

Perception of Investor Towards Pension Schemes In Allahabad

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ABSTRACT

Investment in pension schemes is influenced by the perception of the investors. The objective of this research is to assess the investor's perception on pension schemes and to find the factors involving in investor's perception for pension scheme. This research focuses on the perception of the investors for investment in pension schemes in Allahabad. Talking random sampling of 1000 investors and statistical methods are applied for analyzing the data collected for this research. This research focuses on investor's positive mindset for pension schemes. The pension scheme opted or selected by investors for after service life. Investors collecting the information from pension expert and after expert opinion then invest their money in pension. Most of the investors choose market linked pension schemes for investment selection in pension schemes.

Keywords: Investor Perception, Pension Scheme, Demographic Criteria,

I. INTRODUCTION

Pension provides old age security. It is a welfare scheme for supporting people during old age. Pension is investment method to secure future during non earning days. Pension provides financial resources to people after a specific age or service. Specifically, pensions are periodic payments to people that start after retirement and continues until death [1]. Thus, pension gives a long-term financial security during old age. Pension schemes not only fulfill the goal of utilization easiness' but also provide insurance support and reduce old age poverty during non working years. The aim of doing this research work is to find the investor's perception for investment in pension schemes. It will guide the investors to select pension schemes [2]. Finally, the research work carried out to discover the investor's perception for pension schemes with special reference to Allahabad of Uttar Pradesh state. For attainment of these objectives, primary data firstly collected on the basis of structured designed questionnaires from the investor's of Allahabad of Uttar Pradesh state [3]. After collection primary data, Secondary data collected from reports, books, journals, magazines and other published data's related to pension. For analyzing the different hypothesis and gaining insight for drawing sound conclusion, a number of statistical tests conducted i.e. chi square test for hypothesis testing [4].

II. Review Literature

Beck's (1984) [5] [7], findings show that people who were more motivated for retirement programs planning were the economically and socially advantaged worker who could have easily got opportunity to get into such programs. It was found that people benefitting most from the retirement preparation programs were the older workers and those who were less educated, with low occupational status, no pension scheme coverage, and consequently with low retirement income.

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Fillenbaum et. al. (1985) [6] [7], stated that the real motivation to plan retirement comes from perception of adequacy of individual income by high income group people to take action in maintaining their status quo as regards to the standard of living and expenditures in

retirement. People with low income don't foresee changes in their living standards and those who come under middle class feel trapped in planning retirement or any other financial investment because they are always in condition of hand to mouth and with very less savings.

III. Objective of the Study

To find the investor's perception and interest for investment in pension scheme. To get discover the influential factors that influences the perception of investors regarding investment in pension scheme.

IV. Research Design & Development

This research study is an analytical and descriptive research [8]. It is related to the analysis of perception of investors for pension schemes. In order to conduct this study, 1000 investors of Allahabad of Uttar Pradesh state have been considered.

(A). Sources of Data

All the data required for this work is collected from primary and secondary sources. Mainly questionnaire has been used as a primary medium to collect data from investors.

(B). Sampling Plan

Targeted population: Allahabad of Uttar Pradesh state
 Sampling unit: Individual investors of Allahabad City of Uttar Pradesh state

Sampling method: Random sampling Method

Sample size: 100

(C). Hypothesis

H0: Investors perceptions are independent towards pension scheme on the basis of demographic factors.

H1: Investors perceptions are dependent towards pension scheme on the basis of demographic factors.

V. Scope of the Study

Conducted research does not investigate too much about whether the investor has a very good knowledge about pension schemes. This work indicates only a general study related to the investment perception of investors for pension schemes. This work would tell the results about the investment perception of various investors about pension schemes and thus in turn, helps the financial companies to identify the perception of various

investors and to improve the marketing and selling of pension schemes.

This research motivates the researchers to feel experience by interacting with the investors and guide them to analyze "The perception of the investors for Pension Schemes".

This research will help for pension provider organizations to plan the selling of pension schemes. The research has been carried out with a motive to change and access the perception of the investors and help them to get more knowledge and information for their investment.

VI. Data Analysis and Interpretation

Table 1: Age Vs Attitude

Age Criteria	H	M	L	Total
18 to 30	60	80	80	220
30 to 50	120	220	40	420
Above 50	170	120	70	360
Total	350	420	230	1000

H: High, M: Medium, L: Low

At 10% level of Significance with Degrees of freedom 6, the tabulated value of is 18.742 with respect to χ^2 value is 13.489. Since χ^2 calculated < Tabulated value the hypothesis is accepted and it is indicating that there is a significant association between the age of the investor and their perception for pension scheme. (As shown in Table 1)

Table 2: Gender Vs Attitude

Gender Criteria	H	M	L	Total
Male	180	380	110	670
Female	90	190	50	330
Total	270	570	160	1000

H: High, M: Medium, L: Low

At 10% level of Significance with Degrees of freedom 2, the tabulated value of is 11.893 with respect to χ^2 value is 6.429. Since χ^2 calculated < Tabulated value the hypothesis is accepted and it is indicating that there is a significant association between the gender of the investor and their perception. (As shown in Table 2)

Table 3: Education Vs Attitude

Education Criteria	H	M	L	Total
SSC	20	25	10	55
HSC	15	20	30	65
Under Graduate	40	50	20	110
Graduate	45	55	30	130
Post Graduate	55	65	20	140
Total	175	215	110	500

H: High, M: Medium, L: Low

At 10% level of Significance with Degrees of freedom 6, the tabulated value of is 16.932 with respect to χ^2 value is 8.275. Since χ^2 calculated < Tabulated value the hypothesis is accepted and it is indicating that there is a significant association between the education of the investor and their perception. (A shown in Table 3)

Table 4: Income Vs Attitude

Income Criteria	H	M	L	Total
Up to Rs.15000	60	180	70	310
Rs.15000 to Rs.25000	80	100	50	230
Rs.25000 to Rs.35000	110	120	40	270
Rs.35000 to Rs.45000	50	50	30	130
Above Rs.45000	30	20	10	60
Total	330	470	200	1000

H: High, M: Medium, L: Low (As shown in Table 4)

At 10% level of Significance with Degrees of freedom 4, the tabulated value of is 14.523 with respect to χ^2 value is 11.321. Since χ^2 calculated < Tabulated value the hypothesis is accepted and it is indicating that there is significant association between the income of the investor and their perception.

Table 5: Savings Vs Attitude

Saving Criteria	A	D	C	Total
Up to Rs.5000	80	40	210	330
Rs.5000 to Rs.15000	60	60	130	250
Rs.15000 to Rs.25000	110	30	100	240
Rs.25000 to Rs.35000	40	10	60	110
Above Rs.35000	20	10	40	70
Total	310	150	540	1000

A: Agree, D: Disagree, C: can't say (A shown in Table 5)

At 10% level of Significance with Degrees of freedom 4, the tabulated value of is 15.612 with respect to χ^2 value is 23.987. Since χ^2 calculated > Tabulated value the hypothesis is rejected and it is indicating that there is a no significant association between the Savings of the investor and their perception.

Table 6: Occupation Vs Attitude

Occupation Criteria	H	M	L	Total
Business	130	160	70	360
Farming & Allied Activities	50	120	10	180
Salaried	110	90	50	250
Any other	70	110	30	210
Total	360	480	160	1000

H: High, M: Medium, L: Low (As shown in Table 6)

At 10% level of Significance with Degrees of freedom 6, the tabulated value of is 18.528 with respect to χ^2 value is 9.329. Since χ^2 calculated < Tabulated value the hypothesis is accepted and it is indicating that there is a significant association between the occupation of the investor and their perception.

Table 7: Primary Purpose of Investment

Primary Purpose of Investment	Total
Safety for Principal	420
Safety for life	100
Safety for family	220
Safety for retirement	260
TOTAL	1000

26% of the investors invest in Pension Schemes' for retirement, 22% of them invest for the family safety, 10% of them invest for safety of life and 42% invest for the safety of principal amount. (As shown in Table 7)

Table 8: Secondary Purpose of Investment

Secondary Purpose of Investment	Total
Safety	520
Tax savings	160
Growth	100
High returns	220
TOTAL	1000

52% of the investors look for safety, 16% invest to save tax, 22% invest for fetching high returns and 10% invest for growth of investment. (As shown in Table 8)

Table 9: Investment Avenues

Investment Avenues	Total
Bank/Post office deposit	400
Gold	150
Pension scheme/Insurance	280
Share	170
TOTAL	1000

40% people invest in Bank/Post Office, 15% invest in Gold, 28% invest in pension schemes' and 17% invest in capital market. (As shown in Table 9)

Table 10: Risk Factor

Risk Factor	Total
YES	420
NO	580
TOTAL	1000

42% of the mass presume that pension schemes' is associated with risk in terms of return where as 58% of them deny the same. (As shown in Table 10)

Table 11: Mobilization of Information

Mobilization of Information	Total
Electronic Media	340
Advisors	200
Print Media	350
Other sources	110
TOTAL	1000

The information percolates to 20% investors by advisors, 35% of them get information from print media, 34% of them from Electronic media and the rest from other sources. (As shown in Table 11)

Table 12: Types of Pension Scheme

Types of Pension Scheme	Total
Pure Pension Scheme	420
Pension with Insurance Scheme	360
Market Linked Pension Scheme	140
Early Withdrawal Pension Scheme	80
TOTAL	1000

42% of the investors have their tendency to invest in pure pension scheme, 36% in pension with insurance schemes, 14% in market linked pension scheme and 8% in early withdrawal pension schemes. (As shown in Table 12)

VII. Findings

This research analyzes 1000 investor questioners regarding to age, gender, education level, income level, saving criteria, occupation criteria, employment criteria, investment purpose. The majority of results of this research shows investor positive perception for pension schemes. Investors of Allahabad has positive outlook for investment in pension schemes. Younger generation and level of education has positive impact for investment in pension scheme.

VIII. Conclusion

The work investigates the investor's perception for different Pension schemes that are related to investment in pension schemes. Investor's perception is positive for pension schemes and they are regularly contributing in Pension schemes. Investors have a preference for Pension schemes because they are looking for good amount after retirement. Investment protection is one of the important reasons to invest in Pension Schemes. Age, gender, qualification, income and occupation are the cheering the positive attitude of investors to invest in pension. This research work will help researcher to get knowledge about pension and will help future investors to evaluate the perception of the investors.

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