WWW.IJRPR.COM

International Journal of Research Publication and Reviews

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

A Comprehensive Exploration of Economic Challenges Confronting Young Indian Professionals in Education Terrain

B. Sai Bhavana

Department of Commerce, Avinash College of Commerce, Secunderabad
E-mail: bhavana1898@gmail.com

A B S T R A C T

The financial perspective of the young professionals in India's education sector speaks about a combination of financial aspirations and related challenges. This study focuses on the financial experiences of educators aged 22-35 in Telangana by looking at their economic sustainability and personal financial growth plans. As a part of the research, a survey was conducted across most educational institutions in Hyderabad to analyze the economic inconveniences and their impact on long-term financial plans. This study probes how these individuals balance their professional commitments and economic objectives in this dynamic financial environment, such as residential investments and systematic investment plans. The study's findings provide a deep understanding of the optimum allocation of money to all necessary needs and wants by balancing current and future fulfillment. The research states the financial philosophy of young educators through their adapting nature and commitment to their aspirations irrespective of the ongoing economic constraints.

Keywords: Education Sector, Financial Aspirations, Economic Challenges, Young Workforce, Investment planning.

1. INTRODUCTION

The Indian education system, one of the largest in the world, is both a primary employer and a foundation of national growth. In this changing scenario, young professionals between 22-35 years old working in the education sector have specific problems in reconciling professional ambitions with economic security. The convergence of increasing living expenses, professional advancement expectations, and long-term economic planning creates a complicated economic scenario requiring prudent maneuvering, especially in metros like Hyderabad.

A key issue is that the teaching profession always finds itself among the lowest-paid professions in the labor market, particularly in the private sector where most of the workforce is based. Private sector teachers are different from their government institution counterparts in that they usually do not receive important benefits like provident funds, health cover, pension schemes, and other social security initiatives. This financial exposure is compounded by inflation, the rising cost of real estate, and the increasing price of vital goods and services, making it ever more challenging for young teachers to meet their financial objectives like home ownership, car purchases, gold investments, or sustaining systematic savings schemes.

The financial scenario of young teachers, especially those in the private sector, presents a grim reality where simple desires increasingly appear unattainable. The majority of private schools provide monthly salaries of between ₹15,000 and ₹35,000 for levels of entry to the middle level, which hardly suffices for fundamental living costs in metropolitan cities such as Hyderabad. This monetary limitation is also compounded by the need to spend money on ongoing professional development, such as higher education credentials, certification programs, and technological advancements, all of which have to be paid for out of their limited earnings. The lack of standardized salary scales and minimum benefits in the private education sector, along with the absence of collective bargaining rights, makes these young professionals highly susceptible to economic instability and market volatility.

Knowledge of the financial experiences of young teachers is important not just for institutional policy-making but also for overall economic planning, as their capacity to attain financial stability has a direct bearing on the quality of education delivery. The research seeks to explore the changing dynamics of professional development and financial planning for young teachers in Hyderabad, specifically examining how they manage these substantial financial challenges and yet remain steadfast in their pursuit of teaching excellence. This wide-ranging analysis offers rich insights into the economic conditions of India's changing workforce, especially in the vital education sector, and seeks to contribute to academic knowledge as well as practical policy-making in facilitating the financial well-being of young education professionals.

1.1 Scope of the Study:

This research is centered on educational institutions in Hyderabad, Telangana, and examines the investment habits and financial planning trends of teachers between 22-35 years. Both private and public institutions are covered, evaluating economic issues and how they affect life objectives. The study seeks to identify educators' financial planning and limitations in the area. Information obtained will be used to address financial literacy and planning requirements in the education sector.

1.2 Objectives of the study

1. To examine the economic difficulties of young teachers in maintaining present expenditure and future investment.
2. To assess the effect of increased living expenses on the economic sustainability of teachers in the age bracket 22-35.
3. To investigate investment tastes and financial planning among young teaching professionals.
4. To determine the relationship between professional development and economic ambitions in the teaching profession.
5. To determine the significant factors affecting financial decision-making and economic limitations on life objectives.

1.3 Research Aim

The study seeks to analyze the money matters, frustrations, and financial aspirations of novice teachers (age 22-35) operating in Hyderabad's education sector and, specifically, how they handle professional responsibilities amidst economic goals while operating in the context of an increasingly tough money situation. By knowing their financial planning strategies, investment choices, and reactions to economic hardship, the research hopes to inform institutional policy-making and wider economic planning in favor of the financial security of education professionals. In the end, it aims to look for intervention points that can enhance financial sustainability among educators, bearing in mind that their economic security directly affects learning quality and personnel retention.

1.4 Research Methodology:

- Research Design: Descriptive and analytical research
- Data Collection: Structured questionnaires and interviews as primary data
- Sample Size: 50
- Statistical Tools: Percentage analysis
- Secondary data from schools and colleges and financial reports

1.5 Study Limitations:

1. Geographical limitation of Hyderabad might not be representative of pan-India trends

2. Urban education institution focus might not be indicative of rural settings

3. Time limitations for data collection and analysis

4. Response bias in survey responses

5. Restricted to prevailing economic conditions and might not reflect future market developments

2. REVIEW OF LITERATURE

Muthulakshmi & Jaisun (2022), Financial awareness plays an important role in planning financial goals effectively as every financial goal has a monetary value. Sufficient skills and knowledge along with careful personal financial planning act as key driving forces for the long-term financial well-being of the people.

Amrutha (2021), Women face various challenges to their financial independence. The major challenge is to prepare for financial well-being after retirement. Demographic factors, financial literacy, financial risk tolerance, and the attitude of women affect their financial well-being at retirement age.

Kainth, & Bhushan (2021), Personal financial planning is important among women for their financial well-being at the time of retirement. There is a need to improve the financial literacy level among women to enhance their personal financial planning for their security and better future.

Lusardi and Mitchell, (2011); Lusardi, (2019), Financial literacy is a weapon in the hands of individuals to improve their financial status and well-being by making informed decisions in creating household budgets, saving plans, managing debt, planning for life cycle needs, and dealing with unexpected emergencies without incurring unnecessary debts.

Surendar & Sarma (2018), Financial literacy and awareness of various aspects of personal financial planning help in long-term planning on their own. Policymakers and practitioners while formulating appropriate strategies need to bridge any financial literacy gaps.

Singh, Y., & Kaur, S. (2018), An empirical study in and around Mohali on investment patterns and gender differences reveals intriguing insights into financial behaviors among residents. The study indicates that while both men and women in Mohali invest primarily in traditional methods such as savings accounts, fixed deposits, and real estate, there are notable variations in approach and preferences. Men tend to exhibit a higher inclination towards riskier investments like stocks, mutual funds, and speculative ventures, driven by aspirations for higher returns and growth. They often perceive financial investments as opportunities for wealth accumulation and securing future goals. women in Mohali show a preference for safer, more stable investment options that offer security and steady returns.

Kandpal, V., & Mehrotra, R. (2018), Behavioral finance plays a crucial role in understanding investment decisions in India, blending psychology with traditional financial theory to explore how human emotions and cognitive biases influence financial choices. Unlike traditional finance, which assumes rational decision-making based on perfect information, behavioral finance acknowledges that investors often make decisions that deviate from rationality due to psychological factors. In India, behavioral finance manifests through various observable behaviors among investors.

3. DATA ANALYSIS

The data collected from the structured questionnaire is analyzed in the following section

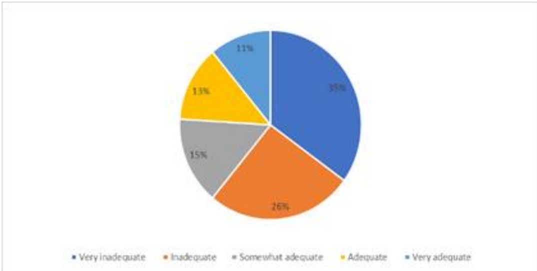

Figure 3.1: Perception of Salary Adequacy for Expenses & Savings

From the above 60 respondents' analysis, we can see that most (35%) view their present salary to be very insufficient in covering basic spending and savings. This is followed by 26% who view it as insufficient, 15% who view it as a bit sufficient, 13% who view it as sufficient, and only 11% who view their salary as very sufficient. In total, 61% of respondents indicate some degree of insufficiency in their present salary.

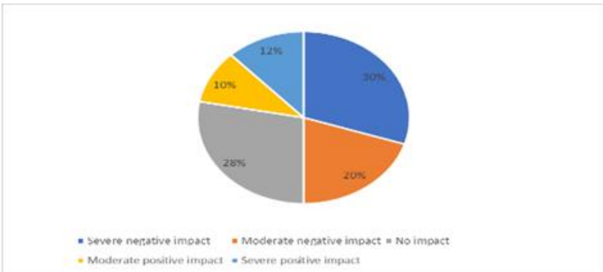

Figure 3.2: Impact of Market Prices on Investment Decisions

Based on the above analysis of 60 respondents, we can observe that 30% report having a severe negative effect of prevailing market prices on their investment in assets. This is followed by 28% reporting no effect, 20% reporting a moderate negative effect, 12% reporting a severe positive effect, and 10% reporting a moderate positive effect. Overall, 50% of the respondents are affected by adverse effects from prevailing market prices on their investment potential.

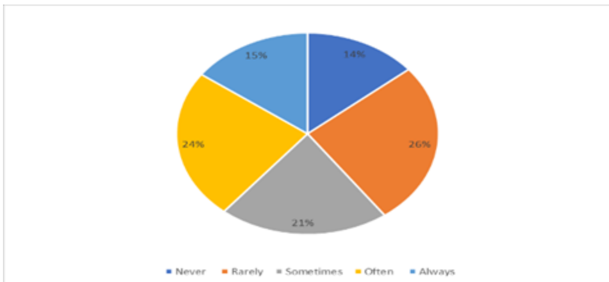

Figure 3.3 : Ability to Maintain Regular Investment Plans

Based on the above observation of 60 respondents, 26% indicate they are rarely able to keep regular investment plans with their current income. This is then followed by 24% who are often able to keep investment plans, 21% who are sometimes able to keep them, 15% who always keep regular investments, and 14% who are never able to keep them. This means that 40% of respondents consistently have difficulty keeping regular investment plans.

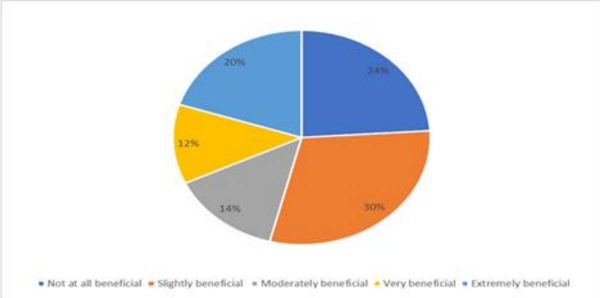

Figure 3.4 : Effect of Employment Benefits on Financial Planning

Based on the above findings of 60 respondents, 30% view employment benefits to be somewhat helpful towards their long-term financial planning. Subsequently, 24% view these benefits as not helpful at all, 20% as extremely helpful, 14% as moderately helpful, and 12% as very helpful. Interestingly, over half (54%) of the respondents view minimal benefits from their employment benefits for long-term planning.

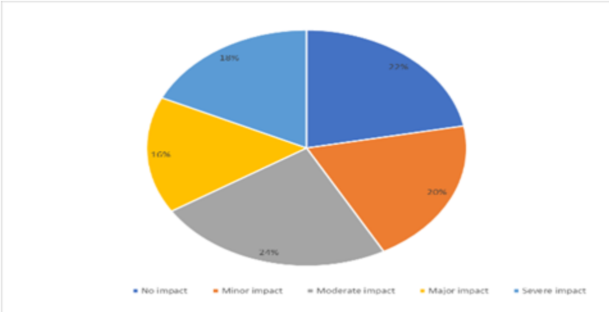

Figure 3.5 : Financial Strain Due to Professional Development Expenses

Based on the above analysis of 60 participants, 24% indicate moderate influence of professional development costs on managing their monthly budget. After that, 22% indicate no influence, 20% indicate slight influence, 18% indicate serious influence, and 16% indicate significant influence. In general, 34% of participants face significant to serious influences of professional development costs on their budgets

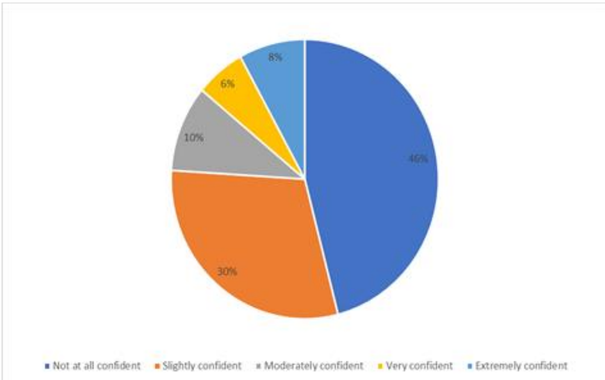

Figure 3.6 : Confidence in Achieving Financial Goals within 5 Years

Based on the above analysis of 60 respondents, a whopping 46% do not have slightest confidence in being able to reach their major financial objectives in the next 5 years. They are followed by 30% who are comparatively confident, 10% moderately confident, 8% who are very much confident, and 6% who are immensely confident. Quite remarkably, as many as 76% of respondents have a low level of confidence regarding reaching their money goals in the near future.

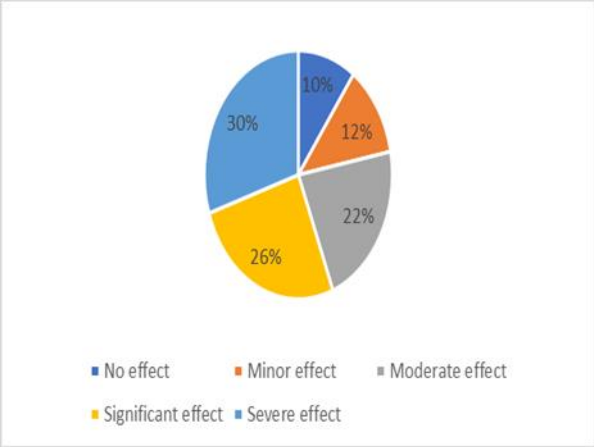

Figure 3.7 : Impact of Inflation on Investment Plans

As is evident from this pie chart with 60 respondents, 30% of the respondents report inflation having a severe impact on changing or delaying their investment plans. This is closely followed by 26% respondents reporting a notable impact, 22% respondents reporting an impact that is moderate, 12% respondents reporting an impact that is minimal, and 10% respondents reporting no impact at all. Collectively, 56% of the respondents see significant to extreme impacts of inflation on their investment plans.

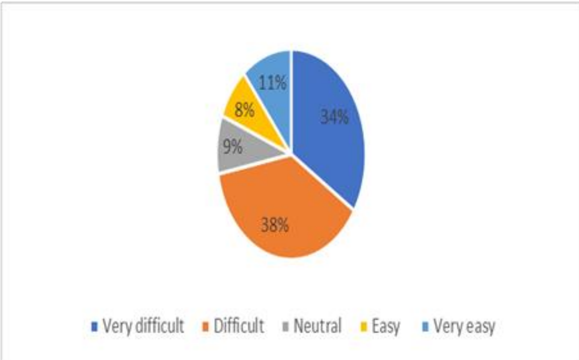

Figure 3.8 : Accessibility of Financial Instruments & Investment Options

Out of this 60 respondents' observation, 38% find it hard to access financial instruments and investments at their income level, followed by 34% who find them very hard to access, 11% who find them very easy, 9% who are neutral, and 8% who find them easy to access. Of interest is that 72% of respondents have a challenge accessing suitable financial instruments for their income level.

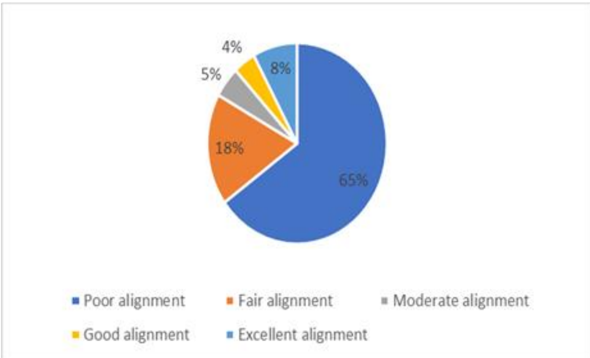

Figure 3.9 : Alignment of Career Progression with Wealth Creation Goals

Based on the above analysis of 60 participants, a significant 65% indicate poor alignment between their career development and investment planning/wealth building objectives. This is then followed by 18% indicating fair alignment, 8% indicating excellent alignment, 5% indicating moderate alignment, and 4% indicating good alignment. This suggests that 83% of participants have suboptimal alignment between career development and financial objectives.

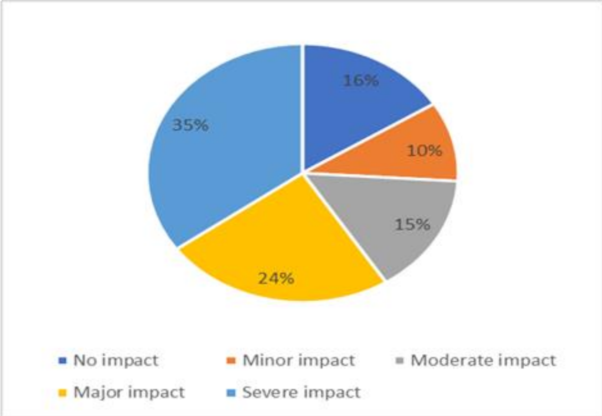

Figure 3.10 : Effect of Income Uncertainty on Asset Acquisition & Investments

From the given pie chart of 60 respondents, 35% indicate that income uncertainty severely affects their investment plans and asset purchase planning. This is followed by 24% indicating a significant impact, 16% indicating no impact, 15% indicating moderate impact, and 10% indicating minor impact. Overall, 59% of respondents indicate that they suffer from serious to severe effects of income uncertainty on investment plans

4. FINDINGS

1.The research discovers that 61% of young teachers find their pay to be insufficient for basic needs and savings, and 35% identify them as "very insufficient." This supports the introduction's mention that teachers in the private sector receive ₹15,000 to ₹35,000 per month, which is not enough to sustain urban living in Hyderabad.

2. 50% of the survey respondents indicate the negative effects of prevailing market prices on their potential to invest in assets such as property, automobiles, and gold, echoing the "increasing real estate costs and rising costs of basic commodities and services" highlighted in the introduction.

3. 40% of novice teachers (hardly ever or never) are challenged by being able to hold regular investment schedules with their prevailing income, in line with the financial limitations described in the study's introduction.

4. 54% of the respondents view limited advantages from employment benefits for long-term planning, affirming the study's finding that private sector teachers "often lack vital benefits like provident funds, health insurance, pension schemes, and other social security measures."

5. 34% indicate serious to extreme effects from professional development expenditures on their own budgets, attesting to the introduction's inclusion of "the need to spend money on ongoing professional development, including higher degrees, certification, and technology."

6. 76% of teachers indicate a low level of confidence in accomplishing their monetary objectives over the next 5 years, aligning with the bleak reality illustrated where "fundamental hopes come to seem all the more remote."

7.56% experienced serious impacts of inflation on investment schemes, consistent with the study's reference to "increasing inflation" as one of the financial vulnerability factors.

8. 72% experience difficulty in getting the right financial instruments, which suggests poor financial literacy and appropriate instruments for their income level.

9. A high 83% experience poor or fair match between career development and financial aspirations, which reflects the "sophisticated economic environment" teachers have to deal with.

10. 59% have great to extreme effects from uncertainty in income on investment plans, indicative of the "economic uncertainties and market fluctuations" stated in the introduction.

5. RECOMMENDATIONS

1. Implement uniform pay scales and full benefits packages (including PF, health cover, and pension) for workers in the private education sector so that they get financial security and establish long-term career paths as young teachers.

2. Develop investment products specifically tailored to the income levels of educators with lower entry points, risk profiles specific to the education sector, and characteristics that fit the irregular income patterns typical of schools.

3. Offer focused financial education seminars and counseling services to education professionals, including budgeting, strategic investing with limited funds, and long-term planning suitable for academic career paths.

4. Implement institutional policies promoting subsidized or employer-provided professional development opportunities through tuition reimbursement programs, in-service training, and collaborations with higher education institutions.

5. Investigate and implement collective representation schemes to enhance economic security and bargaining power for teachers, specifically areas of standardization of contracts, conditions of work, and minimum employment benefits.

6. Implement systematic mentoring that links financially successful senior teachers with younger peers to exchange practical tips on overcoming typical financial issues while preserving professional development in teaching.

7.Create institutional emergency funds and cooperative credit systems with good terms formulated specifically for teachers experiencing unforeseen financial difficulties or investing in professional development opportunities.

8.Join with banks to develop education professional-specific investment plans with distinctive terms that factor in academic timetables, fluctuating incomes, and the distinctive financial cycle of education professionals.

9.Ask for preferential tax treatment for education professional investments, such as tax deduction for professional improvement costs, mortgage loans, and retirement savings to counter inflationary forces.

10. Create well-defined career progression frameworks with transparent financial growth paths connecting professional achievements with compensation increases and creating predictable financial futures for young educators.

6.CONCLUSION

This extensive research into young teachers in Hyderabad uncovers major challenges to their quest for financial security with increasing living expenses. The report suggests a concerning disparity between career goals and financial circumstances, especially among private school teachers who are denied standard benefits and receive low compensation. Young teachers find it difficult to juggle everyday expenditure with long-term investment while also financing their own professional growth.

The economic vulnerability reported goes beyond personal issues to potentially affect educational quality and sector viability. In spite of these issues, teachers show incredible resilience and dedication to the profession, although their economic confidence is low. The lack of formal career-economic alignment leaves many in doubt about their economic futures in spite of their commitment to educational excellence.

The study points to an urgent institutional and policy response to these structural challenges. Schools need to acknowledge that financial security for their staff is directly linked to educational performance and retention of talent. Focused financial literacy training, specialized investment products, and better working conditions are essential stepping stones for change.

Secondly, the research unveils the need for varied strategies of teacher financial planning that take into consideration the singular nature of the teaching profession. From controlled pay scales to bargaining institutions, there are various points of intervention that can meaningfully improve performance. The convergence between professional development and financial stability necessitates concerted actions from institutions, financial institutions, and governments.

Young teachers' financial experiences mirror larger economic issues in India's emerging economy, specifically in terms of affordability, inflation, and income volatility. Yet the education sector offers special considerations due to its core role in national development. Financial support for teachers' sustainability is not just an employment matter but a vital investment in India's future human capital and knowledge economy.

Ultimately, this research calls for a reimagining of how the education sector values and supports its professionals financially. Creating pathways to economic stability for educators represents not just an ethical imperative but a practical necessity for maintaining educational quality and ensuring the continued attraction and retention of talented professionals to this vital sector.

References

1.Puneet Bhushan, Taranjit Kaur Kainth (2023). A Study on Awareness of Personal Financial Planning among Working Women in the Education Sector

2.Dr. Simran Kalyani (2024).A Study on Investment Behavior of Youngsters in India- International Journal of Research in Finance and Marketing (IJRFM)

3.Sam Sony M, Sree Vidya N, Amal Krishna(2024). A study on investment behaviour among youth with special reference to Thrikkakara.

4.Dr. Shaili Gala(2022). Financial Literacy Among The Youth- International Journal of Creative Research Thoughts (IJCRT)

5.Uma R (2021). A study on financial planning for salaried employees

6.Priyadarshi Dash, Rahul Ranjan (2023). Financial Literacy across Different States of India: An Empirical Analysis-Research and Information System for Developing Countries.