

IMPACT OF CREDIT CARD USAGE; SPECIAL REFERENCE TO TEACHING AND NON-TEACHING FACULTY IN COIMBATORE

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ABSTRACT:

This research explores the credit card usage habits of teaching and non-teaching faculty members in Coimbatore, examining the financial implications and challenges associated with credit card debt. The study aims to identify differences in credit card usage patterns between the two groups and investigate factors contributing to financial stress. The findings will inform strategies for promoting financial literacy and responsible credit card practices among faculty members, ultimately contributing to their financial well-being and stability.

KEY POINTS:

Credit Card, Usage Patterns, Spending Habits, Debt and Financial Stress, Financial Literacy, Comparative Analysis

INTRODUCTION:

The increasing accessibility and convenience of credit cards have led to their widespread adoption among individuals, including faculty members in educational institutions. As a key component of personal finance, credit card usage can significantly impact one's financial stability and security. In the context of faculty members in Coimbatore, understanding their credit card usage patterns and financial habits is crucial for promoting financial literacy and responsible credit card practices.

This introduction sets the stage for the study, highlighting the relevance of credit card usage among teaching and non-teaching faculty and the importance of financial literacy.

STATEMENT OF PROBLEM:

Despite the growing importance of financial literacy, many faculty members in Coimbatore may be vulnerable to financial difficulties due to irresponsible credit card usage. The lack of awareness about credit card management, coupled with increasing expenses and limited financial resources, can lead to debt accumulation, financial stress, and decreased well-being. This study aims to investigate the credit card usage patterns and financial habits of faculty members in Coimbatore, identifying areas of concern and opportunities for promoting financial literacy and responsible credit card practices.

OBJECTIVE:

- ❖ To identify the reason behind the usage of credit cards even though when they have enough money.
- ❖ To identify the burdens faced by them during the payment of interest.
- ❖ To identify the level of awareness of the credit card charges, fees, among the members.

METHODOLOGY:

This chapter deals with the analysis and interpretation of the study of the topic “THE IMPACT OF CREDIT CARD USAGE; SPECIAL REFERENCE TO TEACHING AND NON-TEACHING FACULTY IN COIMBATORE”. Analysis and interpretation in research are essential steps in converting raw data into meaningful insights. Analysis involves systematically disassembling data, finding patterns, and concluding from data. Interpretation, however, is the process of explaining the meaning of these findings within the context of the research questions or hypothesis. They are used together to enable researchers to make informed decisions and clarify the implications of their findings.

The Collected data has been analyzed through following tools:

- Simple Percentage
- Chi-Square
- ANOVA
- T - Test

The population being large, the survey was carried out among 108 people and they will be considered adequate to represent the characteristics of the entire population made by the survey by the convenience of the respondents. The inferences given below in the table are collected from the respondents by their viewpoint.

RESULT:

AGE	FREQUENCY	PERCENT
20-30	42	38.9
31-40	48	44.4
41-50	16	14.8
ABOVE 50	2	1.9
TOTAL	108	100.0
GENDER	FREQUENCY	PERCENT
MALE	62	57.4
FEMALE	46	42.6
TOTAL	108	100.0
OCCUPATION	FREQUENCY	PERCENT
TEACHING FACULTY	52	48.1
NON-TEACHING FACULTY	56	51.9
TOTAL	108	100.0
QUALIFICATION	FREQUENCY	PERCENT
UG	12	11.1
PG	40	37.0
PH.D	46	42.6
OTHER	10	9.3
TOTAL	108	100.0
MONTHLY INCOME	FREQUENCY	PERCENT
BELOW 25,000	24	22.2
25,000-50,000	56	51.9
50,000-75,000	20	18.5
ABOVE 75,000	8	7.4
TOTAL	108	100.0
OWN A CREDIT CARD	FREQUENCY	PERCENT
YES	100	92.6
NO	8	7.4
TOTAL	108	100.0

BANK'S CREDIT CARD	FREQUENCY	PERCENT
HDFC	26	24.1
ICICI	26	24.1
SBI	36	33.3
AXIS	8	7.4
OTHERS	12	11.1
TOTAL	108	100.0
NO.OF CREDIT CARDS	FREQUENCY	PERCENT
1	86	79.6
2	22	20.4
TOTAL	108	100.0
TYPE OF CREDIT CARD	FREQUENCY	PERCENT
BASIC CREDIT CARD	68	63.0
REWARDS/CASHBACK CARD	28	25.9
TRAVEL/MILES CARD	4	3.7
BUSINESS CARD	8	7.4
TOTAL	108	100.0

❖ To identify the reason behind the usage of credit cards even though when they have enough money.

SIGNIFICANT RELATION BETWEEN OCCUPATION AND THE PRIMARY REASON TO USE CREDIT CARD

H0: There is no significant relation between occupation and the primary reason to use credit card

H1: There is significant relation between occupation and the primary reason to use credit card

OCCUPATION * WHATS YOUR PRIMARY REASON FOR USING CREDIT CARD? Crosstabulation						
Count						
		WHAT'S YOUR PRIMARY REASON FOR USING CREDIT CARD?				Tota

		CONVENIENC E	SHOPPIN G	EMERGENC Y	CASHBACK/REWAR DS	1
OCCUPATIO N	TEACHIN G FACULTY	18	16	14	4	52
	NON- TEACHIN G FACULTY	26	16	8	6	56
Total		44	32	22	10	108

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	3.347 ^a	3	.341
Likelihood Ratio	3.374	3	.337
Linear-by-Linear Association	.922	1	.337
N of Valid Cases	108		

a. 1 cells (12.5%) have expected count less than 5. The minimum expected count is 4.81.

(SOURCE: PRIMARY DATA)

INTERPRETATION:

This analysis is conducted to find the relation between occupation and the primary reason to use credit card. From the above table the result of Pearson chi-square test is 3.347 with significant value of 0.341 which is above the threshold of 0.05. As a result it indicates there is no significant relation between occupation and the primary reason to use credit card.

Therefore, the alternative hypothesis is accepted and the null hypothesis is rejected.

❖ To identify the burdens faced by them during the payment of interest.

SIGNIFICANT RELATION BETWEEN OCCUPARTION AND INCURRED ANY LATE PAYMENT FEES OR PENALTIES

Group Statistics					
	OCCUPATION	N	Mean	Std. Deviation	Std. Error Mean
HAVE YOU	TEACHING FACULTY	52	2.3846	.63102	.08751

INCURRED ANY LATE PAYMENT FEES OR PENALTIES?	NON-TEACHING FACULTY	56	2.3214	.71623	.09571
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Independent Samples Test										
		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
HAVE YOU INCURRED ANY LATE PAYMENT FEES OR PENALTIES?	Equal variances assumed	1.157	.284	.485	106	.629	.06319	.13030	-.19514	.32151
	Equal variances not assumed			.487	105.718	.627	.06319	.12968	-.19393	.32031

(SOURCE: PRIMARY DATA)

INTERPRETATION:

It was found that the lowest mean value is 2.321 with standard deviation of 0.716 and the highest mean value is 2.384 with standard deviation of 0.631. The calculated values of t-test are significant at 5% level of significance.

❖ To identify the level of awareness of the credit card charges, fees, among the members.

SIGNIFICANT RELATION BETWEEN MONTHLY INCOME AND LEVEL OF UNDERSTANDING CREDIT CARD INTEREST RATES AND CHARGES

H0: There is no significant relation between monthly income and level of understanding credit card interest rates and charges.

H1: There is significant relation between monthly income and level of understanding credit card interest rates and charges.

Multiple Comparisons

STATE YOUR LEVEL OF UNDDERSTANDING CREDIT CARD INTEREST RATES AND CHARGES?

Tukey HSD

(I) MONTHLY INCOME	(J) MONTHLY INCOME	Mean Difference (I- J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
BELOW 25,000	25,000-50,000	.27381	.23033	.635	-.3276	.8752
	50,000-75,000	-.33333	.28583	.649	-1.0797	.4130
	ABOVE 75,000	.16667	.38541	.973	-.8397	1.1730
25,000-50,000	BELOW 25,000	-.27381	.23033	.635	-.8752	.3276
	50,000-75,000	-.60714	.24592	.071	-1.2493	.0350
	ABOVE 75,000	-.10714	.35682	.991	-1.0388	.8245
50,000-75,000	BELOW 25,000	.33333	.28583	.649	-.4130	1.0797
	25,000-50,000	.60714	.24592	.071	-.0350	1.2493
	ABOVE 75,000	.50000	.39493	.587	-.5312	1.5312
ABOVE 75,000	BELOW 25,000	-.16667	.38541	.973	-1.1730	.8397
	25,000-50,000	.10714	.35682	.991	-.8245	1.0388
	50,000-75,000	-.50000	.39493	.587	-1.5312	.5312

ANOVA

STATE YOUR LEVEL OF UNDDERSTANDING CREDIT CARD INTEREST RATES AND CHARGES?

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	5.717	3	1.906	2.138	.100
Within Groups	92.690	104	.891		
Total	98.407	107			

(SOURCE: PRIMARY DATA)

INTERPRETATION:

The study shows that the significant value of relation between monthly income and level of understanding credit card interest rates and charges is 0.100 which is above the threshold limit of 0.05 and there is no significant relation between monthly income and level of understanding credit card interest rates and charges.

Therefore the alternative hypothesis accepted and null hypothesis is rejected.

FINDINGS:

Age of respondents – The study reveals that Majority 44.4% of the respondents were belongs to the age group between 31-40age.

Gender of respondents – The study reveals that 57.4% of the respondents are Male and is the highest.

Occupation of the respondents – It was found that Majority 51.9% of the respondents belongs to Non-Teaching faculty.

Qualification of the respondents – It was found that, Majority 42.6% of the respondents were belongs to PH.D.

Monthly income of the respondents – The study reveals that Majority 51.9% of the respondents belongs to monthly income of Rs25,000-50,000.

Credit card – The study reveals that 92% of the respondents owns credit card and 7.4% of the respondents does not own a credit card.

What bank's credit card-The study reveals that majority of the respondents use SBI bank credit card with 33.33%.

Number of credit cards owned by respondents- The study reveals that 79.6% is the majority with 1 credit card.

Type of credit card- The study reveals that majority of the respondents use Basic credit card of 63%.

CHI-SQUARE:

- As a result it indicates there is no significant relation between occupation and the primary reason to use credit card. Therefore the alternative hypothesis is accepted and the null hypothesis is rejected.
- As a result it indicates that there is no significant relation between qualification and frequent use of credit card. Therefore the alternative hypothesis is accepted and the null hypothesis is rejected.

- As a result it indicated that there is no significant relation between monthly income and preferred mode of credit card repayment. Therefore the alternative hypothesis is accepted and null hypothesis is rejected.
- There is no significant relation between age and factors influenced to get a credit card. Therefore the alternative hypothesis is accepted and null hypothesis is rejected.
- There is no significant relation between gender and credit cards most beneficial features. Therefore the alternative hypothesis is accepted and null hypothesis is rejected.
- There is no any significant relation between occupation and track the credit card spending. Therefore the alternative hypothesis is accepted and the null hypothesis is rejected.
- Has a significant relation between qualification and handle a financial emergency if the credit card limit is exhausted. Therefore the null hypothesis is accepted and alternative hypothesis is rejected.
- There is no significant relation between monthly income and using credit card affected your lifestyle or spending habits. Therefore the alternative hypothesis is accepted and null hypothesis is rejected.
- There is no significant relation between gender and improvements you like to see in the credit card services. Therefore the alternative hypothesis is accepted and null hypothesis is rejected.

ANNOVA:

- There is no significant relation between gender and credit limit assigned to the card. Therefore the alternative hypothesis is accepted and null hypothesis is rejected.
- There is significant relation between monthly income and difficulty in repaying the credit card dues. Therefore the null hypothesis is accepted and alternative hypothesis is rejected.
- There is no significant relation between qualification and the percentage of monthly income spent on credit card bills. Therefore the alternative hypothesis is accepted and null hypothesis is rejected.
- There is no significant relation between monthly income and level of understanding credit card interest rates and charges. Therefore the alternative hypothesis accepted and null hypothesis is rejected.
- There is no significant relation between age and credit card encourage overspending. Therefore the alternative hypothesis is accepted and null hypothesis is rejected.
- There is no significant relation between qualification and feel pressure to spend more because you own a credit card. Therefore the alternative hypothesis is accepted and null hypothesis is rejected.

T-TEST:

- The highest mean value is 2.384 with standard deviation of 0.631. The calculated values of t-test are significant at 5% level of significance.
- The highest mean value is 2.260 with standard deviation of 0.443. The calculated values of t-test are significant at 5% level of significance.

SIMPLEINTEREST:

- Thus, the highest is 61.1% who has not attended the literacy program.
- Therefore 72.2% majority of the respondents tells us that it is essential to have credit cards in today's life.
- Therefore the highest is that 64.8% has not been a victim of any credit card fraud or unauthorised transactions.
- Therefore the majority of 59.3% respondents says that they will not apply to another credit card in future.

CONCLUSION:

This study's findings offer valuable insights into the credit card usage habits of teaching and non-teaching faculty members in Coimbatore. The results underscore the need for tailored financial literacy programs and responsible credit card practices among this demographic. By acknowledging the complexities of credit card usage, educational institutions and financial organizations can collaborate to develop targeted initiatives promoting financial stability and wellness. Ultimately, this research emphasizes the importance of ongoing financial education and awareness, fostering a culture of responsible financial management among faculty members in Coimbatore.

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