



### A STUDY ON IMPACT OF DIGITALIZATION ON CREATING AWARENESS OF PENSION SCHEME AMONG MUMBAI SUBURBAN CITIZEN

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#### Abstract

*This study is carried out to know the awareness about retirement planning among the individuals of Mumbai suburban city. A total of 78 individuals participated in this study. The objective of this paper is to analyze the literacy level and the factors affecting retirement planning of individuals. The paper also highlights the retirement plan preference of different individuals and impact of digitalization on creating awareness about retirement planning. The results show that there is a difference in the level of awareness according to different age groups. Using survey methodology, we analyzed various factors and pension scheme awareness among individuals.*

**Keywords:** *Urban; Rural; Awareness; Utilisation, Digitalization*

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#### Introduction:

According to the World Health Organization (WHO), between 2015 and 2050, it is expected that the proportion of the world's population aged over 60 will almost double from 12% to 22%. By the year 2042, the proportion of people aged 60 years and above will exceed that of people in the age group of 0-14 years in India. This profound change in the proportion of older Indians, taking place in a context of changing family relationships and limited social support systems, will bring with it a number of social, economic and health care policy

challenges. As the age progresses, these elders are unable to earn a living for themselves and they depend on others for survival. Retirement planning is important and sometimes the only means of support for the elderly. Retirement planning involves identifying various sources, estimating expenses, investing in plans, risk management, etc. Digitalization innovation is a major development affecting the entire financial sector including payment services, banking, funding, insurance, investment, advice and pensions schemes. However, in order to assess the impact of such



measures and take corrective steps in future, it is necessary to have an idea about the extent and level of awareness .behavioral problems of the elderly. The most important applications of digital technologies for the pension sector and focuses on assessing the current and projected impact of digitalization and new technologies on pension scheme. This study was conducted with an aim to assess the awareness about pension schemes in Mumbai Suburban. In this study we focus on the awareness level of individuals about retirement planning as well as role of digitalization in creating awareness and what are the factors that they think influence their investments. There are many factors that act as a hindrance to investment planning, different people have different constraints, so the goal of identifying all those constraints is also to identify the different avenues that individuals can take to invest. and believes that income is best for retirement investing. The scope of this study is limited to only a few parts.

### Review of Literature:

**Kumari 2018** “The research paper titled "Impact of Savings and Investment Behavior of Working Women in Chennai City" studied working women in Chennai city. The objective of the paper was to find out the factors affecting the savings and investment pattern of working salaried class women. It was found that investment choice is influenced not only by income level, education but age is also an important factor in influencing investment decisions.

**Rathod,F (2015)** It concluded that the subscribers for PMJJBY, PMSBY and APY schemes are increasing, however if implemented more properly and benefits are passed on to the actual subscribers,

it would go a long way in establishing a social security system for the larger section of the society. Will go a long way. which remains open.

**Bamboria (2021)** The study also concluded that there are certain factors that affect individuals' retirement planning such as future and present needs of family and health care, with this concluding that our null hypothesis of hypothesis-2 has to be accepted. done, which shows that there is an impact of various factors affecting retirement planning. Many individuals are eligible for government pension schemes and those who are not, prefer safe investment schemes such as bank fixed deposits, life insurance schemes, post office monthly schemes due to higher returns and safety as compared to other investment schemes. Many of them prefer to do self-research when it comes to selecting investment plans. Equity and government bonds are the least preferred investment schemes according to the study.

**Nina Paklina (2018)** Digitalization innovation is a major development affecting the entire financial sector including private pensions. Compared to other areas of the financial sector, such innovation in the private pension sector is still at an early and experimental stage, touching only certain areas of pension service providers' activities as well as their interactions with supervisors. The report highlights that pension supervisory authorities in many jurisdictions, working closely with other stakeholders, accelerate and introduce innovative technologies in the private pension sector, with the aim of improving the quality and access of pension information and pension services,

**Ipsa Mohapatra1, Arup Mahapatra (2019)** The results of the study show that the elderly felt the



need for increased funds to meet their basic needs. Although the level of awareness in the sampled urban and rural populations was almost the same, there was a significant difference in the usage rates; More research is needed on the low use of these measures in rural areas to identify and address the reasons. Media was cited as the most common source of awareness about social security schemes. Only 3.7% of urban and 5.56% of rural population came to know about social security schemes from health workers.

**Devi S. (2021)** The Government of India is highly concerned about the old age income security for the employees dependent on the unorganized sector. Thus the Modi government launched the Atal Pension Yojana to fulfill those objectives. The scheme offers various benefits like guaranteed pension, taxable benefit, pension to the spouse and corpus to the nominee etc. But the problem is that most of the individuals are not aware about the operation of the APY scheme. That's why they haven't joined for this. That's why the government and the banks together try to reach out to the poor people and make the scheme more transparent among them.

### Objectives of the Study:

1. To find out the awareness regarding existing pension schemes among the citizens.
2. To find out challenges faced by utilization of pension schemes.
3. To understand the impact of digitalization in creating awareness pension schemes among the citizens.

### Hypothesis Statements:

H<sub>0</sub>= There is no significant association between gender and awareness of pension schemes.

H<sub>1</sub>= There is significant association between gender and awareness of pension schemes.

### Research Methodology:

#### Type of Research:

Descriptive research design is used where the focus is on survey and fact-finding inquiries through structured questionnaires. The study uses a quantitative research approach because it allows the researcher to examine the relationship between variables.

#### Type and Source of Data:

The present study is based on primary data and secondary data. Primary data was collected by a structured questionnaire. The questionnaire consisted of open and closed ended questions which were related to the objectives set out in the study.

#### Target Population and Sample size:

78 working population targeted for data collection.

#### Sampling method

The sampling technique adopted was a convenience sampling method.

#### Area of study:

This research was done in the suburbs of Mumbai Suburban.

#### Statistical Tools Use:

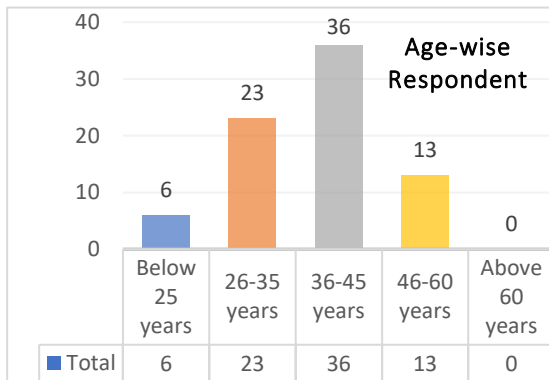
Graphs are used to analyze and interpret data. Chi-square is used to test hypotheses.

#### Data Analysis and Findings of the Study:

The graph shows that 6 respondents were below 25 years of age, 23 respondents were 26- 34 years of age, 36 were 36-45 years of age, and 13 were 46 - 60 years of age.

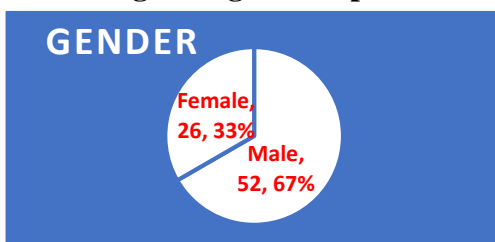


**Fig. 6.1 Age of Respondent**



Source: Primary Data

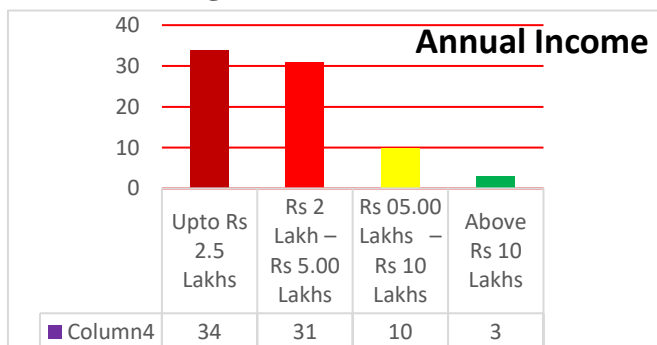
**Fig 6.2 Age of Respondent**



Source: Primary Data

The graph shows that 52 respondents were male and 33 respondents were females.

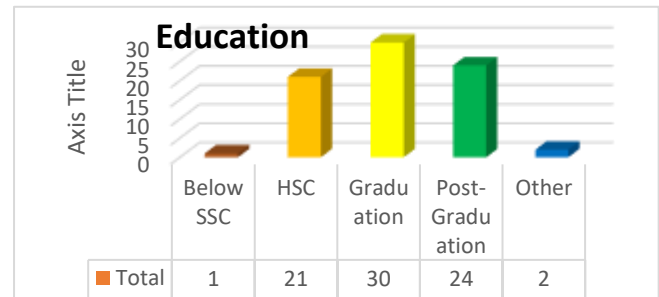
**Fig. 6.3 Annual Income**



Source: Primary Data

The graph states that 34 respondents had income upto 2.5 lakh, 31 respondents had income from 2 lakh to 5 lakhs, 10 respondents had income for 5 lakhs to 10 lakhs , 3 had income above 10 Lakhs.

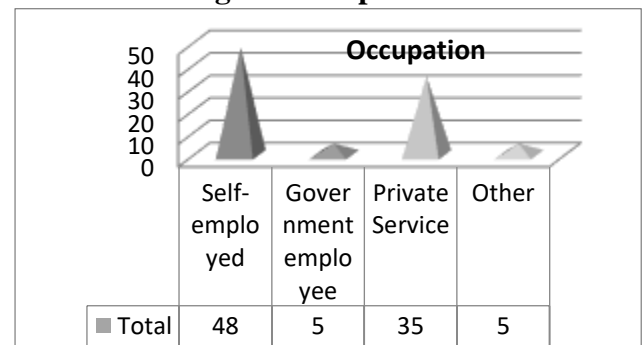
**Fig 6.4 Education**



Source: Primary Data

This graph shows that 1 respondent had studied upto SSC, 21 respondents had studied HSC ,30 respondents are graduated, 24 respondents are post-graduated and 2 respondents had qualifications other than post-graduation.

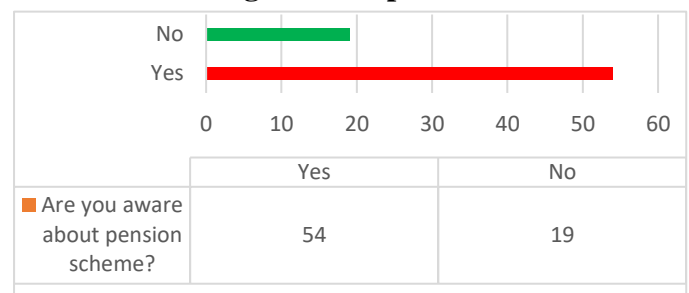
**Fig 6.5 Occupation**



Source: Primary Data

The graph shows that 48 respondents were self-employed ,5 were Government employee ,35 were private service and 5 belonged to other occupations.

**Fig 6.6 Occupation**

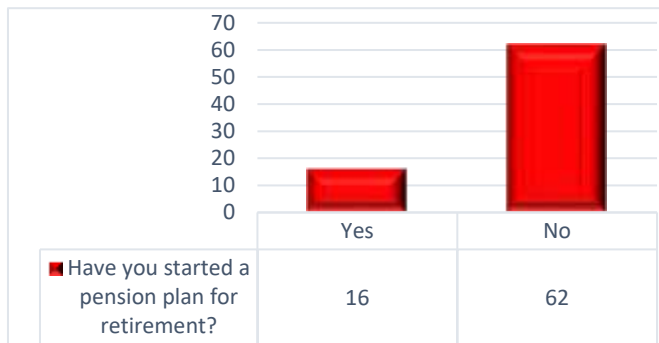


Source: Primary Data



The graph states that 54 respondents aware about pension scheme and 19 respondents unaware about pension scheme.

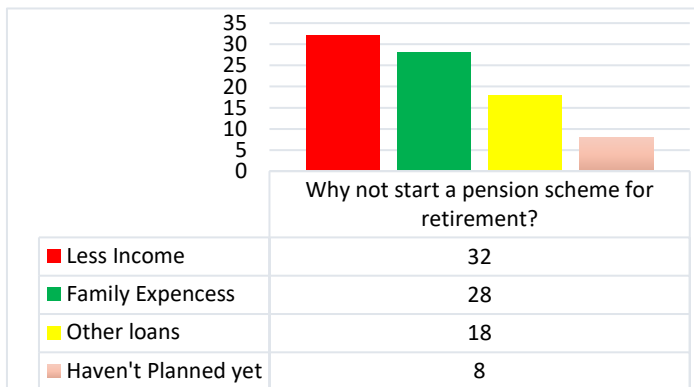
**Fig. 6.7 Have you started a pension plan for retirement?**



Source: Primary Data

Graph states that 16 respondents stated pension schemes and 62 respondents did not start pension schemes.

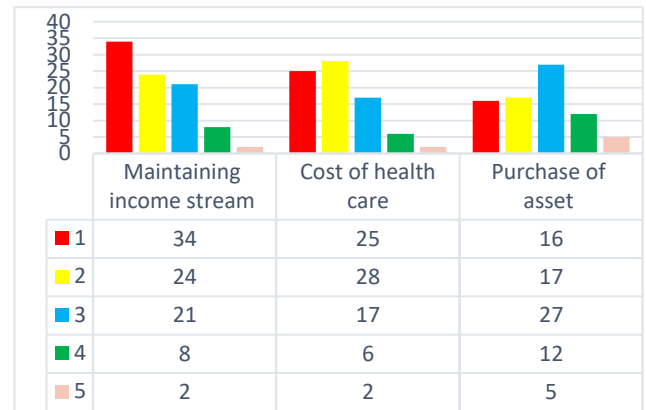
**Fig. 6.8 Why not start a pension scheme for retirement?**



Source: Primary Data

The graph state that 32 respondents not started pension scheme less income, 28 respondents not started pension scheme Family expenses

**Fig 6.9 Which of the following are the factors that affect your retirement planning? (Rate them according to your preference)**



Source: Primary Data

According to the data the major factors that affect the retirement planning of individuals are Present and future needs of family and healthcare.

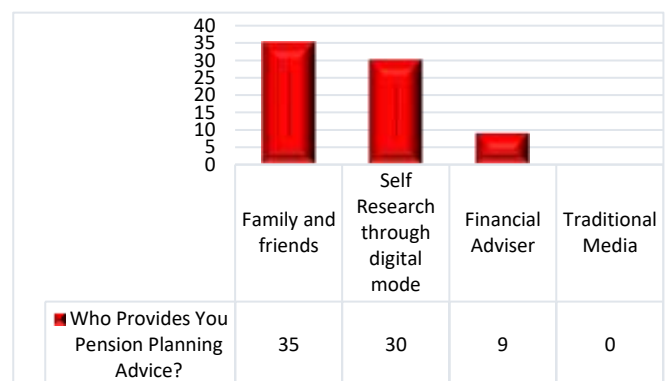
**Fig 6.10 Why do you like the above schemes for retirement investment?**



Source: Primary Data

As per the data, individuals prefer the option for retirement investment as it holds less risk.

**Fig 6.11 Who Provides You Pension Planning Advice?**



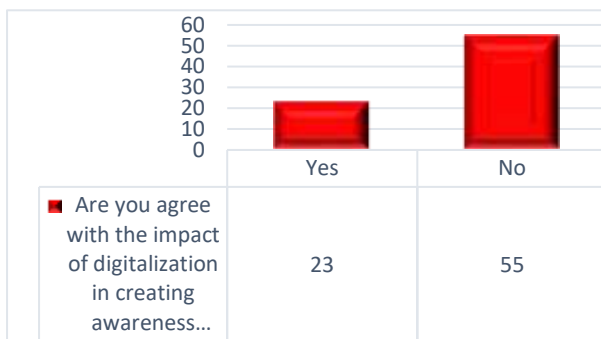
Source: Primary Data



As per the responses majority individuals consult family and friends for pension planning advice.

30 respondents did their self-research with the help of digital mode to study on pension planning schemes.

**Fig 6.12 Are you agree with the impact of digitalization in creating awareness regarding pension schemes**

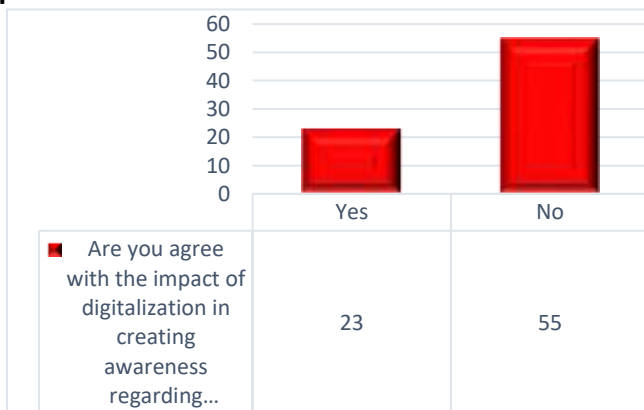


Source: Primary Data

As per the responses majority individuals consult family and friends for pension planning advice.

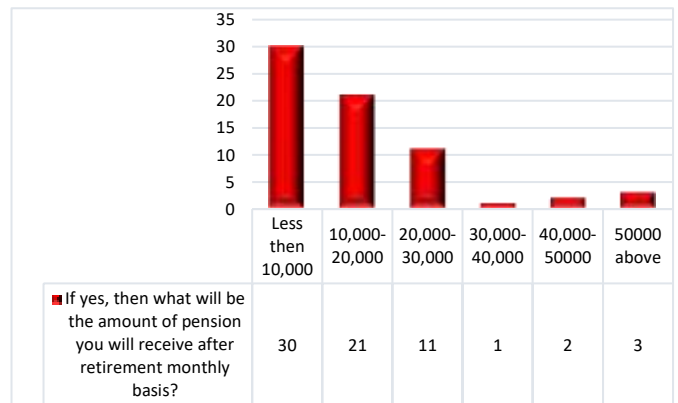
30 respondents did their self-research with the help of digital mode to study on pension planning schemes.

**Fig 6.12 Are you agree with the impact of digitalization in creating awareness regarding pension schemes**



Source: Primary Data

As per data 55 individuals are eligible and ,23 individuals are ineligible for government pension scheme

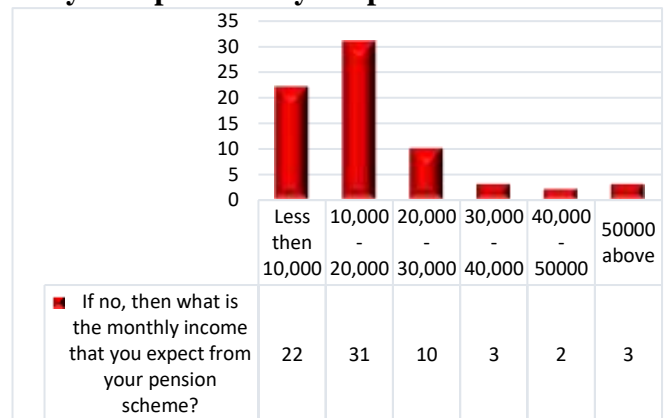


**Fig 6.13 If yes, then what will be the amount of pension you will receive after retirement monthly basis**

Source: Primary Data

As responses,30 individuals will receive a monthly pension of less than 10,000.

**Fig 6.14 If no, then what is the monthly income that you expect from your pension scheme?**



Source: Primary Data

As per data, majority individuals expect to receive a monthly pension between Rs 10,000 to Rs 20,000.

**Fig 6.15 Which of the following you prefer the most to have your retirement investment in?**





Source: Primary Data

As per responses, the majority of respondents prefer to have secured a retirement investment plan.

### Hypothesis Testing:

H<sub>0</sub>= There is no significant association between gender and awareness of pension schemes.

H<sub>1</sub>= There is significant association between gender and awareness of pension schemes.

Avenues of awareness pension schemes in Mumbai suburban

Since, here p-value (Asymp. Sig.) = 0.000 > 0.05, H<sub>0</sub> is accepted, it is concluded that there is no relationship between age and awareness of pension scheme. In other words, we conclude that age has no effect on awareness of pension schemes in Mumbai Suburban.

<u>Chi-square Contingency Table Test for Independence</u>				
		No	Yes	Total
18-25	Observed	<b>2</b>	<b>4</b>	6
	Expected	1.846153846	4.153846154	6
26-35	Observed	<b>9</b>	<b>14</b>	23
	Expected	7.076923077	15.92307692	23
36-45	Observed	<b>12</b>	<b>24</b>	36
	Expected	11.07692308	24.92307692	36
46-59	Observed	1	12	13
	Expected	4	9	13
<b>Total</b>	Observed	24	54	78
	Expected	24	54	78
		0.969613659	<b>chi-square</b>	
		0.247306091	<b>p-value</b>	

### Limitations:

1. A sample size of 78 is a limitation; Findings may have been different with a higher sample size.
2. Sampling unit and area may be a limitation as the objective and frequency may be different in other areas.
3. Answers given by respondents may be biased.

### Conclusion:

Studies show that the awareness about retirement planning is mostly found to be higher among men than among women. Most of them were not eligible for the government pension scheme. Most people expected a monthly pension income of Rs 10,000 to Rs 20,000. This also shows that education and



business do not go hand in hand for retirement planning. This means that the level of awareness varies with age, education, qualification and gender. The study also concluded that there are certain factors that affect the retirement planning of individuals such as future and present needs of family and health care.

Through the present study it also implies that digitalization as definitely played significant role in creating awareness about pension schemes .

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