
SPENDING AND INVESTMENT PATTERN - A COMPARATIVE STUDY AMONG COLLEGE LECTURERS AND SCHOOL TEACHERS

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INTRODUCTION

A society or community consists in the main three sections of classes namely the entrepreneurial or business class, the middle class and the working class. Each of these classes of society has identically different standards of living. The standard of living of a given class of society is determined by the income – consumption pattern appropriate to it.

Income and consumption are the two important macro variables or fundamentals like saving, investment, price level, employment and so on. Consumption is consummated only through income. Thus income and consumption are two quite essential parts in a whole uninterrupted chain of economic phenomenon. They are not mutually exclusive. If we have income intact, we can have no consumption. On the other hand, if we have consumption, we cannot have our income intact, untrammelled. As the saying goes: 'one cannot have the cake and eat it too.' Income and consumption pattern of the people is an essential indicator of their level of living. The income distribution, consumption pattern saving and indebtedness reflected the real consumption position.

Individuals and business houses frequently come across a number of investment situations in their day-to-day activities. An. Income can spend for current consumption or saved for the future consumption. Whenever there is postponement of current consumption, we call it as an investment. The objective of every investor is to have a real rate of return from his investment and not to be satisfied with the nominal rate of return. After the implementation of liberalization, privatization and globalization policies since 1991, there is a tremendous growth in the households sector share in the country's savings. Now household savings constitute around 82 percent of India's gross domestic savings. In older days investor's investment avenue was mostly confined to bank deposits. Among the financial assets, bank deposits was having the major chunk. Now investors can think of various other avenues including new issues of non govt. public limited companies.

When fixed income group get their salary, they use a part of it for meeting the day-to-day expenditure and the remaining amount is invested in the different investment avenues. It is quite doubtful that whether this educated class is fully aware about the different aspects of investments. It is also doubtful that whether all salaried groups like college lecturers and school teachers spend their money for meeting day-to-day expenditure based upon their income. This study aims at comparing spending and investment pattern of college lecturers and school teachers.

When a person decides to invest his surplus income, the opportunities availed by him for investment is not confined to any specific area. He gets unlimited avenues for investment. It is quite doubtful that whether teaching communities (College lecturers and School teachers) invest their income after considering the risk, return and profitability of different investment

avenues. It is also doubtful whether they spend their money for meeting day-to-day expenditure on its right path. It is an earnest effort on the part of the researcher to make a comparative study between college lecturers and school teachers regarding their investment and spending.

**TABLE 1
DISTRIBUTION OF RESPONDENTS BY INCOME**

Income Level	College Lecturers		School Teachers		Total	
	No. of respondents	%	No. of respondents	%	No. of respondents	%
Below 50000	11	22	44	88	55	55
50000 -100000	18	36	6	12	24	24
Above 100000	12	24	-	-	12	
Total	50	100	50	100	100	100

Source : Primary Data

The Table 1 shows that out of 50 College Lecturers, 36% of the respondents have monthly income between 50,000 – 1,00,000 and only 24% have monthly income above 1,00,000. Out of 50 School teachers, 88% belongs to monthly income class below 50,000. This analysis shows that College teachers are financially sound than School teachers.

**TABLE 2
SPENDING STYLE OF THE ESPONDENTS**

Basis	College Lecturers		School Teachers		Total	
	No. of respondents	%	No. of respondents	%	No. of respondents	%
Spending as per Budget	7	14	19	38	26	26
Without Budget	30	60	23	46	53	53
Occasionally	13	26	8	16	21	21
Total	50	100	50	100	100	100

Source : Primary Data

From the above table, it is clear that out of 50 college lecturers, 60% of the respondents spend their income without any budget and out of 50 school teachers, 46% of them spend their income without any budget. When compared with college lecturers, school teachers prefer to

spend money as per budget.

TABLE 3
DOMESTIC EXPENDITURE PRIORITY OF THE RESPONDENTS

Domestic Expenditure	College Lecturers		School Teachers		Total	
	No. of respondents	%	No. of respondents	%	No. of respondents	%
Food	18	36	15	30	33	33
Clothing	15	30	10	20	25	25
Telephone	10	20	14	28	24	24
Entertainment	7	14	11	22	18	18
Total	50	100	50	100	100	100

Source : Primary Data

The table 3 shows that out of 50 college lecturers, 36% prefer food as the most preferred domestic expenditure, 30% prefer clothing, 20% prefer telephone and only 7% give preference to entertainment. Out of 50 school teachers, 30% prefer food as the most preferred domestic expenditure, 20% for clothing, 28% for telephone and only 22% for entertainment. This analysis shows that both college lecturers and school teachers prefer food as the most preferred domestic expenditure.

TABLE 4
ITEM WISE DISTRIBUTION OF INCOME OF COLLEGE LECTURES

Item	Amount of Expenditure			
	Less than 60000	60000-120000	120000-240000	Above 240000
Food	2(4%)	15(30%)	28(56%)	5(10)
Clothing	12(24%)	26(52%)	8(16%)	4(8%)
Education	5(12%)	17(40%)	18(42%)	3(6%)
Electricity charges	48(96%)	2(4%)	-	-
Telephone expenditure	44(88%)	6(12%)	-	-
Entertainment	21(41%)	24(48%)	5(10%)	-
charity	50(100%)	-	-	-

Source: Primary Data

This table shows item wise distribution of income among college lecturers. In case of food and education, majority fall in the category of Rs. 120000 to 240000, clothing (52%) and entertainment (48%) in Rs. 60000 to 120000, electricity (96%), telephone (88%) charity (100%)

in below 60000 category.

TABLE 5
ITEM WISE DISTRIBUTION OF INCOME OF SCHOOL TEACHERS

Item	Amount of Expenditure			
	Less than 60000	60000-120000	120000-240000	Above 240000
Food	11(22%)	38(76%)	1(2%)	-
Clothing	8(16%)	24(48%)	16(32%)	2(4%)
Education	8(16%)	35(70%)	7(15%)	-
Electricity charges	50(100%)	-	-	-
Telephone expenditure	49(98%)	1(2%)	-	-
Entertainment	36(72%)	14(28%)	-	-
charity	50(100%)	-	-	-

Source: Primary Data

When we go through the item wise distribution of income among school teachers, we can see that expenditure on food, clothing and education is between Rs.60000 to 120000. 100% electricity charges and charity falls in the category of less than Rs. 60000. Majority of telephone expenditure and entertainment expense also falls under this category.

Table 6
TYPES OF INVESTMENT

Types	College Lecturers		School Teachers	
	No. of respondents	%	No. of respondents	%
Real Estate	6	15	5	72.5
Bank Deposit	4	10	5	12.5
LIC	40	100	40	100
NSC	2	5	-	-
PF	40	100	40	100
Shares and debentures	4	10	5	12.5
Gold	10	25	5	12.5

Source : Primary Data

The table 6 shows that 100 % of college lecturers prefer PF and LIC, 25 % Prefer the investment in gold,15% prefer real estate and only 10 % prefer shares and debentures and bank deposits. School teachers also prefer PF and LIC as the most viable investments. This analysis reveals that investing funds in PF and LIC is more preferable for both college lecturers and

TABLE 7
PROFITABILITY OF INVESTMENTS

Investment Avenues	College Lecturers		School Teachers		Total	
	No. of respondents	%	No. of respondents	%	No. of respondents	%
Real Estate	20	40	20	40	40	40
Bank Deposit	-	-	-	-	-	-
PF	-	-	-	-	-	-
Gold	22	44	20	40	42	42
Shares and Debentures	8	16	10	20	18	18
Total	50	100	50	100	100	100

Source : Primary Data

40% of the college lecturers and school teachers believe that investing funds in real estate is the most profitable avenue when compared with other investments.

TABLE 8
RISK IN INVESTMENT

Investment Avenues	College Lecturers		School Teachers		Total	
	No. of respondents	%	No. of respondents	%	No. of respondents	%
Real Estate	6	12	25	50	31	31
Bank deposit	-	-	-	-	-	-
NSC	-	-	-	-	-	-
Mutual Fund	4	8	2	4	6	6
Gold	5	10	3	6	8	8
Shares & Debentures	35	70	20	40	55	55
Total	50	100	50	100	100	100

Source : Primary Data

As per Table 8, 70% college lecturers and 40% school teachers believed that investing funds in shares & debentures are more risky & investing funds in NSC, LIC, PF, Mutual Fund and Bank

Deposits are risk free.

TABLE 9
CRITERIA CONSIDERED WHILE INVESTING FUNDS

Criteria	College Lecturers		School Teachers		Total	
	No. of respondents	%	No. of respondents	%	No. of respondents	%
Safety	34	68	35	70	69	69
Profitability	11	22	10	20	21	21
Liquidity	-	-	2	4	2	2
Tax Benefits	5	10	3	6	8	8
Total	50	100	50	100	100	100

Source : Primary Data

It can be concluded from Table 9 that 60% of the college lecturers and 70% of the school teachers gave importance for safety while investing their funds. And only 22% college lecturers and 20% school teachers considered profitability while investing their funds. 10% college lecturers and 6% school teachers invested their funds for getting income tax benefits.

The income that a person receives may be what he is spending for current consumption or saving for the future consumption. Spending and savings of a person depends up on his income. This chapter contains major findings, important suggestions made by the researcher and conclusion of the study.

SUGGESTIONS

1. Investment in mutual fund being a safe & profitable investment should be selected as an important form of investment by the respondents.
2. The study reveals that the majority of the lecturers and teachers tend to invest their funds in PF and LIC, and only a negligible percentage has opted real estate. Hence, the study recommends that more and more funds may be directed towards real estate since it is a profitable one, provided if investors are ready to take risk.
3. Analysis shows that lecturers and teachers are least bothered of having a family budget which is not assumed as an advisable trend in the present economic scenario. Hence the study strongly recommends the preparation of family budget so as to improve savings which in turn will result in to economic development.
4. Investing funds in gold is comparatively less risky hence, it is recommended that people can select this mode of investment.

CONCLUSION

The study title “Spending and Investment pattern – a comparative study between college lecturers and school teachers” shows that majority of them chooses safe investment like PF, Bank Deposit, Investment in LIC and Gold. The income earned by the college lecturers are high compared to school teachers. From the study we can see that college lecturers and school teachers spending almost same amount for their needs and wants. Majority of the college lecturers and school teachers are spending their income without keeping any budget. In this respect school teachers are somewhat better when compared with college lecturers because some school teachers spend their income as per budget. The study can be concluded by stating that if spending is based upon budget and avoid unnecessary spending to some extent, savings and investment can be enhanced. At present, college lecturers and school teachers being placed among the category of highly paid employees, they can use their surplus funds to be invested in productive purposes which in turn will contribute to the development of the nation.