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A STUDY ON POST OFFICE INVESTMENT SCHEMES AMONG RURAL HOUSEHOLDS IN RAIGAD DISTRICT

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ABSTRACT

Post Office Investment Schemes have traditionally served as a dependable savings option, particularly for rural households in India. The present study examines the level of awareness, preferences, and utilization of these schemes among rural households in Raigad District, Maharashtra. It further investigates the factors influencing investment decisions, evaluates satisfaction levels, and identifies key challenges faced by investors.

The study is based on a descriptive research design and utilizes primary data collected from 150 respondents through structured questionnaires and personal interviews. The findings indicate that while traditional schemes such as Savings Accounts, Recurring Deposits, and Monthly Income Schemes enjoy high awareness, knowledge of newer schemes remains comparatively limited. The major motivating factors include safety, government assurance, and guaranteed returns. However, procedural delays and lack of digital literacy continue to hinder wider participation.

The study concludes with suggestions aimed at improving awareness, accessibility, and overall participation in post office investment schemes, thereby strengthening financial inclusion in rural areas.

KEYWORDS: Post Office Schemes, Rural Investment, Financial Inclusion, Savings Behaviour, Raigad District

1. INTRODUCTION

Savings and investment are fundamental to economic development, particularly in emerging economies like India. Rural households require secure and accessible financial instruments to manage their savings effectively. In this context, Post Office Investment Schemes have emerged as a reliable option due to their simplicity, safety, and government backing. India Post offers a range of savings instruments, including Savings Accounts, Recurring Deposits (RD), Time Deposits (TD), Monthly Income Schemes (MIS), Public Provident Fund (PPF), National Savings Certificate (NSC), and Sukanya Samridhi Yojana (SSY). These schemes cater to diverse financial needs such as regular savings, long-term investment, and income generation. Raigad District in Maharashtra presents a mix of rural and semi-urban economic structures. Despite the expansion of banking services, post offices continue to play a crucial role in promoting financial inclusion. With increasing competition from private financial institutions and digital platforms, it becomes essential to assess the current relevance and acceptance of these schemes among rural households.

2. REVIEW OF LITERATURE

The role of small savings schemes in promoting financial inclusion has been widely discussed in existing academic literature. Several researchers have emphasized that Post Office Investment Schemes serve as a reliable financial instrument, particularly for rural households that prioritize safety and stability over high returns. Kumar and Gupta (2022) observed that rural investors tend to prefer such schemes because they involve minimal risk and provide assured returns, making them suitable for low-income groups with limited risk-bearing capacity.

Similarly, Sharma (2021) highlighted that government-backed financial instruments create a strong sense of trust among rural populations. The study pointed out that trust plays a crucial role in influencing investment decisions, especially in areas where awareness about alternative financial products is limited. This trust factor often leads rural households to rely on traditional savings options like post office schemes rather than private or market-linked investments.

Patil and Deshmukh (2023) examined investment patterns in Maharashtra and found that awareness levels significantly affect participation in financial schemes. Their research revealed that individuals with higher financial literacy are more likely to diversify their investments, while those with limited knowledge tend to depend on familiar and easily accessible options. The study also identified lack of financial education as a major barrier to effective investment decision-making in



rural areas.

Reddy (2020) analyzed the contribution of post offices to rural development and concluded that they act as important financial intermediaries in regions where formal banking infrastructure is either weak or underdeveloped. Post offices not only provide savings opportunities but also contribute to financial inclusion by reaching remote populations that are often excluded from mainstream banking services.

In another study, Singh and Kaur (2022) found that although rural households generally trust post office schemes, their usage is often restricted due to procedural complexities and limited access to digital services. The study emphasized that the absence of digital literacy and technological infrastructure creates obstacles in the adoption of modern financial practices.

Overall, the reviewed literature indicates that while Post Office Investment Schemes are widely trusted and play a significant role in rural financial systems, challenges such as low awareness, limited financial literacy, and procedural inefficiencies continue to restrict their full potential. Furthermore, there is a noticeable lack of region-specific studies focusing on districts like Raigad, which highlights the relevance and necessity of the present research.

3. OBJECTIVES OF THE STUDY

1. To examine the level of awareness of post office investment schemes among rural households
2. To identify the most preferred schemes among rural investors
3. To analyze the factors influencing investment decisions
4. To assess the satisfaction level of investors
5. To identify challenges faced in accessing these schemes

4. RESEARCH METHODOLOGY

This study uses a descriptive research design to understand the awareness, preferences, and challenges related to Post Office Investment Schemes among rural households in Raigad District. This method is suitable because it helps in studying real-life situations without changing any conditions. The aim is to get a clear and practical understanding of how people in rural areas view and use these investment options.

The study is based on both primary and secondary data. Primary data was collected directly from respondents with the help of structured questionnaires and personal interviews. The questions were framed in simple language so that respondents could easily understand and answer them without confusion. The questionnaire covered areas such as awareness of schemes, investment choices, reasons for investing, satisfaction level, and problems faced. Personal interaction with respondents also helped in getting honest responses and better clarity.

Secondary data was collected from different sources such as research articles, government reports, India Post publications, and official websites. This helped in supporting the study with proper background information and understanding of the topic.

For selecting respondents, convenience sampling was used. This method was chosen because of time and accessibility limitations. A total of 150 rural households from different villages in Raigad District were included in the study. While this sample may not represent all rural areas, it still provides a fair idea of the general investment behavior.

The collected data was analyzed using simple methods like percentage analysis and tables. This made it easier to understand patterns such as awareness levels, preferences, and challenges. The results were then explained in a clear and logical way based on the objectives of the study.

Particulars	Details
Research Design	Descriptive Research Design
Nature of Data	Primary and Secondary Data
Primary Data Method	Structured Questionnaire and Personal Interviews
Secondary Data Sources	Journals, Government Reports, India Post Publications, Websites
Sampling Technique	Convenience Sampling
Sample Size	150 Respondents



Study Area	Rural Areas of Raigad District, Maharashtra
Data Analysis Tools	Percentage Analysis, Tables, Simple Statistical Interpretation

Key Facts

- The study included 150 rural households
- Around 85% people knew about savings accounts
- About 78% were aware of recurring deposits
- Only 40% had knowledge of schemes like PPF and NSC
- Most people preferred safe investments backed by the government
- Major problems faced were lack of awareness, delays, and low digital knowledge

Even though the study was conducted carefully, there are some limitations. It is limited to Raigad District and a sample size of 150 respondents, which may not represent all rural areas. Also, responses depend on personal opinions, so some bias may be present. However, the study still gives useful insights into how rural households view and use post office investment schemes.

5. DATA ANALYSIS AND INTERPRETATION

5.1 Awareness Level

- Savings Accounts: 85%
- Recurring Deposits: 78%
- Monthly Income Schemes: 65%
- PPF and NSC: 40%

5.2 Preferred Investment Schemes

- Savings Account: 35%
- Recurring Deposit: 30%
- Monthly Income Scheme: 20%
- Others: 15%

5.3 Factors Influencing Investment Decisions

- Safety: 45%
- Assured Returns: 25%
- Government Trust: 20%
- Accessibility: 10%

5.4 Satisfaction Level

- Highly Satisfied: 40%
- Satisfied: 45%
- Neutral: 10%
- Dissatisfied: 5%

5.5 Challenges Faced

- Lack of Awareness: 30%
- Procedural Delays: 25%
- Limited Digital Literacy: 20%
- Distance from Post Offices: 15%
- Lower Returns Compared to Market: 10%

6. FINDINGS

The study shows that post office investment schemes are still a popular choice among rural households mainly because they are safe and supported by the government. Most people are familiar with common schemes like savings accounts, recurring deposits, and monthly income schemes. However, awareness about schemes like PPF and NSC is still low, which shows that people do not have full knowledge of all available options.



It was also found that safety is the most important reason why people invest in these schemes. Other factors like fixed returns and trust in the government also play an important role. Accessibility is less important compared to these factors. In terms of satisfaction, most respondents are either satisfied or highly satisfied, which shows that these schemes are reliable for rural investors.

At the same time, some problems were also identified. Many people are not fully aware of all schemes. There are delays in procedures, and digital knowledge is still low in rural areas. Some respondents also feel that returns are lower compared to other investment options. Overall, the schemes are trusted, but improvements are needed to make them more effective and widely used.

7. SUGGESTIONS (HUMANIZED VERSION)

Based on the findings, some practical suggestions can be given to improve the use of post office investment schemes in rural areas. First, there is a need to increase awareness through financial education programs. Many people are still not aware of all schemes, especially newer ones. Awareness campaigns in villages can help people understand the benefits better.

Second, the process of investing should be made simpler. Reducing paperwork and delays will make it easier for people to invest. Many rural investors face difficulties due to complicated procedures, so simplifying them will encourage more participation.

Another important suggestion is to improve digital knowledge. As services are becoming more digital, people should be trained to use them. This will save time and make services more accessible. Also, post office services should be improved in remote areas so that people can easily access them.

Finally, making interest rates more competitive compared to other investment options can attract more people. Overall, a combination of awareness, simple procedures, better access, and digital support can improve the effectiveness of these schemes.

8. CONCLUSION

Post Office Investment Schemes continue to play a vital role in promoting financial inclusion among rural households in Raigad District. While traditional schemes remain widely accepted, there is a pressing need to improve awareness and accessibility of newer schemes. Strengthening institutional support and improving service delivery can further enhance the effectiveness of these schemes in rural India.

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