



POST OFFICE SAVING BEHAVIOUR AMONG COIMBATORE

Commerce

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ABSTRACT

Post office saving banks is the largest savings institutions in the country. With a view to mobilising savings of people with relatively small income and circulating in them a spirit of thrift and savings, the central Government has endeavoured to make the national savings movement popular by offering high returns than those given by scheduled banks. At present the POSB provides a wide range of products and services including POSB ordinary deposit accounts, time deposit recurring deposit, Monthly income plan, and national saving certificates. This micro level study aims to assess the post office saving behaviour among Coimbatore. The study drew an empirical understood that the low / middle income families living in Coimbatore region prefer to save money in post office savings bank for the minor children. And sensible as parents they prefer to protect their children's future and save money to meet their future educational expenses or marriage expenses. Most of sample found to park their hand earned money in the recurring deposits, with a thrift of Rs.200 to Rs.400.

KEYWORDS

Post Office Saving Bank, Middle Income Savers, Thrift Saving.

INTRODUCTION

Post office has long served as the backbone of communication and small deposits. For than 154 years the department of posts has played a pivotal role in facilitating communication throughout the nation there by aiding in socio- economic development of the country. Post office saving banks is the largest savings institutions in the country. With a view to mobilising savings of people with relatively small income and circulating in them a spirit of thrift and savings, the central Government has endeavoured to make the national savings movement popular by offering high returns than those given by scheduled banks. Small savings of India Post are a popular medium of investment option for risk-averse investors. Post office investments provide flexible and tax exempted saving schemes. There is a number of attractive Post – office saving schemes that are well designed to meet the Indi dual requirements of different class of investors. Tax saving features of those schemes attracts even higher income groups to part their money in various post offices more than small savers. Investment avenues provided by the post office are generally marketable as they are saving media. Post office saving schemes offers number of benefits to the account holders like: a person can start an account with a minimum balance of Rs. 100. Account holders can own a ATM cards, always enjoy the facility of transferring their account to any of the nearest post-office in case of a need arises and post-office saving schemes offer a stabilised and regular interest earning in a regular intervals.

Need for the Study

As stated above among all the above institutions, Post Office Savings Bank schemes (POSB) play a vital role both in accumulating individual saving for the economic operations and for the savers (individuals) to save money for all their small and big emergency needs i.e., as it provides numerous benefits to the investors. Post office saving bank is the largest savings institution in the country. With a view to mobilising savings of people with relatively small income and circulating in them a spirit of thrift and savings. Inspired by this concept the current study is conducted.

Objectives of the Research Paper

This micro level study aims to assess the post office saving behaviour among Coimbatore.

MATERIALS AND METHODS

The study has right combination of both primary and secondary data. Coimbatore region has 19 postal taluks. Of these 19 taluks, 5 taluks were selected as sample. From each taluk a small sample of 25 respondents were collected and that was summed to 125 respondents in total. Data were collected with the support of Post Office Saving agents and through their references the post office savers /investors were identified. Data were collected from only voluntary respondents, who agreed to furnish required information, that were raised though queries in form of close ended questionnaire framed for data collection. In the current study judgemental sampling techniques was adopted for collection of data from the sample population i.e., post office savers and cluster based random sampling technique was used.

RESULTS AND DISCUSSIONS

At present the POSB provides a wide range of products and services including POSB ordinary deposit accounts, time deposit recurring deposit, Monthly income plan, and national saving certificates. Some of these product and services target the requirement of specific group such as women farmers, and senior citizens. POSB also disburses pensions to Government employees under the social security's programs of the Government recent agreement with the employee provident fund organisation provides for disbursement of pensions through twenty –six thousand post offices. Various investment opportunities are available for an individual to save and an individual can choose the appropriate investment schemes that suit their needs especially post office savings. To understanding the demographic status of the sample population following analysis is conducted.

TABLE: 1(A)
DEMOGRAPHIC AND SOCIAL-ECONOMIC PROFILE
OF POST OFFICE SAVING BANKS HOLDERS

Sl. No	Demographic Status	No. of Respondents	Percentage
Gender			
1.	Male	50	40.00
2.	Female	75	60.00
	Total	125	100
Age			
1.	21-25 Years	12	9.60
2.	26-30 Years	18	14.40
3.	31-35 Years	9	7.20
4.	36-40 Years	15	12.00
5.	41-45 Years	18	14.40
6.	46-50 Years	14	11.20
7.	51-55 Years	6	4.80
8.	Above 56 Years	33	26.40
	Total	125	100
Education Qualification			
1.	Below Higher Secondary	68	54.40
2.	College Education	39	31.20
3.	Professional	11	8.80
4.	Others	7	5.60
	Total	125	100
Accounts Nature			
1.	Minor Member Account	82	65.60
2.	Adult Individual Account	43	34.40
	Total	125	100
Nature of Occupation			
1.	Students	11	8.80
2.	Salaried	22	17.60
3.	Professionals	17	13.60
4.	Entrepreneur	11	8.80
5.	Agriculturist	19	15.20

6.	Daily Labourer	15	12.00
7.	Retired	14	11.20
8.	Housewife	16	12.80
	Total	125	100

Source: Primary Data

TABLE: 1(B)
DEMOGRAPHIC AND SOCIAL-ECONOMIC PROFILE OF POST OFFICE SAVING BANKS HOLDERS

Sl. No	Demographic Status	No. of Respondents	Percentage
Monthly Income			
1.	Below Rs.10000	26	20.80
2.	Rs.10001-15000	58	46.40
3.	Rs.15001 - Rs.20000	10	8.00
4.	Rs.20001-Rs.25001	3	2.40
5.	Rs.25001-Rs.30000	25	20.00
6.	Rs.30001& Above	3	2.40
	Total	125	100
Marital Status			
1.	Married	70	56.00
2.	Unmarried	26	20.80
3.	Single	29	23.20
	Total	125	100
Nature of Family			
1.	Nuclear	53	42.40
2.	Joint Family	72	57.60
	Total	125	100
Size of the Family			
1.	2-4 Members	48	38.40
2.	5-7 Members	58	46.40
3.	More than 7 Members	19	15.20
	Total	125	100
Source of the Family Income			
1.	Dual Income Family	73	58.40
2.	Single Income Family	52	41.60
	Total	125	100
Number of Earning Members			
1.	One	6	8.22
2.	Two	14	19.18
3.	Three	31	42.47
4.	Four	22	30.14
	Total	73	100
Number of Dependents			
1.	One	4	3.20
2.	Two	34	27.20
3.	Three	43	34.40
4.	Four	44	35.20
	Total	125	100

Source: Primary Data

Survey was conducted among 75 women (60per cent) and 50 males (40per cent) of post-office saving bank account holders. It has been observed that people in all age segment have owned post office saving banks holdersaccounts and most of the accounts are operated in the minors (children's name), occupation, income, marital status and family size also acknowledge this factual information.

TABLE: 4.2
INVESTORS OPINION ON AVENUES THAT SAVED THEIR MONEY

Nature	Very High	High	Neutral	Low	Very Low	Sum	Mean	Rank
Safe /Low Risk Investment Avenue								
Saving Account	28 (22.40)	37 (29.60)	45 (36.00)	10 (8.00)	5 (4.00)	448	3.58	3
Bank Fixed Deposit	81 (64.80)	13 (10.40)	25 (20.00)	6 (4.80)	0 (0.00)	544	4.35	1
National Saving Certificate	28 (22.40)	24 (19.20)	42 (33.60)	15 (12.00)	16 (12.80)	408	3.26	4
Post Office Savings	61 (48.80)	20 (16.00)	33 (26.40)	11 (8.80)	0 (0.00)	506	4.05	2

Pension Scheme	19 (15.20)	27 (21.60)	35 (28.00)	28 (22.40)	16 (12.80)	380	3.04	5
Traditional Investment Avenue								
Real Estate	2 (1.60)	29 (23.20)	59 (47.20)	21 (16.80)	14 (11.20)	359	2.87	3
Gold/Silver	15 (12.00)	23 (18.40)	37 (29.60)	32 (25.60)	18 (14.40)	360	2.88	2
Chit Fund	22 (17.60)	13 (10.40)	47 (37.60)	21 (16.80)	22 (17.60)	367	2.94	1

Source: Primary Data

Data description clearly indicated that post savings is a convenient, reliable, formal institutions which offering savings products to the people of the nation. Post office is traditionally considered to be nerve centers of India for rural people for their safe and security oriented investments. Sample population have expressed their preferences and more trusted practices of primarily banks deposits, next in post office, bank saving accounts, National saving certified and pension schemes, in private chits, gold/silver and in real estate.

TABLE: 4.3
NUMBER OF POST-OFFICE SAVINGS ACCOUNT OWNED BY INVESTORS AND THEIR FAMILY MEMBERS

Sl. No	Number of Post-Office	No. of Respondents	Percentage
1.	One	11	8.80
2.	Two	33	26.40
3.	Three	26	20.80
4.	Four	28	22.40
5.	More than Four	27	21.60
	Total	125	100

Source: Primary Data

It is identified that 26.40 per cent of the investors owned two post office savings account and 22.40 per cent of the sample subjects operate four savings deposit accounts. Followed by, 21.60 per cent of the investors owned more than four types of savings deposits accounts and 20.80 per cent of the sample populations hold three deposit schemes in post office. Rests, 8.80 per cent of the investors own only one type of saving deposit account scheme in the post office.

The study provides evidence that 26.40 per cent of the investors owned two post office savings accounts.

TABLE: 4.4
NATURE OF ACCOUNT OWNED BY POST OFFICE SAVING BANKS ACCOUNT HOLDERS

Sl. No	Nature of Account	No. of Respondents	Percentage
1.	Saving Account	21	16.80
2.	Term Deposits / Recurring Deposits	57	45.60
3.	Deposit in KisanVikasPatra	28	22.40
4.	Deposit in other Government Schemes (Operated Through Post Office)	19	15.20
	Total	125	100

Source: Primary Data

Out of 650 respondents surveyed, 45.60 per cent of the investors own recurring accounts and 22.40 per cent of the sample subjects prefer have been operating save money in Kisanvikaspatra schemes. Followed by, 16.80 per cent of the investors have been saving account and 15.20 per cent of the investors operate other Government schemes (i.e. operated through post office).

The study confirmed that 45.60 per cent of the investors own savings account, that can be operate with a minimum of balance of Rs. 100 and they can save right from small value of Rs. 20 and can hold maximum account value credited to rupees one lakh.

TABLE: 4.5 TIME PERIOD PREFERRED

Sl. No	Time Period	No. of Respondents	Percentage
1.	6-1 year	25	20.00

2.	1-2 years	62	49.60
3.	3-4 years	19	15.20
4.	5 years & More	19	15.20
	Total	125	100

Source: Primary Data

The study provide evidences that 49.60 per cent of the sample subjects prefer to investment for the period of one to two years in post office savings banks and 20 per cent of the investors like to invest from up to six months to one year. Similarly, 30.40 per cent of the investors preferred to invest three to four years (15.20per cent) and more than five years (15.20per cent).

The study acknowledged that 49.60 per cent of the sample subjects prefer to investment for the period between one to two years in post office savings bank.

TABLE: 4.6
LONGEVITY OF INVESTING IN POST OFFICE

Sl. No	Longevity	No. of Respondents	Percentage
1.	6 Months -1 Year	23	18.40
2.	2-5 Years	54	43.20
3.	6-9 Years	21	16.80
4.	10 Years & More	27	21.60
	Total	125	100

Source: Primary Data

Data indicated that 43.20 per cent of the sample subjects have been operating post office savings bank accounts for two to five years and 21.60 per cent of the investors have been saving in post office saving banks for more than ten years. While, 18.40 per cent of the samples said that they started post office saving bank account just six months or one year before and 16.80 per cent of the sample subjects started their post office saving bank account six to nine years.

The study reported that 43.20 per cent of the sample subjects have been operating post office savings bank for the past two to five year.

TABLE: 4.7
AMOUNT OF INVESTMENT EVERY MONTH

	Amount of Investing	No. of Respondents	Percentage
1.	Up to 200	35	28.00
2.	Rs. 201- Rs. 400	47	37.60
3.	Rs. 401- Rs. 600	18	14.40
4.	Rs. 601 & Above	25	20.00
	Total	125	100

Source: Primary Data

It was observed that 37.60 per cent of the post office saving bank account holder save between Rs. 201- Rs. 400 per month in their saving account and 28 per cent of the sample subjects use to save Rs. 200 or less value of money. Similarly, it has been under stood that 20 per cent of the investors interested to invest Rs.601 or above in post office savings scheme and 14.40 per cent of the sample populations prefer to save between Rs. 401-Rs. 600 per month.

The study notified that 37.60 per cent of the post office saving account bank customers used to save to Rs. 201- Rs. 400 per month. It is like small thrift savings.

TABLE: 4.8
DURATION OF SAVING IN POST OFFICE SAVINGS BANK

Sl. No	Duration	No. of Respondents	Percentage
1.	1 Year Time Deposit	14	11.20
2.	2 Years Time Deposit	13	10.40
3.	3 Years Time Deposit	18	14.40
4.	5 Years Time Deposit	26	20.80
5.	5 Years RD	48	38.40
6.	5 Years NSC	4	3.20
7.	5 Years Senior Citizen	2	1.60
	Total	650	100

Source: Primary Data

The study observed that the sample post office saving bank's account holders have parked their money in the following schemes: five years RD (38.40 per cent), five years' time deposit schemes (20.80 per cent), three years' time deposit (14.40 per cent), one year time deposit (11.20 per cent), two years' time deposit (10.40 per cent), five years NSC (3.20 per cent) and five years senior citizen (1.60 per cent).

The study reported that 38.40 per cent of the sample post office savings bank account holders have saved their money in five years in RD (Recurring Deposit).

FINDING AND CONCLUSION

From the above presented discussion, it has been understood that the low / middle income families living in Coimbatore region prefer to save money in post office savings bank for the minor children. And sensible as parents they prefer to protect their children's future and save money to meet their future educational expenses or marriage expenses. Most of sample found to park their hand earned money in the recurring deposits, with a thrift of Rs. 200 to Rs. 400. The study drew an understanding that post- office has travelled a long years of journal more an effective medium of communication to an effective tool of financial inclusion, where people living in all segments could be brought into a formal banking practices.

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