Retirement Planning of Female Faculty Members - An Expense or Saving for the Future

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Abstract

Retirement planning is an integral part of financial planning for any individual. Every individual looks forward to spending the post retirement years in the lap of luxury. Furthermore this research paper seeks to evaluate awareness of female faculty members towards investment for retirement planning taking a sample of about 50 female teachers working in Banasthali University, Rajasthan. The outcome has not only tested the awareness but also provided required guidelines to women to plan for retirement in better manner.

1. Introduction

The dictionary meaning of investment is to commit money in order to earn a financial return or to make use of money for future benefits or advantages. The overall return that an investor may realize depends upon a number of things such as amount of money available for investment, the degree of risk that the investor is willing to take; the amount of immediate income that is needed ; the degree of liquidity that is required. Investors have various goals out of which retirement planning is most important.


1.1 Retirement Planning: concept and significance

Retirement schemes are basically a financial assurance that a person will continue to earn a reasonable income when his professional income starts to ebb and lead a comfortable life. The trend of opting for retirement plans is increasingly popular in India within few years. Even people who are retiring from government sector and have
a secure pension are still opting private retirement schemes for future financial security. Retirement planning is essential so that one can prepare himself for unseen future expenses and maintain a positive outlook to life.

2. Literature Review
Late James H. Duleboh & Brian Murray (2007) found in their study that faculty members often participated in university sponsored defined contribution pension plans that place that investment decision responsibility upon them. There is considerable evidence that men and women have different attitudes toward risk. From survey responses of 5200 men and 6400 women, Barsky et al., (1997) concluded that women are more risk-averse than men. Analyzing off-track betting slips for 2000 men and 2000 women, Jianakoplos and Bernasek (1998) reported that roughly 60 percent of female respondents to the 1989 Survey of Consumer Finances, but only 40 percent of the men, were not willing to take any financial risks. Flynn et al., (1994), Finucane et al., (2000), and Finucane and Slovic (1999) established that white men perceive a wide variety of risks as lower than do women and non white men. Bajtel smit and Bernasek (1996). Bajtel smit and Van Derhei (1997). Purohit (2002) investigated in his study that there was a significantly moderate correlation between (i) Speculative attitude and NFF (ii) Speculative attitude and Level of Awareness. (iii) Level of Awareness and confidence level in SEBI and Credit Rating Agencies. He also discussed pearls of wisdom for investors and mentioned optimal investment strategy for investor community. Graham et al (2002) believe that women have a different style of information processing from that of men while making investment decisions. Mittal and Vyas (2007) argued that factors such as age, marital status and prior trading experience have significant impacts on investors’ information processing and ultimate investment decision making and Women are more risk averse and prefer low risk fixed income investments.

3. Research Objectives
- To test the level of awareness and attitude of female faculty members for retirement planning avenues and suggest ways and means for development of such awareness.

3.1 Data Analysis

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<td>Group A(Married)</td>
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<td>Group B(Unmarried)</td>
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4. Conclusion
It has been analyzed that married women are more aware about the retirement planning and done more for retirement as compare to unmarried women. It is also analyzed that the females’ are moderate risk bearer and like to invest in less risky avenues.
Bibliography


Glossary

[1] AARPA-Awareness about retirement planning Avenue Mutual funds
[2] AARPB-Awareness about retirement planning Avenue Bonds
[3] AARPC-Awareness about retirement planning Avenue Provident fund
[4] AARPD-Awareness about retirement planning Avenue Public Provident fund
[5] AARPE-Awareness about retirement planning Avenue Equity Shares
[6] AARPF-Awareness about retirement planning Avenue Pension fund A/C
[7] AARPG-Awareness about retirement planning Avenue ULIP
[8] AARPH-Awareness about retirement planning Avenue ETFs
[9] AARPI-Awareness about retirement planning Avenue Gold ETFs
[10] AARPJ-Awareness about retirement planning Avenue New Pension Scheme
[12] AARPL-Awareness about retirement planning Avenue Gold/Precious Metals
[13] AARPM-Awareness about retirement planning Avenue Real Estate/ Property