



# International Journal of Research Publication and Reviews

Journal homepage: [www.ijrpr.com](http://www.ijrpr.com) ISSN 2582-7421

## Pros and Cons of Post Office Savings Schemes- A Study

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### Abstract:

Post office savings is common in developed societies. It is important for rural also urban households' socioeconomic development. Different income groups save differently. Raising the household's income and increasing the number of breadwinners are two key components in fostering a thrifter mindset. To create their conclusion, the writers of "Pros and Cons of Post Office Savings Schemes: A Study." consulted both primary and secondary materials. Poor growth in Belagavi post office savings was noted in the survey. A broad awareness campaign, financial literacy, updated Post Office goods and services, fostering mutual understanding and trust, and generating more revenue through income-generating schemes might create a charming atmosphere which has been created in the Belagavi Post office.

**Keywords:** Post office, financial literacy, Income generating, Civilized societies

### Introduction

Saving money at the post office is traditional in India. It began in India around 1880 A.D., when organized savings methods were unavailable. In India, the largest savings bank has 154,725 locations. Modern banking services are frequently unavailable at rural post offices. The "Pros and Cons of Post Office Savings Schemes—A Study" research looks at the ways people save money at the post office through experiments.

This study set out to identify potential opportunities and risks to the Belagavi District's post office savings. Current study was also to establish the feasibility of post office savings at various income classes in Belagavi District.

### Review of Literature

The researcher has immersed themselves in the world of Post Office savings. The following research papers are pertinent::

**M. Indhu Bala et. al. (2014)** Discovered that Kanyakumari District post office savings programs are crucial for comfort and safety. Additionally, they discovered that customer feedback is significant for Post Office offerings.

**Devidas B. Bharati et. al. (2003)** Their research on middle-class savings systems in Pune, found that middle-class Pune residents save a lot yet another half population in the rural areas had not thought of saving.

**B. Saranya et. al. (2014)** examined investor behavior in Post Office savings plans and found that various age groups chose different investments. Age can affect investors' goals. Bank savings, for example, may appeal to investors over the age of 50 because of their perceived safety.

**C. S. Tembhurnikar et. al. (1988)** examined the past and future of India's postal savings system. The research stressed the Post Office Savings Bank's significance in development planning through savings mobilization. In order for the Savings Bank to run well and everyone to be satisfied, the Post Office needs complete independence.

**C. Shanbagavalli et. al. (2002)** negotiated savings bonds for Salem District Post Office. The Postal Service should implement the better plan, according to studies. Most depositors want short-term plans. Post Office should offer minimum-maturity savings products.

**Prof. Ujwala Bairagi et. al. (NA)** analyzed a Pune-based family saving and investment preference survey. They discovered a boom in middle-class families, doubling income and working women. Women investors should be attracted by offering accurate information about investment opportunities.

**K. Sethilkumaret. al. (2012)** investigated the views of rural investors on postal investments. Investors prioritize safety and high returns, per their claim. High yields and security attract Post Office Time Deposit investors.

## OBJECTIVES OF THE STUDY

The main aim of this particular empirical study is to undertake recent trends which are happening in the saving account schemes of post office located in Belagavi District. In addition to these broad goals, there are more detailed targets, such as:

- i) In order to gauge how well-informed investors are about the various investment opportunities available at post offices.
- ii) To analyze the pros and cons of investors in post office.

## METHODOLOGY

For the Post Office Savings study to be possible and useful, the researcher focused on approaches and instruments.

### i) Scope of Study

Present study covers Belagavi district.

### ii) Sources of Data

The study used a standardized questionnaire to collect primary data from 188 families in various income brackets, including employees, housewives, and businessmen. The data came from a variety of secondary sources, including National and the Directorate of Small Savings.

## RESULTS AND DISCUSSIONS

Results and interpretations derived from household respondents' structured questionnaires are as follows:

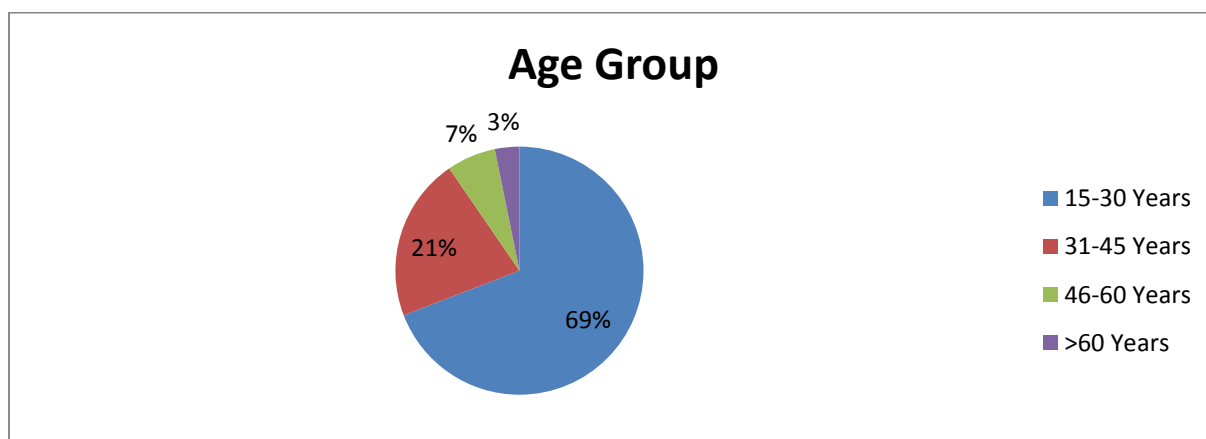
### Age level of respondents:

According to Table 1, 69% of respondents are under 15 to 30 years old, 21% are 31–45 years old, 7% are 46–60 years old, and 3% are over 60. Respondents under the age of 1530 make up the bulk of the household.

Table No.1 Age group

Sl. No.	Age Group	No. of Respondents	Percentage of Respondents
1.	15 to 30 Years	130	69%
2.	31 to 45 Years	40	21%
3.	46 to 60 Years	12	7%
4.	Above 60 Years	6	3%
5.	Total	188	100%

Source: Field Survey



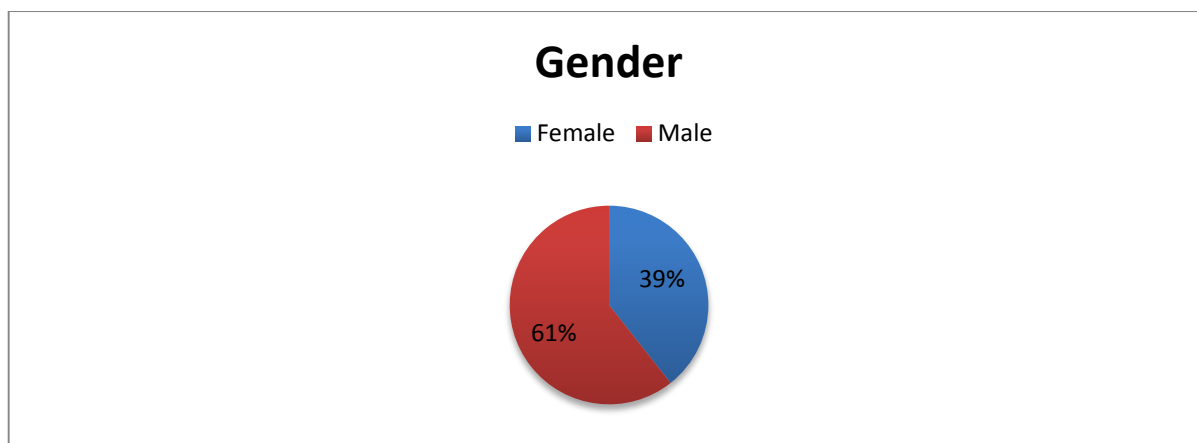
### Gender group of respondents:

According to Table 2, 61% of the participants are men and 39% are female.

Table No.2 Analysis of Respondents by Gender

Sl. No.	Gender Group	No. of Respondents	Percentage of Respondents
1.	Male	114	61%
2.	Female	74	39%
3.	Total	188	100%

Source: Field Survey

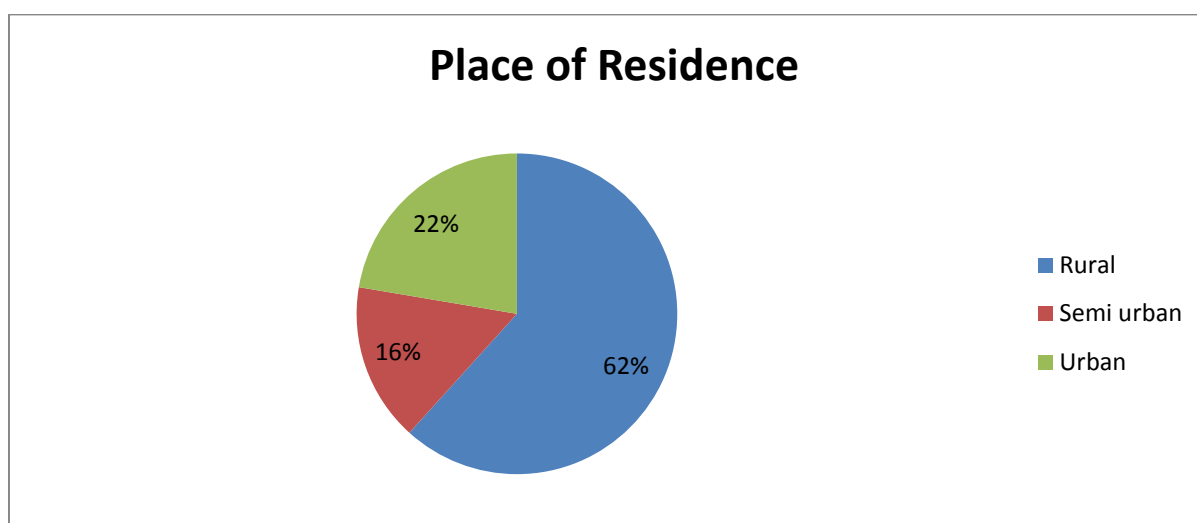
**Place of Residence:**

Place of residence: 62% live in rural areas, 16% in semi-urban areas, and 22% in metropolitan areas (Table No. 3).

**Table No.3 Place of Residence**

Sl. No.	Place of Residence	No. of Respondents	Percentage of Respondents
1.	Rural	116	62%
2.	Semi urban	30	16%
3.	urban	42	22%
	Total	188	100%

Source: Field Survey

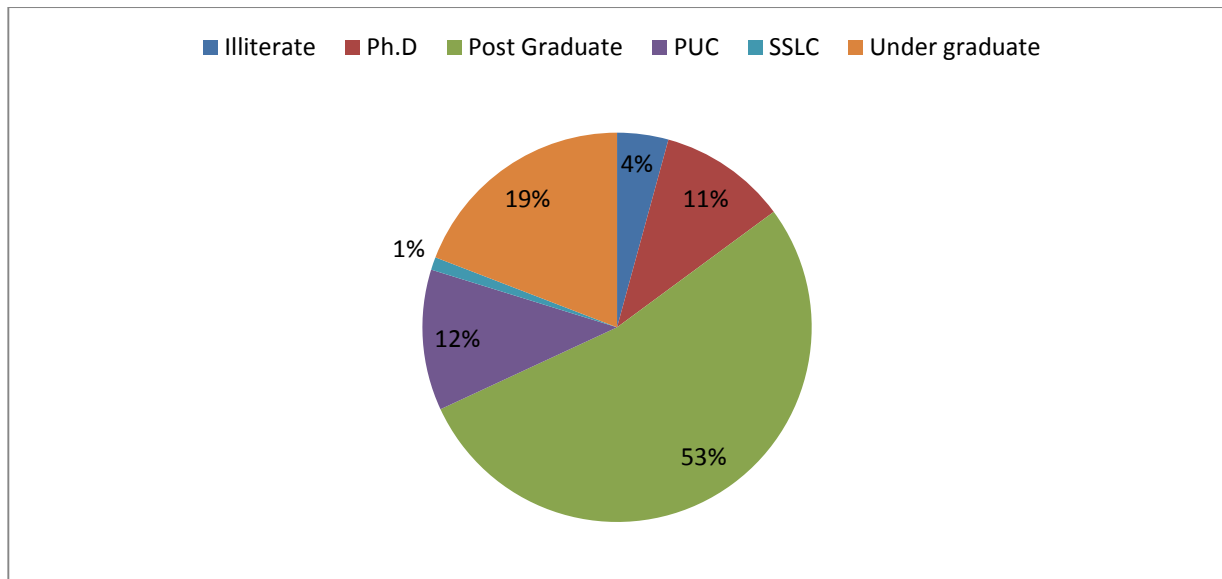
**Educational qualification of respondents:**

Only 11% of respondents have Ph.D. scholars, 53% have post graduates, 19% have under graduates, 12% have PUC education, 1% have SSLC education, and 4% are illiterate, according to Table 3. Graduated degree holders are the majority of percentage of respondents.

**Table No.4 Educational Qualification of Respondents**

Sl. No.	Educational Qualification	No. of Respondents	Percentage of Respondents
1.	Illiterate	8	4%
2.	SSLC	2	1%
3.	PUC	22	12%
4.	Under Graduate	36	19%
5.	Post Graduate	100	53%
6.	Ph.D.	20	11%
	Total	188	100%

Source: Field Survey



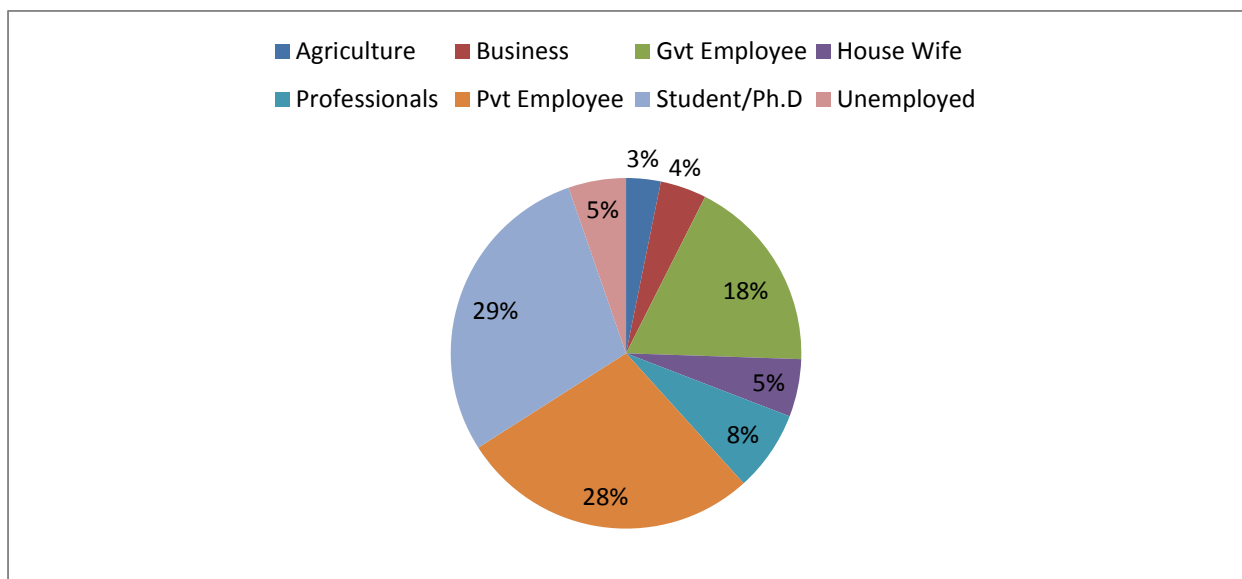
#### Occupational Statuses of respondents:

The respondents' occupations are divided into 8 categories. Table 4 shows that 3% of respondents are farmers, 4% in business, 18% in government services, 5% are housewives, 8% are professionals, 28% are Pvt Employees, 29% are students and research scholars, and 5% are unemployed.

**Table No.5 Occupation of Respondents**

Sl. No.	Occupational Statuses	No. of Respondents	Percentage of Respondents
1.	Agriculture	6	3%
2.	Business	8	4%
3.	Govt Employee	34	18%
4.	House Wife	10	5%
5.	Professionals	14	8%
6.	Pvt Employee	52	28%
7.	Students/Ph.D.	54	29%
8.	Unemployed	10	5%
	Total	188	100%

Source: Field Survey



**Monthly family income of respondents:**

35% of respondents have a monthly household income of less than 10,000 rupees, 18% between 10,000 and 20,000, and 13% between 20,000 and 50,000. 34% of families earn over Rs. 50,000 monthly.

**Table No.6 Respondents' Monthly Family Income**

Sl. No.	Amount (Rs.)	No. of Respondents	Percentage of Respondents
1.	Below Rs. 10000	66	35%
2.	Rs. 10001 to Rs. 20000	34	18%
3.	Rs. 20001 to Rs. 50000	24	13%
4.	Above Rs. 50000	64	34%
5.	Total	188	100%

Source: Field Survey

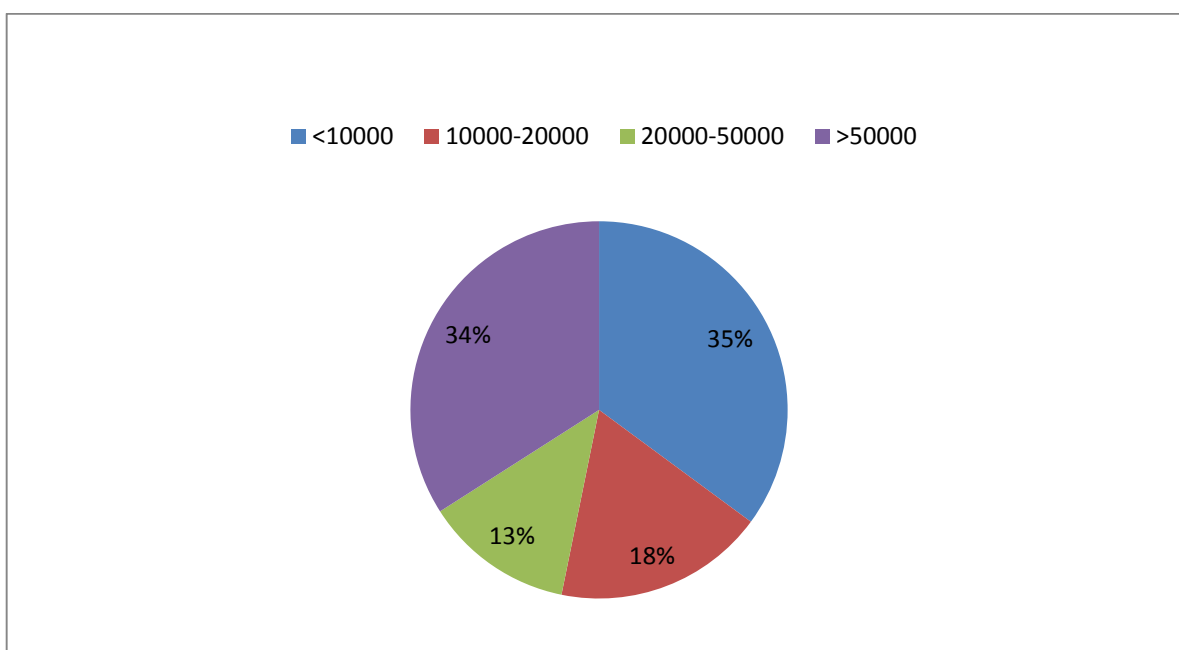
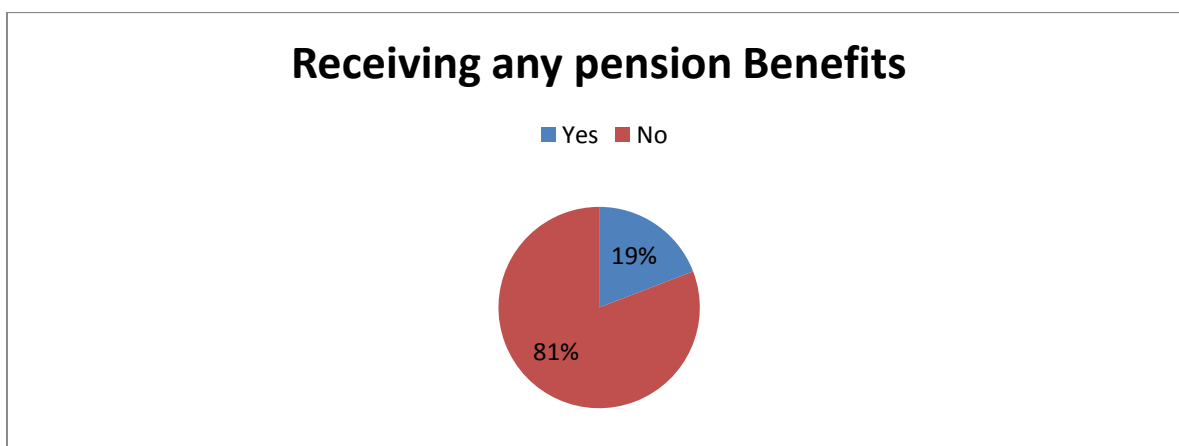
**Pension Benefits of Respondents**

Table 6 shows that 19% of respondents receive pension and 81% do not.

**Table No.7 Pension Benefits of Respondents**

Sl. No.	Pension Benefits	No. of Respondents	Percentage of Respondents
1.	Yes	36	19%
2.	No	152	81%
3.	Total	188	100%

Source: Field Survey



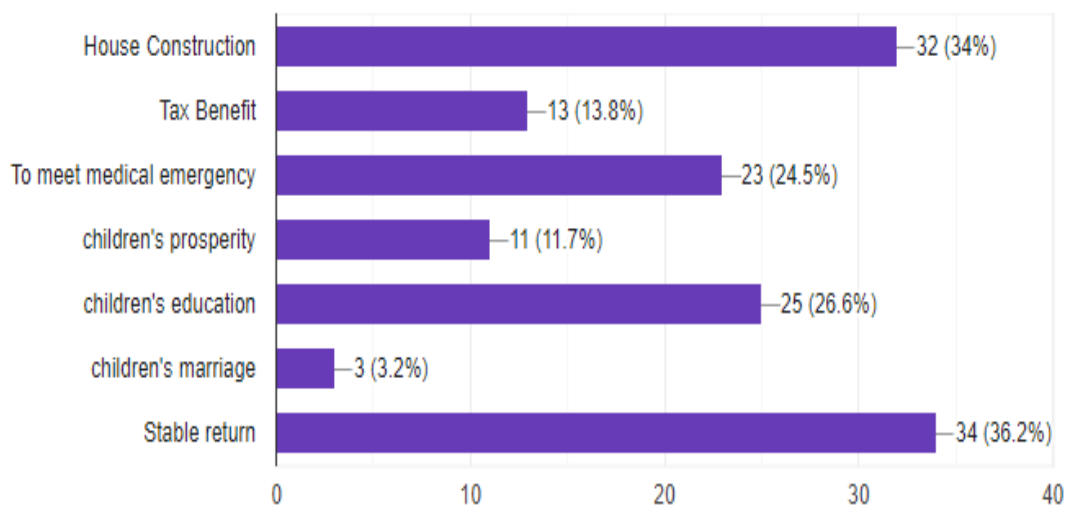
**Saving purpose of Respondents**

Saving goals are divided into 7 categories. 20% of respondents are saving for house construction, 13.8% for tax benefits, 14.5% for medical emergencies, 11.7% for children's prosperity, 16.6% for schooling, 3.2% for marriage, and 20.2% for a stable return.

**Table No.8 saving purpose of Respondents**

Purpose of your saving	Percentage of Respondents
House Construction	20%
Tax Benefit	13.8%
To meet medical emergency	14.5%
Children's prosperity	11.7%
Children's education	16.6%
Children's marriage	3.2%
Stable return	20.2%
Total	100%

Source: Field Survey

**Source of income**

We classified the respondents' sources of income into five main groups. Table 8 indicates that 9% of respondents earn agriculture income, 10% company revenue, 4% pension, 57% salary income, and 20% scholarships and stipends

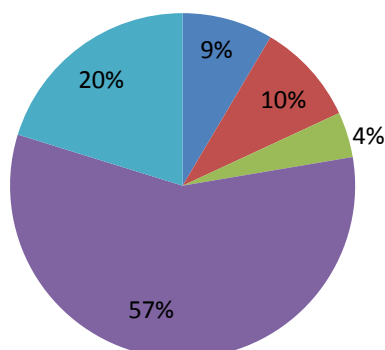
**Table No.9 source of income of Respondents**

source of income	No. of Respondents	Percentage of Respondents
Agriculture income	16	9%
Business income	18	10%
Pension	8	4%
Salary income	108	57%
scholarships or stipend	38	20%
Total	188	100%

Source: Field Survey

## Source of Income

■ Agriculture income ■ Business income ■ Pension ■ Salary income ■ scholarships or stipend



### Monthly Savings of respondents:

According to Table 7, nearly half of the respondents (44%) had monthly savings of less than 1000 Rs., a quarter (25%) had between 1,000 and 3,000 Rs., and a third (31%) had 3,000 or more Rs.

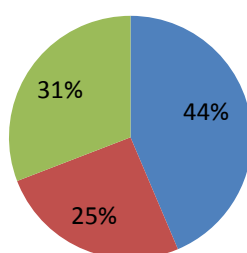
**Table No.10 Money Respondents Save Each Month**

Sl. No.	Amount (Rs.)	No. of Respondents	Percentage of Respondents
1.	Below 1000	82	44%
2.	Rs. 1001 to Rs. 3000	48	25%
3.	More than 3000	58	31%
7.	Total	188	100

Source: Field Survey

## Monthly Savings

■ <1000 ■ 1000-3000 ■ >3000



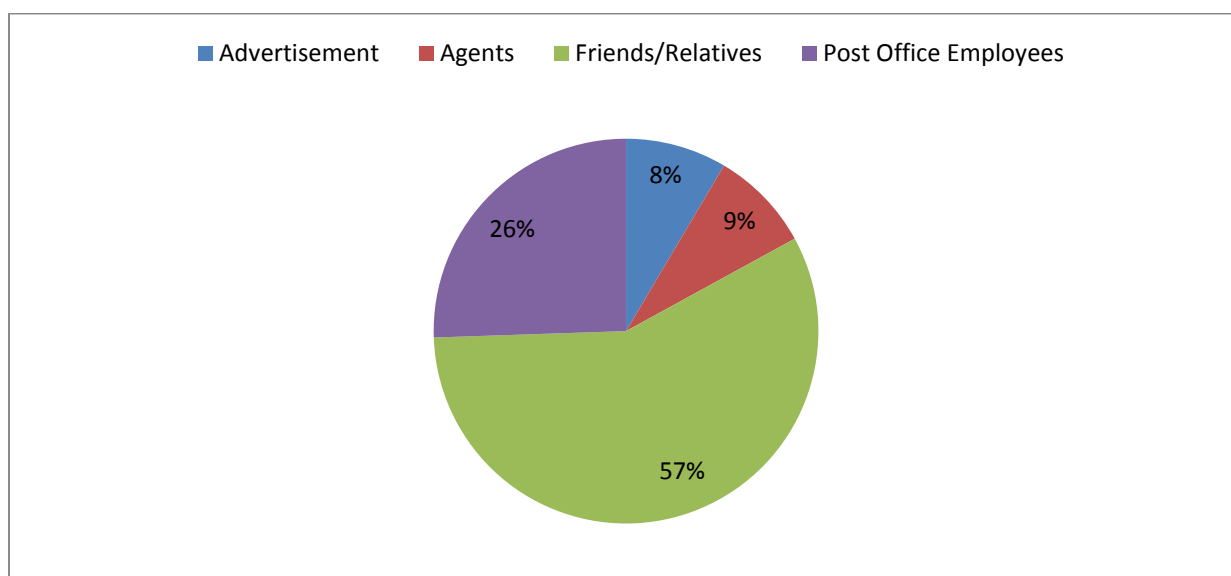
### Source of available saving account in post office

Four broad categories describe the respondents' information sources. According to Table 10, 8 percent of people who took the survey got their information from ads., 9% from agents, 57% from friends and family, and 26% from post office staff.

**Table No.11 Information Source Regarding Postal Savings Programs**

Sl. No.	Source of available saving account in post office	No. of Respondents	Percentage of Respondents
1.	Advertisement	16	8%
2.	Agents	16	9%
3.	Friends/Relatives	108	57%
4.	Post Office Employees	48	26%
	Total	188	100%

Source: Field Survey

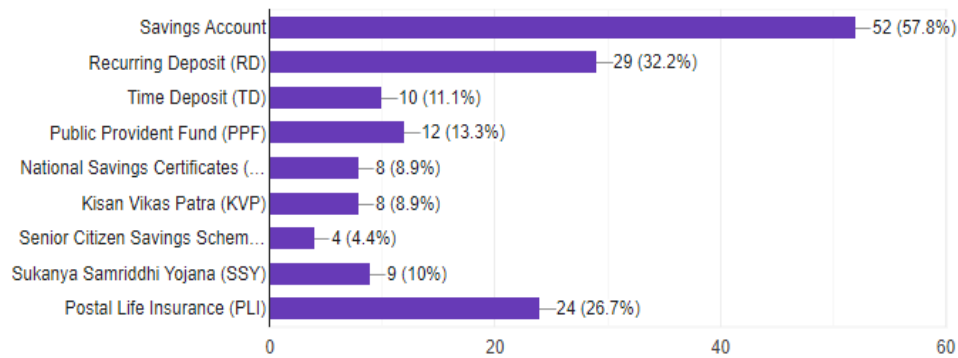
**Deposits Schemes**

From the below Table No.12, Clearly, a considerable number of participants have set aside money in different savings accounts.: 30% to RD, 15% to TD, 5% to PPF, 9% to national saving certificates, 8% to KVP, 4% goes to the senior savings plan, 9% to SSY, and 14% to postal life insurance.

**Table No.12 Schemes of deposits of Respondents**

Sl. No.	Schemes of deposits	Percentage of Respondents
1.	Savings Account	30%
2.	Recurring Deposit (RD)	15%
3.	Time Deposit (TD)	6%
4.	Public Provident Fund (PPF)	5%
5.	National Savings Certificates	9%
6.	Kisan Vikas Patra (KVP)	8%
7.	Senior Citizen Savings Schem	4%
8.	Sukanya Samriddhi Yojana (SSY)	9%
9.	Postal Life Insurance (PLI	14%
	Total	100%

Source: Field Survey

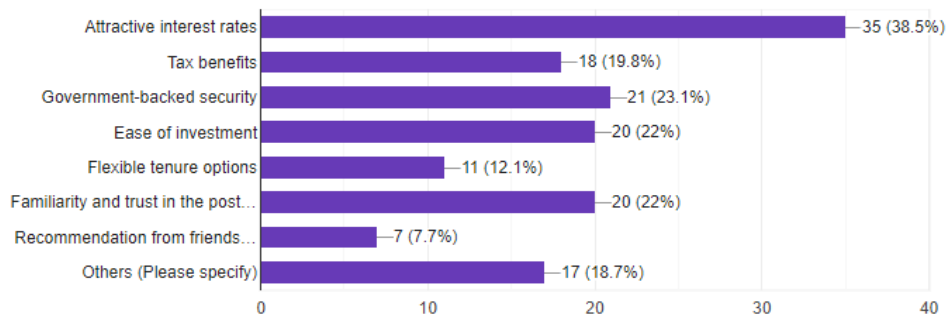


A number of things affected the amount you invested in the post office savings scheme.

Table No.13 Schemes of deposits of Respondents

Sl. No.	Factors	Percentage of Respondents
1.	Attractive interest rates	25%
2.	Tax benefits	12%
3.	Government-backed security	14%
4.	Ease of investment	20%
5.	Flexible tenure options	6%
6.	Familiarity and trust in the post	12%
7.	Recommendation from friends	4%
8.	Others (Please specify)	7%
	Total	100%

Source: Field Survey



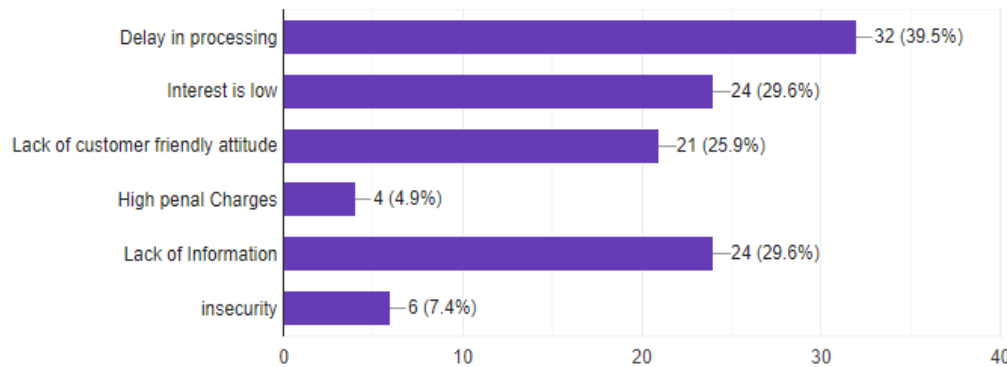
#### Corns of post office saving schemes

Processing delays affect 25% of respondents, low interest affects 24%, customer-friendly issues affect 21%, hefty penal fees affect 4%, information lack affects 20%, and insecurity affects 6%, according to Table 14.

Table No.14 Schemes of deposits of Respondents

Sl. No.	Factors	Percentage of Respondents
1.	Delay in processing	25%
2.	Interest is low	24%
3.	Lack of customer friendly attitude	21%
4.	High penal Charges	4%
5.	Lack of Information	20%
6.	Insecurity	6%
	Total	100%

Source: Field Survey



### Suggestion

- i) Both the state and central governments may implement a good prize or incentive programme to motivate post office agents.
- ii) In their efforts to enhance district and state-wide post-office savings initiatives, state and union governments may pay greater attention to social media, which is an essential component of modern life.
- iii) Post Office Savings Schemes do not offer daily or weekly savings options. Programs like these might be implemented by the Union government to assist the most vulnerable citizens.
- iv) The agent needs formal training if the post office wants to boost the amount of money customers save.
- v) An increase in post office savings might be the outcome of a large-scale education campaign regarding post office savings schemes.
- vi) Commissions for post office agents are extremely modest. The post-office savings climate in the Belagavi district and India as a whole might improve if it rises to a reasonable level.
- vii) For customers who need access to funds quickly, the Post Office offers an ATM service that is available around the clock.

### Conclusion:

It is possible for the Post Office's savings programs to reach the homes of the poorest individuals. As a savings strategy, it could be better than what the country is doing now. Modern technology and cost-cutting strategies can help the Postal Service save even more money. Following through on its proposal to transform the Post Office into a bank, the Union Government may ensure that even the most impoverished individuals residing in rural areas have access to banking services. Belagavi District post office savings are inadequate, according to this investigation. There are a number of things that could benefit the Belagavi district's post office savings, including a larger awareness campaign, better training for post office personnel, more literacy, better comprehension, and a more efficient management structure.

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