and accept the alternative hypothesis. In other words, there is a close association between educational qualification and investment pattern of senior citizens. The confidence level was 95%.

Table No. 1. This table shows the gender wise classification of the respondents.

Sl.No	Gender	Number
1	Male	35
2	Female	25
	Total	60

Table No. 2. This table shows the marital status of the respondents.

Sl.No	Marital status	Number
1	Married	60
2	Unmarried	0
	Total	60

Table No.3. This table shows the mode of living of respondents

Sl.No	Mode of living	Number
1	Single	5
2	Family	55
	Total	60

Table No.4. This table shows whether they were aware of the privileges of senior citizens.

Sl.No	Awareness	Number
1	Yes	52
2	No	8
	Total	60

Table No.5. This table shows whether the respondents had employment after their retirement.

Sl.No.	Employment after retirement	Number
1	Yes	16
2	No	44
	Total	60

Table No.6. This table shows the educational qualifications of the respondents

Sl.No.	Educational qualification	Frequency
1	Below 10th standard	5
2	10th standard to plus2	13
3	Plus2 to degree	37
4	Degree and above	5
	Total	60

Graph No. 6.1

This graph portrays the educational qualification of senior citizens.
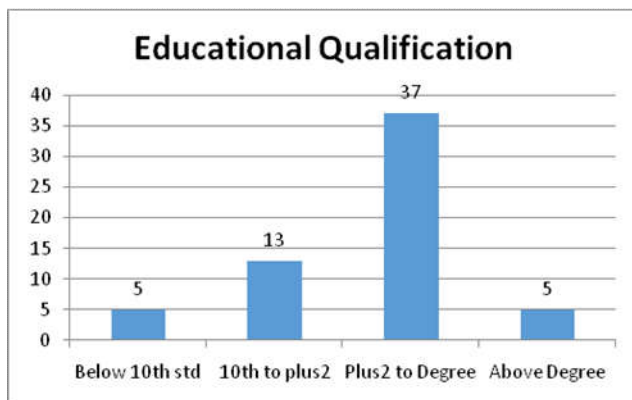
It is to be concluded that more than 60% of the respondents has qualified their higher secondary examinations.

There are some who poses post-graduation and some who doesn't even poses the basic education.

Table No.7. The table here shows the various investment avenues in which the senior citizens has invested their savings

Sl.No.	Investment avenues	Frequency
1	Bank FD	12
2	Mutual Fund	1
3	Life Insurance	17
4	Shares	11
5	Gold	14
6	Post Office	5
	Total	60

Graph No. 7.1. This graph represents various investment alternatives available to the senior citizens.
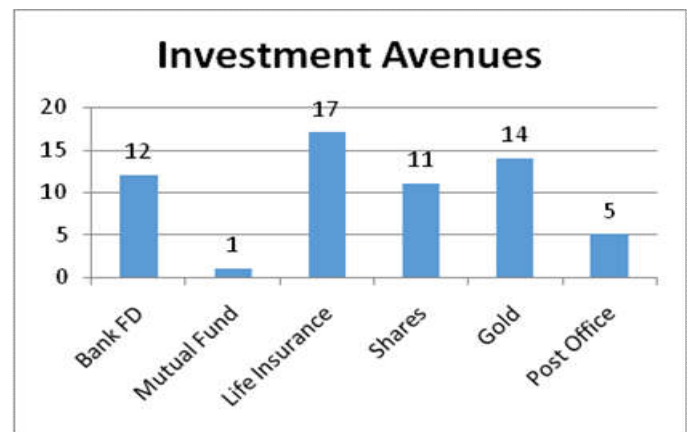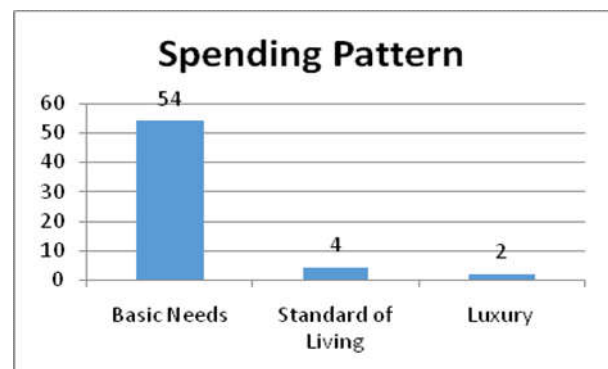

Most of them used life insurance as an investment avenue while 1% of them used mutual fund.

Table No.8

| Sl.No	Spending pattern	Frequency
1	Basic Needs	54
2	Standard of Living	4
3	Luxury	2
	Total	60

Graph No. 8.1

This graph represents the spending pattern of senior citizens. Majority of the respondents spend their money for meeting basic needs, some spend it for a better standard of living and some for living a luxury life.

Table No.9 The main objectives behind the investment of senior citizens is given below in the table

Sl.No.	Objectives behind investment	Frequency
1	Future Needs	32
2	Unforeseen Events	25
3	Creation of Property	3
	Total	60

Graph No. 9.1 This graph represents the objectives behind the investment of senior citizens.
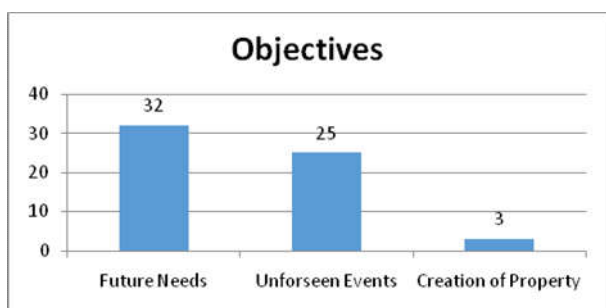

Most of the respondents invest their money for meeting future needs. There are some who use it for meeting unforeseen events and some for creation of properties.

Table No.10. The primary expectations of investors are listed below

Sl.No.	Expectations of investors	Frequency
1	Safety	22
2	High Return	3
3	Liquidity	3
4	All of them	32
	Total	60

Graph No. 10.1 This graph represents the primary expectations of senior citizens.
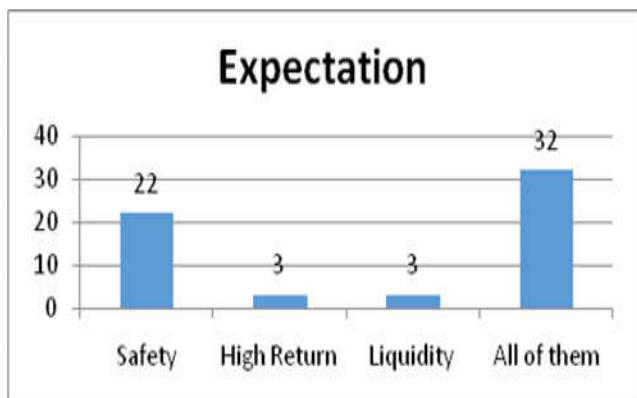

Most of the respondents aim for all the three factors such as safety, high return and liquidity.

Table No.11. The various problems of investment faced by the investors are listed below.

Sl.No.	Problems of investors	Frequency
1	Low return	17
2	Irregular return	10
3	Unstable return	7
4	High risk	4
5	Lack of liquidity	17
6	Not flexible	5
	Total	60

Graph No. 11.1 This graph represents the frequencies of various problems faced by the senior citizens.
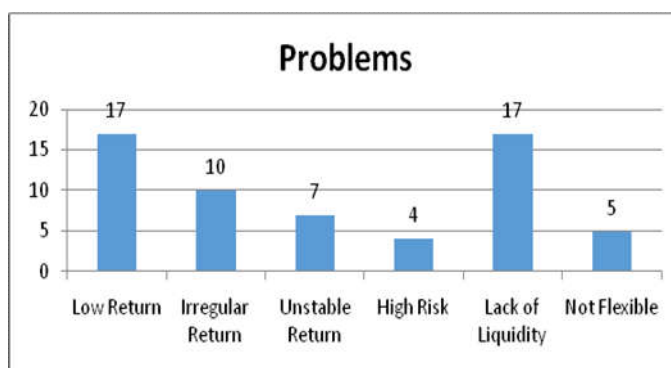
From this graph, it is clear that lack of liquidity and low return are the major problems of majority of respondents. Irregular return, unstable return, high risk and lack of flexibility are some other problems.

Table No.12. This table shows the satisfaction level of the respondents regarding their investment.

Sl.No.	Satisfaction of investors	Frequency
1	Fully satisfied	22
2	Partially satisfied	25
3	Not satisfied	6
4	Can't say	7
	Total	60

Graph No. 12.1 This graph represents the level of satisfaction of investments.

Majority of the respondents are partially satisfied with their investment. There are some who are fully satisfied and some who are not at all satisfied. There is a category of respondents who can't say about their satisfaction level.

Suggestions

The dilemma faced by the senior citizens is about the reconciliation of profitability, liquidity and risk of investment. The senior citizens must collect the required information before taking investment decisions. Preparation for retirement should be made well in advance, so as to plan how to utilize the retirement benefits and other resources for safe future. To choose the right investment according to needs, the senior citizens should seek the support of the financial planners who have exhaustive knowledge about different avenues of investment. People should be educated that the old age has to pass through and that saving for old age could be a painless process if started early in life.

Conclusion

Senior citizens require adequate information for making apt investment decision. Preparation for retirement and old age should be planned in advance.

Investment should be made based on the needs, taking into consideration liquidity, profitability, stability and security. These element are crucial aspect with regard to investments of senior citizens. The study shed lights on the aged senior citizens who are not much bothered in society these days. Investment awareness and information regarding various investment avenues is necessary to select right investment decision.

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