

Opinion of investor for pension schemes in Varanasi

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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 Varanasi. Talking random sampling of 2000 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, Varanasi, Uttar Pradesh

1. Introduction

Pension provides old age security. It is a welfare schemes 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. 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 [1]. It will guide the investors to select pension schemes. Finally, the research work carried out to discover the investor's perception for pension schemes with special reference to Varanasi 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 Varanasi of Uttar Pradesh state [2, 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].

2. 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.

3. Research Design & Development

This research study is an analytical and descriptive research [5]. It is related to the analysis of perception of investors for pension schemes. In order to conduct this study, 2000 investors of Varanasi 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: Varanasi of Uttar Pradesh state
 Sampling unit: Individual investors of Varanasi of Uttar Pradesh state
 Sampling method: Random sampling Method
 Sample size: 2000

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.

4. 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.

5. Data Analysis and Interpretation

Table 1: Age Vs Attitude

Age Criteria	H	M	L	Total
18 to 30	120	160	160	440
30 to 50	240	440	80	840
Above 50	340	240	140	720
Total	700	840	460	2000

H: High, M: Medium, L: Low

At 10% level of Significance with Degrees of freedom 6, the tabulated value of is 19.453 with respect to χ^2 value is 12.702. 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	360	760	220	1340
Female	180	380	100	660
Total	540	1140	320	2000

H: High, M: Medium, L: Low

At 10% level of Significance with Degrees of freedom 2, the tabulated value of is 12.621 with respect to χ^2 value is 7.826. 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	80	100	40	220
HSC	60	80	120	260
Under Graduate	160	200	80	440
Graduate	180	220	120	520
Post Graduate	220	260	80	560
Total	700	860	440	2000

H: High, M: Medium, L: Low

At 10% level of Significance with Degrees of freedom 6, the tabulated value of is 17.483 with respect to χ^2 value is 8.359. 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. (As shown in Table 3)

Table 4: Income Vs Attitude

Income Criteria	H	M	L	Total
Up to Rs.15000	120	360	140	620
Rs.15000 to Rs.25000	160	200	100	460
Rs.25000 to Rs.35000	220	240	80	540
Rs.35000 to Rs.45000	100	100	60	260
Above Rs.45000	60	40	20	120
Total	660	940	400	2000

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 15.179 with respect to χ^2 value is 12.023. 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	160	80	420	660
Rs.5000 to Rs.15000	120	120	520	1000
Rs.15000 to Rs.25000	220	60	200	480
Rs.25000 to Rs.35000	80	20	20	220
Above Rs.35000	40	20	80	140
Total	620	300	1080	2000

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 17.079 with respect to χ^2 value is 24.045. 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	26	320	140	720
Farming & Allied Activities	100	240	20	360
Salaried	220	180	100	500
Any other	140	220	60	420
Total	720	960	320	2000

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 19.611 with respect to χ^2 value is 10.983. 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	840
Safety for life	200
Safety for family	440
Safety for retirement	520
Total	2000

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	1040
Tax savings	320
Growth	200
High returns	440
Total	2000

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	800
Gold	300
Pension scheme/Insurance	560
Share	340
Total	2000

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	840
No	1160
Total	2000

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	680
Advisors	400
Print media	700
Other sources	220
Total	2000

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	840
Pension with Insurance Scheme	720
Market Linked Pension Scheme	280
Early Withdrawal Pension Scheme	160
Total	2000

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)

6. Findings

This research analyzes 2000 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 Varanasi has positive outlook for investment in pension schemes. Younger generation and level of education has positive impact for investment in pension scheme.

7. 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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