A STUDY ON RURAL INVESTORS PERCEPTION TOWARDS SMALL SAVINGS OF NREGA WORKERS IN DHARMAPURI

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Abstract

In the beginning of the 19th century, there were only a few banks and that too in big towns and cities. It was very difficult for the common man who wanted to save his small amount of money in the bank to go to a bank as he had to incur expenditure for the journey. Further, saving habit amongst the people was almost nil, and most of the people had their small savings in the form of gold and silver. On the other hand, the Government wanted to encourage savings because they were in dire need of money for various developmental activities, for strengthening military establishments and for carrying out administrative reforms. These factors compelled the Government to start Savings bank through the Post Office. The results, arrived at through a statistical analysis, showed that the pivotal catalysts determining the decisions whether to invest in the small savings schemes were: gender, age, level of income, family size and income, financial literacy. The relevance of the finding of the study in terms of policy-making has been highlighted.

Keywords: NREGA Workers, Small Savings Schemes, Financial inclusion.

I. INTRODUCTION

There are a lot of investment choices and one must select the most appropriate one. The person dealing with the planning needs to know all the various investment choices and how these can be chosen for the purpose of attaining the overall objectives. The details of making the investment along with the various ways in which the investment has to be maintained and managed. The developing countries like India face the enormous task of finding sufficient capital in their development efforts. Most of these countries find it difficult to get out of the vicious circle of poverty of the low income group, low savings, low investment, low employment etc.

With high capital output ratio, India needs very high rates of investments to make a leap forward in her efforts of attaining high levels of growth. Since the beginning of planning, the emphasis has been on investment as the primary instruments of economic growth and increase in national income. In order to have production as per target, investment is considered the crucial determinant and capital formation is to be supported by appropriate volume of saving.

Nearly three-fourths of India’s population lives in rural areas. Employment for rural people is a subject that requires serious thought from the Central and State Governments and civil society as key component of actions and initiatives aiming at achievement of the goals of development by 2020. Education and employment are two of the most powerful weapons to fight against rural poverty and achieve sustainable development. In this direction the National Rural Employment Guarantee Ac (NREGA)
is a major revolutionary step. Therefore, the objective of the National Rural Employment Guarantee Scheme is to enhance the livelihood security of people in rural areas by generating wage employment through work that develops the infrastructure base of that area. The NREGA was enacted in Sept. 2005 and brought into force on Feb. 2, 2006 initially among 200 most backward districts, with the objective of providing 100 days of guaranteed unskilled wage employment of each rural household opting for it.

Hemraj regularly attended the Gram Sabha meetings and through such meetings he got to know about the National Rural Employment Guarantee Act (NREGA). He applied for a job card and got himself and his wife enrolled in the scheme. In three months a well was constructed on his land in which he along with his wife and 12 others worked. The equal and sufficient wages have brought a ray of hope in their dark lives. He stared growing vegetables and food grains. He took care of the plants wholeheartedly and this can be seen in the growth of the plants. This has increased the financial capacity of the family. Hemraj is also happy about his bank account which was opened under NREGA. This has uplifted his social status and he has also started to save money. He says, ‘This scheme has provided me work in my village and has assured food for the unfortunate people like me.’

Government Savings Bank was started in the three Presidency towns of Calcutta, Madras and Bombay in 1833, 1834 and 1835 respectively. In 1860, the Secretary of State for India initiated steps for empowering the post offices to undertake savings bank operations in India, similar to that of the U.K. But the Government was under organized and not mature enough to take upon such banking business. Some changes took place subsequently in the management of Savings Bank. Between 1863 and 1865, the management of the Savings Bank was transferred from Government Treasuries to the Presidency Bank, and each Presidency Bank framed its management. The deposit allowed was Rs. 500 in a year up to a maximum of Rs. 3000 and the interest rate was fixed at 3.75 percent per annum. In practice, the SB counters were kept open twice in a week.

In wake of the RBI’s efforts to ensure financial inclusion, the Ministry of Rural Development (MoRD) issued a circular on January 21, 2008 that mandated transfer of wage payments only to bank or post office accounts of Mahatma Gandhi National Rural Employment Guarantee Act I (MGNREGA) beneficiaries keeping in mind the objectives of transparency and financial inclusion. Schedule II, paragraph 31 of the Act was suitably amended on February 19, 2009 to state that ‘the payment of wages shall be made through the individual or joint savings account of the workers in banks or post offices opened in accordance with the directions of the Central Government.’ This led to the omission of the provision of part payment in kind and payment on daily basis though not ruling out cash payments entirely. Since then, nearly ten crore bank/post office accounts have been opened and around 80 per cent of MGNREGA payments have been made through this route. This has been hailed as the ‘world’s largest ever financial inclusion scheme.’ As the MGNREGA has mandated payments through formal financial institutions, it is expected to have resulted in enhanced financial inclusion of poor and marginalized sections of the society. The Department of Rural Development and Panchayat Raj, Government of Karnataka entrusted Centre for Budget and Policy Studies (CBPS), Bangalore the ‘Study on the role of MGNREGA in enhancing Financial Inclusion’. The study aims at getting a detailed view of whether the MGNREGA has really resulted in enhanced financial inclusion for beneficiaries.
Scope and Importance of the Study

The Indian economy is growing significantly and has various investment options but the Government of India has provided the oldest investment option. Still, small savings scheme had not gained much importance. The changing postal environment presents an enormous challenge to traditional postal businesses, but it also creates a vast array of new business options and opportunities, as the interest rate compared to other schemes provided by the postal schemes are higher. The study had been undertaken to analyze whether the small savings schemes have gained importance among the people or not. Against this backdrop, an attempt has been made to find out the investment pattern of the rural respondents of NREGA workers in Dharmapuri District of Tamilnadu.

In a developing country like India, the emphasis on domestic savings and its mobilization by the organized sector cannot be belittled and is an important one not only from the individual point of view but also from the point of view of the economic development of the nation. But many agencies both government and private such as banks, private financial companies, chit funds compete with each other for mobilizing the postal small savings through various attractive schemes. Hence Indian post offices have also introduced certain small savings schemes to mobilize the savings.

The present study is beginning towards this end and in this study an attempt has been made to estimate the level of awareness, perceived opinion and attitude of the rural investors and small savings schemes, besides eliciting their opinion about the features of the different schemes and the approaches of the officials and agents concerned. Further an attempt has also been made to suggest an effective mechanism to the government for executing the schemes more effectively and to the fullest satisfaction of the rural investors.

Statement of the Problem

In a country like India, which is a developing one, the quantum of investment of the rural investors, downtrodden and middle class families will be comparatively small. But when they are pooled together, a very huge amount will be available for the country’s economic development. Realizing this, Government of India has introduced certain postal small savings schemes which are being implemented through post offices and commercial banks, in order to tap the investments of the poor people living in more than 5 lakhs villages throughout the country. As such, small savings are directly available to the central Government as part of its budgetary resources and they constitute the non-marketable debt of the Government. It has been shared with the state government in a specified manner. It could not be denied that small savings schemes have done a laudable service in bridging the gap between the savings of the public and the financial requirements of the nation for building infrastructure facilities. Further a study on the perception of the rural investors would ensure the Government to evolve better investment schemes suited to the needs of the public. Hence the researcher has made an attempt to gauge the perceived opinion and attitude of a few rural investors on small savings schemes in Dharmapuri district of Tamil Nadu.

Objectives of the Study

1. To outline the origin and growth of small savings schemes in Tamil Nadu
2. To measure the level of awareness of the rural investors towards small savings schemes.
3. To examine the perceived opinion of the rural investors towards small savings schemes in Dharmapuri District.
4. To offer suggestions for the improvement of the features of small savings schemes and thereby to increase the collections through small savings schemes.
Hypotheses

Based on the above objectives, the following hypotheses:

1. There is no association between level of awareness and investors’ attitude towards small savings schemes.
2. There is no association between demographic variable and investors’ attitude towards Opinion & Awareness of the Small Savings.
3. There is no association between opinion of the rural investors and investors’ attitude towards Satisfaction Level.

Limitations of the Study

The following are the limitations of the present study:

1. This study is confined to a particular selected region, that is, Dharmapuri District and hence conclusions are drawn with due care when an attempt is made to generalize the results.
2. Due to paucity of time and fund, the size of the sample is restricted to 250.
3. The study is confined to the NREGA workers only and therefore the outcomes cannot be generalized to other category investors.

II. REVIEW OF LITERATURE

A study by Dhiraj Jain and Ruhika Kothari (2012) titled “Investors’ attitude towards Post Office Deposits Schemes - Empirical Study in Udaipur district, Rajasthan” shows that for more than 150 years, the Department of Posts (DoP) has been the backbone of the country’s communication and has played a vital role to connect the whole of the country and has also provided banking facilities in the absence of banks. But over time, its role has changed and it has grown to become one of the best avenues to channel investment from even the wealthy investor and use them fruitfully in nation buildings activities. There has been introduction of several types of deposit schemes that cater to the differing needs of different classes of investors in which person has an option to invest even a minimal amount of Rs.500 per month. Investment in Post Office Savings account for a maximum investment of Rs.110, 000, per financial year is totally exempt from tax under section 80C of the Income Tax Act, 1961. The interest income is also exempted from tax under section 10 of Income Tax Act, 1961 in some cases. This has enabled them to compete successfully with the other avenues of investment available to investor like commercial and co-operative bank, non-banking financial institutions, public sector companies, etc. It is necessary for institutions offering investment instruments to study the perception of investors’ towards various investment instruments because it has influenced the saving behavior of investors since decade. The study is an attempt to identify the awareness, preferences, problem and attitudes of investor’ towards various deposit schemes offered by the Post Office among 100 respondents of the Udaipur District.

G. Santhiyavalli (2011) in their study titled “Customer’s perception of service quality of State Bank of India - A Factor Analysis”, have shown that Customer service is an integral part of any organization. It is necessary to identify the key success factors in terms of customer satisfaction so as to survive in intense competition and increase the market share. Today, the concept of core banking has made ‘Any where and any time’ banking a reality. Along with technology, banking services have also evolved and the delivery of various banking products are carried out through the medium of high technology at a fraction of the cost to the customer. In this scenario the present study was conducted to evaluate the service quality of State Bank of India by identifying the major factors responsible for customer satisfaction. To support the objective of the study, SERVQUAL technique based on the model developed by A. Parasuraman et al (1988) was adopted. The factor analysis clearly indicates that among five dimensions ‘Reliability’,...
‘Responsiveness’, ‘Empathy’ and ‘Tangibility’ are the major factors responsible for customer satisfaction which stood at 90 percent regarding the services provided by State Bank of India.

K. Parimala Kanthi and M. Ashok Kumar (2013) Studied “Post office savings and its relevance in rural areas [with reference to Madukkarai block, Coimbatore district]”, Various investment opportunities are available for an individual to his savings and he can choose the appropriate investment schemes, which suit his needs. The different types of investments are provided by many financial institutions like commercial banks, co-operative banks, post office saving banks, life insurance corporations, public limited companies etc.. Of all the above mentioned institutions, Post Office Saving Bank play vital role. The present study has made to study the investment awareness, preferences , experiences, satisfaction, objectives and purpose of the investors on post office saving schemes in Madukkarai Block, Coimbatore . The primary data was collected purely on random basis from 200 sample respondents. The study found that majority of the investors are aware of all the post office saving schemes, preferred post office saving account, the main objectives of the investors are regular return, Children education and marriage are the main purpose, and only a very few investors are dissatisfied with post office saving schemes.

A. Vinayagamoorthy and K. Senthilkumar (2012) in their study titled “An analysis of Postal Investment and Small Savings”, have shown that mobilization of domestic financial resource has remained a major concern in many developing countries. Despite the variety of vehicles that are intended to mobilize and allocate financial resources, only very few offer strategies for meeting the needs of poor and lower income people. Savings are increasingly being acknowledged as a powerful tool for poverty alleviation. Postal savings funds play a significant role in financing public debt and in a number of countries, the funds are intermediated through a variety of policy based financial institutions with developmental objectives, returning the funds to the direct benefits of the community of savers. Savings are the excess of income over consumption expenditure. Savings are meant to meet contingencies and raise the standard of living of individual savers.

A study by N. Kathirvel A. Mekala (2010) titled “Women Investors’ Perception Towards Online Trading In Tamilnadu With Special Reference To Coimbatore District” shows that a good financial system provides the intermediation between savers and investors and promotes faster economic development. An investment share requires a careful evaluation of factors related to the economy, industry, and the company. This analysis is called fundamental analysis. An investor is surrounded by many factors in her consideration of making investments. She is interested in the liquidity of her assets. She is also interested by the fact that there are an increasing number of women working in the organization. 1. To identify the demographic profile of women investors. 2. To identify the factors influencing the women investors while making investment. 3. To suggest suitable measures to protect the interest of women investors. In this study the researcher used Descriptive research, which is concerned with describing the characteristics of a particular individual or of a group. The primary data were collected from women investors. The data were collected using interview schedule method. The interview schedule for women investors was prepared in such a way that they were able to express their opinions freely and frankly. In this research the researcher had selected Coimbatore District. There are many sample designs from which the researcher chose for her study ‘Convenience Sampling Design’. In order to find out association between factors associated with financial decision-making of women
investors, two-way table according to their factor group was framed. Chi-square test was applied to them to find out the association between the selected variables and financial decision-making perception of women investors. The data collected were based on the questionnaire the results of which would vary according to the opinions of individuals. The study was based upon prevailing investor’s behaviour. The women investor may change according to time, fashion, technology, development etc. It could be seen from this that the calculated value is less than the table value at 5% level thus letting the null hypothesis be accepted. Hence it is clear that there is no association between savings per month and time taken for investment decision. Basic knowledge must be given to the investors about all types of investments, so that the investor can make a better choice that best suits their investment plan.

**Research Methodology**

Since the researcher has confined his study to survey method, it is essential to select sample respondents area of the study and selected NREGA workers for the study. It is equally important that sample respondents should represent the entire universe. Hence the selection of sample respondents gets significance as already been stated in the first chapter itself, and the sample represent have been selected in the study area so as to respondent the entire population. Samples have been selected from the universe at Dharmapuri District itself on simple random basis. The district has five Taluks viz., Dharmapuri, Palacode, Pennagaram, Pappiredipatti and Harur. Therefore, the researcher has taken five taluks. The interview schedule has been framed based on the study conducted by pre-test and pilot study.

Samples have been selected from the universe at Dharmapuri District itself on simple random (Tippett’s random number tables) basis. The district has five Taluks viz., Dharmapuri, Palacode, Pennagaram, Pappiredipatti and Harur. Therefore, the researcher has taken five taluks. 50 sample respondents have been selected from each taluks in Dharmapuri District. Therefore 250 sample respondents (5 X 50 = 250) have been approached and monitored through interview personal. All the respondents have answered all the questions and provided all required information so as to reveal their perception in Small Saving schemes and attitude.

Data collected from various sources have been measured and tested with appropriate statistical tools namely, Percentage analysis, Chi-square test, Factor analysis, ANOVA and Correlation Analysis. Results have been interpreted accordingly in order to know the correct investment decision of respondents.

**Analysis**

The problems regarding the rural investors’ perception and Small Savings were considered and the objectives were presented in the first chapter. The important concepts used in the study were reviewed and presented in the second chapter. The profile of the study area Dharmapuri District and its Post Office Small Savings and NRGEA was presented in the third chapter. The methodology of the study was presented in the fourth chapter. The present chapter deals with the results of the Primary data collected on the rural Investors’ Perception and their discussion. It also deals with information sources used by the rural investors.

- Age and Level of Awareness on small savings
- A small savings are the deposits of money from the members of the public.
- Any person who is willing capable of earning the small savings schemes. A person who has not completed 18 years of age is also encourages to have small savings.

For analysing the extent of relationship between age and awareness level on small savings, the respondents were classified as follows: Group A: up to 30 years; Group B: 31-40 years; and Group C: Above 40 years.
Table 4.2 gives information regarding the level of awareness of respondents belonging to different age groups.

To test the hypothesis which states that the small savings awareness level of different groups classified based on Chi-square test was applied.

Table 4.2 indicates that among the three groups of the respondents the percentage of the respondents belonging to middle age group (38.2%) whose awareness were high are higher than those of the other two groups.

Table: 4.2

<table>
<thead>
<tr>
<th>Age</th>
<th>Level of Awareness</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Low (%)</td>
<td>Medium (%)</td>
</tr>
<tr>
<td>Up to 30 Years (A)</td>
<td>11 (18.0)</td>
<td>34 (55.7)</td>
</tr>
<tr>
<td>31 to 40 Years (B)</td>
<td>71 (46.7)</td>
<td>23 (15.1)</td>
</tr>
<tr>
<td>Above 40 Years(C)</td>
<td>12 (32.4)</td>
<td>12 (32.4)</td>
</tr>
<tr>
<td>Total</td>
<td>94 (37.6)</td>
<td>69 (27.6)</td>
</tr>
</tbody>
</table>

Chi-square Value = 37.984

(Figures in Parentheses represent Percentage)

It was found that the calculated value of chi-square (37.98) exceeds the table value of chi-square (13.27) for 4 degrees of freedom at 1% level of significance. Hence, the hypothesis was not accepted. Therefore, it was concluded that there is an association between the age of respondents and their level of awareness on small savings schemes.

Average Awareness Score of respondents on the basis of Age

The average awareness score of the three groups of respondents classified based on their age is given in the table 4.3.

Table: 4.3

<table>
<thead>
<tr>
<th>Age</th>
<th>Number of respondents</th>
<th>Percentage</th>
<th>Average Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to 30 Years (A)</td>
<td>51</td>
<td>16.6</td>
<td>17.10</td>
</tr>
<tr>
<td>31 to 40 Years (B)</td>
<td>152</td>
<td>61.9</td>
<td>17.18</td>
</tr>
<tr>
<td>Above 40 Years(C)</td>
<td>37</td>
<td>21.5</td>
<td>18.48</td>
</tr>
<tr>
<td>Total</td>
<td>250</td>
<td>100.0</td>
<td>17.33</td>
</tr>
</tbody>
</table>

* Significant at 1%

Table 4.3 indicates that the average score of the respondents belonging to old age group (18.48) was higher than that of middle age group (17.18) and young age group (17.10). To test the hypothesis that the average score of the three groups of respondents classified based on their age is the same, “F” test was applied.

It was found that the calculated value of “F” (1.286) not exceeds the table value (4.60) for 2 & 250 degrees of freedom at 1% level of significance. Therefore, the hypothesis was accepted. It was proved that there is no significant relationship between the three groups of respondents and their awareness on small savings schemes.

Gender and Level of Awareness

Normally the male respondents have better awareness about the small savings schemes than their female counterparts. Table 4.4 gives information regarding the gender of respondents and their level of awareness on small savings schemes.

To test the hypothesis, which states that there is no significant association between the levels of awareness on small savings schemes and gender of the respondents, Chi-square test was applied.
Table 4.4 Gender and Level of Awareness: Chi-square test

<table>
<thead>
<tr>
<th>Gender</th>
<th>Level of Awareness</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Low</td>
<td>Medium</td>
</tr>
<tr>
<td>Male (A)</td>
<td>10 (29.4)</td>
<td>12 (35.3)</td>
</tr>
<tr>
<td>Female (B)</td>
<td>84 (38.8)</td>
<td>57 (26.5)</td>
</tr>
<tr>
<td>Total</td>
<td>94 (37.6)</td>
<td>69 (27.6)</td>
</tr>
</tbody>
</table>

Chi-square Value = 23.616

(Figures in Parentheses represent Percentage)

Table 4.4 shows that with regard to medium and high level of awareness the percentage of male respondents (70.6%) was higher than female respondents (61.2%).

It was found that the calculated value of Chi-square (23.61) exceeds the table value (9.210) for 2 degrees of freedom at 1% level of significance. Hence, the hypothesis was rejected. Therefore, it was concluded that there is significant association between the gender of the respondents and their level of awareness on various products and services.

Average Awareness Scores of respondents on the basis of Gender

The average awareness score of the two groups of sample respondents based on gender is presented in table 4.5.

Table 4.5 shows that the average awareness score of the male respondents (21.02) was higher than the average awareness score of the female respondents (17.14). To test the hypothesis, which states that the awareness score of the respondents based on their gender is the same, “Z” test was applied.

Table 4.5 Gender and Awareness score: Z-test

<table>
<thead>
<tr>
<th>Gender</th>
<th>Number of respondents</th>
<th>Percent</th>
<th>Average Score</th>
<th>Z-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male (A)</td>
<td>34</td>
<td>13.6</td>
<td>21.02</td>
<td></td>
</tr>
<tr>
<td>Female (B)</td>
<td>216</td>
<td>86.4</td>
<td>17.14</td>
<td>7.524*</td>
</tr>
<tr>
<td>Total</td>
<td>250</td>
<td>100.0</td>
<td>17.33</td>
<td></td>
</tr>
</tbody>
</table>

* Significant at 1%

It was found that the calculated value of “Z” (7.524) exceeds the critical value of “Z” (2.57) at 1% level of significance. Hence, the hypothesis was rejected. Therefore, it could be concluded that there is a significant relationship between the gender and awareness scores on small savings schemes.

Marital Status and Level of Awareness

The awareness of the married respondents would be higher than the bachelor respondents. The age, experience and opportunity of the married respondents make them aware about the small savings schemes. Hence, it was decided to analyse the association between the marital status of the respondents and their level of awareness on small savings schemes.

The sample respondents were classified into two categories viz. Married and Unmarried. To test the hypothesis, which states that there is no significant association between the marital status of the respondents and their level of awareness on small savings schemes, Chi-square test was applied.

Table 4.6 gives information about the marital status of respondents and their level of awareness on small savings schemes.

Table 4.6 Marital Status and Level of Awareness: Chi-square test

<table>
<thead>
<tr>
<th>Marital Status</th>
<th>Level of Awareness</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Low</td>
<td>Medium</td>
</tr>
<tr>
<td>Married (A)</td>
<td>88 (39.5)</td>
<td>57 (25.6)</td>
</tr>
<tr>
<td>Unmarried (B)</td>
<td>6 (22.2)</td>
<td>12 (44.4)</td>
</tr>
<tr>
<td>Total</td>
<td>94 (37.6)</td>
<td>69 (27.6)</td>
</tr>
</tbody>
</table>

Chi-square Value = 33.065

Table 4.6 indicates that with regard to medium/high level of awareness, the percentage of married respondents (60.53%) was lower than that of unmarried respondents (77.8%). This may be due to their family responsibility and expanding needs.

It was found that the calculated value of Chi-square (33.06) exceeds the table value (9.210) for 2 degrees of freedom at 1% level of significance. Hence, the hypothesis was not accepted. Therefore, it
was concluded that there is a significant association between the marital status of the respondents and their level of awareness.

**Average Awareness Scores of respondents on the basis of Marital Status**

The average awareness score of the respondents based on their marital status is presented in Table 4.7.

Table 4.7 indicates that the average awareness score of the married respondents (17.29) was lower than that of unmarried respondents (18.00). To test the hypothesis, which states that the average score of married respondents and unmarried respondents is the same, *Z* test was applied.

<table>
<thead>
<tr>
<th>Marital Status</th>
<th>Number of respondents</th>
<th>Per cent</th>
<th>Average Score</th>
<th>Z-Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Married (A)</td>
<td>223</td>
<td>89.2</td>
<td>17.29</td>
<td>0.242*</td>
</tr>
<tr>
<td>Unmarried (B)</td>
<td>27</td>
<td>10.8</td>
<td>18.00</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>250</td>
<td>100.0</td>
<td>17.33</td>
<td></td>
</tr>
</tbody>
</table>

* Significant at 1%

It was found that the calculated value of “*Z*” (0.242) is less than the critical value (2.576) for 1% level of significance. Hence, the hypothesis was accepted. The test reveals that there is no significant relationship between marital status of the respondents and their awareness scores on small savings schemes.

**Educational Qualification and Level of Awareness**

Education broadens the mental horizon of a person and develops his abilities and attitudes for his social life. It develops work force for different levels of economy. To analyse the relationship between the qualification of the sample respondents and their level of awareness on small savings schemes, the sample respondents were classified into three groups.

**Table: 4.8**

<table>
<thead>
<tr>
<th>Educational Qualification</th>
<th>Level of Awareness</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Illiterate (A)</td>
<td>Low (25.0)</td>
<td>92 (100)</td>
</tr>
<tr>
<td></td>
<td>Medium (22.8)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>High (52.2)</td>
<td></td>
</tr>
<tr>
<td>Up to HSC (B)</td>
<td>Low (31.8)</td>
<td>110 (100)</td>
</tr>
<tr>
<td></td>
<td>Medium (37.3)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>High (30.9)</td>
<td></td>
</tr>
<tr>
<td>Others (C)</td>
<td>Low (75)</td>
<td>48 (100)</td>
</tr>
<tr>
<td></td>
<td>Medium (14.6)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>High (10.4)</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>Low (37.6)</td>
<td>250 (100)</td>
</tr>
<tr>
<td></td>
<td>Medium (27.6)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>High (34.8)</td>
<td></td>
</tr>
</tbody>
</table>

Chi-square Value = 81.324

Table 4.8 clearly indicates that with regard to respondents having high level of awareness, the percentage of the sample respondents in illiterate (52.2%) was higher than higher secondary education (30.9%) and others (10.4%). This may be due to education may allow them to be less conscious towards the savings habit.

The calculated value of Chi-square (81.32) exceeds the table value (9.210) for 3 degrees of freedom at 1% level of significance. Hence, the hypothesis was not accepted. Therefore, it was inferred that there exists a significant association between the educational qualification and the level of awareness on small savings schemes.

**Average Awareness Scores of respondents on the basis of Educational Qualification**

The average awareness score of the three groups of sample respondents classified based on educational level is given in the following table.

**Results and Findings**

- Out of 250 respondents, only 216 (86.4%) of the respondents (investors) who invest in small savings are males and 34 (13.6%) of the respondents are females. This indicates that males are playing dominant role in taking investment in post offices. Of the total respondents, only 156 respondents are in the awareness level under different educational qualification groups does not differ significantly, Chi-square test was applied.
Majority of the investors were up to HSC 110 (44.0%). They were able to read, understand and process information collected from various sources. Of the total respondents, 89.2% of the respondents who were selected from postal investment are married. This indicates that the necessity and the need for satisfying the requirements of spouse and children prompts the married person to take the investment in small saving.

It showed that majority of the respondents live in nuclear family. Husband, wife and two children which is a common family structure has been prevailing in the selected study area. Out of 250 respondents, only 62.8% of the respondents’ income level fell within the limit 50,000 – 1,00,000. The investment of the small saving investments selected for the study is equal to their total savings. Hence time taken between conceiving the idea of taking and actual investment is a long period.

Out of 250 respondents, only 58.4% of the respondents are Agriculture. On the other hand 32.4% of the respondents are other type of employee. It indicated that their income earning was not stable. It affected the choice of making investments.

The high return and safety are greater dominant factors in influencing investors’ perception which has secured 31.376% of total variance and 3.45 of Eigen value. It is clearly found that investors of Post Office Time Deposits are influenced by High return and Safety. Their second choice was Loan and Income, Bonus and lastly they considered Income Tax benefits of the Time Deposits before investing in Post Offices.

The investors of Recurring Deposits also gave much importance to incentive, safe and Bonus (36.92% of variance and 4.061 of Eigen value); secondly to loan and high income (23.508% of variance and 2.58 of Eigen value) and finally to Liquidity (13.609% of variance and 1.49 of Eigen value) before making decision to invest.

The study revealed that the investors of Post Office Monthly Income Schemes were more influenced by Bonus and incentives (25.89% of variance and 2.84 of Eigen value). They were also influenced by liquidity and income (20.024% of variance and 2.203 of Eigen value). All these factors were considered by the investors of Post Office Monthly income schemes before making decision.

The perfect High Return and Bonus were the highest dominant factors in influencing investors’ perception regarding National Saving Certificate (41.919% of total variance and 4.61 of Eigen value). The investors perception was influenced also by After Service and Economic Development (19.23% of total variance, Eigen value of 2.116) and After service was taken as last criterion in shaping investors’ perception about National Saving Certificate.

The Investors of National Saving Schemes gave much importance to high return and tax benefits before making investment decisions (36.326% of total variance and 3.99 of Eigen value). Secondly they gave importance to transferability and Economic development, Thirdly they gave much thought and importance to loan facility and finally to income and safety.

The investors of Public Provident Fund gave great importance to Transfer and tax benefits before making decisions (35.127% of the
variance and 3.86 of Eigen values, Secondly they gave due importance to High Income and After service and lastly to safety and Bonus.

- The postal investors also gave great importance to Deposit Scheme for Retiring Government Employees (34.44% of variance and 3.78 of eigen value) Secondly to High rate and Safety (20.036% of variance and 2.204 of Eigen value). Third choice was After service and economic development and finally loan and liquidity.

- The After Service and Economic Development were the highest dominant factors in shaping Investors’ Perception regarding postal Life Insurance (31.314% of total variance and 3.445 of Eigen value). The investors’ perception was influenced also by High return, Bonus and Incentives (26.329% of variance and 2.89 of Eigen value). Third, they gave due importance to Safety and Security and finally to Transfer and Income.

- The investors of Senior Citizens Saving Schemes also gave great importance to Incentive, Bonus and High Return (43.40% of total variance and 2.51 of Eigen value), also to After Service and Transfer (13.67% of variance and 1.504 of Eigen value) before shaping their Perception.

Suggestions

- The following are the suggestions offered by the respondents for solving the problems of rural NREGA investors in the study area:

- The study found that for small saving schemes, there is no other alternative than in to leverage its infrastructure, trust and related service into a much larger role e-commerce and e-government. To be successful in competition with other private competitors, it must be ready to offer high-quality IT-related service. More awareness must be created among the NREGA worker about the schemes introduced and the reach of the schemes must be checked. This will also represent a significant growth opportunity for small saving schemes beyond its current business base. Technology will continue to remain a key driver of its business practices across the country.

- Investor education is the need of the hour. Though a number of institutions inculcate the investor education, they are not sufficient. A mass and continuous awareness programme should be conducted. Before investing, one has to equip himself with relevant information, which will have long run impact on his investment practices. But, in practice, investors with little time to discuss investment matters are not serious in the matter. Owing to the availability of little relevant information, general talks and rumours induce the investors to choose the investment instrument though it does not suit their interest. Hence, a systematic and long run investors’ awareness programme would be a boon to the investing community. Government organizations operating in the field of finance and voluntary organization like Rotary Club, Lions Club, and Banking Companies may individually or jointly take part in educating the investors. The participation of these institutions in the line would be a great social cause and ultimately the country’s resources will be diverted in the right way.

- It was reported recently that around 20-25 percent of our national revenue is paid off as interest for the external borrowings. Instead, funds available are to be tapped by providing attractive rate of interest. The
main reason for poor contribution by internal sources is very low bank interest rates. Therefore, commercial banks have become efficient custodian of finance only for a shorter period. In other words, banking facilities are used mainly for keeping savings rather than for investing. Bank rates are often reduced and have become unattractive. The bank rates should be enhanced at least 11-12 percent to attract more investors. The difference between the rate of interest offered by the bank and other prevailing market rate must be as minimum as possible.

- Computer facilities are recently introduced in the postal department. But the modernized equipments are not available in most of the post office. Internet and the advanced technologies are to be provided. Every year at the time of preparing budget the Government should introduce new schemes and discontinue a number of old schemes. Government should introduce new and more attractive schemes and discontinue unattractive schemes.

### III. CONCLUSION

Since independence, the prime objective of the government policy in India is to promote a rapid and small savings growth. As development is a continuous process, it requires the utilization of resources more effectively to achieve the accepted means. Sustaining the development mainly depends on the availability of large volume of capital. Availability of adequate finance ensures systematic and uninterrupted development generally in the economy of the country and particularly in the field of small saving investment. Necessary small savings can be made available if the Bank and postal investments intermediaries perform their work efficiently and effectively. Banks, non-banking finance companies, post office and share markets are the major intermediaries. These organizations help the retail and rural investors to save and invest their money for a specific purpose. Hence, the small saving investments and rural savings have a dual role to play. Primarily they undertake the responsibility of savings of India postal investors and secondly they help the nation to generate the necessary funds resulting in the society’s getting overall benefits.

### IV. REFERENCE