

An Analytical Study of Teachers Awareness and Preferences for Tax planning Avenues in Higher Education Institutions

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Abstract - This study looks at teachers' knowledge of and preferences for different tax planning options under the Income Tax Act in Jabalpur's higher education institutions. The study's main goal is to determine the factors influencing teachers' investment and tax-saving preferences as well as their level of tax planning awareness. The study also investigates the connection between tax planning awareness and demographic factors like age, income, education, and teaching experience. The study is based on primary data that was gathered from 33 respondents utilizing a convenient sampling technique and a standardized questionnaire. The respondents' knowledge level and demographic profile were displayed using descriptive statistics like frequency and percentage analysis. Additionally, the association between tax planning awareness and demographic characteristics was investigated using multiple regression analysis. According to the study's findings, teachers have a moderate awareness of tax planning options, and their selections are heavily influenced by factors like age and financial difficulties. The study also shows that although if respondents are aware of typical tax-saving strategies, more financial education and expert advice on efficient tax planning techniques are still required. The study comes to the conclusion that raising teachers' financial literacy and awareness can help them make better investment choices and take advantage of tax-saving options. Policymakers, financial advisors, and educational institutions may find the research helpful in creating awareness campaigns about financial management and tax planning.

Keywords: Tax Planning, Teachers' Awareness, Investment Preference, Higher Education Institutions, Income Tax Act, Financial Literacy.

I.INTRODUCTION

“Don't save what is left after spending; spend what is left after saving”, a very famous and true quote given by Warren Buffet. In accordance with the prevailing, According to the income tax legislation, a person may deduct up to Rs.1,50,000 on some investments under section 80C and outlays like life insurance, tax-saving fixed deposits, NSC, PPF, tuition costs for children, insurance premium paying back a house loan, a Sukanya Samriddhi account, NPS, etc. Additionally, an assesses may claim under section 80D Health insurance premiums are covered up to Rs 25,000. Now The purpose of this research is to understand how much teachers in higher educational institutions know about different tax-saving options and which tax-saving investment methods they prefer to use. The study also aims to examine teachers' interest in investing in schemes that provide tax benefits. Therefore, the current research seeks to determine the variables that influence are regarded as the most crucial considerations before putting money into a certain investment choice. The article also discusses the study also aimed at determining the preferences of teachers of higher educational institutions for their tax-saving investment instruments.

II.OBJECTIVES OF THE STUDY

- To investigate about how aware teachers are of the different tax planning options provided by the Income Tax Act.
- To examine how demographic factors (age, gender, income, qualification, and experience) relate to teachers' awareness of tax planning.

- To determine the primary providers of tax-related information and advice that teachers rely on for tax planning.

III. LITERATURE REVIEW

Amit Kumar Arora and Pradeep Kumar Garg (2019)
In the study “*Awareness and Perception Regarding Tax Saving Instruments among Teachers of Higher Education,*” the researchers examined the awareness level and investment preferences of higher education teachers in the Ghaziabad region. The study found that most teachers preferred traditional tax-saving avenues such as PPF and LIC premiums under Section 80C. Teachers were aware of deductions related to NPS, home loans, and health insurance, and investment decisions were mainly influenced by safety, returns, and tax benefits.

Amit Kumar Arora and Priya Rathi (2018)
The study “*A Study of Awareness and Perception Regarding Tax Saving Options Among Salaried People*” analyzed awareness and investment behavior among salaried employees. The researchers observed that salaried individuals preferred secure and tax-efficient investment avenues. The study highlighted that demographic factors such as income, age, and gender significantly influenced tax planning behavior and awareness.

Yagna Vyas and Vijay R. Gondaliya (2020)
The research “*Tax Planning and Tax Management of Salaried Individuals: A Study of Bardoli Region*” focused on the relationship between demographic variables and tax planning awareness. The findings indicated that educated salaried individuals possessed moderate to high awareness of tax-saving provisions under Sections 80C and 80D. However, many respondents still relied on professional guidance for effective tax planning decisions.

Anshu and Inderjit (2023)
The study “*Awareness on Tax Planning: A Study of Taxpayers in Haryana*” compared awareness levels among employees in public and private sectors. The research concluded that awareness regarding tax planning measures significantly differed across employment sectors and demographic profiles. The study emphasized the need for financial literacy and tax education among salaried taxpayers.

Gurpreet Kaur and Shailinder Sekhon (2022)
The review paper “*Determination of Tax Literacy: A Systematic Review and Conceptual Framework*” introduced the concept of tax literacy and categorized it into basic, advanced, and functional literacy. The study highlighted that awareness and understanding of taxation significantly affect taxpayers’ financial decisions and tax planning efficiency.

IV. RESEARCH GAP

Limited Focus on Teachers in Higher Educational Institutions.

- Most previous studies concentrated on general salaried employees, taxpayers, or mixed occupational groups. Very few studies specifically examined teachers working in higher educational institutions, despite their distinct salary structures, financial behavior, and investment patterns.
- Literature indicates that many salaried individuals rely on tax consultants or financial advisors. However, the extent of dependency among teachers and its impact on independent tax decision-making remains underexplored.

HYPOTHESIS

- (H01) Null Hypothesis:
Teachers do not have significant awareness regarding various tax planning avenues available under the Income Tax Act.
- (H02) Alternative Hypothesis:
Teachers have significant awareness regarding various tax planning avenues available under the Income Tax Act.
- (H03) Null Hypothesis:
There is no significant relationship between demographic factors (age, gender, income, qualification, and experience) and tax planning awareness among teachers.
- (H04) Alternative Hypothesis
There is a significant relationship between demographic factors (age, gender, income, qualification, and experience) and tax planning awareness among teachers.
- (H05) Null Hypothesis:
There is no significant difference in the use of various sources of tax-related information and guidance among teachers.
- (H06) Alternative Hypothesis:

There is a significant difference in the use of various sources of tax-related information and guidance among teachers.

V. RESEARCH METHODOLOGY

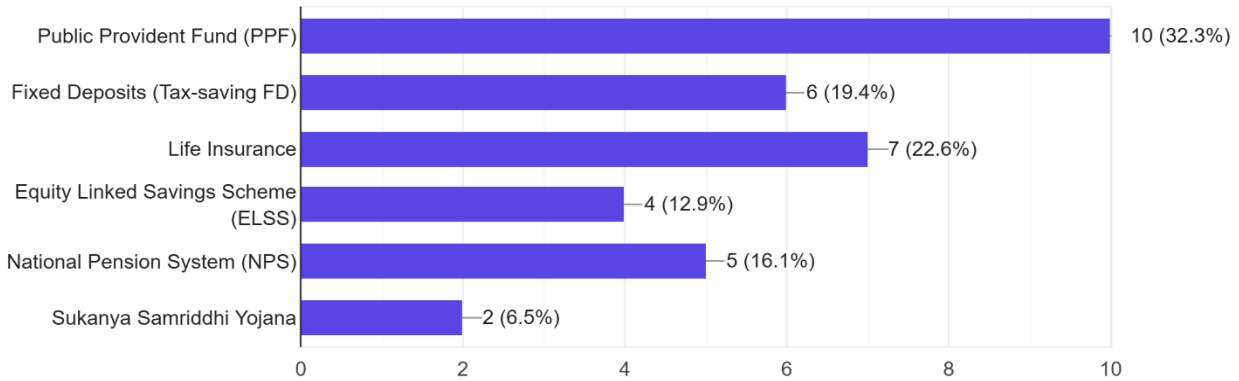
The study focuses on descriptive and analytical research design.

- Descriptive approach helps measure the level of awareness of teachers regarding various tax planning avenues.
- Analytical approach helps examine preferences, relationships, and influencing factors such as income, age, designation, experience, and gender.

VI. COLLECTION OF DATA

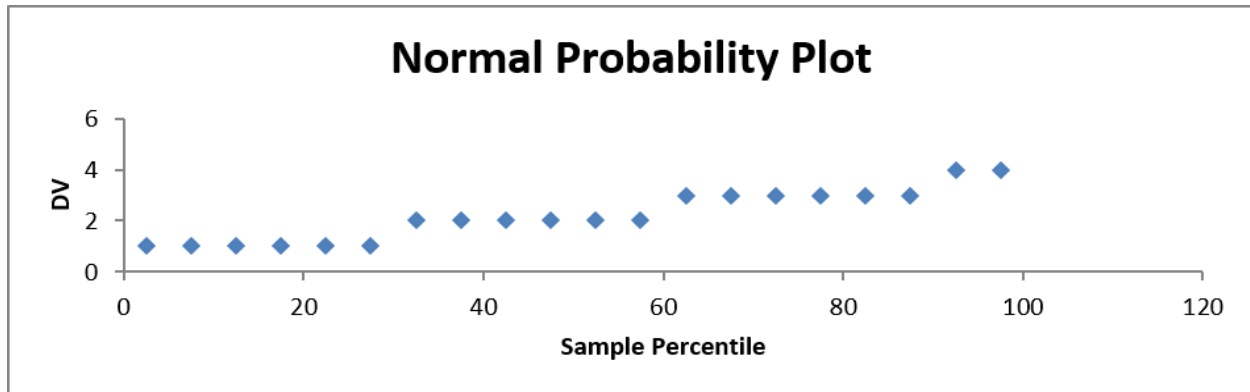
- Data Collection: Primary data collection – Through organized surveys and interviews, data collected from teachers of both private & government colleges.
- Secondary data: Second data was obtained from: Literature Reviews & Reports
- No of Respondents: 33 respondents.
- Area of Study: Jabalpur
- The tools used for analysis are: Multiple Regression Analysis.
- Method- The demographic profile and teacher replies about tax planning awareness, investment opportunities, and sources of tax-related information were presented and summarized using descriptive statistics analysis.

VII. DATA ANALYSIS



- The table shows that respondents mostly prefer safe and government-backed investment instruments, with Public Provident Fund (PPF) being the most popular choice, followed by Life Insurance and Fixed Deposits (Tax-saving FD). In contrast, market-linked options such as Equity Linked Savings Scheme (ELSS) and retirement-focused schemes like National Pension System (NPS) have comparatively lower participation, indicating a conservative investment preference among respondents.

- Multiple Regression Analysis was conducted to examine the teachers awareness and preference for tax planning avenues in higher education Institutions. It indicates that the regression model is not statistically significant since the p-value (0.289) is greater than the 0.05 significance level. Therefore, the null hypothesis is accepted, implying that age, income, awareness, saving type, investment preference, and challenges do not significantly affect the dependent variable in the study.



VIII.LIMITATIONS OF THE STUDY

- The study is limited to a sample of only 33 respondents from commerce and management institutions, which may not adequately represent the broader population of teachers working in higher education.
- Only Jabalpur's higher education institutions were included in the study. As a result, the results cannot be applied to teachers in other cities or areas.
- The study was completed in short span of time, so comprehensive data gathering and in-depth analysis were not possible.
- The results may change if tax laws are amended in the future since income tax restrictions and tax planning options are subject to change.

IX. FINDINGS & SUGGESTIONS

- 1) According to the report, the majority of respondents favour safe and government-backed investment products in order to reduce their taxes.
- 2) The most popular investment option was the Public Provident Fund (PPF), demonstrating a significant preference for safe long-term savings plans.
- 3) Due to investors' preference for low-risk investment options with guaranteed returns, life insurance and fixed deposits (tax-saving FD) were also frequently chosen.
- 4) Participation in market-linked investment products like the Equity Linked Savings Scheme (ELSS) was relatively lower, indicating that respondents did not take many risks.
- 5) According to the regression study, factors including age, income, knowledge, saving type,

investment preference, and obstacles together accounted for 39.1% of the variation in the dependent variable ($R^2 = 0.391$).

6) The chosen independent variables do not significantly affect the dependent variable, as indicated by the total regression model's statistical insignificance ($p = 0.289 > 0.05$).

7) Since all of the p-values were higher than the 0.05 significance level, none of the independent factors separately demonstrated a meaningful impact.

8) Overall, the study shows that respondents have a cautious attitude about investing, with safety, assured returns, and tax advantages being the main determinants of investment choices.

X.CONCLUSIONS

The current study looked at instructors' understanding of and preferences for different tax planning strategies in higher education. The results show that teachers are usually aware of typical tax-saving strategies; nevertheless, the degree of awareness and utilization varies according to financial and demographic parameters such as age, income, investment preferences, and saving habits. The majority of respondents favored conventional, safe tax-saving strategies, suggesting that teaching professionals have a cautious approach to investing.

The study also found that decisions about tax preparation are significantly influenced by awareness. The choice of tax-saving strategies was found to be influenced by variables like perceived benefits, income level, and financial literacy. Effective tax planning among teachers was also found to be hampered by a number of issues, such as a lack of

thorough financial understanding, the complexity of tax laws, and a lack of expert advice.

The results of the regression analysis showed that factors such as age, income, awareness, kind of savings, investment choice, and difficulties were important in explaining the differences in respondents' tax planning practices. This emphasizes how crucial financial literacy and wise decision-making are to enhancing tax planning techniques.

The study's overall findings indicate that although teachers show a modest level of awareness about tax planning options, more financial education, awareness campaigns, and expert assistance are required to help them make better investment and tax-saving choices. To enable educators to take advantage of existing tax planning possibilities for long-term financial stability, educational institutions, financial advisors, and legislators should take steps to encourage financial literacy and simplify tax-related information.

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ANNEXURES: 1) QUESTIONNAIRE

Section A: Basic Information

1)Age group:

- 20- 30
- 30 -40
- 40-50
- 50 & above

2)Employment Category in Private College

- Teaching Faculty
- Administrative Staff
- Technical/Support Staff
- Management/Accounts Staff
- Other: _____

3)Annual income range:

- Below ₹2.5L / ₹2.5L–₹5L / ₹5L–₹10L / Above ₹10L

Section B: Awareness Level

4)Are you aware of tax-saving instruments under Section 80C of Income Tax Act?

- Yes / No

5)Which instruments do you currently invest in?

- Public Provident Fund (PPF)
- Fixed Deposits (Tax-saving FD)
- Life Insurance
- Equity Linked Savings Scheme (ELSS)
- National Pension System (NPS)
- Sukanya Samridhi Yojana

6)How would you rate your overall knowledge of tax-saving instruments?

- Very low / Low / Moderate / High

Section C: Preference (Traditional vs. Modern)
(*Traditional: PPF, FD, Insurance | Modern: ELSS, NPS, market-linked*)

7)Which type of tax-saving instruments do you prefer?

- Traditional / Modern / Both

8)Which instruments do you currently invest in?

9) Why do you prefer traditional instruments?

- a. Safety
- b. Guaranteed returns
- c. Familiarity
- d. Low risk

10) Why do you prefer modern instruments?

- Higher returns
- Market growth
- Flexibility
- Tax efficiency

Section D: Decision Factors

11)What is the most important factor while choosing a tax-saving investment?

Safety / Returns / Liquidity / Tax benefit

12)How important is risk in your decision?

Not important / Somewhat / Very important

13)What is your investment horizon?

Short-term / Medium-term / Long-term