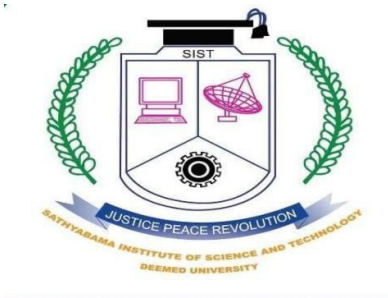


A Study on Financial Planning for Salaried Employees and Strategies for Tax Savings

Submitted in partial fulfillment of the requirements for the award of

MASTER OF BUSINESS ADMINISTRATION



SCHOOL OF BUSINESSADMINISTRATION

SATHYABAMA

**INSTITUTION OF SCIENCE AND TECHNOLOGY
(DEEMED TO BE UNIVERSITY)**

**ACCREDITED WITH GRADE 'A++' WITH NACC 128 BY UCG APPROVED BY AICTE
JEPPIAAR NAGAR, RAJIV GANDHI SALAI, CHENNAI – 600119**

DECEMBER-2024



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Jeppiaar Nagar, Rajiv Gandhi Salai, Chennai – 600 119

www.sathyabama.ac.in

SCHOOL OF BUSINESSADMINISTRATION

BONAFIDE CERTIFICATE

This is to certify that this Project Report is the bonafide work of **D.MADESH 42410237** who carried out the project entitled "**A Study on Financial Planning for Salaried Employees and Strategies for Tax Savings**" under my supervision from January 2022 to March 2022.

Dr.K.Santhanalaxmi

Internal guide

External Guide

Dr. BHUVANESWARI .G

Dean – School of Management Studies

Submitted for Viva voce Examination held on _____

Internal Examiner

External Examiner

DECLARATION

I D.MADESH(42410237) hereby declare that the Project Report entitled “**A Study on Financial Planning for Salaried Employees and Strategies for Tax Savings**” done by me under the guidance of **Dr.K.SANTHANALAXMI** , Associate Professor, Department of Management Studies at SATHYABAMA INSTITUTE OF SCIENCE AND TECHNOLOGY, CHENNAI is submitted in partial fulfillment of the requirements for the award of Master of Business Administration degree.

DATE:

PLACE:

D.MADESH

ACKNOWLEDGEMENT

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I convey my sincere thanks to **Dr. G. Bhuvaneswari, Dean - School of Management Studies** and **Dr. A. Palani, Head - School of Management Studies** for providing me necessary support and details at the right time during the progressive reviews.

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I wish to express my thanks to all Teaching and Non-teaching staff members of the **School of Management Studies** who were helpful in many ways for the completion of the project.

D.MADESH

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CHAPTER -1

1.1 ABSTRACT: A financial plan is something that you create after considering your current income, savings, expenses, future earnings, insurance if any, financial goals and a vision for your future life. You then try to choose savings and investment options accordingly so that you can meet your long-term and short-term financial goals at various stages in your lives. Financial planning is important when it comes to saving taxes. It is imperative for an individual as it helps in maintaining steady savings percentage even when the financial markets are constantly being played between inflation and fluctuation. Tax planning is an essential part of financial planning. Efficient tax planning enables us to reduce our tax liability to the minimum. This is done by legitimately taking advantage of all tax exemptions, deductions rebates and allowances while ensuring that your investments are in line with their long-term goals. The researcher had conducted a survey in order to find out the financial planning as well as for tax saving of the salaried individuals. The survey was done within the region of Chennai for the period of 2 months (1st jan 2022 to 31st march, 2022). The purpose of the study is also to find out the most suitable and popular tax saving instrument used to save tax and also to examine the amount saved by using that instrument.

Key words: Financial planning, tax planning, tax saving instruments.

1.2 INTRODUCTION: Financial Planning is the process of meeting life goals through the proper management of finances. Financial planning is a process that a person goes through to find out where they are now (financially), determine where they want to be in the future, and what they are going to do to get there. Financial Planning provides direction and meaning to persons financial decisions. It allows understanding of how each financial decision a person makes affects other areas of their finances. For example, buying a particular investment product might help to pay off mortgage faster or it might delay the retirement significantly. By viewing each financial decision as part of the whole, one can consider its short and long-term effects on their life goals. Person can also adapt more easily to life changes and feel more secure that their goals are on track.

1.2.1 Income tax law:

The law of income tax is contained in income tax Act-1961. Applicable to all assessed whether individual, firm, HUF, Company, Cooperative society, etc. Salaried Employees come under the category of individual. Public Sector employees pay the maximum tax. Tax Management includes tax planning but does not include tax avoidance and tax evasion.

1.2.2 Tax Management:

Tax Management implies the use of legitimate tax shelters: deductions, exemptions and allowances to reduce tax liability. Noteworthy in the above stated definition is the key word “legitimate”. It also includes Filing of tax return timely and properly. Every taxpayer can, with some thought, care and study, legitimately reduce his tax burden.

1.2.3 Basic Concepts of Income-tax:

Income of Previous year is chargeable to tax in the immediately following assessment year. There are 5 main heads of Income: Salary, House Property, Profits/Gains of Business/Profession, Capital Gains, other Sources.

1.2.4 Income from Salaries:

Taxable either on due or on receipt basis. - Basic Pay, DA, Bonus, are fully taxable. HRA, Transport Allowance, Children education allowance are partly taxable. Perquisites are the benefits in cash or in kind attached to an office or position in addition to salary or wages. It includes rent-free or concessional rate accommodation, motor car, gas, electricity, water, etc.

1.3 NEED OF THE STUDY:

The Study is about to find various strategies are available for tax savings and to achieve long and short term financial goals through financial planning. It intend to study the pattern in which employees allocates their savings in tax strategies.

1.4 STATEMENT OF THE PROBLEM:

All the relevant information for the study has been obtained from the representative samples of the salaried section and without referring to any records. As the study is for current and also a short period, those data seen to be reliable.

1.5 OBJECTIVES OF THE STUDY:

Primary objective:

- To spread awareness about financial planning among the working-class people
- To understand the saving-investment behaviour of the salaried employees

Secondary Objective:

- To gain knowledge about the various investment avenues keeping in mind the significance of tax saving
- To understand how savings can be increased for the future using different instruments
- To find out the most suitable investment instrument for salaried investors □ To examine the amount saved by using that instrument.

1.6 SCOPE OF STUDY:

- The scope of study is getting familiar with various investment avenues available in market. To study the life stages of an individual and to identify their risk tolerance, income flow, life goals and current investment. Study should cover all areas of the individual's financial needs and should result in the achievement of each of the individual's goals.
- The scope of planning will include the following:

Risk management and Insurance Planning, Investment Planning, Retirement Planning, Tax Planning.

1.7 LIMITATIONS OF THE STUDY:

- Reluctances of the respondents to provide information can affect the validity of the responses.
- The lack of knowledge of the respondents about the financial instruments can be a major limitation.
- The information can be biased due to use of questionnaire.
- The study was conducted for 2 months i.e. from 1st Jan 2022 to 31st March 2022. □ The survey was conducted digitally, hence there was lack of physical presence from both ends.

1.8 CHAPTER FRAME WORK:

CHAPTER 1: INTRODUCTION-

This chapter consists of Study on Financial Planning, introduction, need of the study, statement of the problem, objectives of the study, scope of the study, Limitations of the study.

CHAPTER 2: REVIEW OF LITERATURE-

This chapter consists of research paper of authors who had been conducted the research A Study on Financial Planning for Salaried Employees and Strategies for Tax Savings.

CHAPTER 3: RESEARCH METHODOLOGY-

This chapter consists of research design, source of data, sampling technique, structure of questionnaires, sample size, period of the study, statistical tools and hypothesis of study.

CHAPTER 4: DATA ANALYSIS-

This chapter consists of analysis which is collected through questionnaire and chi square and anova test used as tools to analyses the study.

CHAPTER 5: FINDINGS, SUGGESTIONS AND CONCLUSION-

This chapter consists of findings, suggestions and conclusion of the study.

CHAPTER 2

REVIEW OF LITERATURE

A literature review is a body of text that aims to review the critical points of current knowledge on a particular topic.

Bitto Benny (2018) “A Study on Tax Awareness and Planning Measures Adopted by the

Salaried Class in Bangalore City”The economy of India is a developing mixed economy. It is the world’s sixth largest economy by nominal GDP and the third largest by purchasing power parity. The salaried employees constitute a stable class of tax payers who contribute to the public exchequer about 12 percent of the total revenue collection by the way of income tax. Tax planning has assumed special importance for salaried class of tax payers in view of the mounting pressures of inflation, price hike and their and strict obligation for tax compliance.

Blessy A. & Varghese (2019) “A Study on Tax Planning Measures Adopted by Salaried

Class with Special Reference to Chengannur Municipality, Alappuzha District”The economy of India is a developing mixed economy. It is the world’s sixth largest economy by nominal GDP and the third largest by purchasing power parity.

Dr. Sebastian .T. Joseph (2017) “A Comprehensive Study among the Working Women towards the Awareness of Tax Saving Schemes in Allahabad”Government has to play an important role in all round development of society and country as a whole. Tax constitutes the main source of finance whereby government raises revenues for public spending.

Myron S. Scholes, G.Peter Wilson, Mark A. Woolfson (1990) “Taxing Planning,

Regulatory capital Planning and Financial Reporting Strategy for Commercial Banks”We test whether banks' investment and financing policies can be explained by tax status. We document changes in bank holdings of municipal bonds in response to changes in tax rules relating to deductibility of interest expense. We also document an association between banks' marginal tax rates and their investment and financing decisions, which is consistent with the existence of tax clienteles.

Kumaraswamy&DivakarVelya M, (2020)“Tax Planning – An Analysis on Housing

Loans”Housing loans, for sure, makes it possible to an individual to own a house. A gradual increase over the times in the associated costs of real estate makes a housing loan lasts for decades. As every Government’s priority is to provide shelter to all its citizens; on the other hand, it is reducing housing loan borrowers tax burden through several Income Tax provisions. This paper focuses on these issues in every possible dimension.

BharathrajShetty& M. MuthuGopalakrishnan (2013) “An Analysis of Investors Attitude towards Various Tax Saving Schemes”The objective of the study is to study investor’s preference towards various tax saving schemes (under various sections of Income Tax, Act 1961). The tax saving schemes in which investors have invested, to identify patterns of investment in tax saving

schemes. Data required to identify the historical growth of investment in different tax saving schemes.

Krishnamurthy (2015) “Investment Pattern and Awareness of Salaried Class Investors in

Tiruvannamalai District of Tamilnadu”The results also highlight that certain factors like education level, age of investors, number of family members etc make significant impact while deciding on the avenues for investment. The present study is based on primary sources of data which are collected by distribution of a close ended questionnaire. The data has been analyzed using chi-square test. The research shows that majority of the respondents are saving money as Bank deposits for the safety of predictable future.

RiniHastuti (2014)“Tax Awareness and Tax Education: A Perception of Potential

Taxpayers”Self assessment system requires tax payers to have full understanding of tax rules. Students of high education are perceived as potential tax payers since in the future they will earn revenues that are subjected to taxes. Based on previous research, having full understanding of tax is proved to drive tax evasion; hence tax education becomes a key.

Saravanan, MuthuLakshmi (2017) “Tax Saving Scheme and Tax Saving Instruments of

Income Tax in India”To study the planning of individual income tax and tax saving instruments of individual income tax.By doing so they can plan in advance about their Tax savings instrument. Tax planning is an essential part of our financial planning. The purpose of the study is to find out the most suitable and popular tax saving scheme and tax saving instrument used to save tax and also to examine the amount saved by using that instrument

Jon Gruber, Emmanuel Saez (2002) “The elasticity of taxable income: evidence and implications”A central taxpolicyparameter that has recently received much attention, but about which there is substantial uncertainty, is the overall elasticity of taxable income. The elasticity of real income, not including tax preferences, is much lower. We also estimate small income effects on tax changes on reported income, implying that the compensated and uncompensated elasticities of taxable income are very similar.

Kaushik Rajiv(2012), In his article “Assessment of Individual Income Tax, Tax Planning and Saving in India, suggested that Any individual who want to assess his/her income tax and want to do tax planning and savings, first he/she has to calculate his/her total income then compute the income tax by deduction and adjustment in total income as per tax table structure. If tax is paid in access then get refund from the income tax department. Finally do the tax audit.

Chawla Chanchal, Jain Vipin , Joshi Anand and Gupta Vinayak(2013) in their study “A Study of Satisfaction Level & Awareness of Tax-payers towards E-filing of Income Tax

Return – with Reference to Moradabad City” shows that the existing users are satisfied with the e-filing facilities but most of the individual tax payers are not aware of the e-filing procedures so sufficient steps are required to create more awareness in the minds of tax payers regarding e-filing of income tax.

Matthias Wrede (2014) has found that tax planning has increased the fair tax rate in Germany. The study identified that families with prosocial motives should be taxed less than those without prosocial motives. The study proved that taxation should not prevent individuals with the joy-of-giving motives from contributing substantially more to the social good than individuals who do not share these motives.

Manjunath (2015) has identified that bank deposit was a preferred investment avenue for salaried class investors followed by insurance, post office saving schemes, real estate and mutual funds. Only meagre percent of the salaried class investors preferred to invest in shares and bonds due to the risk associated with them. Hence, salaried class investors have preferred to invest in the long-term investments with the objective of retirement life, children’s marriage, children’s higher education and stable return. The study also examined that majority of the male investors have possessed more awareness about the investment avenues with tax benefits.

Neha (2016) has examined the preference of salaried personnel towards investment avenues. The study identified that most of the salaried personnel followed the investment advice of friends and relatives. Hence, the study found that the preferred investment avenues of salaried personnel were fixed deposit, gold and silver. The study also identified that the purpose of investment made by the salaried personnel was purchasing a home and for long-term growth.

Nicoletta Marinelli et al. (2017) have studied the role of gender in the investment behaviour in Italy. The study identified that among the socio-demographic and economic variables, gender has played a significant role in the investment decision process, risk preferences and portfolio characteristics. The study also found out that gender did not affect the quality of portfolios.

Choose the best option: When you plan ahead, you get time to choose an investment scheme that will suit your needs and financial condition – how much risk you can take, your cash requirements, for how long you can invest etc. It will help you arrive at the best decision.

Helps in avoiding last minute aggravations and blunders: When you are rushing making investments, it may lead to unforeseen investment errors. You might not have enough time to perform due diligence before making an investment decision.

Plan the schedule for investment payments through the year: When you begin the investment

procedure early in the year, it gives you flexibility for planning payments during the course of the year.

Geethu Gopi and Priyanka (2018) were of the opinion that investment is an activity confined to specific financial aims of investors. The study attempts to understand the investment preference of salaried group of people working in the private sector in shipping industries. The findings suggest that most of the employee's savings are directed to their personal expenses like children's education and marriage.

Arora Monika (Research Scholar, 2019) research paper is related with sensitive and personal financial aspects of individual income tax assesses. The researcher to undertaken an empirical research on the topic to identify the factors that influence the individual assesses to invest in tax saving schemes and scope for further investment. Depending upon their risk appetite, an increase has been witnessed in number of investment avenues available for investors.

Neha Agarwal, (2020) state that tax planning is an essential part of our financial planning. The main purpose of the study is to find out regarding the awareness and alternatives of the tax planning

Bindabel and Hamza, (2021) state that the main objectives of the study was to find out the relationship between savings and investment pattern and orientation towards finance among the working women at the universities of Saudi Arabia. Orientation towards finance, (ORTOFIN) is ones attitude towards effectively managing

Dr.N.Sravathi and L.Anitha, (2021) have analysed the awareness of tax saving schemes among salaried employees. The study identified that majority of the respondents were aware of recognized provident fund because it is deducted directly from the salary.the study suggested that the individuals expecting an increase in the amount of deductions under u/s 80C.

Antu Thomas, (2021) did a study on awareness levels of salaried individuals about tax planning. He found that salaried individuals do not know are facing E-filing problems. They suggest that e-filing should be popularized. He also felt that different employee suggests that tax rate should be lowered.

R.Yuvaraj (2022) have analysed a study on financial planning for salaried employees and strategies for tax savings. The study reveals that most of the salaried employees are not aware about the benefits of tax saving investments like ULIPS, NPS and NSC, Life insurance, health insurance as well as PPF are the popular investment options. The study provide the suggestion is identify what you needs, wants and savings.

Jyoti Sing, Divyesh Solanki and Sonakshi Sharma (2023) have analysed a study on financial planning for salaried employee and strategies for tax saving. The study reveals that majority of the respondents prefer regular return plan as a choice for their future. The study concluded there is differentiation in income tax act 1961 among male and female both, residents of different geographic demographics are treated as equal.

Savita and Lokesh Gautam (2013), Tax Planning: A study of Tax Saving Instruments, International Journal of Management and Social Sciences Research (IJMSSR), The paper studied the options for investments for tax savings, the object of the study was to find the most popular form of investment for tax savings. It was observed that investment by way of premium paid for life insurance policy, followed by provident fund contribution and fixed deposits savings were the most

popular forms of investment. The other forms of investment followed. The paper also revealed that the savings for tax purpose was the maximum in age group 50-60 and least in age group 20-30. It also states that as income increase the investment for tax saving increases. If the income is between Rs.5 lakhs to Rs.10 lakhs investment is Rs.70,000 to Rs.90,000

According to Vasagadekar (2014), due to poor level of awareness among working women they make poor portfolio investment decisions. The respondents in the study were financial illiterates.

Umamaheswari and Ashok kumar (2014), tried to explore the investment attitude of the salaried class towards investments and the results presented limited awareness about the investment avenues, hence suggests creation of awareness among the respondents

Bhardwaj Sharma (2013), aimed at analyzing the investment behavior of the employees of Bahra University, Solan District. It was found that the teaching fraternity is mostly unaware about the investment opportunities in stock market and other financial securities and they preferred to invest in bank deposits.

Achar (2012), analyzed saving and investment behavior of teachers. The factors that determined the investment behavior of teaching community were age, gender, marital status, lifestyle, monthly family income, and family life cycle stage and upbringing status of individuals.

Geetha and Ramesh (2011), state that there are a lot of investment choices and one must select the most appropriate one. The person dealing with the planning must know all the various choices and how these can be chosen for attaining the overall objectives.

Bhushan and Medury (2013), states that gender differences in investment behavior have been reported by various studies. Women are more conservative while investing and are unwilling to take risk.

GS Sumesh, Awareness and perceptions regarding tax planning options among salaried people (2020). To avail of these benefits, one should have good knowledge and awareness in both the Income Tax act and the annual finance budget of union ministry. Under this circumstance, an attempt is made to measure the level of awareness and perception towards tax planning schemes among salaried employees. For this study, responses are collected from salaried employees in Kottayam taluk and their responses are analyzed and presented by using different statistical tools to make a conclusion

CHAPTER- 3 RESEARCH METHODOLOGY

3.1 RESEARCH DESIGN:

The research design of this project is descriptive design. The method of research used here is a simple survey created using google forms. The research is conducted to analyze the a study on financial planning for salaried employees.

3.2 SOURCE OF DATA:

3.2.1 Primary data:

The data collection made in this project is done through a questionnaire. The primary data has collected through well framed questionnaires from employees.

3.2.2 Secondary data:

The secondary data were collected from websites, articles and online journals.

3.3 SAMPLING TECHNIQUE:

The sampling technique used here is convenience sampling where the survey is entirely based on availability and willingness of the participants to take part in the survey conducted. The participant is not forced to take up the survey and it is entirely based on their willingness to contribute to the survey consist of a pre- determined question and options where the participants are asked to choose from the given options to answer for the given question.

3.4 STRUCTURE OF THE QUESTIONNAIRE:

Questionnaire was divided into two sections. First part contains general information and the second part contains questions related to “A Study on Financial Planning for Salaried Employees and Strategies for Tax Savings” questionnaire was prepared by using Linkert scale.

3.5 SAMPLE SIZE:

The sample size for the project had a target of 100-120 participants. The fixed of the sampling size has been achieved as the total number of respondents for the survey questionnaire was 120. Total of 120 respondents helped the project to analyze more responses and it helped to derive a conclusion regarding “A Study on Financial Planning for Salaried Employees and Strategies for Tax Savings”

3.6 PERIOD OF STUDY:

This is one time research where the research is conducted only for one time and that the

project is based on the responses derived from a definition period of time. The period of study for the project was about to 10 days. The entire project is based on the responses collected from the 190 participants in 10-day time period.

3.7 HYPOTHESES/ANALYTICAL TOOLS:

The following are a set of imaginary questions framed in order to conduct hypothesis tested using chi square test and Correlation. These questions are framed in form of quantitative data as the survey was of qualitative data.

CHAPTER - 4

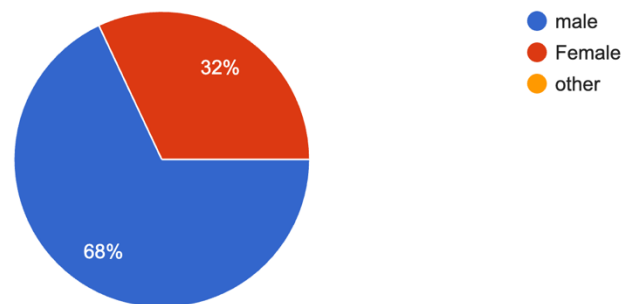
DATA ANALYSIS AND INTERPRETATION

4.1: Gender wise classification of respondents

Gender	No. of respondents	Percentage %
Female	18	32%
Male	32	68%
Total	50	100%

2.GENDER

50 responses



INTERPRETATION:

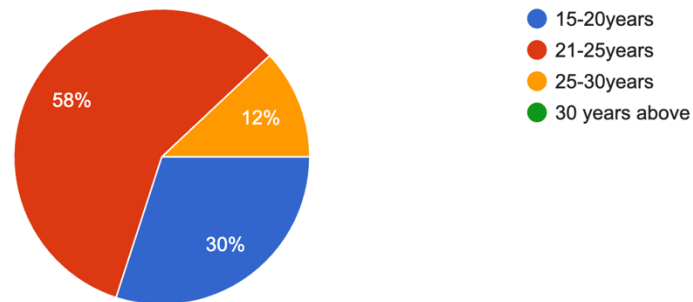
From the above table 68% of the respondents are male and 32% of the respondents are female. Majority of the respondents (68%) are male.

4.2: Age wise classification of respondents

Age	No. of respondents	Percentage
15-20	20	30%
21-25	28	58%
25-30	2	12%
30 above	0	0%
Grand Total	50	100%

3.Age group in years

50 responses



INTERPRETATION:

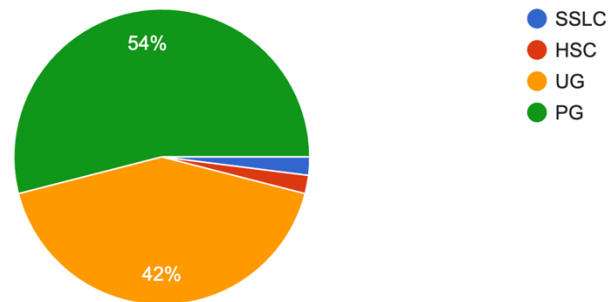
From above table 21-25 years 58% of the respondents of the questionnaire are 15-20 years, 30% of the respondents are 25-30 years, 12% of the respondents are 30 above years and 0%. Majority (58%) of the respondents are 21-25 years

4.3 Table indicating the education qualification of respondents

Education qualification	No of respondents	percentage
SSLC	5	1%
HSC	7	3%
UG	18	42%
PG	20	54%
Total	50	100%

4.Education qualification

50 responses



Interpretation

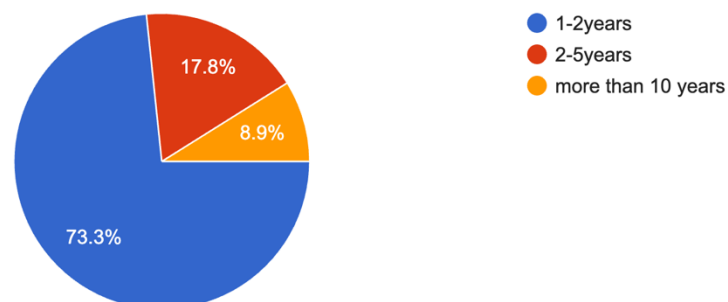
From the above table it is interpreted that the number of respondents SSLC of respondents are 1% HSC of respondents are 3%, and under graduate of respondents 42%, post graduate of respondents are 54%. Majority 54% of the respondents belongs to PG educational qualification.

4.4 Table indicating the Experience of respondents

Experience	No of respondents	percentage
1-2 years	35	73.3%
2-5 years	10	17.8%
More than 10 years	5	8.9%
Total	50	100%

7.Experience:

45 responses



Interpretation

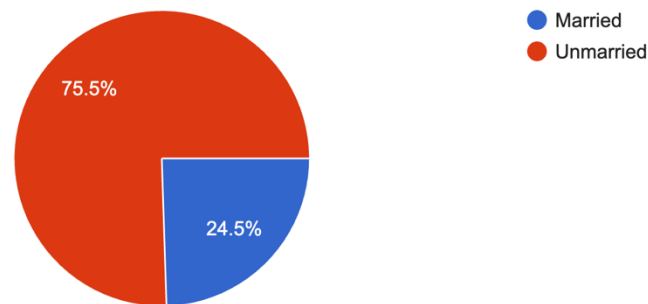
From the above table it is interpreted that the number of respondents were 73.3% is 1-2 years, 17.8% is 2-5 years 8.9% is more than 10 years. Majority 73.3% of the respondents had 1-2 years' experience.

4.5 Table indicating the Martial Status of respondents

Martial Status	No of respondents	percentage
Unmarried	35	75.5%
Married	15	24.5%
Total	50	100%

5. Marital status:

49 responses



Interpretation

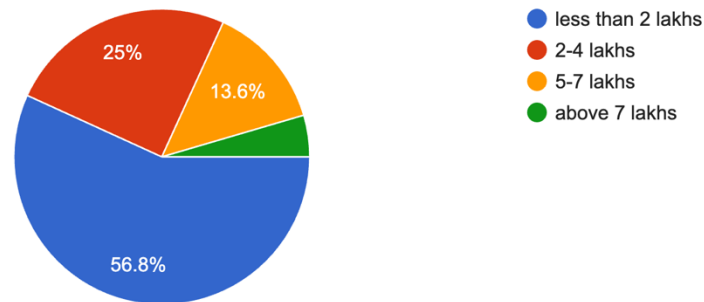
From the above table 75.5% of respondents are unmarried and 24.5% of respondents are married. Majority 75.5 % of the respondents were unmarried.

4.6: Annual Income of the respondents:

Annual' income	No of respondents	percentage
Less than 2 lakhs	28	56.8%
2-4 lakhs	12	25%
5-7 lakhs	8	13.6%
Above 7 lakhs	2	4.6%
Total	50	100%

8. Annual income in lakhs:

44 responses



INTERPRETATION:

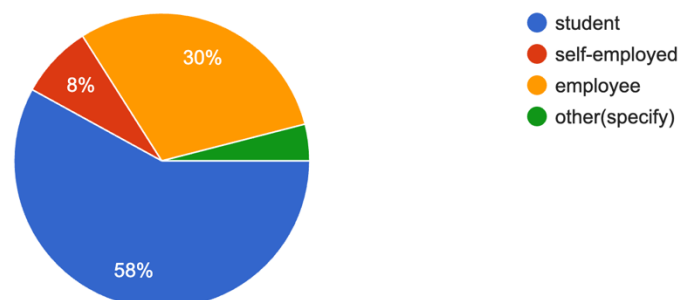
The above figure shows that a major portion of respondents are in income slab of above 7 lakhs p.a., i.e. 4.6%, this indicates that the person may be in the mature stage of career. On the contrary, the second major group of respondents belong to the income slab of upto less than 2 lakhs, i.e. 56.8%, which indicates that he/she might be in the beginning phase of their career. With the rest of the income slabs, the respondents show a stable phase of their career.

4.7: Occupational status of the respondents

Occupational status	No. of respondents	Percentage %
Student	28	58%
Self-employed	5	8%
Employee	15	30%
others	2	4%
Total	50	100%

6. Occupation:

50 responses



INTERPRETATION:

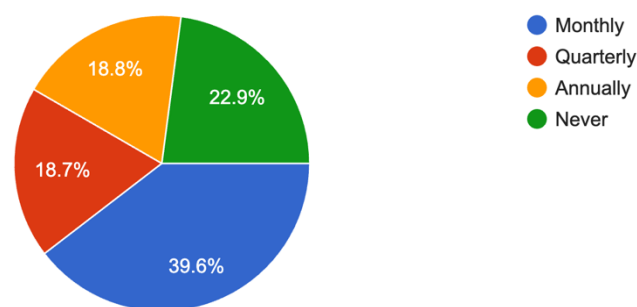
Most of the respondents were student i.e. 58%, whereas 30% of respondents were from the category of self- employed. Respondents belonging to the category of employee/others and officers were 8% and 4% respectively.

4.8 Financial plan of respondents

Financial plan	No .of respondents	Percentage
Monthly	28	40.4%
Quarterly	6	17%
Annually	8	19.1%
Never	12	23.4%
Total	50	100%

11.How often do you review and update your financial plan?

48 responses



Interpretation

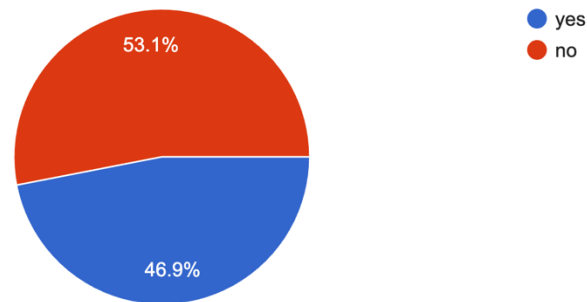
From the above table it is interpreted that the number of respondents were 40.4% is monthly, 17% is quarterly, 19.1% is annually, 23.4% is never. Majority 40.4% of the respondents had monthly .

4.9 Written financial plan of the respondents

Written financial plan	No of respondents	Percentage
yes	22	46.9%
no	28	53.1%
total	50	100%

9. Do you have a written financial plan?

49 responses



Interpretation

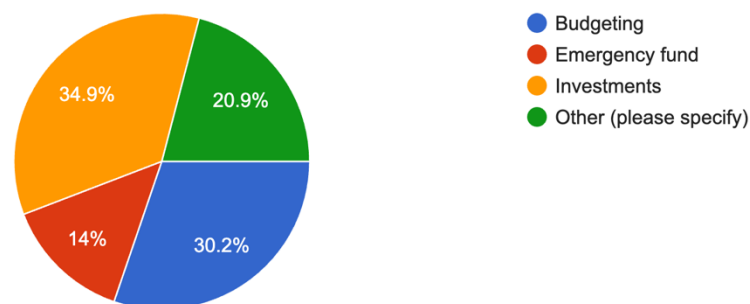
From the above table it is interpreted that the number of respondents were 46.9% is yes, 53.1% is no. Majority 53.1% of the respondents had no.

4.10 Financial plan include of the respondents

Financial plan include	No of respondents	Percentage
Budgeting	16	30.2%
Emergency fund	6	14%
Investment	18	34.9%
others	10	20.9%
Total	50	100%

10.If yes, what components does your financial plan include?

43 responses



Interpretation

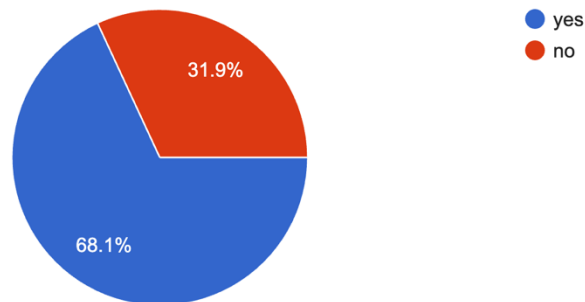
From the above table it is interpreted that the number of respondents were 34.9% is investment, 30.2% is budgeting, 20.9% is others, 14% is emergency fund. Majority 34.9% of the respondents had investment.

4.11 Financial future of the respondents

Financial future	No of respondents	Percentage
Yes	32	68.1%
No	18	31.9%
total	50	100%

16.Do you have any specific considerations or concerns regarding your financial future?

47 responses



Interpretation

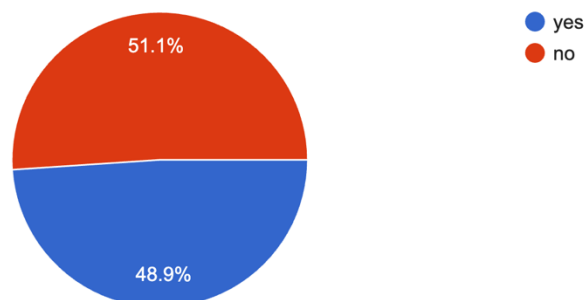
From the above table it is interpreted that the number of respondents were 68.1%is yes, 31.9%is no . Majority 68.1%%of the respondents had yes.

4.12Invest in Tax advantage accounts of the respondents

Tax advantage accounts	No of respondents	Percentage
Yes	23	48.9%
no	27	51.1%
Total	50	100%

22.Do you invest in tax-advantaged accounts?

47 responses



Interpretation

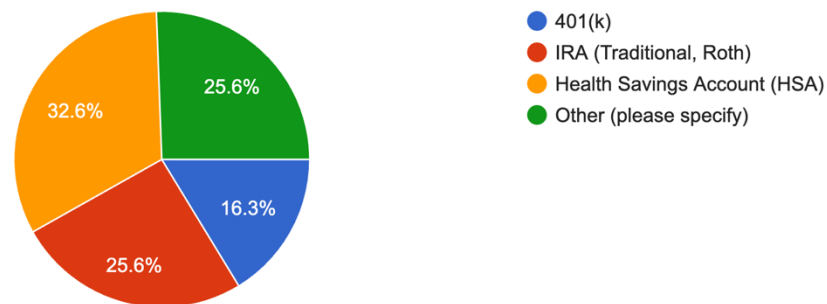
From the above table it is interpreted that the number of respondents were 51.1%is no, 48.9%is yes . Majority 51.1%of the respondents had no.

4.13Tax advantage accounts of the respondents

Tax advantage accounts	No of respondents	Percentage
401(k)	8	16.3%
IRA	15	25.6%
Health savings account	22	32.2%
other	15	25.6%
Total	50	100%

21.If yes, which tax-advantaged accounts do you contribute to?

43 responses



Interpretation

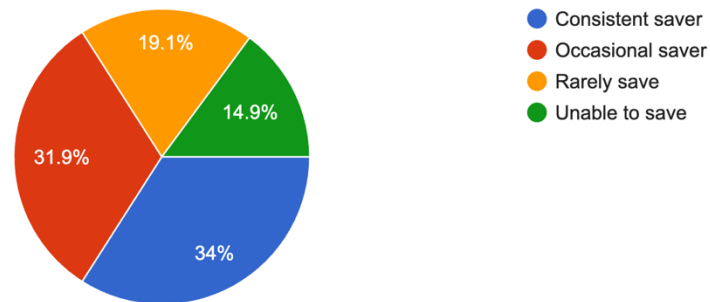
From the above table it is interpreted that the number of respondents were 32.2% is Health savings account ,25.6 %is IRA , 25.6% is other16.3% is 401(K) .Majority 32.2%%of the respondents had Health savings account

4.14Saving habits of the respondents

Saving habits	No of respondents	Percentage
Consistent saver	20	34%
Occasional saver	18	31.9%
Rarely saver	7	19.1%
Unable saver	5	14.9%
total	50	100%

19.How would you describe your saving habits?

47 responses



Interpretation

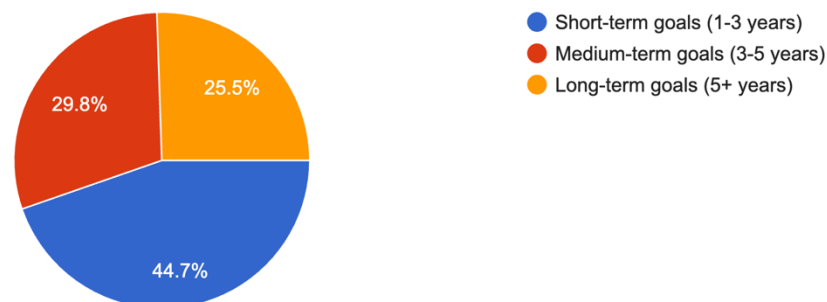
From the above table it is interpreted that the number of respondents were 34% is Consistent saver , 31.9%is Occasional saver ,19.1% is Rarely saver 14.9% is unable saver .Majority 34%of the respondents had Consistent saver.

4.15Financial goal of the respondents

Financial goal	No of respondents	Percentage
Short term	23	44.7%
Medium term	12	29.8%
Long term	10	25.5%
total	50	100%

14.How do you prioritize your financial goals?

47 responses



Interpretation

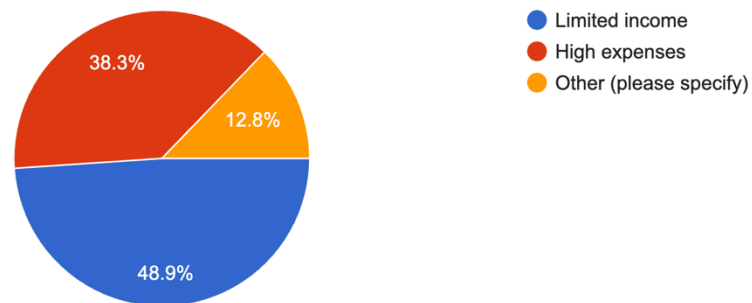
From the above table it is interpreted that the number of respondents were 44.7%is short term , 29.8%is medium term , 25.5% is long term .Majority 44.7%of the respondents had short term .

4.16 Primary challenges you face in managing your finances of the respondents

Primary challenges	No of respondents	Percentage
Limited income	25	48.9%
High expenses	15	38.3%
Other	10	12.8%
Total	50	100%

15. What are the primary challenges you face in managing your finances?

47 responses



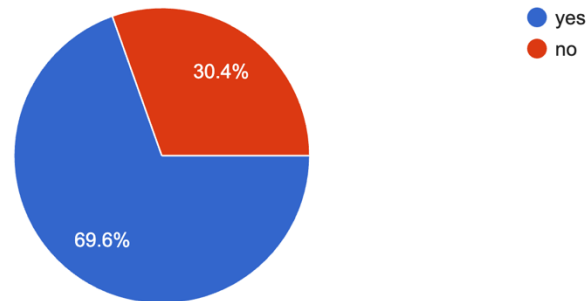
From the above table it is interpreted that the number of respondents were 48.9% is Limited income, 38.3% is high expenses, 12.8% is other. Majority 48.9% of the respondents had Limited income.

4.17 Education expenses of the respondents

Education expenses	No of respondents	Percentage
Yes	35	69.6%
No	15	30.4%
total	50	100%

20.Are you currently planning for major life events, such as buying a home, starting a family, or education expenses?

46 responses



Interpretation

From the above table it is interpreted that the number of respondents were 69.9% is yes, 30.4% is no. Majority 69.9% of the respondents had yes.

4.18 ANOVA TEST

HYPOTHESIS - 1

- H0 : There is no significant difference between the age of the employees and their career growth and opportunities.
- H1 : There is a significant difference between the age of the employees and their career growth and opportunities.

Annual income :

Source of variance	SS	DF	MS	F	P-value	F-crit
Rows	736.689228	3	245.563076	1.08355577	0.47447681	9.27662815
Columns	622.480328	1	622.480328	2.7467165	0.19603331	10.1279645
Error	679.881228	3	226.627076			
Total	2039.05078	7				

INTERPRETATION:

the p value 0.47447681 which is greater than the significance value 0.5 hence null hypothesis (H0) is accepted . and H1 is rejected .

CHAPTER-5

FINDINGS, SUGGESTIONS AND CONCLUSION

5.1 FINDINGS:

- The study reveals that majority (66%) of the respondents were from the age group of 20-30 years and most of them were from the male category (61%).
- From the annual income, it is found the middle-class as well as the upper middleclass working employees were the target respondents. The respondents were mostly doctors/engineers.
- Most of the respondents save less than Rs. 25,000 annually from their annual salaries.
- The motivators for saving for most of the respondents is to meet a specific purpose.
- According to the results, an increase in salary or additional income/increments will help an individual to increase the size of their savings.
- Gold is found to be the most preferred choice for investment, whereas other investment preferences include Govt. Securities i.e., PF, GPF/PPF, bank deposits, mutual funds and fixed deposits.
- The investments trend amongst the respondents is either increasing or decreasing, on the other hand a few respondents' investment is remaining constant.
- Majority of the salaried employees' do not have a specified time horizon behind their investment decision as they prefer to invest as and when it is convenient for them. On the other hand, most of them invest for medium term as well as long term.
- Most of the salaried employees take the advice of their spouse/family members, as they can be said to be the most trusted individuals. The respondents have also taken their own decisions for making their own decisions.
- From the study, it is found that conducting workshops and seminars is a good initiative to create awareness amongst salaried individuals about the importance of investments.
- The study has also revealed that most of the salaried employees are not aware about the benefits of tax saving investments like ULIPs, NPS and NSC. Life insurance, health insurance as well as PPF are the popular investment options.
- Most of the respondents prefer a regular return plan as a choice for their future.

Other preferences include pension plan, multiple option plan and medical plan.

5.2 SUGGESTIONS:

- Financial planning for salaried employee is not just a driven process; it is actually a basic need for every individual and his/her family. It is a complete cycle starting from monthly budget to retirement planning. The process comprises Budgeting, Insurance, Goal-Based Investments, Getting out of Debt, and Retirement. If you miss any of these steps, the cycle will be incomplete.
- Identify what you needs, wants and savings.
- Equity – Linked Savings schemes, Long – Term Capital Gains from Sale of Long – Term Assets, Agricultural Income, Public Provident Fund, Educational loans, Educational scholars, Voluntary donations, Home loans, Interest Income on Savings Account, HUF Receipts, Unit-Linked Insurance Plan these are all some of the tax savings strategies for salaried employees

Design a survey to gather information on the income and expenses of salaried individuals. Analyze spending patterns and identify areas for potential savings.

Assess the level of tax knowledge among salaried employees through a questionnaire. Identify common misconceptions and gaps in understanding.

Conduct interviews or focus group discussions to identify the financial goals of salaried individuals, both short-term and long-term
Organize workshops or webinars to educate salaried employees on effective tax planning strategies. Encourage participant interaction and questions.

Collect and analyze case studies and success stories of salaried individuals who have successfully implemented tax-saving strategies. Highlight diverse scenarios and approaches.

Examine the various employee benefits offered by companies and their impact on financial planning. Explore how these benefits can be optimized for tax savings.

Investigate the investment behavior of salaried employees. Understand their risk tolerance, investment preferences, and awareness of tax-efficient investment options.

Compare and evaluate different tax-saving instruments available to salaried individuals, such as ELSS, PPF, NPS, and insurance plans. Provide a comprehensive analysis of their benefits and drawbacks.

Propose and implement financial literacy programs in collaboration with employers or educational institutions to enhance the financial knowledge of salaried employees.

Conduct a survey to identify popular tax-optimized investment choices among salaried individuals. Analyze the factors influencing their investment decisions.

Investigate the correlation between effective financial planning and overall well-being. Examine the psychological and emotional impact of sound financial practices.

Assess the awareness and understanding of regulatory compliance among salaried employees. Provide recommendations for staying compliant with tax laws.

After the survey, organize workshops to guide participants in implementing practical financial planning and tax-saving strategies based on the study's findings.

Consider conducting a longitudinal study to track changes in financial behavior and tax planning strategies among salaried employees over an extended period. Bottom of Form.

5.3 CONCLUSION:

Tax-saving is only a smart part of a broad category called financial planning. There is more to a financial plan than what meets the eye. For a financial plan to be successful, it should have a proper investment plan that saves taxes.

Irrespective of the plan you choose, few things remain constant. They are:

- Having well-structured short-term and long-term financial goals at every stage of your lives
- Starting to save as early as you can, so that it gives you a long window to stay invested and reap good returns
- Cutting down unnecessary expenses and saving for a better future
- Putting aside at least 10 to 15% of savings every month towards financial or investment plans, to be used at a time when it is needed the most
- Talking to a professional in case of any queries or ambiguity

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