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Rising Inflation, Retirement Planning, Savings and Investments Decisions Study conducted for Nasik Region

ABSTRACT

Saving and Investing for Uncertainty is everyone's need. Many people invest their hard earned money in various investment options, starting from Bank account, FD's, Insurance, Gold, Share Market, Government Security Bonds and finally real estate. Due to national and international turmoil due to Covid-19, Shift in Economic Power, Changes in Leadership and decisions, Disputes between country and regions fuelling the accelerator of Inflation.

Key Words: Investment decisions, Inflation, Investment Options. Global Instability

INTRODUCTION

- **Savings** is best defined as the: portion of current income not spent on consumption. Investing is best defined as the: purchase of assets with the goal of increasing future income or wealth.
- **Investment** definition is an asset acquired or invested in to build wealth and save money from the hard earned income or appreciation. Investment meaning is primarily to obtain an

additional source of income or gain profit from the investment over a specific period of time.

- **Retirement** refers to the time of life when one chooses to permanently leave the workforce behind. The traditional retirement age is 65 in the United States and most other developed countries, many of which have some kind of national pension or benefits system in place to supplement retirees' incomes.
- **Inflation** is the decline of purchasing power of a given currency over time. A quantitative estimate of the rate at which the decline in purchasing power occurs can be reflected in the increase of an average price level of a basket of selected goods and services in an economy over some period of time.
- **Investment assets** can be generated through Financial Assets and Non-Financial Assets. Financial assets can be divided into market-linked products (such as stocks and mutual fund) and fixed income products (like Public Provident Fund, bank fixed deposits). Non-financial assets - many Indians invest via this mode - are the likes of physical gold and real estate. Due to national and international turmoil due to Covid-19, Shift in Economic Power, Changes in Leadership and decisions, Disputes between country and regions fuelling the accelerator of Inflation.

REVIEW OF LITERATURE

- ❖ **Z. Bodie (1999):** Thoughts Investment Management and Technology: Past, Present and Future: This paper talks about 45 years of analysis and development in various investment products due to progress in technology, innovation in market and advances in finance theory. This paper also talks about radical changes in new products from 'pay as you go' social security products to self-directed retirement products of insurance & investment which are customized, integrated.

- ❖ **P. Booth, Y. Yakoubov (2000):** Investment Policy for Defined-Contribution Pension Scheme Members Close to Retirement: This paper considers the investment decision facing a defined-contribution pension scheme investor close to retirement. Specifically, it investigates the lifestyle strategy whereby investors automatically switch investment policy in the years before retirement. The argument for switching is that investors may become more risk averse as they approach retirement and will wish to prevent unnecessary volatility of their fund.
- ❖ **Z. Bodie (2003):** Thoughts on the Future: Life-Cycle Investing in Theory and Practice: This paper talks about various investment products and Life-Cycle stages in investment decision. This paper also talks about bundling of insurance and investment products for providing right mix of security and saving.
- ❖ **Eduardo Rodríguez-Monte mayor (2014):** Investment Choice in Defined-Contribution Pension Schemes: International Experience and Policy Issue: This paper reviews how investment choice in DC pension schemes is regulated across different countries and also reviews actual country experiences in terms of individual active choice.

STATEMENT OF PROBLEM

Literature review and various studies show that, there were many research studies conducted in to understand changing practices and need of the investor for saving and investment. But such study was not conducted particularly in this region. Many other related financial decisions and preferences are studied in this research. As demographic, psychographic and geographic factors affects saving and investment preference so this study is conducted in Nasik and Jalgaon district to understand impact of inflation on retirement planning and saving & investment decision.

OBJECTIVE

- To find out current status of income and other income preferences in demographics
- To find out the existing investment in to retirement and medical insurance products
- To find out sufficiency of investment and retirement age preference

RESEARCH METHODOLOGY

The Study was conducted on the basis of Primary data. More than 130 responses were collected from respondents of Nasik District. A well-structured questionnaire was prepared and administered to collect required data from respondents. Secondary data was also collected from various sources to get more clarity on designing questionnaire, framing objectives and other work.

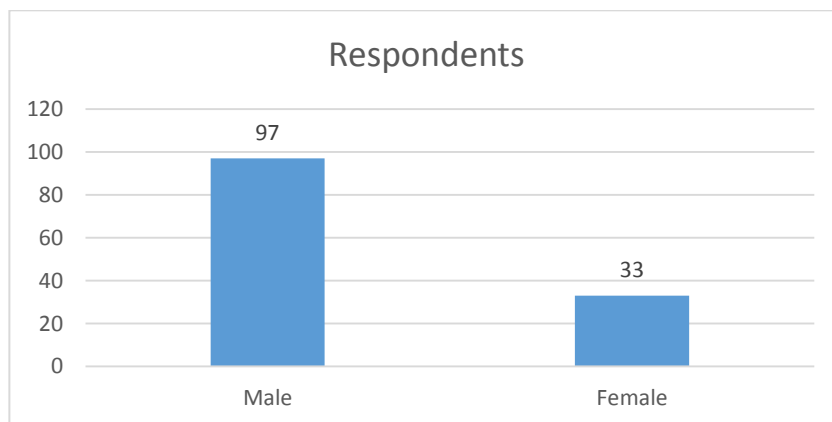
PLANNING OF RESEARCH METHODOLOGY

Literature Review – Statement of problem –Objective –Data collection through questionnaire-Data analysis - Data presentation – Finding & Conclusion

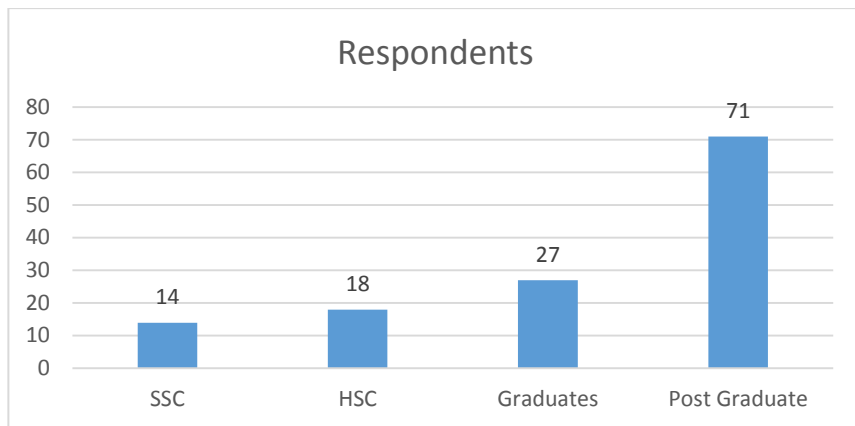
DATA ANALYSIS

Data analysis done with help of data collected from questionnaire collected from respondents of Nasik and Jalgaon district. The graphical presentation of data analysis gives detail idea about research outcomes. Following is data visualization of estimated research study.

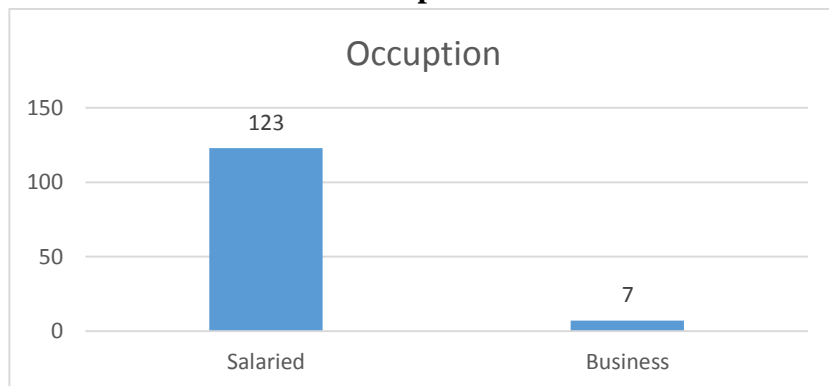
Gender



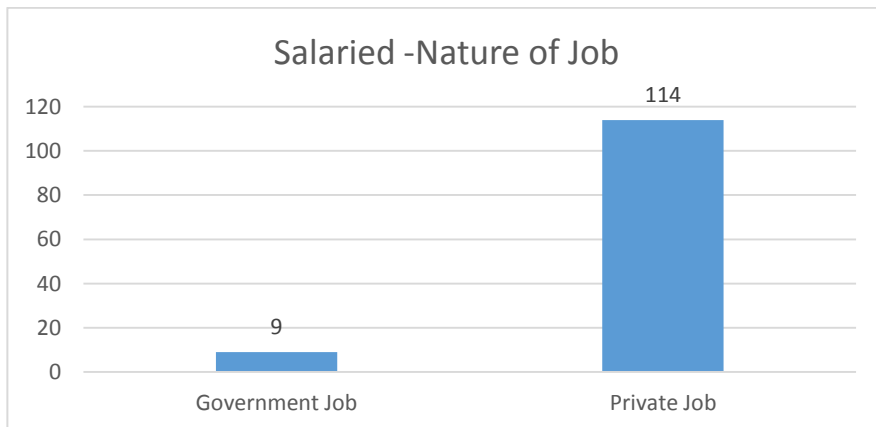
Education



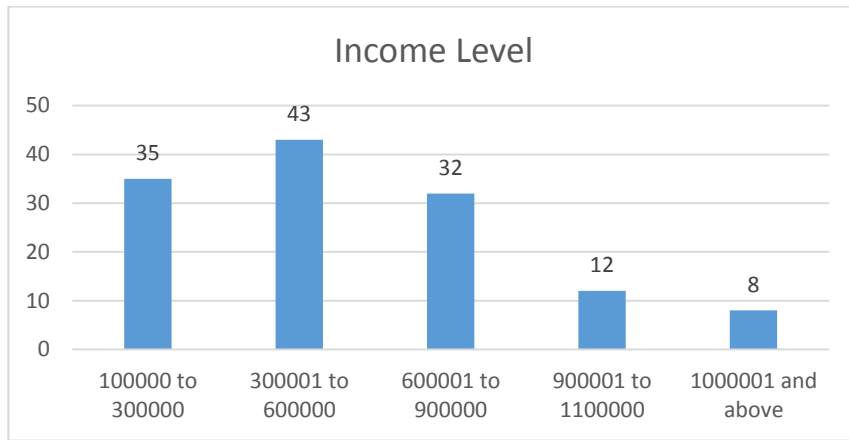
Occupation



Salaried- Government and Private



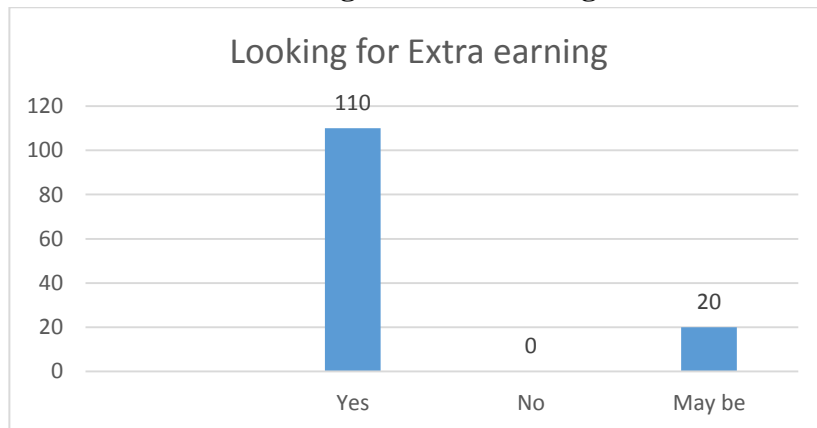
Income Level



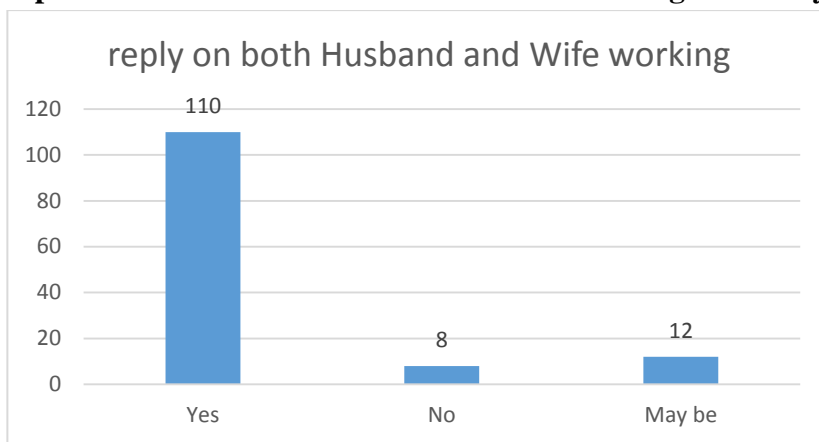
Prices are Increasing: Yes/NO



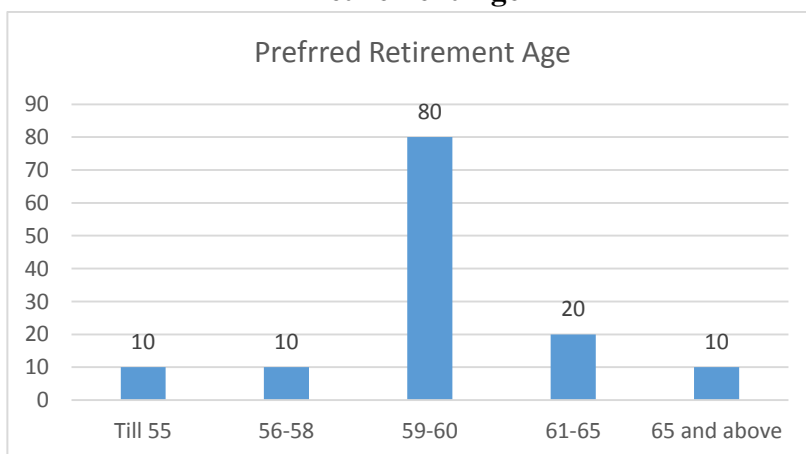
Looking for extra earning



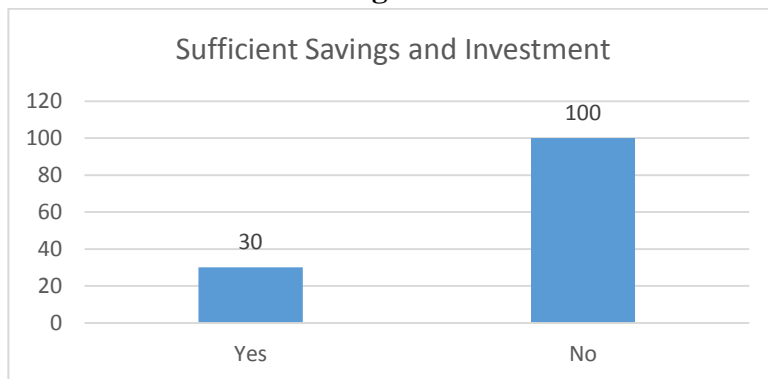
Opinion about – Both Husband and Wife earning for family



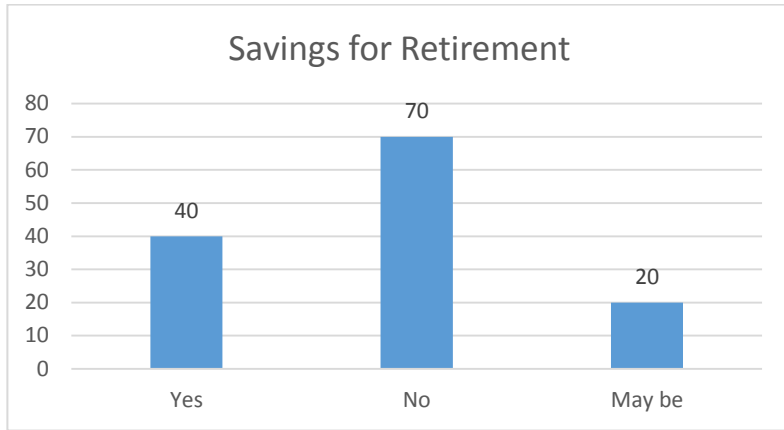
Retirement Age



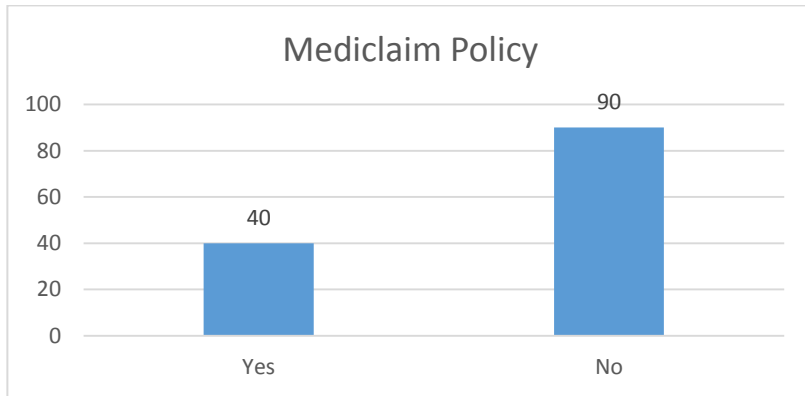
Sufficient Savings and Investments



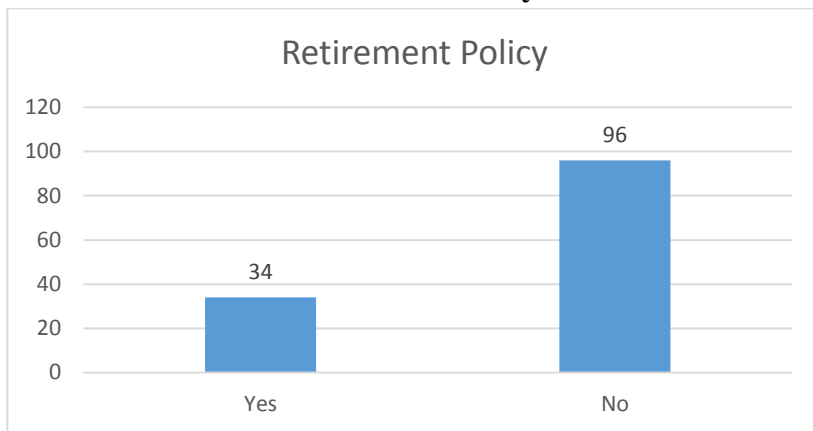
Savings for Retirement



Medical claim Policy



Retirement Policy



FINDING

It is observed that major respondents are male and less female. Category of Post Graduate respondents are maximum followed by Under Graduate, HSC and SSC. Maximum respondents are salaried and few of them are businessmen. Out of salaried respondents, maximum respondents are working in private job and very few are working in government job. Major respondents are below income of 6 lakh and few have in between 6 to 9 lakh and followed by 9 to 11 lakh and 11 lakh above are rare, this results in – maximum respondents are looking for extra earning and they have positive opinion about both Husband and Wife working. Maximum respondents preferred retirement age is between 59 to 60 and some are ready to work even after 65 years. Majority of respondents saving is not sufficient for investment. Many of the respondents say their retirement saving is not sufficient few are saying they have sufficient savings for retirement. Maximum respondents neither have medical insurance policy nor do they have retirement policy.

CONCLUSION

From above research study it is concluded that inflation is affecting the savings and investments decisions of the people. Many people are looking for extra earning, ready for both husband and wife earning for family and even ready to extend their retirement age to achieve their savings, investment and retirement planning. Many of them even don't have medical insurance policy and retirement policy.

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