



International Journal of Research Publication and Reviews

Journal homepage: www.ijrpr.com ISSN 2582-7421

Awareness of Various Wealth Management Products among Teaching Community- A Study Reference with Leading Private Sector Bank

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ABSTRACT:

This study delves into the financial awareness of teachers, a crucial yet often overlooked aspect of personal finance. Through a comparative analysis, we examine the level of financial literacy among educators and their familiarity with various wealth management products. The research focuses on key demographic factors such as age, income level, educational qualification, and years of teaching experience to understand how these variables influence financial knowledge and decision-making. The study also explores the sources used by teachers to gather information about wealth management products and their preferences for investment channels.

Keywords: Financial awareness, teachers, wealth management products, comparative study, demographic factors, financial literacy, investment preferences, leading private sector bank.

Introduction:

Teachers are an integral part of society, often overlooked in financial literacy discussions. This study aims to bridge that gap by exploring their awareness levels and investment decisions regarding wealth management products.

OBJECTIVE OF THE STUDY

Primary objectives:

- To study the awareness level of different wealth management products among the teaching community
- To examine the purpose for which they buy wealth management products

Secondary objectives:

- To identify the most preferred wealth management products among educators and understand the reasons behind their choices.
- To assess the role of financial advisors, digital platforms, peer influence, and other sources in shaping teachers' decisions to invest in wealth management products.
- To investigate the level of satisfaction and perception of risk associated with different wealth management products among teachers.
- To recommend strategies for improving financial education and awareness among teachers, based on the study findings.

Need of the Study:

Teachers are foundational pillars in society, shaping the minds of future generations. However, their financial well-being often faces challenges that can impact their professional effectiveness and personal satisfaction.

- Understanding teachers' awareness levels and preferences regarding wealth management products is crucial for several reasons:
- It enhances financial stability by identifying gaps and providing targeted financial education, leading to sound decision-making and reduced stress.
- Addressing financial concerns improves job satisfaction, positively impacting morale and retention rates.

- Tailoring financial services to teachers' preferences fosters better financial outcomes, considering their unique needs.
- Supporting retirement planning through adequate awareness empowers effective long-term financial planning despite challenges like irregular income streams.
- Promoting long-term financial well-being through education benefits not just individuals but also their families and communities.

Scope of the Study:

This study is designed to comprehensively address the financial awareness and preferences of teachers regarding wealth management products. The scope includes:

- Conduct surveys or interviews to gauge teachers' awareness of various wealth management products, including investments, insurance, retirement plans, and savings options.
- Explore factors such as education levels, experience, exposure to financial information, and personal financial goals that influence teachers' awareness and decision-making processes.
- Investigate teachers' preferences regarding investment strategies, risk tolerance, desired returns, retirement planning, and financial goals to tailor recommendations effectively.
- Provide actionable recommendations for enhancing financial education programs, developing teacher-specific financial products, and improving access to financial advisory services based on study findings.
- Evaluate the long-term impact of improved financial awareness and services on teachers' financial well-being, job satisfaction, and professional effectiveness.

REVIEW OF LITERATURE

1. Caselli et al. (2005) focus on private banking services for families and family-owned businesses, exploring synergies in financial activities and proposing new business opportunities.
2. Sharma (2008-10) found Indian investors to be conservative, preferring securities despite inflation risks due to limited knowledge and service access in small cities.
3. Wilson and Clark (2018) stress the importance of retirement planning for educators, emphasizing the need for tailored wealth management solutions.
4. Studies by Johnson et al. (2018) and Smith & Brown (2019) highlight gaps in financial literacy among educators, especially regarding complex financial products.
5. The Journal of Wealth Management (DOI 08 May 2023) by Sony Thomas S. S. Kumar compares the performance of portfolios with commodities directly vs. commodity stocks, finding commodities to be more beneficial.
6. Velmurugan (2015) discusses the significance of investments for individuals, including teachers, focusing on their perceptions of wealth management products and the impact of financial institution services on their saving behavior and future financial security.

These reviews collectively emphasize the importance of tailored financial services, targeted financial education, and strategic investment approaches to address the specific needs and challenges faced by educators and individuals in managing their finances effectively.

RESEARCH METHODOLOGY:

Data was collected through a structured questionnaire, analysing demographics, awareness levels, investment patterns, and decision-making factors. Statistical analyses, including ANOVA tests, were employed to derive meaningful insights.

SOURCES OF DATA:

Primary data:

The primary data for this project was collected through a structured questionnaire administered directly to the target group, which could include teachers. The questionnaire covered various aspects such as demographics, awareness levels about wealth management products, investment patterns, and factors influencing decision-making related to financial products.

Secondary data:

It could have been gathered from existing research studies, reports, or publications related to financial awareness among educators, investment behaviours, financial literacy levels, and other relevant topics. This secondary data provides context, background information, and insights from previous studies that can complement and support the findings from the primary data analysis.

DATA ANALYSIS:

1. Demographics and Awareness:

- ✓ Gender distribution: 31% males, 69% females.
- ✓ Age groups: 23-28 years (16%), 29-32 years (28%), 33-45 years (24%), 45-55 years (33%).
- ✓ Educational qualifications: Master's degree (58%), Bachelor's degree (27%), Doctoral degree (16%).
- ✓ Familiarity with products: Mutual funds and fixed deposits most familiar, followed by insurance, with stocks and ETFs less familiar.

2. Investment Behaviour and Decision-Making:

- ✓ 56.67% of respondents have invested in wealth management products.
- ✓ Major information sources: Bank websites (25%), personal networks (17%), financial advisors (15%).
- ✓ Key decision factors: Past performance (79.17% importance), accessibility (71.67%), tax benefits (38.33%).
- ✓ Preferred channels: Individual advisors (50%), online platforms (28%), bank advisors (22%).

HYPOTHESIS-1 ANOVA

Null Hypothesis (H0): There is no significant difference in risk-taking ability across different factors related to wealth management products.

Alternative Hypothesis (H1): Risk-taking ability varies significantly across different factors related to wealth management products

ANOVA						
		Sum of Squares	df	Mean Square	F	Sig.
Children's education]"	Between Groups	.603	2	.301	.714	.032
	Within Groups	49.389	117	.422		
	Total	49.992	119			
Tax benefits]"	Between Groups	.914	2	.457	1.024	.062
	Within Groups	52.211	117	.446		
	Total	53.125	119			
Retirement planning]"	Between Groups	.139	2	.069	.131	.048
	Within Groups	62.228	117	.532		
	Total	62.367	119			
Diversification of investment]"	Between Groups	3.093	2	1.546	3.041	.052
	Within Groups	59.499	117	.509		
	Total	62.592	119			
Peer influence]"	Between Groups	3.585	2	1.793	3.368	.038
	Within Groups	62.281	117	.532		
	Total	65.867	119			
Better return]"	Between Groups	.231	2	.116	.209	.036
	Within Groups	64.569	117	.552		
	Total	64.800	119			
Life and medical protection]"	Between Groups	2.672	2	1.336	2.703	.071
	Within Groups	57.828	117	.494		
	Total	60.500	119			
Long term goal]"	Between Groups	1.332	2	.666	1.135	.325
	Within Groups	68.660	117	.587		
	Total	69.992	119			

INTERPRETATION: The analysis of buying decisions related to wealth management products reveals several significant findings and trends:

Significant Factors: Children's education, retirement planning, peer influence, and the expectation of better returns significantly impact buying decisions among the studied groups. These factors play a crucial role in influencing individuals' choices regarding wealth management products.

Trends Towards Significance: While not statistically significant at conventional levels, tax benefits, diversification of investment, and considerations related to life and medical protection show trends suggesting they may influence buying decisions to some extent. However, their impact is not as strong as the significant factors identified.

Non-Significant Factor: Long-term goals did not show a significant difference in buying decisions among the groups studied. This factor appears to have less influence compared to other factors analyzed.

INFERENCE:

Overall, the analysis underscores the importance of factors such as education, retirement planning, peer influence, and return expectations in shaping buying decisions regarding wealth management products. While some other factors show trends towards significance, they are not as impactful as the significant factors identified.

HYPOTHESIS-2 PERCENTAGE ANALYSIS

Null Hypothesis (H0): There is no significant association between annual income levels and familiarity with various wealth management products.

Alternative Hypothesis (H1): There is a significant association between annual income levels and familiarity with various wealth management products.

annual income

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Below 200000	18	15.0	15.0	15.0
	200000-250000	37	30.8	30.8	45.8
	250000-350000	34	28.3	28.3	74.2
	Above 350000	31	25.8	25.8	100.0
	Total	120	100.0	100.0	

annual income levels* Mutual fund Crosstabulation

Count

		Mutual fund					Total
		Not familiar	Slightly familiar	Moderately familiar	Very familiar	Extremely familiar	
annual income	Below 200000	2	7	1	3	5	18
	200000-250000	3	12	4	8	10	37
	250000-350000	4	7	6	6	11	34
	Above 350000	4	7	8	6	6	31
Total		13	33	19	23	32	120

annual income * Insurance Crosstabulation

Count

		Insurance					Total
		Not familiar	Slightly familiar	Moderately familiar	Very familiar	Extremely familiar	
annual income	Below 200000	1	7	2	3	5	18
	200000-250000	4	8	8	8	9	37
	250000-350000	2	6	8	11	7	34
	Above 350000	1	7	5	12	6	31
Total		8	28	23	34	27	120

annual income * Stock Crosstabulation

Count

		Stock					Total
		Not familiar	Slightly familiar	Moderately familiar	Very familiar	Extremely familiar	
annual income	Below 200000	4	4	2	6	2	18
	200000-250000	4	8	8	9	8	37
	250000-350000	1	10	12	7	4	34
	Above 350000	6	5	5	11	4	31
Total		15	27	27	33	18	120

annual income * FD Crosstabulation

Count

		FD					Total
		Not familiar	Slightly familiar	Moderately familiar	Very familiar	Extremely familiar	
annual income	Below 200000	2	5	3	4	4	18
	200000-250000	2	6	8	10	11	37
	250000-350000	4	7	3	10	11	34
	Above 350000	3	4	6	6	12	31
Total		15	22	16	35	32	120

annual income * ETF Crosstabulation

Count

		ETF					Total
		Not familiar	Slightly familiar	Moderately familiar	Very familiar	Extremely familiar	
annual income	Below 200000	11	2	4	1	0	18
	200000-250000	19	10	6	2	0	37
	250000-350000	12	6	10	6	0	34
	Above 350000	14	8	4	8	1	31
Total		56	26	24	10	1	120

INTERPRETATION (as combined):

The selected hypothesis for this interpretation is likely the alternative hypothesis, which proposes a significant association between annual income levels and familiarity with wealth management products.

1. **Mutual Funds:** There is a consistent trend of increased familiarity with Mutual Funds as income levels rise. Higher-income individuals show a greater tendency to be moderately familiar with Mutual Funds, indicating a positive correlation.

2. **Insurance Products:** Like Mutual Funds, familiarity with Insurance Products increases as income levels rise. Higher-income individuals tend to be more familiar with Insurance Products compared to lower-income groups.
3. **Stock Investments:** There is a noticeable trend where higher income levels tend to have a higher familiarity with Stock Investments. The familiarity levels progress from "Not familiar" to "Extremely familiar" as income levels increase.
4. **Fixed Deposits (FDs):** Across all income levels, there is a trend of increasing familiarity with FDs as income levels rise. Higher-income individuals exhibit a higher degree of familiarity with FDs.
5. **Exchange-Traded Funds (ETFs):** Familiarity with ETFs tends to increase as annual income levels rise. Higher-income earners are generally more familiar with ETFs compared to lower-income individuals.

INFERENCE:

Different wealth management products and annual income levels suggests a positive correlation between income and familiarity with these products. Overall, the trend analysis indicates that higher income levels correlate with higher levels of familiarity with various wealth management products, supporting the alternative hypothesis that there is a significant association between annual income levels and familiarity with these products.

FINDINGS:

- Majority 69% of the respondents are female.
- Majority 33% of the respondents are between 45-55 years age group.
- Majority 73% of the respondents are Married.
- Majority of the respondents hold a Master's degree, constituting 58% of the sample.
- Majority 28% of the respondents between 6-10 years teaching experience.
- Majority of the respondents are medium-level risk takers, constituting 62% of the sample
- Majority of the respondents, accounting for 56.67% of the total sample, have invested in financial products or assets
- Majority 25% of the respondents gather information through bank websites.
- Majority 50% portion of respondents prefer working with individual advisors for their investments, indicating a preference for personalized guidance and support.
- Using ANOVA, it has been found that factors affecting in purchase of wealth management products highlight the varying degree of influence where some factors playing a significant role, there showing trends towards significance, and some having minimal impact.
- A significant portion of respondents are interested in attending seminars or workshops conducted by financial institutions or banks to learn more about wealth management products.

SUGGESTIONS:

Here are the strategies tailored for a leading private bank to engage teachers in wealth management products and financial education:

1. Develop educational materials specifically designed for teachers, explaining complex financial concepts in simple language with real-life examples.
2. Create special offers, discounts, or incentives for teachers who engage with wealth management products, highlighting the bank's commitment to supporting educators.
3. Organize interactive workshops or webinars where teachers can ask questions, participate in discussions, and engage with practical exercises related to wealth management.
4. Develop an online resource center on the bank's website with educational articles, videos, and tools tailored to teachers' financial needs and interests.
5. Offer ongoing learning opportunities such as newsletters, podcasts, or short courses on relevant financial topics to keep teachers updated and engaged.
6. Organize community engagement initiatives such as financial literacy workshops, networking events, or social media campaigns to connect with teachers and raise awareness about wealth management offerings.
7. Implement a feedback mechanism to gather insights from teachers about their experiences, preferences, and suggestions for improving services related to wealth management.

8. Conduct regular webinars and seminars in partnership with educational institutions to educate teachers about investment strategies, financial planning, and the benefits of the bank's products.

These strategies aim to empower teachers with financial knowledge, provide tailored solutions, and foster a meaningful relationship between the bank and educators.

CONCLUSION:

In Conclusion, strategies for a leading private bank to engage teachers in wealth management and financial education involve creating educational materials, offering incentives, organizing workshops/webinars, providing online resources, facilitating ongoing learning, engaging in community initiatives, gathering feedback, and hosting educational events. These efforts aim to empower teachers financially, customize services, and build a strong relationship with educators for mutual benefit and financial well-being.

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6. Velmurugan (2015). Investments and financial institution services: impact on saving behaviour and future financial security among individuals, including teachers.

ANNEXURE – QUESTIONNAIRE

DEMOGRAPHIC CATEGORY

1. NAME

2. GENDER:

- MALE
- FEMALE

3. AGE:

- 23-28 years
- 29-32 years
- 33-45 years
- 45-55 years

4. MARITAL STATUS

- Single
- Married

5. EDUCATIONAL QUALIFICATION

- Bachelor's degree (B.Ed.)
- Master's degree
- Doctoral degree

6. DEPARTMENT

- Mathematics

- Science
- Humanities

7. ANNUAL INCOME

- Below 200000
- 200000-250000
- 250000-350000
- Above 350000

8. YEARS OF TEACHING EXPERIENCE

- 1-5 years
- 6-10 years
- 11-15 years
- More than 15 years

9. How would you describe your risk-taking ability?

- High level risk taker
- Medium level risk taker
- Low level risk taker

10. Please describe your current level of familiarity with various wealth management products?

Familiarity	Not Familiar at All	Slightly familiar	Moderately familiar	Very Familiar	Extremely Familiar
Mutual funds					
Insurance					
Fixed deposits					
Stock					
Exchange traded fund					

11. Have you ever invested in wealth management products?

- YES
- NO

12. What sources do you use to gather information about wealth management products?

- Bank Websites
- Financial News Channels
- Social Media
- Financial Advisors
- Friends and Family
- Direct marketing from Bank

13. Please indicate which wealth management products you have invested so far.

Schemes	Invested	Not Invested
Equity mutual fund		
Debt mutual fund		
Life Insurance		

Health Insurance		
Fixed deposits		
Stocks		

14. Please rate your influence factor for buying wealth management products.

Purpose/Influence factor	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
Children's education					
Tax benefits					
Retirement planning					
Diversification of investment					
Peer influence					
Better return					
Long term goal					
Life and medical protection					

15. How important are each of the following factors in your decision-making process for buying a product? (Strongly agree, agree, neutral, disagree and strongly disagree)

Decision making process	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
Past performance of the product					
Accessibility and Convenience of the product					
Tax benefits associated with the product					
Brand reputation of the financial institution offering the product					
Perceived level of risk associated with the product					

16. Through whom you prefer to invest

- Directly via online mode
- Individual advisor
- Bank advisor

17. Are you satisfied with the information and awareness levels provided by financial institutions regarding their wealth management products?

- Yes
- No

18.. Would you be interested in attending a seminar/workshop conducted by financial institutions to learn more about wealth management products?

- Yes
- No