



“A Study On Personal Financial Planning And Saving Behaviour Of Salaried Employees”

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Abstract – This study examines the personal financial planning and saving behaviour of salaried employees, focusing on how individuals manage their income, expenses, investments, and future financial security. The primary objective is to understand the level of financial awareness, saving patterns, and investment preferences among salaried individuals. The study also explores factors influencing financial decisions such as income level, age, education, financial literacy, and risk tolerance. Data for the study is typically collected through structured questionnaires and analyzed using basic statistical tools to identify trends and patterns in saving and investment behaviour. The findings indicate that while most salaried employees recognize the importance of financial planning, many lack a structured approach to budgeting, saving, and investing. A significant portion prefers traditional saving instruments like bank deposits, while awareness and participation in modern investment options such as mutual funds and equity markets remain moderate. The study highlights the need for improving financial literacy and encouraging disciplined financial planning practices among salaried employees. It concludes that effective personal financial planning not only enhances financial security but also helps individuals achieve long-term goals such as retirement planning, wealth creation, and emergency preparedness.

Keyword's- Keywords: Personal Financial Planning, Saving Behaviour, Salaried Employees, Financial Awareness, Investment Preferences, Financial Literacy, Budgeting, Income Management, Risk Tolerance, Wealth Creation, Retirement Planning, Emergency Funds, Mutual Funds, Bank Deposits, Equity Market, Financial Security, Investment Behaviour, Structured Savings, Long-term Financial Goals, Expense Management.

I. INTRODUCTION

Personal financial planning is the process of managing an individual's finances effectively to achieve short-term and long-term financial goals. It involves budgeting, saving, investing, and planning for contingencies such as emergencies, retirement, or major life events. With increasing economic uncertainty and rising living costs, effective financial planning has become essential for salaried employees to secure their financial future.

Salaried employees, being dependent on fixed incomes, face unique challenges in managing their expenses and savings. Understanding their financial behaviour, including saving patterns, investment choices, and risk management strategies, can help in designing better financial advisory services and policies.

This study aims to analyze the saving behaviour and financial planning practices of salaried employees, identifying the factors that influence their decisions and highlighting areas where financial awareness and literacy can be improved.

II. REVIEW OF LITERATURE

Annamaria Lusardi and Olivia S. Mitchell (2020) reaffirmed that financial literacy plays a crucial role in retirement planning and long-term saving decisions,

showing that individuals with higher financial knowledge are more likely to engage in systematic financial planning.

Agarwal and Gupta (2021) examined saving patterns among Indian salaried employees and found that income level, household expenses, and awareness of financial products significantly influence saving behaviour. Their findings indicate that higher disposable income and financial awareness lead to better saving discipline.

Lusardi and Mitchell (2011) found that financial literacy plays an important role in personal financial planning. Employees with better financial knowledge are more likely to save regularly and plan for retirement.

Hilgert, Hogarth and Beverly (2003) stated that households with sound financial knowledge show positive saving behaviour, budgeting habits, and better money management.

Garman and Fogue (2010) observed that salaried employees who prepare budgets and financial plans are more successful in achieving savings goals and financial security.

Joo and Grable (2004) found that income level, financial satisfaction, and planning behaviour strongly influence the saving habits of working individuals.

Peiris (2021) emphasized that financial literacy and structured financial planning positively affect investment



decisions and wealth accumulation among working individuals. The study highlighted that individuals who set clear financial goals tend to invest more confidently and consistently.

Swasdpeera and Pandey (2022) identified income level, financial knowledge, and risk perception as key determinants of personal savings and investment choices. They concluded that risk-averse employees prefer safer saving instruments, while financially informed individuals diversify their investments.

III. RESEARCH METHODOLOGY

The study follows a descriptive research design to examine the personal financial planning and saving behaviour of salaried employees. It focuses on collecting primary data through structured questionnaires and analyzing the patterns, preferences, and awareness levels of respondents.

Sampling Method:

The study used the Convenience Sampling Method. Under this method, salaried employees who were easily available and willing to participate were selected as respondents for collecting data. This method helped in saving time and cost during the research process.

Sample Size:

Sampling method: Convenience sampling Sample size: 100 salaried employees

The sample for the study was selected from salaried employees using a convenient sampling method. Respondents were chosen based on their availability and willingness to participate in the survey. The selected sample represents different age groups, income levels, and employment sectors.

Data collection tools:

- Percentage Method – Used to present responses in percentage form.
- Tables – Used for systematic presentation of data.
- Bar Charts and Pie Charts – Used for graphical representation of findings.

Scope of the study:

- The study focuses on the financial planning and saving behaviour of salaried employees.
- It examines their awareness, saving habits, and investment patterns.
- The study is limited to a specific area and selected respondents.

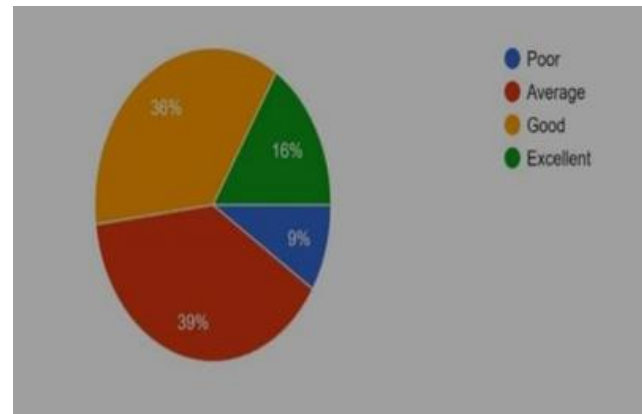
Limitations of the study:

- Small sample size may not give fully accurate results.
- Convenience sampling may create bias in selection.

- Respondents may give false or incomplete answers.

IV. DATA ANALYSIS & INTERPRETATION

1. How would you rate your financial knowledge?

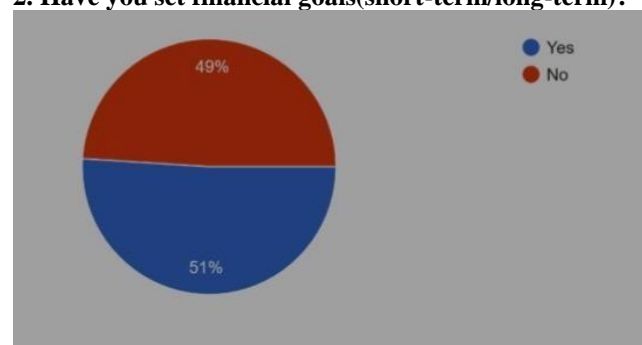


How would you rate your financial knowledge?	No.of people
Poor	9%
Average	39%
Good	36%
Excellent	16%

Interpretation:

The chart shows that 39% of respondents rate their financial knowledge as average, which is the highest group. 36% rate it as good, 16% as excellent, and 9% as poor. This indicates that most respondents believe they have average to good financial knowledge.

2. Have you set financial goals(short-term/long-term)?





Have you set financial goals (short-term/long-term)?	No.of people
Yes	51%
No	49%

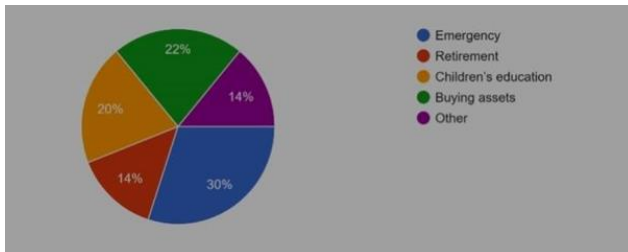
Interpretation:

51% said Yes

49% said No

Many people are still not planning their finances properly, even though it's important for saving and future security.

3. What is your main reason for saving?



What is your main reason for saving?	No.of people
Emergency	30%
Retirement	14%
Children's education	20%
Buying assets	22%
Other	14%

Interpretation:

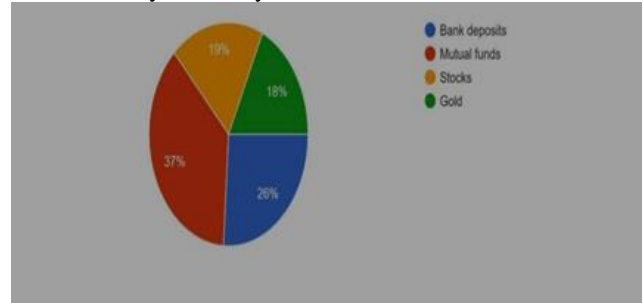
30% save for emergencies (highest) 22% for buying assets

20% for children's education 14% for retirement

14% for other reasons

Most people save money mainly for emergencies, while fewer people focus on retirement or other reasons.

4. Where do you mainly invest?



Where do you mainly invest?	No.of people
Bank deposits	26%
Mutual funds	37%
Stocks	19%
Gold	18%

Interpretation:

37% invest in mutual funds (highest) 26% in bank deposits 19% in stocks

18% in gold

People mostly choose safe and managed investment options like mutual funds and bank deposits while fewer people invest in stocks and gold.

V. CONCLUSION

The study shows that personal financial planning plays an important role in the financial stability of salaried employees. Proper budgeting, regular saving, and wise investment decisions help employees meet future needs and emergencies. Employees with better financial knowledge usually have better saving habits. Therefore, financial planning is necessary for a secure and stress-free life.

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