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Savings behavior of college teachers: A comparative study among private and government colleges in Bangladesh

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ABSTRACT

The main objectives of a person's savings are to improve their standard of life, income, and overall financial well-being. The purpose of the research is to comprehend how public and private college teachers manage their finances. The specific goal of the study is to pinpoint and examine the college teachers' savings behavior, motivations, and important factors determining their savings. A set of structured questionnaires was used to gather primary data from 160 government and private college teachers from the Cumilla district of Bangladesh. The gathered data is analyzed using both descriptive and inferential statistics. Findings reveal that teachers are mainly safe to ensure a better future life. The regression result shows that family size and how often people save are negatively related. On the other hand, age, education level, length of service, monthly family income, how often people save, and income from other sources are positively related to annual savings. The study has identified a sharp difference in the motives of savings between government and private college teachers. The length of service, monthly income, and educational qualifications of the college teachers have positive and significant influences on their savings behavior. Policymakers, researchers, and other relevant private-public groups may find the study useful in understanding teachers' savings habits and in taking necessary action to support both the country's economic growth and teachers' financial well-being.

Contribution/Originality: The present study tried to explore the savings behavior of college teachers in Bangladesh. This is the first attempt to explore the target group in the country aspect, though some studies have been conducted globally. The findings will provide new insight for the policy makers.

1. INTRODUCTION

Saving is a vital aspect of human life. Any nation's ability to maintain economic stability and growth depends heavily on its domestic savings rate. Having a savings strategy is essential as it will assist in achieving financial objectives such as future financial security, education for children, satisfying household needs, and so on. Savings are a source of money that people can use to maintain a sustainable and pleasant living after retirement, when all income streams cease. When saving and investing tendencies are rising, an economy is said to be expanding. Savings encourages investment, which in turn encourages the nation's economy to thrive.

There is uncertainty about the future. To satisfy the future financial requirements, everyone must save. For this reason, everyone desires to save money so they can pay for their future needs. In Bangladesh, the rate of saving has been rising during the 1990s in comparison to earlier times. The majority of emerging nations, including Bangladesh,

lack sufficient domestic savings to boost capital accumulation for economic growth. They must therefore borrow money from foreign benefactors. However, the nation may become debt-free and go forward with development if they can boost private saving and raise domestic savings. According to Rahman, Islam, and Rahman (2005) private investments are essential to Bangladesh's development process. People can save money in a variety of ways, including cash, financial assets, tangible assets, products, market savings, and more.

The nation's center of knowledge is its teachers. By imparting their expertise and experiences to the younger generations, they play a crucial part in the country's development. The welfare and quality of life of teachers should be protected because they are seen as a valuable asset to their country. Here, saving attitudes of a person are the most important factor in determining quality of life. By taking this into account, the study aims to comprehend teachers' awareness levels about different saving behaviors and their patterns. While teachers at private colleges receive various sources of income in addition to private tuition, those at government colleges primarily receive salaries.

Teachers are the cornerstones of society, and the information and abilities they possess determine the caliber of education. Their patterns of consumption, saving, and investment heavily influence their standard of living, one of the key determinants. Therefore, a teacher's attitude toward investing and saving will have a big influence on how well students learn (Shivakumar & Thimmaiah, 2015). The link between income and saving is substantial. The teaching community has begun to comprehend the value and importance of money these days. In order to prevent them from being swayed by other alluring and fashionable expenses, they are asked to open an account for the planned spending and compare it with the specific expenses they have already met (Bhavsar, 2013).

Individuals' savings habits have a significant impact on their financial stability and security, making them an essential component of personal finance management. Understanding the variables influencing the saving habits of college teachers in Cumilla District, Bangladesh, is crucial, particularly in light of the distinctions between those working at government and private colleges.

Although savings are becoming more and more important for emergencies, retirement, and education, there isn't much empirical study examining how different institutional, economic, and demographic factors influence college teacher's savings behavior in this area. Based on initial observations, it appears that government college teachers might save in different ways than their private institution colleagues because of variations in pay scales, job security, and benefits.

Savings behavior may also be influenced by Cumilla District's socioeconomic circumstances, which are characterized by differences in income levels and access to financial services. Gaining an understanding of these relationships is essential to creating focused financial literacy initiatives and regulations meant to improve college teachers' saving behaviors.

Earlier research suggests that a range of factors, such as income level, financial knowledge, cultural values, and institutional regulations, can impact an individual's saving behavior (Abdullah, Zubairi, & Hassan, 2020; Shukor & Miskon, 2019). According to studies, government workers' savings habits differ from those of their private-sector counterparts frequently because of factors like job security, retirement benefits, and access to financial education (Kumar & Singh, 2021). This study aims to fill a gap in the literature by particularly addressing the savings behavior, options that are preferred for saving, reasons for saving, and important factors influencing saving among college teachers in the public and private sectors in the Cumilla district of Bangladesh, an area where little research has been done.

2. LITERATURE REVIEW

Savings behavior is a crucial aspect of financial management, particularly for individuals such as college teachers who often have fixed incomes and face unique professional and personal financial obligations. This section of the study reviews existing literature on savings behavior, with a particular focus on teachers, both in government and private colleges. It will look at different theories about why people save, things that make people more or less likely to save,

and real-world studies of savings trends in different situations. The literature review section culminates with a specific focus on savings behavior among college teachers in Bangladesh, particularly in the Cumilla district.

2.1. Theories of Savings Behavior

Modigliani and Brumberg (1954) proposed the Life-Cycle Hypothesis (LCH), which suggests that individuals plan their consumption and savings behavior over their lifetime. The core idea is that people save during their working years to smooth consumption in retirement when income is lower. For college teachers, particularly those in the government sector with predictable income and pension benefits, the life-cycle hypothesis may strongly influence their savings decisions. In contrast, private college teachers, who may have less job security and different pension structures, could exhibit different savings behavior.

The Permanent Income Hypothesis (PIH) by Friedman (1957) posits that individuals base their consumption and savings decisions on their expected long-term average income rather than current income. This implies that college teachers who perceive their income as stable and expect future raises may save less in the short term, assuming future income will cover their long-term financial needs. Differences between government and private sector teachers could arise from variations in income stability and expectations regarding future earnings.

Behavioral economics, particularly the theories of bounded rationality and present bias, offers an alternative explanation for savings behavior. Thaler and Shefrin (1981) model of self-control suggests that individuals often fail to save due to a lack of discipline or a preference for immediate consumption. Tversky and Kahneman (1979) Prospect Theory, which highlights how people make decisions based on potential gains and losses, suggests that teachers might save less if they underestimate future risks or lack financial education. This perspective is particularly relevant when examining teachers' savings habits, as teachers may prioritize short-term expenditures, such as household needs or education costs for children, over long-term savings goals.

The Institutional Theory of Savings emphasizes the role of institutional structures, such as financial institutions, workplace savings programs, and government policies, in shaping individuals' savings behavior. In the context of college teachers, factors like access to formal banking services, employer-provided retirement benefits, and tax incentives for savings may play a significant role in determining their savings behavior.

2.2. Factors Influencing Savings Behavior

A common determinant of savings behavior is income level. Keynes (1936) noted that higher-income individuals tend to save a larger proportion of their income. He also mentioned 8 motives of saving in his revolutionary book, the general theory of employment, interest, and money: (i) Precaution (Unforeseen contingencies), (ii) Foresight (Future), (iii) Calculation (Interest), (iv) Improvement (Standard of living), (v) Independence (Power to do things), (vi) Enterprise (Speculation business), (vii) Pride (To pass the fortune to the next generation), (viii) Avarice (To spend less). Research suggests that higher-income individuals tend to save more (Carroll & Weil, 1994). Another study suggests that government employees, including college teachers, often have a more predictable and stable income, which may encourage higher savings rates compared to their counterparts in private institutions who may face income variability (Lusardi, 2011).

Job security is a significant factor influencing savings behavior. Government college teachers generally have higher job security, which may lead to a more structured savings plan, particularly for retirement (Feldstein & Liebman, 2002). In contrast, private college teachers might experience greater uncertainty regarding job continuity, which could lead to more immediate consumption behavior and less emphasis on long-term savings.

Institutional factors, such as access to provident funds, pensions, and health benefits, may influence the savings behavior of college teachers. In Bangladesh, government institutions typically offer better financial support systems, which could result in government college teachers being less reliant on personal savings for retirement and emergency needs compared to their private-sector counterparts (Bodie, Kane, & Marcus, 2008; Browning & Lusardi,

1996). Private college teachers, however, may not have access to similar pension schemes, leading to a higher reliance on personal savings for post-retirement financial security.

Lusardi and Mitchell (2007) emphasize that financial literacy plays a vital role in shaping an individual's savings behavior. Teachers with better knowledge of financial planning and investment options are likely to save more efficiently. However, in another study, Lusardi and Mitchell (2014) show that even well-educated individuals, including teachers, may lack the necessary financial knowledge to make optimal savings decisions. This gap in financial literacy could significantly impact the savings behavior of both private and government college teachers, though perhaps in different ways due to varying levels of institutional support and job benefits.

Family responsibilities, such as children's education and medical expenses, can significantly impact the savings behavior of teachers. Research shows that individuals with higher family expenses tend to save less (Deaton, 1992). Another study by Choi, Laibson, and Madrian (2002) suggests that individuals with larger families tend to have lower savings rates due to higher consumption needs. This may affect teachers in both private and government colleges differently, depending on their income levels and family situations. Government college teachers, with more stable incomes, may be better positioned to balance savings and family expenses. The financial obligations of private college teachers, who may earn less than their government counterparts, could further strain their ability to save.

Cultural and social norms influence savings behavior in many societies. In the context of Bangladesh, the extended family structure and social expectations regarding financial support for relatives may impact the ability of teachers to save. Additionally, societal expectations regarding lifestyle, consumption, and investment in children's education can drive spending behaviors that leave little room for savings.

2.3. Comparative Studies on Savings Behavior

Several comparative studies have examined the differences in savings behavior between public and private sector employees. For instance, two different studies in different circumstances found that public sector employees generally save more due to higher job security and access to formal savings mechanisms, such as pensions (Chatterjee, Venkatesh, & Nair, 2017; Loayza, Schmidt-Hebbel, & Servén, 2000). In contrast, private sector employees often face greater financial uncertainty and may have less access to structured savings programs, leading to lower savings rates.

Teachers, as a specific professional group, have been the subject of several studies on savings behavior. A study shows gender can also play a role in savings behavior, with women often saving more cautiously than men due to longer life expectancy and different risk perceptions (Hershey, Jacobs-Lawson, McArdle, & Hamagami, 2007). A study by Lusardi (2011) found that teachers generally have a conservative approach to savings, prioritizing security and long-term financial goals. This conservative approach to savings creates differences between teachers in public and private institutions. Government college teachers tend to have higher savings rates, attributed to more secure incomes and access to retirement benefits, while private college teachers may face more financial pressures and, as a result, save less.

In the Bangladesh context, research on savings behavior has highlighted the importance of income stability, financial literacy, and access to formal banking services. Studies such as Sarker and Hossain (2020) have shown that public sector employees, including teachers, tend to save more than their private-sector counterparts due to better job security and benefits. Additionally, savings behavior in rural areas, such as the Cumilla district, is often shaped by limited access to financial institutions and savings instruments, as well as cultural factors.

Abid and Afridi (2010) conducted a study on the saving habits of urban and rural households in the Muzaffarabad district. They constructed an econometric model for the analysis. According to their data, a household's saving behavior is positively impacted by income and location, whereas it is negatively impacted by family size and educational attainment.

According to a study by Dhayla, Rajesh, and Muthuvel (2018) on the investment preferences and saving habits of government school teachers in Vellore, India, there is a strong correlation between annual salary, age, gender,

married status, education, and saving habit. Based on the survey, it is suggested that as people's living standards rise daily, educators have begun to understand the importance of saving money and making wise investments with it. The report clearly shows that most teachers are saving money for their children's education, their own marriages, and other life aspirations.

According to Nath (2018) the saving behavior is also influenced by other variables like the person's perception about saving, his/her willingness, motivations, and opportunity to save. For example, some of the main motivations of a willing individual are for emergency purposes for health, better education for their children, and a better standard of living in the future, unlike the motivations of the corporate firms, whose sole purpose is to maximize profit through increasing investment. Unny (2002) conducted a study on the savings and investment patterns of teachers in Sirkali Town, Tamilnadu. The purpose of the research paper is to know how the teacher's savings are spread in numerous real financial assets within the study area and the way the respondent's preference of investment changes with the income, age, education, and a few personal backgrounds. The study discovered that the teaching community has begun to recognize the value and significance of money nowadays. To ensure that they are not swayed by other alluring and fashionable expenses, they started by creating a budget plan for the suggested spending and comparing it with the specific expenses they have already covered. The results of the study show that most teachers save money in the form of gold, life insurance, bank deposits, and post office deposits.

Savings, capital formation, and economic growth are connected very closely and work hand in hand. Savings has a favorable impact on development and growth. A nation's growth rate rises in direct proportion to its saving rate. Growth is necessary for economic development and cannot be attained without investment or capital accumulation; saving money through investments is a key component of this process. The study reports more saving promotes greater capital accumulation and, as a result, higher economic growth (Rahman & Hossain, 2015).

Most instructors created budgets and developed plans based on their financial limits. According to a study conducted in the Udaipur district of Rajasthan by Jain and Jain (2012) the reasons for saving range from their children's schooling to their marriage and retirement security. An investigation on the primary factors influencing savings and investment in one of Ghana's most impoverished district capitals was carried out by Issahaku (2011) using a micro-economic methodology. The study found that while having dependents negatively impacts savings, having a higher salary, being more educated, and having a job all positively influence saving.

2.4. Literature Gap

The literature review reveals that savings behavior is a complex phenomenon influenced by a wide range of factors, including income level, job security, access to pension schemes, and financial literacy. Teachers in government and private colleges face distinct financial realities, which are likely to result in differences in their savings behavior. While government college teachers may benefit from higher job security and better access to retirement benefits, private college teachers may face greater financial challenges that hinder their ability to save.

The specific context of Cumilla district, with its unique socio-economic and cultural characteristics, offers a fertile ground for further research on this topic. A comparative study of savings behavior among government and private college teachers in this region will provide valuable insights into the financial decision-making processes of educators and the broader implications for their financial well-being.

3. RESEARCH METHODOLOGY

3.1. Study Area

Cumilla District is the selected geographical area for the present study. It is a representative district of Bangladesh in many aspects. This district is one of the most affluent and industrially advanced in Bangladesh. Money circulation is very high in this district. It is also an important educational hub. There are a ton of industries, educational institutions, and business institutions in this area. An enormous number of renowned colleges and

academic institutions are generating new identification of the area. A huge number of human resources are working in the colleges as teachers. The college teachers in the Cumilla district are treated as the population of the study. There are 21 government colleges, 77 government-aided (Monthly Payment Order (MPO) listed) colleges, 1 cadet college, and numerous private funding colleges. The present study has taken the samples from the college teachers at random. We divided the respondents into two categories: government college teachers, who teach in government-aided colleges, and private college teachers. We collected data from the teachers between January and February 2023 to meet the study's objectives.

3.2. Sample and Sampling

The study used simple random sampling techniques to select sample units. The respondents for this empirical study include only those teachers who have been regularly working in educational institutions (government and private funding). The total sample size of the study is 160, i.e., 80 respondents from each category.

3.3. Data Collection

To conduct the research, primary data were collected through a questionnaire. Both sorts of data, i.e., primary data and secondary data, were utilized in this study. Primary data were collected from the college teachers working in the Cumilla district. At the same time, the secondary data have been collected from various books, journals, records, and websites. A well-structured questionnaire has been developed to collect the primary data.

3.4. Statistical Tools for Data Analysis

The primary data collected from the respondents are analyzed with the help of Statistical Package for Social Sciences (SPSS). Descriptive analysis and econometric analysis have been used to analyze the data.

3.5. Model Specification

A linear regression model is used to analyze the data that were collected from the respondents. The main reason this statistical method is being used in this study is to guess how the dependent variable will change based on some socio-demographic variables that explain it.

$$S_i = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + +\beta_4 X_4 + \beta_5 X_5 + \beta_6 X_6 + \beta_7 X_7 + \beta_8 X_8 + e_i$$

Where, S_i *is anuual savings;* X_1 *is age of the respondent;* X_2 *is family size;* X_3 *is length of service;* X_4 *is family income;* X_5 *educational qualification;* X_6 *is saving frequency;* X_7 *is regularity of savings as dummey veriable;* X_8 *is income from other sources as dummy veriable; and* e_i *is the stocastic error term*

4. FINDINGS AND DISCUSSIONS

4.1. Demographic and Socio-Economic Profile of the Respondent

Socio-demographic characteristics play an important role in the saving and investment behavior. Information regarding this topic includes age, gender, marital status, family size, educational qualification, family monthly income, length of service in the institution, etc.

4.1.1. Age of the Respondents

Age is an important demographic variable in determining savings behavior. The following table shows that the majority of the respondents in the government college teachers are within the age group of 36-40 years, while the majority of the private college teachers are in the 31-35 years age group.

Table 1. Age distribution, Gender and Marital status of the respondents.

Age group	Government college teachers		Private college teachers	
	Respondents	Percentage	Respondents	Percentage
21-30 years	9	11.3	25	31.3
31-35 years	29	36.3	30	37.5
36-40 years	30	37.5	17	21.3
Above 40 years	12	15.0	8	10.0
Total	80	100	80	100
Gender				
Male	55	68.75	57	71.25
Female	25	31.25	23	28.75
Total	80	100	80	100
Marital status				
Married	66	82.5	51	63.75
Unmarried	14	17.5	29	36.25
Total	80	100	80	100

4.1.2. Gender and Marital Status of the Respondents

From the result (Table 1), it is said that males are the majority number of respondents, both for the government (68.75%) and private college teachers (71.25%). It is also noticed that majority number of respondents are married, both for the governments (82.5%) and private college teachers (63.75%).

4.1.3. Family Size of the Respondents

Family size is one of the important demographic variables that influence saving behavior. The Table 2 shows the family size of the respondents. It is seen that 68.3% of the government college teachers reside in a nuclear family, and 53.7% of the Private college teacher's family size is a nuclear family. It is concluded that most of the respondent's family sizes are nuclear families for both of the categories.

Table 2. Family size of the respondents.

Family size	Government (%)	Private (%)
Nuclear family	68.3	53.7
Joint family	38.7	46.3

4.1.4. Number of Earning Members

The number of earning members of a family is an important factor in determining the savings behavior. The number of earning members significantly influences the family's monthly income and the amount of savings. The results reveal that most respondents have only one earner in their family. That means only he/she is the earner, and it is 48.8% for government and 56.3% for private college teachers. The results show that few respondents have more than three earning family members.

4.1.5. Place of Residence

It is concluded that the majority of the respondents live in the urban area, and it is 62.4% for government teachers and 57.5% for the private college teachers. Therefore, the proportion of private college teachers residing in rural areas surpasses that of government teachers.

4.1.6. Educational Qualification

The results said that 83.8% of government college teachers' educational qualifications are post-graduation, while 68.8% of private college teachers have the same.

4.1.7. Length of the Service in this Institution

From the data, it is concluded that the majority of the government college teacher's (43.8%) have a length of service in this institution of between 6-10 years, while the majority of the private college teacher's (57.5%) have a length of service in this institution of less than 5 years. Table 3 presents the findings.

Table 3. Service length of the respondents.

Length of service	Government	Private
Under 5 years	38.8%	57.5%
6-10 years	43.8%	30.0%
11-15 years	13.7%	8.8%
Above 15 years	3.7%	3.8%

4.1.8. Income from another Source

The term "income from other sources" refers to the total income from all sources, excluding the respondents' salaries. Table 4 gives detailed information about the income from other sources among the respondents. A comparatively higher percentage of income from another source exists in private college teachers than in government college teachers. And it is 37.5% for government college teachers and 42.5% for private college teachers.

Table 4. Income from another source of the respondents.

Income from another source	Government	Private
Yes	37.5%	42.5%
No	62.5%	57.5%

4.1.9. Retirement Benefit

It is observed from the survey that government college teachers have a retirement benefit, while private college teachers have no retirement benefit from the government.

4.1.10. Monthly Family Income

Monthly family income means that the total income of the respondent's family includes salary and income from another source. Monthly family income plays an important role in making decisions about saving and investment. It is observed from the table that the majority of the government college teacher's monthly family income is between taka 36,000-40,000, and it is 36.3%, while the majority of the private college teacher's monthly family income is between taka 31,000-35,000.Table 5 shows that the family monthly income of private college teachers is lower than that of government college teachers.

Table 5. Monthly family income of the respondents.

Income group	Government (%)	Private (%)
Below taka 25,000	0.0	17.5
Taka 26,000-30,000	11.3	22.5
Taka 31,000-35,000	30.0	30.0
Taka 36,000-40,000	36.3	16.3
Taka 41,000-45,000	12.5	7.5
Above 45,000	10.0	6.3

4.2. Comparison of Savings Patterns between Government and Private College Teachers

4.2.1. Regularity of Savings

Regularity of savings means whether teachers save regularly or not. The results indicate a high level of regularity in savings among government college teachers, at 72.5%. The regularity of savings among private college teachers

is 63.7%. But the regularity of saving is comparatively low in the case of private college teachers. Figure 1 summarizes the response.

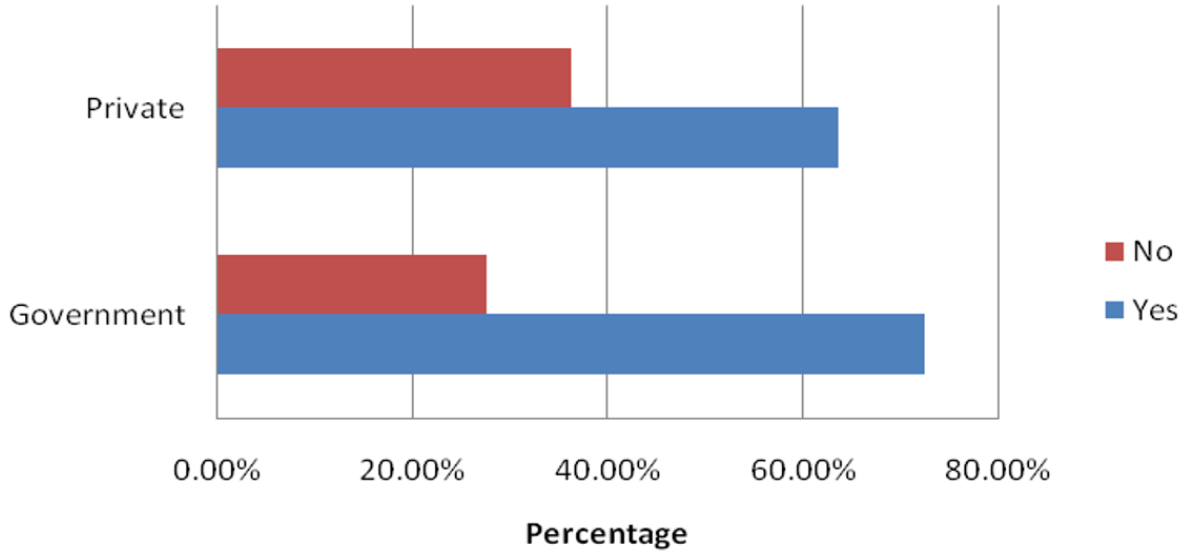

Figure 1. Regularity of savings.

4.2.2. Savings Frequency of the Respondents

From the study it is found that in the case of government college teachers, 55.0% of respondents save money on a 'monthly' basis, and 30% of respondents save 'quarterly,' 10% of respondents save money on a 'half-yearly' basis, and the remaining 5.0% of respondents save money on a 'yearly basis, and it is observed that most of the government college teachers save their income on a monthly basis. It is noticed in the case of private college teachers that 42.5% of respondents save money on a 'monthly' basis, 38.8% of respondents save 'quarterly, 13.8% of respondents save money on a 'half-yearly' basis, and the rest, 5.0% of respondents, save money on a yearly basis, and it is observed that most of the respondents save on a monthly basis, according to private college teachers. Figure 2 reports the findings.

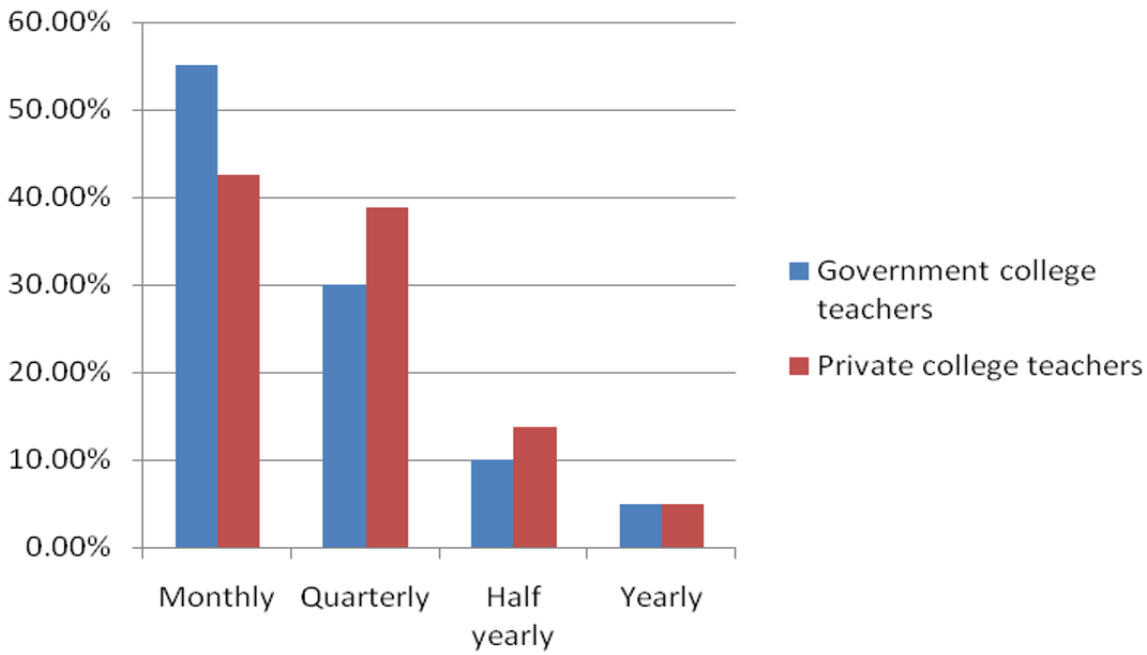

Figure 2. Savings frequency of the respondents.

4.2.3. Nature of Savings

There are two types of savings. There are two types of savings: compulsory and voluntary. The government or institution's rules compel individuals and institutions to invest. One of the popular forms of compulsory saving schemes is the general provident fund. The employee should contribute a minimum percentage of his basic pay to this provident fund account every month. It can be 8%, 10%, or other percentages of his/her basic pay. The Workers in non-government, semi-government, or company settings also contribute to the Employees Provident Fund, a compulsory savings scheme. The study identifies certain major compulsory saving schemes. These are general provident funds, social life insurance, welfare funds, pension schemes, etc. Only teachers at government colleges are subject to compulsory saving. It is obligatory to deposit some amount in this fund. There are no compulsory saving schemes for private college teachers.

4.2.4. Amount of Annual Savings

The two-way table between the nature of the college and the amount of annual savings shows that maximum government college teacher's annual savings between taka 26,000-35,000 accounts for 33.6% of total respondents. The maximum number of private college teachers' annual savings is between Taka 16,000 and 25,000, accounting for 37.5%. Table 6 presents the findings.

Table 6. Amount of annual savings by the teachers.

Savings amount	Government (%)	Private (%)
Below taka 15,000	11.4	21.3
Taka 16000-25000	26.2	37.5
Taka 26000-35000	33.6	30.0
Taka 36000-45000	22.1	8.8
Above Taka 45000	6.7	2.5

4.3. Motives of Savings

People save for a variety of reasons. The study identifies the following reasons: 1) To meet specific purpose, 2) To get tax benefits, 3) To meet unforeseen expenses (Precaution), 4) To have a secured future life (retired life), 5) To get regular interest income (calculation), 6) To increase the standard of living (improvement), 7) Making investments (Enterprise), 8) For children's future and education, 9) To purchase fixed assets like (House, Vehicle, Land), 10) For medical care.

Using Garrett's ranking technique, the most important factor influencing the respondents' saving behavior has been determined. The percent position estimate is translated into scores using Garrett's Table. The total value of score and mean value of score are then computed for each factor by adding the scores of many individuals. It also provided a realistic explanation of the user's preferred saving method (Dhanavandan, 2016).

4.3.1. Motives of Savings for Government College Teachers

From the result, it is concluded that among the 10 factors identified as motives for saving, having a secured future life is in the top priority behind the saving behavior of the government college teachers. Then to meet unforeseen expenses has got second rank by the respondents; to meet specific purpose is in the third position; to increase the standard of living has fourth rank; making investments has fifth rank; to get tax benefits has sixth rank; for children's future and education has seventh rank; to get regular interest income has eighth rank; to purchase fixed assets has ninth rank; and medical care has tenth rank given by the respondents. The result is represented in Figure 3.

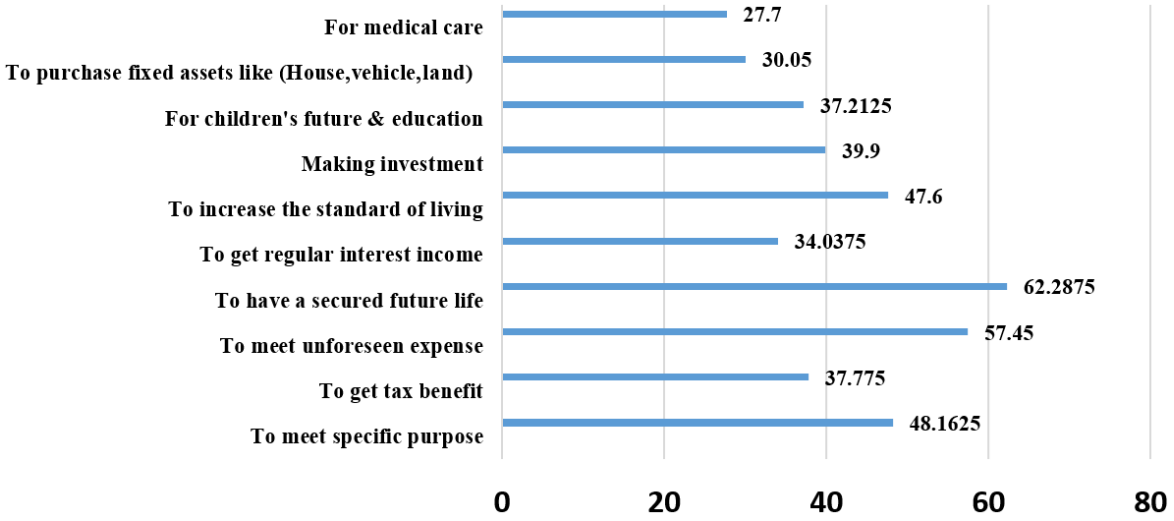

Figure 3. Reasons for saving by the government college teachers.

4.3.2. Motives of Saving by the Private College Teachers

From the result, it is noticed that among the 10 factors or motives of saving, having a secured future life is in the top priority behind the saving reasons by the private college teachers. Then to meet unforeseen expenses has a second rank given by the respondents; for children's future and education, it has a third rank; to increase the standard of living has a fourth rank; to get regular interest income, it has a fifth rank; making investments has a sixth rank; to meet specific purposes, it has a seventh rank; medical care has an eighth rank; to purchase fixed assets, it has a ninth rank; and to get tax benefits, it has a tenth rank given by the respondents. The result is represented in Figure 4.

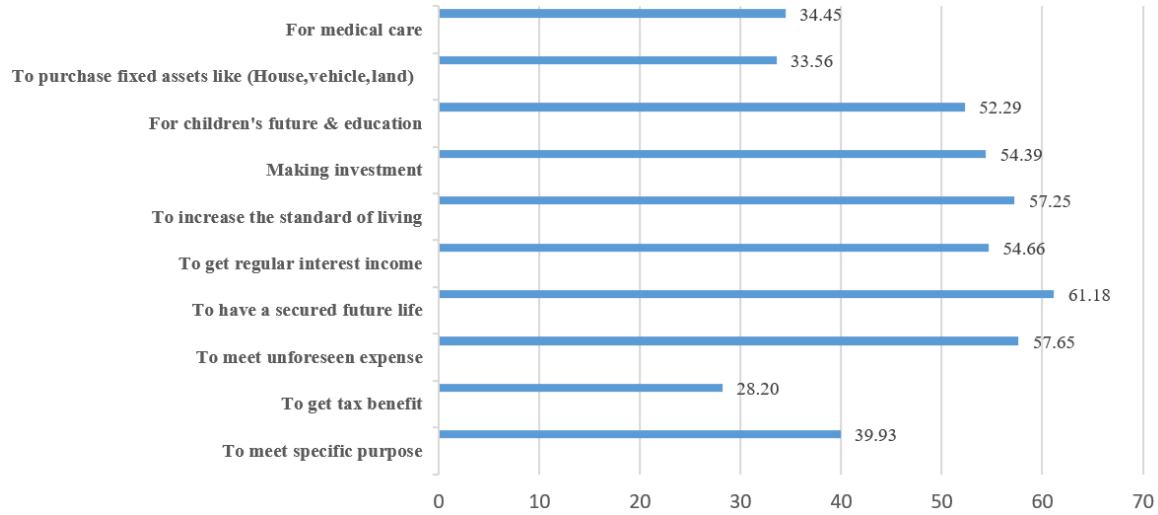

Figure 4. Reasons for saving by the private college teachers.

4.3.3. Comparison between Motives of Savings by the Government and Private College Teachers

From the findings in Table 7, it is concluded that to have a secured future life is the prime motive for both government and private college teachers. Both sectors rank meeting unforeseen expenses as their second top priority. However, the third factor varies depending on the sector. To meet specific purposes is the third prioritized factor for the government sector, but for children's future and education, it is the third factor for private sectors. The private sector ranks increasing the standard of living as its fourth priority. It can also be concluded that private sector salaries are lower than those in the government sector, so private sector employees try to save for the improvement of their standard of living.

Table 7. Comparison of motives of savings.

Reasons behind savings	Government college teachers		Private college teachers	
	Mean score	Rank	Mean score	Rank
To meet specific purpose	48.1625	3	39.83	7
To get a tax benefit	37.775	6	27.30	10
To meet unforeseen expenses	57.45	2	57.71	2
To have a secured future life	62.2875	1	60.88	1
To get regular interest income	34.0375	8	55.33	5
To increase the standard of living	47.6	4	56.79	4
Making an investment	39.9	5	52.89	6
For children's future & education	37.2125	7	57.38	3
To purchase fixed assets like (House, vehicle, land)	30.05	9	33.94	9
For medical care	27.7	10	34.99	8

4.4. Determinants of Savings for Government and Private College Teachers

It is evidenced from the regression findings in Table 8 that there is a positive but insignificant relationship that exists between age and annual savings of the respondents. Like other literature, it is commented that the life cycle hypothesis might not have a strong phenomenon in this sample area.

The family size is negatively associated with annual saving, and it is significant at the 5% level. It can be interpreted as if there is an increase in one family member; it will cause a decline of 0.16 units in savings because the expenditure will increase due to the increase in the family member.

Table 8. Output of multiple regression analysis.

Determinants of savings	Regression coefficients	T-value	Sig.	Tolerance	VIF
Constant	1.985	5.169	0.000		
Age	0.111	0.965	0.338	0.329	3.037
Family size	-0.165	-2.199	0.031	0.780	1.281
Length of the service	0.031	0.280	0.780	0.361	2.774
Family monthly income	0.399	4.227	0.000	0.492	2.032
Educational qualification	0.183	2.217	0.030	0.644	1.552
Length of savings frequency	-0.198	-2.420	0.018	0.654	1.529
Regular saver (Dummy)	0.205	2.598	0.011	0.703	1.423
Income from other source (Dummy)	0.179	2.361	0.021	0.762	1.312
Model summary:					
Model	R-square	Adjusted R-square	F- value	Significance	
1	0 .689	0 .654	19.697	0.000	

The savings positively correlate with the length of the service, but this relationship is not significant. One interpretation suggests that a one-year increase in service length will result in a 3.1% increase in savings. The monthly family income is positively related to the savings, and it is significant at the 1% level. An increase of one unit in the family's monthly income leads to a 39.9% increase in savings. We find a significant positive relationship at the 5% level between the respondents' educational qualifications. Interpretation suggests that an increase of one grade in educational qualification leads to an 18.3% increase in savings. There is a negative correlation between the frequency of savings and annual savings, which becomes significant at the 5% level. If the individual's savings frequency increased, then annual savings will decrease by 0.189 unit. The coefficient of the regular saver dummy is found to be significant at the 5% level. Those who save regularly have a greater amount of savings than those who save irregularly. The estimated coefficient of income from another source dummy is positive and significant at the 5% level, and it is 0.179, which means that those who have income from another source save much more than those who do not have income from another source out of the salary.

From the model, the goodness of fit (R2) value is 0.689, and it means the model can explain a total of 68.9% of variations in the dependent variable; the annual savings is explained by the explanatory variable.

5. CONCLUSION

Every individual saves a part of their income in order to satisfy the future need. The portion of income saved mostly depends upon the income level of the respondents and reasons or motives for savings. It is evident from the study that the college teachers are saving their money for the attainment of different objectives of their lives. The study has identified a sharp difference in the motives of savings between government and private college teachers. The regression results show that the teacher's length of service, their monthly income, and educational qualifications positively and significantly influence savings behavior, whereas family size and savings frequency affect it negatively.

The research findings will contribute to formulating or initiating appropriate policy to induce the savings behavior of the teachers by knowing the motives that contribute more to saving from their income. We suggest conducting further research on a larger scale, encompassing the entire nation, before reaching a consensus on the saving behavior of teachers.

5.1. Policy Implications

Analyzing the research's findings, the following policy implications are suggested:

1. The findings of the study reveal differences in savings behavior between private and government college teachers due to factors such as income levels, job security, and financial literacy. Government authorities, educational institutions, and financial institutions can collaborate to design tailored financial literacy programs aimed at improving teachers' financial awareness.
2. Since private college teachers have lower savings rates due to lower income levels, policymakers could introduce incentive-based savings schemes that provide benefits such as higher interest rates or tax exemptions.
3. Private college teachers are found to save less due to job insecurity, so labor policy reforms could be advocated to provide greater job security or to introduce benefits such as severance packages or unemployment insurance. This could indirectly encourage private college teachers to save more, as they would be more confident about their long-term financial stability.
4. The study findings reveal that private college teachers have lower salaries compared to government counterparts. So, policies could be proposed to review salary structures and ensure fair compensation. A more structured and regulated salary framework could increase their disposable income, allowing for higher savings rates.

5.2. Further Research Recommendations

1. The current study mainly focuses on savings behavior; future research could delve into the investment patterns of college teachers in both private and government institutions. Understanding how teachers allocate their savings—whether in low-risk savings accounts or higher-risk investments such as stocks or real estate—could provide deeper insights into their financial decision-making processes.
2. A time series study might conduct that tracks the savings behavior of college teachers over several years would provide more robust data on how savings patterns evolve with changes in income, family structure, and economic conditions. This could offer valuable insights into how different life stages and macroeconomic factors influence teachers' financial behavior.
3. Further research could focus on the role of financial literacy in shaping the savings behavior of college teachers. A study measuring the financial literacy levels among private and government college teachers and correlating it with their savings patterns could highlight the need for more targeted financial education programs.

4. Another area for further investigation might be the role of digital financial platforms (e.g., mobile banking, online savings apps) in influencing savings behavior. Research could examine whether access to and usage of digital platforms improves savings rates and financial inclusion among teachers, particularly in remote areas of the Cumilla district.

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