



## A STUDY ON THE PRACTICE AND MANAGEMENT OF FINANCIAL RESOURCES BY SELECTED SENIOR CITIZENS RESIDING AT CHENNAI

**Mrs.Y.Vijayalakshmi Priya<sup>1</sup>**

<sup>1</sup>Associate Professor, Department of Home Science and Part time Research Scholar,  
Department of Geography, Queen Mary's College, Chennai, Tamil Nadu, India

### ABSTRACT

**O**ld age is best defined as the age of retirement that is 60 years and above. Improvement in health and technology has resulted in increased life expectancy. The number of persons in old age has increased (Srilakshmi, 2008).

Worldwide, the number of people 60 or older is increasing faster than ever before. Most of this increase is occurring in developing countries. In India the Percentage of people with age group of 60 plus has increased tremendously. According to 2001 census the latest advancements in medical technology and quality of life has lead to a total of 76, 62,234 person within age group of 60 plus and this is roughly 7.5 percent of our total population and by 2016. The number is likely to increase to 10 percent (Government of India, 2008).

**KEYWORDS:** Old age, life expectancy, medical technology, quality of life

### INTRODUCTION

Old age is best defined as the age of retirement that is 60 years and above. Improvement in health and technology has resulted in increased life expectancy. The number of persons in old age has increased (Srilakshmi, 2008).

Worldwide, the number of people 60 or older is increasing faster than ever before. Most of this increase is occurring in developing countries. In India the Percentage of people with age group of 60 plus has increased tremendously. According to 2001 census the latest advancements in medical technology and quality of life has lead to a total of 76, 62,234 person within age group of 60 plus and this is roughly 7.5 percent of our total population and by 2016. The number is likely to increase to 10 percent (Government of India, 2008).

Successful ageing is not by longevity, alone but also by sufficient well being in multiple domains socially,

physically, mentally and financially (Srilakshmi, 2008).

Individuals who do not view retirement planning in terms of finances do not adapt as well to retirement as those who have a more balanced retirement plan (Birren, 1996).

Elovainio et al., (2003) describe an ideal of financial management is to review and control decisions of commit or recommit funds to new or ongoing uses. So senior citizens who plan ahead to retirement are healthy and those who have adequate income are active, are better educated, have an extended social network including both friends and family and usually were satisfied with their lives after they retired.

### METHOD OF INVESTIGATION

The method of investigation pertaining to the study on "A Study on the Practice and Management of Financial Resources by Selected Senior Citizens Residing



at Chennai” is presented below

The objectives of the study were:

1. To analyse the socio economic profile of selected senior citizens.
2. To find out life style of selected senior citizens.
3. To ascertain the past and present occupational profile of selected senior citizens.
4. To analyse how far they effectively manage their finance.

**HYPOTHESIS**

1. There would be significant difference on financial skills and level of satisfaction as per living status.

2. There would be significant difference on financial skills and level of satisfaction as per annual income

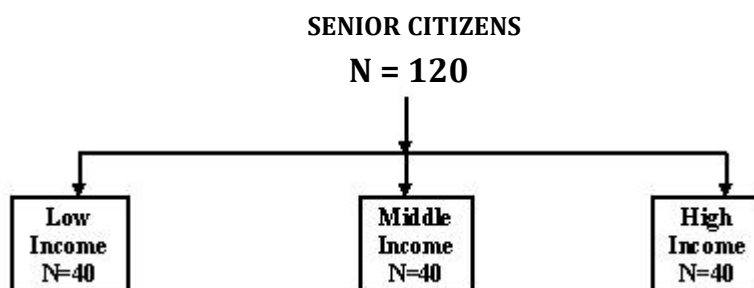
To study the problems, a bivariate research design, cross – section in nature was used with of socio economic factors as independent variable and financial management practices as dependent variable.

**NATURE OF SAMPLES**

For the present study using purposive sampling technique, 120 senior citizens who are retired residing with and without children in Chennai city were selected. The samples were subdivided based on their living type and family income, the selected senior citizens were contacted in person for the present studies.

**Figure 1**

**Pattern of Sampling adopted for the study**



**TOOLS FOR ASSESSMENT**

The main tool used for the collection of data was structured closed form questionnaire. A questionnaire, simple comprehensive in nature was designed to elicit information pertaining to the objectives of the study.

The structured questionnaire comprised of following aspects.

1. Socio economic profile of selected respondents.
2. Occupational profile of selected respondents.
3. Financial status of selected respondents.
4. Expenditure pattern of selected respondents.
5. Management principles adopted by the selected respondents.
6. Level of satisfaction.

1. Demographic details of selected senior citizens.
2. Job profile of the previous employment of the selected senior citizens.
3. Economic status of selected senior citizens.
4. Job profile of Involvement in Income generating activity after retirement.
5. Expenditure pattern of the selected senior citizens.
6. Analysis of Financial skills and level of satisfaction among senior citizens as per annual income.
7. Duncan’s multiple range of financial skill- implementing as per annual Income.
8. Duncan’s multiple range of financial skill- evaluation as per annual Income.

**RESULTS AND DISCUSSION**

Data collected following the methodology were analysed statistically using the parametric tests namely ‘t’ test, ‘F’ test and co-efficient of correlation. Details of the analysis are presented and discussed under the following headings.

**1.DEMOGRAPHIC DETAILS OF SELECTED SENIOR CITIZENS**

The data obtained from selected senior citizens on demographic details such as age, marital status, educational qualification, size of the family are presented in Table- 1.

**Table 1 Demographic Details of Selected Senior Citizens**

Variable	Low Income N=40	Middle Income N=40	High Income N=40
<b>I. Age</b>			
1. 60-70	72.5	62.5	72.5
2. 70-80	27.5	30	22.5
3. >80	0	7.5	5
<b>II. Marital Status</b>			
1. Married	60	72.5	62.5
2. Unmarried	5	2.5	15
3. Widowhood	20	15	10
4. Divorced	7.5	5	7.5
5. Separated	7.5	5	5
<b>III. Educational Qualification</b>			
1. High School	27.5	17.5	10
2. Higher Secondary	35	22.5	15
3. Diploma	10	15	17.5
4. Graduate/Post Graduate	25	35	42.5
5. Professionals	2.5	10	15
<b>IV. Size of the Family</b>			
1. Small (1-2)	25	17.5	30
2. Medium (3-4)	42.5	60	37.5
3. Large (5-7) & above	32.5	22.5	32.5

**•AGE**

From the table 1 it can be inferred that majority 72.5 percent of low income group, 62.5 percent of middle income group and 72.5 percent of high income group were in the age group of 60 years to 70 years.

**•MARITAL STATUS**

The study showed that most of the senior citizens majority 60 percent of low income group were married 20 percent were widow and 7.5 percent were divorced and 7.5 percent were separated and only 5 percent were unmarried, whereas in middle income group 72.5 percent were married, 15 percent were widows, In 5 percent were divorced and separated and case of high income group 62.5 percent were married and 10 percent were widows.

**•EDUCATIONAL STATUS**

It was found that low income group majority 35 percent possessed higher secondary school level of education. In the case of middle income group 35 percent and 42.5 percent of high income group possessed Graduate / Post Graduate degree.

**•SIZE OF THE FAMILY**

Among the selected samples among majority all income groups were having medium sized family with 3 to 4 family members.

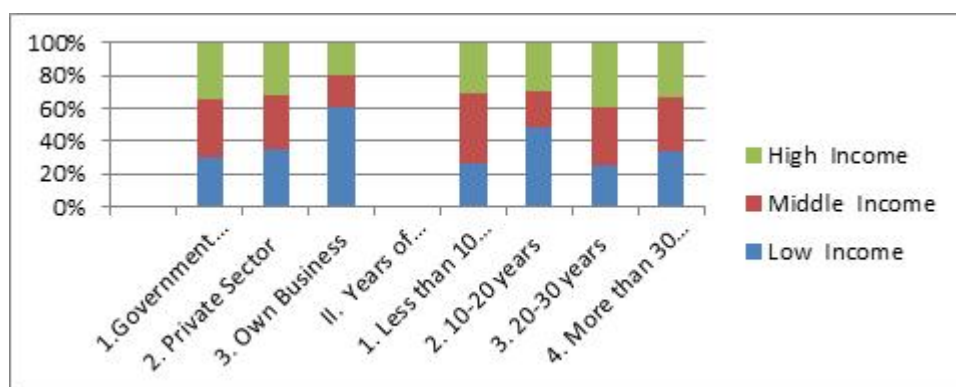
**2.JOB PROFILE OF PREVIOUS EMPLOYMENT OF THE SELECTED SENIOR CITIZENS**

The table 2 and figure 2 represents the job profile of previous employment of the selected senior citizens which includes type of previous employment and number of year employment.

**Table 2 Job Profile of Previous Employment of the Selected Senior Citizens**

Variable	Low Income N=40	Middle Income N=40	High Income N=40
<b>I. Type of Previous Employment</b>			
1. Government Sector	52.5	60	60
2. Private Sector	40	37.5	37.5
3. Own Business	7.5	2.5	2.5
<b>II. Years of Service</b>			
1. Less than 10 years	15	25	17.5
2. 10-20 years	37.5	17.5	22.5
3. 20-30 years	22.5	32.5	35
4. More than 30 years	25	25	25

**Figure 2**  
**Job Profile of Previous Employment of the Selected Senior Citizens**



- **TYPE OF PREVIOUS EMPLOYMENT**

The above table 2 and figure 2 revealed that the majority 52.5 percent of low income group were government employees, while 60 percent were government in middle income group and high income group

- **YEARS OF SERVICE**

It can be inferred that among the selected samples majority 37.5percent of low income group have worked for 10 years to 20 years, while in middle income

group 32.5 percent have worked for 20 years to 30 years and less than 10 years, where as in high income group 35 percent have worked for 20 years to 30 years.

### **3. ECONOMIC STATUS OF SELECTED SENIOR CITIZENS**

Table 3 and figure 4 reveals the economic status of selected senior citizens includes dependants in the family, prime earning members in the family, sources of income and present monthly income.

**Table 3 Economic Profile of Selected Senior Citizens**

Variable	Low Income N=40	Middle Income N=40	High Income N=40
<b>I. Dependant in the Family</b>			
1. Having Dependand	47.5	52.5	67.5
2. No Dependand	52.5	47.5	32.5
<b>II Persons Dependand*</b>	0	0	0
1. Son	32.5	17.5	27.5
2. Daughter	10	10	25
3. Spouse	22.5	30	32.5
4. Others	7.5	32.5	15
<b>III. Prime Earning Member of the Family*</b>	0	0	0
1. Selected Sample	63	72.5	55
2. Spouse	27.5	7.5	15
3. Son/Daughter	19.5	15	25
4. Son in- law / Daughter in-law	0	5	5
<b>IV. Source of Income*</b>	0	0	0
1. Salary	35	40	37.5
2. Pension	50	62.5	60
3. Savings	65	47.5	42.5
4. Mutual funds return	22.5	10	2.5
5. Depending on Children	17.5	2.5	7.5

\* Total Exceeds 100 percent due to multiple responses.

#### • DEPENDANT IN THE FAMILY

The selected senior citizens of low income group majority 52.5 percent did not have dependants while in middle income group majority 52.5 percent have dependants whereas in high income group 67.5 percent have dependants.

#### • PERSONS DEPENDANT

It was observed from the study among the selected senior citizens 32.5 percent of low income group sons were dependant on them, 32.5 percent of middle income group other family members were dependant and 32.5 percent of high income group their spouse were the dependant.

#### • PRIME EARNING MEMBERS OF THE FAMILY WITH CHILDREN

It was observed that among selected samples they themselves were the prime earning member all income groups.

#### • SOURCES OF INCOME

It was depicted in table 3 that 65 percent of low income group source of income was through their savings and majority of middle income group and high income group the source of income was through pensions.

#### 4. JOB PROFILE OF INVOLVEMENT IN INCOME GENERATING ACTIVITY AFTER RETIREMENT

The Table 4 revealed the job profile of involvement in income generating activity of the selected samples includes kind of job, monthly remuneration and reasons for involvement.

**Table 4 Job Profile of Involvement in Income Generating Activity**

Variable	Low Income N=40	Middle Income N=40	High Income N=40
<b>I Involvement in income Generating Job</b>			
1. Involved	40	50	47.5
2. Not Involved	60	50	52.5
<b>II. Kind of Job</b>			
1. Supervising Post	15	15	22.5
2. Security	0	2.5	2.5
3. Clerical Job	10	7.5	7.5
4. Tuitions	12.5	22.5	5
5. Any other	2.5	2.5	5
<b>III. Income Generated</b>			
1. Rs.3000	17.5	12.5	20
2. Rs.3000 - Rs.5000	15	17.5	10
3. Rs.5000 - Rs.7000	5	17.5	7.5
4. Rs.7000 & above	2.5	7.5	7.5
<b>IV. Reason for Involvement</b>			
1. Deficit of money in family budget	17.5	22.5	2.5
2. Keep you occupied	27.5	32.5	32.5

- **INVOLVEMENT IN INCOME GENERATING ACTIVITY**

It was evident that among the selected senior citizens 60 percent of low income group and 52.5 percent of high income group were not involved in income generating activity after retirement. In case of middle income group it was exact 50 percent were in involved.

- **KIND OF JOB**

It was observed that among the selected samples of low income group and high income majority were involved in supervising job, while in middle income group majority 22.5 percent were involved in conduction of tuitions for school children.

#### MONTHLY REMUNERATION

Majority of low income group and high income group monthly salary was Rs.3000, while 17.5 percent of middle income groups salary range was between Rs.3000 to Rs.7000.

- **REASONS FOR INVOLVEMENT WITH CHILDREN**

Majority that keeping them occupied was major reasons for up taking the income generating activity after retirement of all three income groups 27.5 percent of low income group, 32.5 percent of middle income group and high income group.

#### 5. EXPENDITURE PATTERN OF THE SELECTED SENIOR CITIZENS

Table 5 and figure 7 revealed that the amount spent for monthly expenditure pattern of the selected senior citizens.

**Table 5 Monthly expenditure pattern of the selected Senior Citizens.**

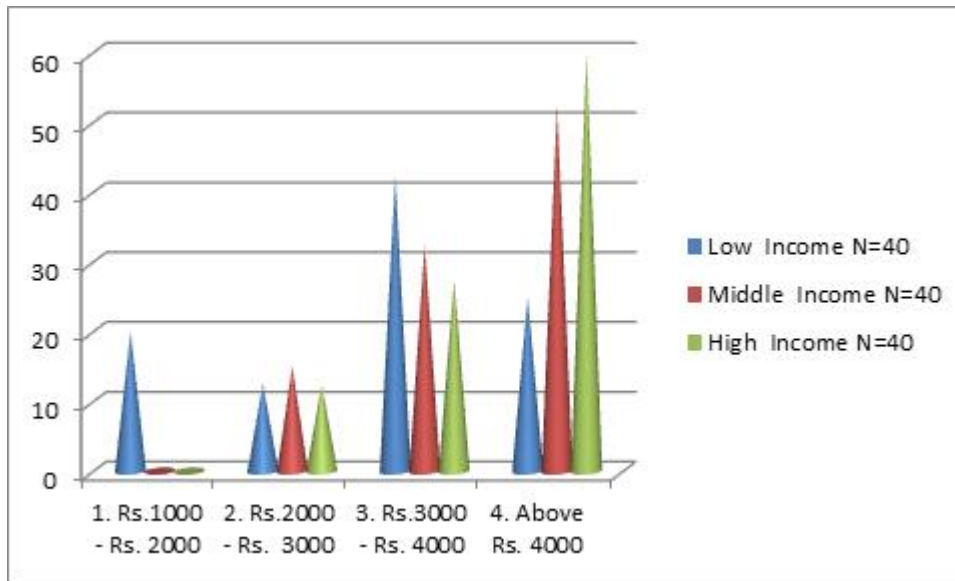
Monthly expenditure	Low Income N=40	Middle Income N=40	High Income N=40
1. Rs.1000 - Rs. 2000	20	0	0
2. Rs.2000 - Rs. 3000	12.5	15	12.5
3. Rs.3000 - Rs. 4000	42.5	32.5	27.5
4. Above Rs. 4000	25	52.5	60

- **Monthly Family Expenditure**

It was observed that majority 42.5 percent of selected samples of low income group their monthly family expenditure were between the range was between Rs.3000 to 4000 while 52.5 percent of middle income group

monthly family expenditure range was above Rs.4000 whereas 60 percent of high income group monthly family expenditure range was above Rs.4000.

**Figure 3**  
**Monthly expenditure pattern of the selected Senior Citizens**



**6.ANALYSIS OF FINANCIAL SKILLS AND LEVEL OF SATISFACTION AMONG SENIOR CITIZENS AS PER ANNUAL INCOME**

The results of one way analysis of variance computed to compare the financial skills and level of satisfaction as per annual income of the selected senior citizens (Table 6).

**Table 6**  
**Mean Square and 'f' Values of Financial Skills and Level of Satisfaction among Senior Citizen as per annual Income Group.**

Variable	Source of Variance	Sum of Squares	df	Mean square	F
Planning	Between Groups	42.817	2	21.408	1.381 <sub>NS</sub>
	With in groups	1813.975	117	15.504	
	Total	1856.792	119		
Implementing	Between groups	50.317	2	25.158	5.919 <sup>**</sup>
	Within groups	497.275	117	4.250	
	Total	547.592	119		
Checking	Between groups	38.750	2	19.375	1.801 <sub>NS</sub>
	Within groups	1258.950	117	10.760	
	Total	1297.700	119		
Adjustment	Between groups	45.117	2	22.558	1.163 <sub>NS</sub>
	Within groups	2268.475	117	19.389	
	Total	2313.592	119		
Evaluation	Between groups	46.350	2	23.175	4.779 <sup>**</sup>
	Within groups	567.350	117	4.849	
	Total	613.700	119		
Level of Satisfaction	Between groups	19.400	2	9.700	1.289 <sub>NS</sub>
	Within groups	880.300	117	7.524	
	Total	899.700	119		

\*\* - Significant at 0.01 level.

NS- Not Significant

The table 6 revealed that there was significant difference between the financial skills such as implementing (F = 5.919), evaluation (F=4.779) as per annual income at 0.01 percent level. But there was no significant difference in financial skills such as (F = 1.381), checking (F=1.801), adjustment (F=1.163) and level of satisfaction (F=1.289) as per annual income.

Hypothesis is partially accepted as the selected samples revealed that the financial skills such as planning,

checking adjustment and level of satisfaction does not vary as per annual income but implementing and evaluation has significant difference on annual income.

### 7. DUNCAN'S MULTIPLE RANGE OBTAINED BY FINANCIAL SKILL-IMPLEMENTING AS PER ANNUAL INCOME

The financial skill - implementing among selected senior citizens as per annual income was analysed.

**Table 7 Duncan's Multiple Range for the Financial Skill - Implementing as per Annual Income**

Variable	N	Subset for alpha = 0.5	
		1	2
Low Income	40		9.40
Middle Income	40	7.83	
High Income	40	8.45	

The Duncan's Multiple range obtained by financial skill implementing as per annual income groups indicated that the samples with the low annual income about (Rs.15000 to Rs.31,800) showed a significant differences and had better score ( $\bar{X} = 9.40$ ) when compared to those who earned more. It might be due to the fact that lower annual income leads to more effective implementation.

### 8. DUNCAN'S MULTIPLE RANGE OBTAINED BY FINANCIAL SKILL – EVALUATION AS PER ANNUAL INCOME

The financial skill - evaluation among selected senior as per annual income was done.

**Table8 Duncan's Multiple Range obtained by Financial Skill - Evaluation as per Annual Income**

Variable	N	Subset for alpha = 0.5	
		1	2
Low Income	40	11.28	
Middle Income	40	11.80	11.80
High Income	40		12.78

The Duncan's Multiple range obtained by financial skill evaluation as per annual income groups indicated that the samples with High annual income (Rs.53,400) and above showed a significant difference and had better score ( $\bar{X} = 12.78$ ) when compared to those who earned less. It might be due to the fact that higher monthly income leads to more frequent evaluation.

### CONCLUSION

Retirements is a new leave of life and a change to do all the things that you could not find time for earlier planning for your future physical, mental and financial needs are the surest recipe to living life happily ever after (Murkerjee, 2008).

With the limitations of the present study, the following conclusions could be drawn. Financial skills such as planning, implementing, checking, adjustment and evaluation have significant relation in determining the level of satisfaction.

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