AN ANALYSIS OF INVESTOR'S PERCEPTION TOWARDS

CHILD INVESTMENT PLAN

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PREFACE

Child investment plans are the schemes planned to support the education of students who are financially backward and to ensure fund availability to pay fees in time. This helps to overcome the financial constraints of parents or self that may prevent the young generation to pursue education or higher education. This research analyses the effectiveness of the existing child investment schemes based on availability of funds for fees. Most of the Child Investment Schemes are based on mutual funds, deposits, insurance schemes, education loan etc. But, the fund disbursement is made after the maturity period in multiple installments.

The objective of the research is to study investor perception towards child investment plans and to explore the impact of demographic variables on investment decision-making. The study also aims to identify the factors that influence investment decision-making for child investment plans. A sample of 447 investors was selected for the study, and data was collected using a structured questionnaire. The data was analysed using various statistical tools, including rank analysis, factor analysis, cross-tabulation, and discriminant analysis.

The results of the study indicate that investors consider various factors while making investment decisions for their children, including the reputation of the institution, investment returns, and the level of risk involved. The study also found that demographic variables such as age, income, and education level have a significant impact on investment decision-making. The analysis shows that investors with higher incomes tend to invest more in child investment plans and are more risk-tolerant. Similarly, investors with higher education levels tend to have a more favorable perception of child investment plans.

Overall, the research findings suggest that investors have a positive perception of child investment plans and consider various factors while making investment decisions. The study provides valuable insights for financial institutions offering child investment plans to design effective marketing strategies and attract more investors. It also highlights the importance of considering demographic variables while designing investment products to meet the specific needs and preferences of investors. The choice of courses depends on many factors including quality of education and career opportunities. But the increasing education cost of education at school level and higher education level. But, the fund disbursement of child investment schemes is useful only for higher education. Due to the inability of Child Investment Plans to ensure adequate fund for education compels the parents and students to opt for alternate fund sources like education loans or taking loan from provident fund or sell assets. The policy amount depends on the premium to be paid till the maturity period and the expenses for school education and other living expenses reduces the disposable income and savings. It further reduces the investment schemes.

The awareness development of the child investment is also not promoted effectively. The preference of Child Investment Plan to other schemes is low due to only two reasons: utility of the fund is low and the amount generated is low. It demands a restructuring of the scheme so that the amount spent for education will be directed to CIP and from that, the fees will be paid. The portfolio managers help to increase the value fund through market investment so that return will be maximum. The only difference is changing fund disbursement pattern that the premium payment and the fund disbursement.

✍ *Author(s)*

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