

Periodic Research

Attitude of Working Women towards Retirement Benefit Plan Offered by State Bank of India

(With Special Reference to Lucknow District of Uttar Pardesh)

Dharma Veer

Assistant Professor
Department of Commerce
S.K.B.B. Govt. P.G.College,
Harakh, Barabanki,
U. P.

Abstract

Retirement planning is very important factor of Financial Planning. Everyone wants a carefree and luxurious life. Women are no different in this case. Women are considered as a home maker who is good at the household work. But researches show if women are motivated they can deal with all financials too. Even in the case of Working Women Executives (WWE), the path to a financially secure retirement is filled with obstructions and deviations, like lower pay and time out of the workforce for parenting, which can negatively impact her own long term retirement preparedness. At the same time if they are planning for their retirement, they are not aware of retirement planning solutions.

Retirement planning for women is now a very raising issue. SBI is the largest bank of India its affiliates are offering variety of financial services. However they are not offering these in an integrated form till date. At the same time the bank is making lot of efforts to grab significant share of personal financial advisory in the Indian market. The question is how far the efforts by bank and its subsidiaries are known and appreciated by the target group and to what extent the services are useful for the target group are some of the issues which are get to be researched in any form in India.

Keywords: SBI, WWE (Working women executives),

Introduction

In a broader sense "Investment" is a sacrifice of current money or other resources for future benefits. An Investment operation is one which upon through analysis, promises safety of principle and an adequate returns. Making investment according to fulfil financial goals is financial planning.

'Personal finance' is defined as application of the principles of finance to the monetary decisions of an individual or family unit. It addresses the ways in which individuals or families obtain, budget, save, and spend monetary resources over time, taking into account various financial risks and future life events

'Planning' is a collective of several considerations, among them personality and culture, needs and fears, listening and educating, scenarios and options. Financial planning and personal finance can function separately, but for the sake of the profession and those it serves, personal finance and planning had best be inseparable.

Retirement Planning

"Retirement planning is the process of determining retirement income goals and the actions and decision necessary to achieve those goals". This is also an important goal for people in the age group of 30-40, like buying a car or house.

In Indian context retirement is Vanprastha aashram, 3rd part of life stages (aashrams) which starts from Brahmcharya, Grahasth and ends with Sanyas aashram. In Vanprasth, person retires from the world. He was expected to give up all the desires for the children, possession and world. He was to take up residence inNUFNNUfn the forest and castigate the body to purify the soul. Later on all the family members used to live together in a joint family and younger member used to take care of older members.

But now joint families are breaking down into nuclear families. People do not want to be a burden on their kids or family members and this is how retirement planning came into the picture in Indian context.

Why Retirement Planning is Important?

Retirement planning is very important part of financial planning. Time has changed and average survival rate has also increased. It shows longer time without any regular income. Retirement planning has become necessary because of social causes too, as everybody wants to live an independent life. In Indian context, where dependency upon kids was the only option, is also shifting towards retirement planning. But still people are more concerned about their other financial goal and giving retirement planning less importance.

A Recent Study on Future of Retirement

The Power of Planning by Canara HSBC Oriental Bank of Commerce Life Insurance Company reveals that the motives for savings are largely skewed towards children like education and marriages, accounting for 35%, than retirement needs like healthcare expenses, accounting for only 12%. That shows people of India are more concerned towards their children's future and because of that they forget to plan about their own future

Retirement planning in context of Women

Considering this, "In India, the average life expectancy at birth has moved from 58.6 years (male) and 58.7 years (female) in 1990 to 67.3 years (male) and 69.6 years (female) in 2011. It is further expected to improve in the coming years" (Census of India & Technical Group on Population Projections, National Commission on Population).

Women outlive men who are the same age by three or four years on an average. The combination of self independency and longer life is directly proportional to retirement income. The more independency a woman wants the more she has to accumulate retirement income. In addition if the average women will have a shorter work life, earn less over her career are less likely to have access to an employer sponsored retirement plan. In a panel discussion on "Women and Pensions" at the American Risk and Insurance 2003 Annual Meeting (Bajtelmit, 2005), Anna Rappaport provided an overview of realistic information on women's financial security. She said women should possess more retirement assets in comparison to men. The financial service companies have been unsuccessful in fulfilling the retirement needs of women, ultimately leading to an unbalanced scenario for social security benefits to be enjoyed by women. That leads most women are not well aware about need of retirement planning and if they do, they are dependent upon their husband or father.

Retirement Planning alternatives provided by State Bank of India

The State Bank of India, popularly known as SBI, is one of the leading banks in India. The State Bank of India is India's largest commercial bank. The bank has been striving sincerely to adhere to the efforts of providing utmost customer satisfaction to the

best possible extent. The SBI has presence all over India with 16,000 branches. Not only this, the bank has made its roots secured internationally as well. At present, SBI has 131 branches in 32 foreign countries.

State Bank of India provides all the traditional plans like term deposit, recurring deposit and New Pension Scheme. The rates of interest range from 5% for a 30 day term to 7.25% for a 5 year FD. In RD interest rate varies from 7.00% to 7.25% according to number of years.

SBI Pension Fund Private Limited is one of the Pension Fund Managers handling subscription amounts. Investments are eligible for tax benefits under Section 80C. However, the maturity amount is added to income and taxed accordingly. National Pension Scheme: NPS is a government-initiated retirement scheme. Under this, one has to contribute at least Rs 6,000 a year. There are two tiers. The money in the Tier-I account cannot be taken out till retirement. There are no limits on Tier-II withdrawals. They give choices for investing fund according to their risk appetite in three categories (E, C, and G) which are

1. High risk high return,
2. Medium risk medium return and Low risk low return.

SBI Mutual Funds

SBI Mutual Funds are providing various types of mutual funds. For risk takers there are Equity Schemes like: SBI Magnum global Fund, SBI Blue Chip Fund, SBI Infrastructure fund, SBI Tax Advantage fund. For risk adverse people, there is Debt Income fund and Scheme SBI corporate Bond Fund, SBI Income Fund etc. there are Hybrid Schemes for medium risk takers like SBI Magnum Balanced Fund, SBI Regular Saving fund. One can choose SIP (systematic Investment Plans) for the schemes. This is disciplined approach towards investment which is vital for earning good returns over a longer time frame. SIP also minimizes the effects of investing in volatile markets.

SBI Life is providing insurance plus investment products, particularly for retirement planning. These are, SBI Saral Pension, SBI life Retire Smart and SBI annuity plus. SBI Cards offers variety of card alternatives while SBI General Insurance offers motor insurance, health insurance, home insurance etc.

Objective of The Study

The objectives are proposed as under:

1. To evaluate various retirement planning alternatives offered by SBI and the promotion strategies adopted.
2. To understand awareness, preference and behaviour of working women executives in Lucknow district of Uttar Pradesh towards retirement planning in general and alternatives offered by SBI.
3. To evaluate the obstacles in way of retirement planning by working women executives, in general and alternatives offered by SBI

4. To suggest strategies to women to improve retirement planning.
5. To suggest strategies to SBI for improve retirement planning solutions for women.

Review of Literature

Lenney (1977) - summarized that "women were under pressure when they estimated their ability to perform highly indefinite tasks with limited feedback. When feedback was unambiguous and available, men and women were same at their confidence levels."

Dvorak and Hanley (2010) this study found that "education is the most important determinant of financial literacy, some people have good planning habits but they are not well doing retirement planning as they are not aware about the number of investment avenues present in the market. The case with women is that they have low level of knowledge low income and less education as compared to men. That participant who has earlier participated in the survey has started making personal contribution."

Ranjani and Chopra (2011), says "Women approach investment differently than men. Therefore communicating with women requires a unique marketing strategy. An important aspect of an effective marketing strategy targeting women is the provision of information that educates the market, and many women seek information delivered through credible women specific programs and magazines. Media portrayals that include women in position of authority in financial services rather than only beneficiaries would yield positive results."

Hinz L. (2012) "summarized that women are good at managing their everyday essential budget making but when they are asked to plan for achieving their financial goals they lack. They are afraid of planning for their retirement or any other fat goal of life. Women don't understand that there is sufficient chances for women to live after age 85, if women were given basic knowledge also they will do it with confidence."

Mathew Greenwald & Associates, (2013), In their project "The Decision to Retire and Post-Retirement Financial Strategies: A Report on Eight Focus Groups" they found that the "assessment of financial ability to retire tended to be very simplistic, unless the person worked with a financial advisor.

Hopkin J. (2015) says "workplace inequalities force women to plan for retirement differently. Proper planning, education, awareness, and advice can ensure women are adequately prepared for the unique challenges they face in retirement.

Pant,G. (2015), studied that "women faculty members are very much aware about the retirement planning, they know the importance of retirement planning ,amount of corpus needed for retirement planning and they are investing in various investment avenues but mostly women invests in FD/RD and some mutual fund, women faculty members considers intuition while investing in stocks."

Retirement Confidence Survey by Employee Benefits Research Institute and Greenwald & Associates (2016), found that "unmarried women express less confidence that they will have enough money to take care of basic expenses in retirement or that they will have sufficient funds to cover long-term care compared with married men, married women, and unmarried men."

Research Methodology

The present study is an exploratory cum analytical in nature to identify the awareness of working women executives of Lucknow district of Uttar Pradesh towards retirement planning in context to offerings by SBI.

This situation of working women executives toward retirement planning is very poor in India as compared to other developed countries. In India also it varies from one state to another. In Lucknow district of Uttar Pradesh also the financial literacy level of women is very low. So this research would identify the factors which can help in awareness of Retirement planning alternatives for working women in Lucknow district of Uttar Pradesh.

Research Design

It is the considered plan and structure of investigation to obtain answers to the research questions. This research is organized in the following manner. Initial step is to check the awareness of working women towards retirement planning in Lucknow district of Uttar Pradesh and their attitude for the various financial products and services provided by State Bank of India. The research will heavily depend on primary data but secondary data will also be used.

Sample Design

Stratified random sampling would be used as the total area of interest happens to be a big one and a reliable way in which a sample can be taken is by dividing the area into a number of non over lapping areas.

Sample Size and Procedure

In this study, the primary data will be collected by 120 working women from each area of Lucknow district of Uttar Pradesh. Questionnaire will be distributed through online platform through social networking websites and offline platform through various sections of people. Questionnaires will be hand delivered to many people while personal interviews will be also been taken to ensure a degree of objectivity in the survey data, selected investors will be personally interviewed to verify the accuracy of the self-reported data. The responses will be received from those investors who wish to contribute to research willingly.

Data analysis and Presentation

Data collected through questionnaire will be tabulated using Excel and SPSS software. There will be 8-10 case studies of women classified on socio economic conditions. In these case studies, it would be discussed, to what extent women know about their own methods of retirement planning, retirement product offered by SBI and gap in retirement planning. Interpretation of data will be based on tabulation and

E: ISSN No. 2349-9435

analysis. Mean, percentage, standard deviation, correlation, regression, chi-square, t-test, case studies etc. would be used for analysis of findings.

Hypothesis

Ho: Working Women Executives are not highly interested about various investment products useful for retirement planning. There is no significant relationship between Retirement planning preferences and socio- demographic factors (gender, location, income level, occupation).

H1: Working Women Executives’ investment preference for investment products is significantly affected by their socio-economic condition (age, income level, experience, designation, no. of dependents, marital status), so there is significant relationship between retirement planning preferences and socio-demographic factors.

Analysis of Data

Percentage Method

Table Showing Overall Interest of Working Women of Investment for Retirement Benefits at Different Age Structures

S. No.	Age Wise Data Collection	No of Working Women are Interested of Investment Plan for Retirement Benefits	Percentage (%)
1	Upto 30 years	20	17
2	30-40 years	70	58
3	40-50 years	25	22
4	50 years and above	05	03
	Total	120	100

From the above table it is inferred that 17% of the respondents are interested upto 30 years of age for investment, 58 % of the respondents are interested at the age of 30-40 years, 22% of the respondents are moderate and interested at the age of 40-50 years and only 3% of the respondents are interested in investment for retirement benefits. It is concluded that majority 58% of the working women respondents are really interested at the age of 30-40 years. This is the age bracket where working women are highly interested about these types of savings.

Classification of Sample

1. Age: Up to 30, 30-40, 40-50, 50 and above years
2. Income level: Up to Rs 3 Lacs, 3-6 Lacs, 6-9 Lacs and above 9 lakh
3. Types of Family: Nuclear, Joint
4. No. of Dependents: Up to 2, 3-4, 5 and above
5. Marital status:- Unmarried, Married and Divorced
6. Work experience: Up to 4 years, Up to 10 years and above

Periodic Research

Investment habits of Working Women Executives at Different Age and Income Level

Income/Age of working women	Upto 30 Years	30-40 Years	40-50 Years	Above 50 years	Total
Upto Rs 3 Lakh	05	12	03	00	20
03- 06 Lakh	20	39	08	03	70
06-09 Lakh	10	14	01	00	25
Above 09 Lakh	03	02	00	00	05
Total	38	67	12	03	120

From the above table, it is found that –

1. When the age is upto 30 years - working women respondents are not so interested and aware for future investment at low income stage of earnings but as the income increases, the percentage of investment numbers of women executives increases simultaneously and vice-versa
2. When the age of working women is between 30-40 years - the respondents are more interested to investment in retirement plans for future.
3. When the age is above 50 years- there is no interest between respondents for investment in such retirement plans because they will not get benefitted in short span of time

Limitations

Since these types of studies have not been undertaken so far in Uttar Pradesh, secondary data sources and related literatures pertaining to Lucknow district of Uttar Pradesh were found to be highly limited. The current research only covers Lucknow district of Uttar Pradesh and may not give similar results when generalized to other regions. However to the best of knowledge of researcher, studies are being planned for rest of India as well.

Conclusion

Retirement planning for women is now a very raising issue. SBI is the largest bank of India its affiliates are offering variety of financial services. However they are not offering these in an integrated form till date. At the same time the bank is making lot of efforts to grab significant share of personal financial advisory in the Indian market. The question is how far the efforts by bank and its subsidiaries are known and appreciated by the target group and to what extent the services are useful for the target group are some of the issues which are get to be researched in any form in India.

References

1. Bajtelsmit, V., (2005), *Women and Pensions, Risk Management and Insurance Review*
2. Dvorak, T. and Hanley, H. (2010). "Financial literacy and the design of retirement plans", *Journal of Socio-Economics*, Vol. 39, No. 6, pp 645-652.
3. Dwivedi, Monika and Purohit, Harsh and Choudhary, Nidhi and Mehta, Divya, *Retirement Planning for Women and Solutions for Common Problems (September 29, 2015)*.
4. Hira, T. K., and O. M. Mugenda, (2000): *Gender Differences in Financial Perceptions, Behaviors,*

E: ISSN No. 2349-9435

- and Satisfaction, *Journal of Financial Planning*, 13(2): 86-92.
5. Imam, A. (2011): *Pension Fund Management in India: government role and regulatory issues*.
 6. ZENITH *International Journal of Multidisciplinary Research*, 1(7).
 7. Jariwala, H. (2013): *To study the level of financial literacy and its impact on investment decision – an in-depth analysis of investors in Gujarat state – an in-depth analysis of investors in Gujarat state – an in-depth analysis of investors in Gujarat state – an in-depth analysis of investors in Gujarat state*, Unpublished Ph.D Thesis, Ganpat University.
 8. Mathew Greenwald & Associates, (2013), *The Decision to Retire and Post-Retirement Financial Michigan Retirement Research Centre. Strategies: A Report on Eight Focus Groups*.
 9. Pant G. (2013), *Retirement Planning of Female Faculty Members - An Expense or Saving for the Future*, GJMBS, Vol. 3
 10. Power, M., Hira, T. (2014), *University_ Provided Retirement Planning Support and Retiree Financial Satisfaction During Retirement: Differences by Gender, Job Classification, and Planning Behaviour*.
 11. Singh, U. (2014). *Financial Literacy and Financial Stability are two aspects of Efficient Economy. Journal of Finance, Accounting and Management*, 5(2), 59.
 12. <http://www.wiserwomen.org/?id=715>
http://www.dspblackrock.com/Press_Release_DS_PBR_women_study.pdf
 13. http://www.reliancecapital.co.in/pdf/RMF_Retirement_Survey_June082015.pdf
 14. https://en.wikipedia.org/wiki/Personal_finance
 15. <http://www.sbi.co.in/portal/web/affiliates/non-banking-subsidiaries>