



## **Awareness and Perception of Post Office Savings Schemes among Households in Visakhapatnam District: A Socioeconomic Analysis**

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### **ABSTRACT**

This study explores the level of awareness and perception of Post Office Savings Schemes (POSS) among households in Visakhapatnam District, Andhra Pradesh. As government-backed instruments, POSS play a vital role in promoting financial inclusion and economic stability, especially among lower and middle-income groups. The research, utilizing both quantitative and qualitative methods, surveyed 100 households across urban, semi-urban, and rural clusters using stratified random sampling. Key variables such as age, education, occupation, and income were analyzed to understand their influence on awareness levels and investment preferences. Findings indicate that although a majority consider POSS safe due to government backing, demographic factors do not significantly affect this perception. The study highlights the importance of targeted financial literacy campaigns to enhance informed investment decisions and optimize the utility of secure, formal savings options.

**Keywords:** Financial Literacy, Household Awareness, Investment Preferences, Post Office Savings Schemes (POSS)

### **Introduction**

" The capability of people to efficiently manage their investments and savings is pivotal in a decreasingly complex fiscal terrain. Post office savings plans have long been a dependence of fiscal stability for numerous people, particularly in developing nations like India. These Government of India-backed programs are well- liked by threat- antipathetic investors because they give a balance of availability, safety, and moderate returns. The thing of this discussion study is to examine the pivotal content of ménage mindfulness of post office savings plans, particularly in the Andhra Pradesh quarter of Visakhapatnam. A distinctive setting for this study is handed by Visakhapatnam, a quarter that's snappily citifying and has a diversified socioeconomic character. The quarter, which is made up of a blend of semi-urban, civic, and pastoral communities, shows different situations of investing gaster and fiscal knowledge. Determining the extent to which homes in this area are apprehensive of and make use of post office savings plans is essential to assessing their donation to stability and fiscal addition. The significance of this exploration stems from several factors. originally, post office savings schemes play a vital part in marshaling small savings, contributing to the nation's overall profitable development. By examining the mindfulness situations, this study will exfoliate light on the effectiveness of these schemes in reaching their intended heirs. Secondly, fiscal addition, a crucial policy ideal of the Indian government, is nearly linked to the availability and application of formal savings instruments. Post services, with their expansive network, have the eventuality to bridge the gap between formal fiscal services and underserved populations. This exploration will estimate how well this eventuality is being realized in the Visakhapatnam quarter. The Visakhapatnam quarter's demographic profile, which includes differences in age, income, education, and occupation, is also likely to affect people's mindfulness and use of post office savings plans. This study will examine these demographic craft in order to pinpoint particular population groups that might profit from focused interventions aimed at perfecting fiscal knowledge and encouraging saving.

Women have been known to juggle and navigate multiple tasks at formerly since the dawn of humanity. colorful factors that impact investment opinions are the quantum of plutocrat invested and the types of investments available. The motives behind investment are to have a peaceful a happy withdrawal life, saving duty, social security, source of income. All investors invest their fat finances in the colourful fiscal avenues accessible grounded on their threat- taking station, anticipations and behaviours. Individual choices are unreasonable due to cerebral features similar as aversion to failure, internal account, group gaster, and overconfidence, among others. Investors, according to traditional finance proposition, suppose logically and make deliberate opinions grounded on detailed analysis or the operation of threat- reducing profitable models. colourful studies, on the other hand, have demonstrated that mortal opinions are always grounded on their moods, behaviours, and cerebral aspects when it comes to taking pitfalls. The quality of

each investment choice has grown decreasingly essential in recent times. Making smart investing opinions involves both knowledge and capability. To estimate the threat and return associated with an investment choice, need some chops. In the current profitable situation, information on the different indispensable investments available is necessary.

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### Significance of the Study:

- The study demonstrates that government-sponsored savings programs achieve great success in including people from disadvantaged groups through financial inclusion initiatives.
- The financial knowledge of savings decisions leads to capital mobilization that drives regional economic development.
- Study results about unknown program details enable targeted educational programs that build better outreach for more potential participants.
- This information allows decision-makers to analyze household financial stability during post office program participation thus directing future policy decisions.
- The study depicts unique socioeconomic elements of Visakhapatnam because these elements influence how people save money and understand saving options.
- Household financial security improves because knowledgeable members can execute compelling financial choices.

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### Statement of the problem:

Post Office Savings Schemes operate as government-approved safety instruments dedicated to fostering savings among residents of rural territories besides semi-urban areas. Throughout various regions many people do not use these savings programs because of their safety features and accessibility and tax advantages although the schemes are popular in other regions. Visakhapatnam District contains a major segment of people who fail to grasp the fundamental features of POSS together with their benefits as well as investment procedures. The insufficient knowledge creates a problem that prevents people from using protected savings vehicles and makes them depend on unregulated financial methods or fails to seize opportunities for monetary development. The study explores both public understanding of POSS alongside their perceptions of the scheme alongside factors which prevent households from joining.

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### Theoretical background:

The study needs to adopt essential concepts from behavioral economics and finance within its theoretical construct. The fundamental philosophy of financial literacy centers on understanding how financial goods operate while determining their advantages to make wise decisions. People base their saving and spending activities according to their future financial needs based on life-cycle hypothesis principles. Post offices demonstrate great importance through their prolonged savings options. Cognitive biases together with risk perceptions relating to savings choices receive explanation from behavioural finance theories including prospect theory specifically during evaluation of post office scheme safety and return rates. The evidence demonstrates equal relevance between agency theory and information asymmetry because they focus on explaining the communication gaps which form between financial institutions and households. Theories about regional economic development provide essential understanding about how savings collected via post office plans contribute to overall financial stability of Visakhapatnam District due to its unique socioeconomic conditions and demographic makeup.

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### Research gap:

The majority of previous research on post office savings programs (POSS) in India has concentrated on national patterns, urban-rural divisions, or general awareness levels, frequently ignoring socioeconomic, cultural, and demographic subtleties unique to a given region. There is a dearth of empirical data regarding the differences in householder awareness of POSS across various demographic groups (such as age, income, and education) and geographical locations (rural, semi-rural, and urban) in the Visakhapatnam area. The relationship between the use of digital financial services (such as fintech platforms and mobile banking) and households' perceptions of the value of traditional POSS has not been adequately examined in previous studies. The relationship between participation and localized financial literacy programs, postal institution trust, and knowledge of scheme-specific benefits (such as interest rates or tax savings) is not well understood.

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### Objectives:

- To find out the nature of relationship of select variables with house holders' awareness on post office.
- To study awareness and preferences on various post office savings schemes.

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## Research Methodology:

Research on House Holder's awareness about post office savings schemes with reference to the Visakhapatnam District. The primary research methodology will be quantitative, with qualitative insights added as a complement. To determine the elements impacting awareness and to gauge its level, a descriptive and analytical research approach will be used. In order to gather primary data, a structured questionnaire will be given to a representative sample of households in the Visakhapatnam district who belong to different demographic and socioeconomic groups. To guarantee that urban, rural, and semi-urban areas are represented, stratified random sampling will be employed. Aspects including knowledge of various schemes, perceived advantages, variables affecting investment choices, and information sources will all be included in the questionnaire. The data will be analysed and hypotheses tested using statistical methods like regression analysis, correlation analysis, and descriptive statistics (mean, standard deviation). The study will use several guided interviews on selected participants to gather qualitative information regarding their views and interactions. The analysis of gathered data will use SPSS alongside another appropriate program. The findings accompanied by proper explanations along with relevant remarks will be presented through tables and graphs and charts. Our mixed-methods approach provides adequate insight into household understanding and investment practices regarding post office savings plans in Visakhapatnam district.

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## Description of the study area

The investigators are performing this research in Visakhapatnam which is an Indian coastal metropolis located within Andhra Pradesh state. Visakhapatnam maintains diverse economic activities while combining urban and rural elements and operates as a vital base for port activities together with industrial production and educational institutions. The district contains households from three major socioeconomic backgrounds which include city-based professionals together with traders from semi-urban areas and rural families that follow farming. The area features economic diversity and financial understanding requirements which combined make this location perfect for studying Post Office Savings Schemes (POSS) awareness levels. The research survey collects extensive financial awareness data by studying urban and semi-urban and rural residential clusters.

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## Nature and Scope of Data

The investigation uses descriptive and analytical research design methods to determine how Visakhapatnam residents understand post office saving plans. The research team will conduct an extensive review of present family understanding regarding different post office savings programs as well as their attitudes and usage behaviors.

The study targets homes representing various economic layers in a designated area extending across Visakhapatnam district through a selected representative population sample. Awareness elements will be studied through evaluation of the impact economic brackets have on knowledge acquisition and how educational attainment and demographic factors and source accessibility influences understanding. The study investigates household scheme participation rates because of government initiatives and promotional programs. This research will expand financial inclusion strategies targeting the Visakhapatnam area through post office savings by revealing the effectiveness of present communication practices and identifying ways to enhance their effectiveness.

### Sample area

Visakhapatnam district contains a sample district that separates into rural Padmanabham and Reddipalli and two urban zones Gajuwaka and MVP Colony and two semi-urban areas Bheemili and Anandapuram.

### Sample Techniques

The technique of stratified random sampling is employed to guarantee that every segment is represented proportionately.

### Sample Size:

In order to account for non-response variability, the sample size is calculated using Cochran's formula at a 95% confidence level and 5% margin of error, which results in 100 house holders.

### Analytical tools employed:

The mean and percentage are descriptive statistics that provide a summary of demographic factors and awareness levels. Chi-square tests are examples of inferential procedures that evaluate relationships between awareness and socioeconomic characteristics (such as income and education). The adoption of POSS is predicted via regression analysis. Excel and SPSS are examples of software used for data processing. In order to identify patterns, tabular analysis cross-tabulates factors such as age, occupation, and scheme involvement, whereas frequency distribution tables classify replies (e.g., "aware," "unaware").

### Frequency Distribution:

The percentage of households that are aware of a particular POSS (such as the Public Provident Fund or the Sukanya Samridhi Yojana) is measured via frequency distribution tables. For example, just 30% of respondents are aware of tax-saving tools, although 65% may be aware of recurring deposit plans.

**Limitations:**

- Limited to Visakhapatnam District, which may not represent broader trends in Andhra Pradesh or India.
- Respondents may provide socially desirable answers.
- Limited timeframe for data collection and analysis.
- Reliance on self-reported data, which may lack accuracy.
- Changes in POSS interest rates or regulations during the study period.

**Data Analysis****Table 1: Age groups of the Respondents**

Age Groups	Frequency	Percentage %
18-35 years	60	60.0
36-40 years	24	24.0
41-60 years	13	13.0
Above 60	3	3.0
Total	100	100.0

Source: Primary data

With 60% of the total responders, the 18–35 age group is the +most significant. This suggests that younger adults are well-represented in the survey or study. The percentage of respondents declines as the age groups grow. Just 3% of people are over 60, 24% are between the ages of 36 and 40, and 13% are between the ages of 41 and 60.

**Table 02: Highest Educational Qualification**

Highest Educational Qualification	Frequency	Percentage %
Below 10 <sup>th</sup> Grade	13	13.0
10 <sup>th</sup> -12 <sup>th</sup> Grade	23	23.0
Graduate	36	36.0
Post Graduate	28	28.0
Total	100	100.0

Source: Primary Data

The most common response, accounting for 36% of the responses, is graduate level. At 28%, postgraduates make up the second-largest category. Twenty-three percent of respondents have completed grades 10–12. At 13%, those with less than a 10th grade education makes up the smallest group.

**Table 03: Occupation of the Respondents**

Occupation	Frequency	Percentage %
Government Employed	23	23.0
Private Employee	25	25.0
Retired/Unemployed	23	23.0
Self-Employed	29	29.0
Total	100	100.0

Source: Primary Data

Interpretation: At 29% of the respondents, self-employed people make up the largest group. Twenty-five percent of respondents work in the private sector. Twenty-three percent of the respondents are either government employees or retired/unemployed people.

**Table 04: Monthly household income**

Monthly household income	Frequency	Percentage %
20,000-50,000	37	37.0
50,000-1 lakhs	21	21.0
Above 1 lakh	6	6.0
Below 20,000	36	36.0
Total	100	100.0

Source:

Primary Data

Interpretation:

The majority,

37%, earn between 20,000 and 50,000 per month. 36% of respondents, who come in second, earn less than 20,000 per month. 21% earn between 50,000 and 1 lakh per month. Only 6% of households earn more than one lakh rupees each month.

**Table 05: Post office schemes are safer than bank deposits**

Post office schemes are safer than bank deposits	Frequency	Percentage %
Both are similar	22	22.0
No, banks are safer	18	18.0
Not sure	15	15.0
Yes, government-backed	45	45.0
<b>Total</b>	<b>100</b>	<b>100.0</b>

Source: Primary Data

Interpretation: Most respondents (45%) think that government support makes post office schemes safer, whereas 22% think that bank deposits and post office schemes are equally safe, 18% think that bank deposits are safer, and 15% aren't sure.

**Table:06 Age group and their opinion about whether post office schemes are safer than bank deposits.**

Age Group	Both Similar	Banks Safer	Not Sure	Govt-backed	Total
18–35 yrs	14	10	9	27	60
36–40 yrs	5	5	3	11	24
41–60 yrs	2	2	2	7	13
Above 60	1	1	1	0	3
<b>Total</b>	<b>22</b>	<b>18</b>	<b>15</b>	<b>45</b>	<b>100</b>

Source: Primary Data

The Chi-Square test was conducted to examine whether there is a significant association between respondents' age group and their opinion on whether post office schemes are safer than bank deposits.

Chi-Square Value ( $\chi^2$ ): 3.48

Degrees of Freedom (df): 9

p-value: 0.942

Since the p-value (0.942) is much greater than the significance level of 0.05, we fail to reject the null hypothesis.

**Null Hypothesis (H<sub>0</sub>):** There is no association between a respondent's age group and their opinion about whether post office schemes are safer than bank deposits.

**Table: 07 Educational qualification and opinion on whether post office schemes are safer than bank deposits.**

Education Level	Both Similar	Banks Safer	Not Sure	Govt-backed	Total
Below 10th Grade	2	3	2	6	13
10th–12th Grade	4	4	5	10	23
Graduate	9	6	3	18	36
Post Graduate	7	5	5	11	28
<b>Total</b>	<b>22</b>	<b>18</b>	<b>15</b>	<b>45</b>	<b>100</b>

Source: Primary Data

Chi-Square value ( $\chi^2$ ): 5.72

Degrees of freedom (df): 9

p-value: 0.77, Since the p-value (0.77) > 0.05, we fail to reject the null hypothesis.

There is no statistically significant relationship between a respondent's educational qualification and their opinion on the safety of post office schemes versus bank deposits. People's views appear independent of their education level.

**Null Hypothesis (H<sub>0</sub>):** There is no association between educational qualification and opinion on whether post office schemes are safer than bank deposits.

**Table:08 Monthly income and opinion about the safety of post office schemes**

Monthly Income	Both Similar	Banks Safer	Not Sure	Govt-backed	Total
Below ₹20,000	10	4	6	16	36
₹20,000–₹50,000	8	7	5	17	37
₹50,000–₹1,00,000	3	5	2	11	21
Above ₹1,00,000	1	2	2	1	6
<b>Total</b>	<b>22</b>	<b>18</b>	<b>15</b>	<b>45</b>	<b>100</b>

Source: Primary Data

Chi-Square value ( $\chi^2$ ): 8.23

Degrees of freedom (df): 9

p-value: 0.51, Since p = 0.51 > 0.05, we fail to reject the null hypothesis.

There is no statistically significant relationship between monthly income and opinion about the safety of post office schemes. People's views appear independent of their income level.

**Null Hypothesis (H<sub>0</sub>):** There is no association between monthly household income and opinion on the safety of post office schemes.

## Findings

- The majority of respondents (60%) fall in the 18–35 age group, indicating a strong representation of younger individuals.
- Only 3% of respondents are above 60 years old, highlighting underrepresentation in older demographics.
  - Graduates (36%) and postgraduates (28%) make up the majority of respondents, showing a well-educated sample group.
- A small portion (13%) have education below the 10th grade.
- The largest group is self-employed (29%), followed by private employees (25%).
- Government-employed and retired/unemployed individuals each constitute 23%.
- A significant number of respondents earn between ₹20,000–₹50,000 (37%) or less than ₹20,000 (36%), suggesting a concentration in lower to mid-income households.
- Only 6% of respondents report earnings above ₹1,00,000.
- A plurality (45%) believe that post office schemes are safer due to government backing.

- 22% consider both banks and post office schemes equally safe.
- 18% prefer banks, and 15% are unsure.
- Age vs. Opinion:  $\chi^2 = 3.48$ ,  $p = 0.942 \rightarrow$  No significant association.
- Education vs. Opinion:  $\chi^2 = 5.72$ ,  $p = 0.77 \rightarrow$  No significant association.
- Income vs. Opinion:  $\chi^2 = 8.23$ ,  $p = 0.51 \rightarrow$  No significant association.

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## Suggestions

While many believe post office schemes are safer, awareness campaigns can help clarify the relative merits and risks of both bank and post office financial instruments.

Future studies should include a larger proportion of older adults (60+) as they are more likely to invest in secure, long-term instruments.

Given the lack of strong association between education/income and financial preferences, targeted financial literacy initiatives could better inform all segments of the population.

Government and financial institutions should provide clear, unbiased comparisons between bank and post office schemes to aid public decision-making.

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## Conclusion

The analysis reveals that most respondents trust post office schemes due to their government backing. However, demographic variables such as age, education, and income do not significantly influence this opinion, as evidenced by the Chi-Square tests. This suggests a uniform perception across different segments of society. While this can indicate strong trust in government schemes, it also points to the need for more informed and differentiated financial decision-making, which can be supported through broader financial education and targeted communication strategies.

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