

A STUDY ON FINANCIAL PLANNING FOR SALARIED EMPLOYEES

Submitted in partial fulfillment of the requirements for the award of

Master of Business Administration

by

UMA R

Register No. 39410222



SCHOOL OF BUSINESS ADMINISTRATION

SATHYABAMA

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

**Accredited with Grade "A" by NAAC | 12B Status by UGC | Approved by
AICTE**

Jeppiaar Nagar, RAJIV GANDHI SALAI, CHENNAI – 600 119

April – 2021



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SCHOOL OF BUSINESS ADMINISTRATION

BONAFIDE CERTIFICATE

This is to certify that this Project Report is the bonafide work of UMA R 39410222 who have done project work entitled “**A study on Financial Planning for Salaried Employees**” under my supervision from January 2021 to March 2021.

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DECLARATION

I UMA R 39410222 hereby declare that the Project Report entitled “A study on financial planning for salaried employees” done by me under the guidance of Dr. Y. Aysha Fathima, M.Com, MBA, M.Phil., Ph.D., 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.

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SIGNATURE OF THE CANDIDATE

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UMA

ABSTRACT

Financial products act as an investment avenue and supply the specified financial security to the investors supported the risk-return profile of the financial products. In the past, traditional financial products were offered in India by banks (deposit account, credit account), life insurance Corporation (LIC), and postal department (recurring deposit, National Saving Certificate, Kisan Vikas Patra). However, in recent years with the arrival of liberalization of monetary services industry, diverse financial products are introduced like mutual funds, shares, derivatives, life and non-life insurance schemes (Unit Linked Investment Plans (ULIPs), pension plans, children education plans, etc.). Investment preference differs from person to person, as every individual behaves differently while investing. Investment behavior of a private is guided by his own set of circumstances. With an expectation of generating high returns over a period of your time and certain levels of risk, individuals invest in several financial products. The present study is an effort to research the investment preferences of salaried individuals towards financial products supported various demographic factors.

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CHAPTER - 1

INTRODUCTION

1.1. BACKGROUND OF THE STUDY

The project titled “A study on financial planning for salaried employees” focuses on the financial planning may be a process that an individual goes through to seek out where they're now (financially), determine where they need to be within the future, and what they're getting to do to urge there. Financial Planning provides direction and aiming to take financial decisions. It allows understanding of how each financial decision a private makes affects other areas of their finances. For example, buying a specific investment product might help to pay off mortgage faster or it'd delay the retirement significantly. By viewing each financial decision as a neighborhood of the entire, one can consider its short and long- term effects on their life goals.

Financial products which act as an investment avenue and provide the required financial security to the investors based on the risk-return profile of the financial products. In the past, traditional financial products were offered in India by banks (deposit account, credit account), life insurance Corporation (LIC), and postal department (recurring deposit, National Saving Certificate, Kisan Vikas Patra). However, in recent years with the arrival of liberalization of monetary services industry, diverse financial products are introduced like mutual funds, shares, derivatives, life and non-life insurance schemes (Unit Linked Investment Plans (ULIPs), pension plans, children education plans, etc.). Investment preference differs from person to person, as every individual behaves differently while investing. Investment behavior of an individual is guided by his own set of circumstances. With an expectation of generating high returns over a period of your time and certain levels of risk, individuals invest in several financial products. Today, variety of investment avenues are available to a private but a private , after a radical market study and consistent with his needs and circumstances, has got to decide which investment avenue has to be chosen. The present study is an effort to research the

investment preferences of salaried individuals towards various financial products supported demographic factors.

WHY DO YOU NEED TO HAVE A FINANCIAL PLAN?



Fig 1.1: Need for Financial Plan

1.1.1.1. INVESTMENT OPTIONS OF SALARIED PERSONS IN INDIA

Salaried individuals have different investment requirement than self-employed or other professionals. They have fixed monthly cash inflow to satisfy their expenses and but various life goals. While most of the salaried individuals are covered under post-retirement security within the sort of employees provident fund or other mandatory retirement schemes, the corpus generated are often inadequate to meet post-retirement schemes.

1.1.1.1.1 Equity

Equity is one of the most risky areas. But, at an equivalent time this is often also an area where an investor can earn high rates of returns which will push up the returns of the whole portfolio. There is a requirement for the investor to separate the

speculation from the investment. The former may be a process where the cash is invested stupidly much about how and why the cash is being put there. On the opposite hand, investment involves an extended term approach which will absorb the funds for an extended period of your time. Investment in equities are often made directly by the acquisition of shares from the market or it are often done through the open-end fund route, whereby the investor buys the mutual fund units and the fund in turn buys equity shares for its portfolio. There are various benefits also as risks related to both these routes and it's up to the individual to form up his mind.

1.1.1.2 Debt

Debt may be a route that the majority people will know and have the required experience of. There is a good range of debt instruments that are present from bank fixed deposits to company fixed deposits and even bonds and debentures whose issues are available the market. Debt is straightforward because the investor will earn at a hard and fast percentage of the investment, which can then be returned to the investor at the time of maturity or redemption of the investment. The good part for the investor is that the danger within the investment is extremely less. But on the opposite hand, the returns are limited to the interest as a percentage of the entire amount. This is a tradeoff that the investor takes for the purpose of the investment.

1.1.1.3 Mutual Fund

This is an emerging area for investment and there's an outsized sort of schemes within the market to suit the wants of an outsized number of individuals. The features of those schemes will determine the type of risk that the investment carried but overall the position remains an equivalent which is that for equity oriented funds the risk is greater but at the same time the chances of a return are also quite high. If there is a debt scheme in which the investor is putting the money, then the requirement is such that the returns expectations will have to be lowered because this is a low risk, low return investment. At an equivalent time, here is that the expectation that quite few new sorts of funds are going to be launched within the coming months within the Indian markets and this will provide another element or sector wherein the investor can invest their funds. The term's meaning depends considerably on the context. In finance, generally, you'll consider equity as

ownership in any asset in any case debts related to that asset are paid off. For example, a car or house with no outstanding debt is taken into account the owner's equity because he or she will readily sell the item for cash. Stocks are equity because they represent ownership during a company.

1.1.1.4 FI Bonds

The fixed income assets include internally managed investment grade securities and externally managed high yield securities.

1.1.1.5 Corporate Debenture

Corporate debentures are normally backed by the reputation and general creditworthiness of the issuing company. Corporations occasionally issue this sort of debt securities so as to boost capital and like bonds; the debentures too, are documented as indentures. It is a kind of certificate of indebtedness that's not covered by the safety of physical assets or collateral. Debentures are a way of raising credit for the corporate and although the cash thus raised is considered a neighborhood of the company's capital structure, it's not part of the share capital.

1.1.1.6 Company Fixed Deposit

Company fixed deposit is the deposit placed by investors with companies for a fixed term carrying a prescribed rate of interest. Used as a measure to create up capital for the corporate, these deposits offer high rates (as compared to bank FDs) of interest on investments. Company FDs are primarily meant for conservative investors who don't wish to require the danger of vagaries of the stock exchange. But experts say the due diligence that an investor should undertake is analogous thereto before buying shares. Getting lured by the high rate of interest alone isn't advisable.

1.1.1.7 Fixed Deposits in Bank

Fixed Deposits with Banks also are mentioned as term deposits. Minimum investment period for bank FDs is 30 days. Fixed Deposits in banks are for those investors, who have low risk appetite. Bank FDs is probably going to be less than market fund returns. Deposits in banks are very safe due to the regulations of RBI and therefore the guarantee provided by the deposit insurance corporation. The rate

of interest on fixed deposits varies with term of the deposits Bank deposits enjoy exceptionally high liquidity. Loans can raise against bank deposits.

1.1.1.8 Post Office Savings

Post Office Monthly Income Scheme may be a low risk saving instrument, which may be availed through any Post Office. It provides an interest rate of 8% per annum, which is paid monthly. Minimum amount, which can be invested, is Rs. 1,000/- and extra investment in multiples of Rs. 1,000/-. Maximum amount is Rs. 3,00,000/- (if Single) or Rs. 6,00,000/-(if held jointly) during a year. It has a maturity period of 6 years. A bonus of 10% is paid at the time of maturity. Premature withdrawal is permitted if deposit is quite one year old. A deduction of 5% is levied from the principal amount if withdrawn prematurely. The 10% bonus is also denied. Deposits can be made in multiple of Rs.50. Deposits can be pledged. The rate of interest on deposits is slightly above banks. The interest is calculated half yearly and paid yearly

1.1.1.9 Life Insurance Policy

Insurance companies offer many investment schemes to investors. These schemes promote saving and additionally provide insurance cover. LIC is that the largest life assurance company in India. Some of its schemes include life policies,

- Convertible whole life assurance policy,
- Endowment assurance policy,
- Jeevan Saathi,
- Money back policy
- Unit linked plan
- Term assurance
- Immediate annuity

Insurance policies, while catering to the danger compensation to be faced within the future by investor, even have the advantage of earning an inexpensive interest on their investment insurance premiums.

1.1.1.10 Public Provident Fund

A long term savings instrument with a maturity of 15 years but no of contributions annually has to be 16 and interest payable at 8% per annum

compounded annually. The subscriber to a PPF has got to make minimum of deposits of Rs.100 Annually. A PPF account are often opened through a nationalized bank at any time during the year and is open during the year for depositing money. Tax benefits are often availed for the quantity invested and interest accrued is tax-free. A withdrawal is permissible per annum from the seventh fiscal year of the date of opening of the account and therefore the amount of withdrawal are going to be limited to 50% of the balance at credit at the top of the 4th year immediately preceding the year during which the quantity is withdrawn or at the top of the preceding year whichever is lower the quantity of loan if any. The subscriber to the PPF is eligible to take loan from the third year sixth year after opening of account and interest for that loan is 1 % higher than PPF ACC interest rate.

1.1.1.11 Real Estate

Investment in land also made when the expected returns are very attractive. Buying property is an equally strenuous investment decisions. Real estate investment is often linked with the future development plans of the location. At present investment in real assets is booming there are various investment source are available for investment which are directly or indirectly investing land. In addition to the present, the more affluent investors are likely to have an interest in other sort of land, like commercial property, agricultural land, semi urban land, and resorts.

1.1.1.12 Gold/Silver/Others

The bullion offers investment opportunity in the form of gold, silver, art objects (paintings ,antiques), precious stones and other metals (precious objects), specific categories of metals are traded in the metal exchange. The bullion market presents a chance for an investor by offering returns and therefore the end value of future. It has been absurd that on several occasions, when stock exchange failed, the gold market provided a return on investments. Fixed Deposits with Banks are also referred to as term deposits. Minimum investment period for bank FDs is 30 days. Fixed Deposits in banks are for those investors, who have low risk appetite. Bank FDs is likely to be lower than money market fund returns. Deposits in banks are very safe because of the regulations of RBI and the guarantee provided by the

deposit insurance corporation. The interest rate on fixed deposits varies with term of the deposits Bank deposits enjoy exceptionally high liquidity. Loans can raise against bank deposits.

1.1.2. SPECIAL CONSIDERATIONS OF A FINANCIAL PLAN

- Retirement strategy: No matter what your priorities are, the plan should include a strategy for accumulating the retirement income you need.
- Comprehensive risk management plan: That includes a review of life and disability insurance, personal liability coverage, property and casualty coverage, and catastrophic coverage.
- Long-term investment plan: A customized plan based on specific investment objectives and a personal risk tolerance profile.
- Tax reduction strategy: A strategy for minimizing taxes on personal income to the extent allowed by the tax code.
- Estate plan: Arrangements for the benefit and protection of your heirs.

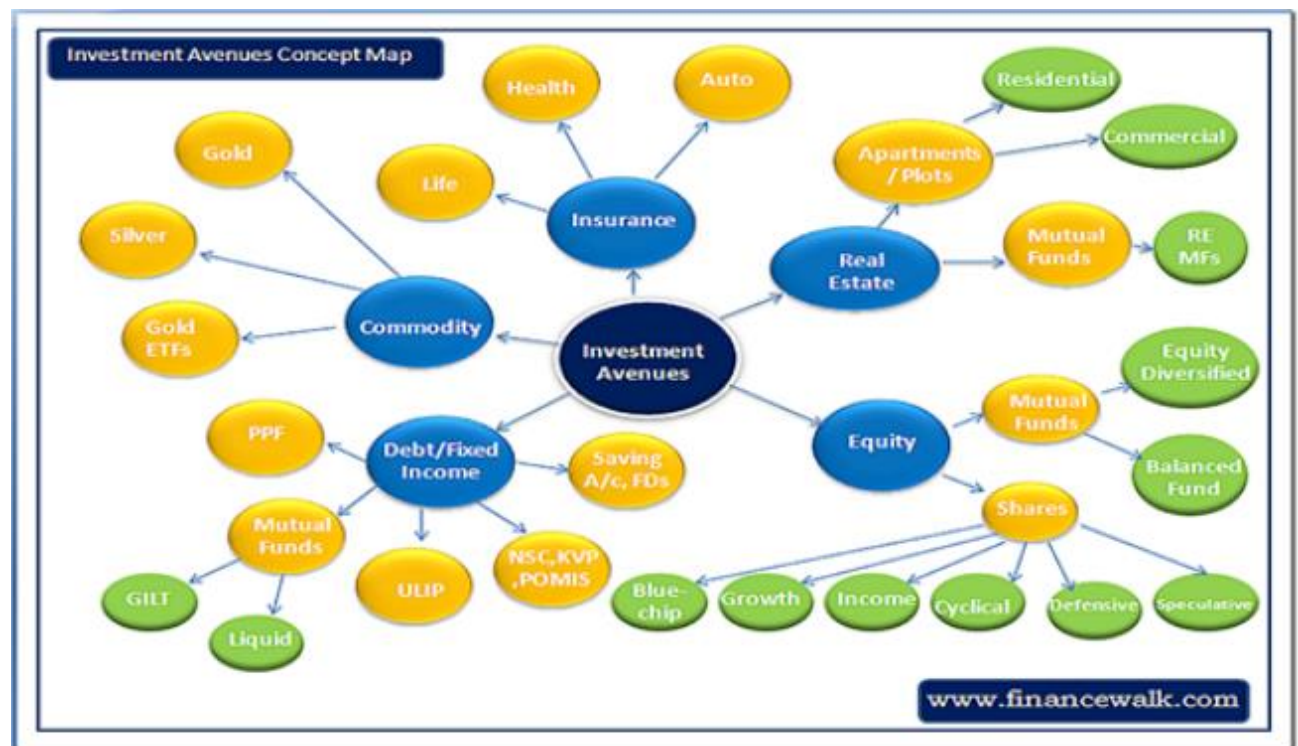


Fig 1.2: Investment Options for Individuals

1.2. INDUSTRY PROFILE

India has a diversified financial sector undergoing rapid expansion, both in terms of strong growth of existing financial services firms and new entities entering the market. The sector comprises commercial banks, insurance companies, non-banking financial companies, co-operatives, pension funds, mutual funds and other smaller financial entities. The banking regulator has allowed new entities such as payment banks to be created recently, thereby adding to the type of entities operating in the sector. However, financial sector in India is predominantly a banking sector with commercial banks accounting for more than 64% of the total assets held by the financial system.

The Government of India has introduced several reforms to liberalize, regulate and enhance this industry. The Government and Reserve Bank of India (RBI) have taken various measures to facilitate easy access to finance for Micro, Small and Medium Enterprises (MSMEs). These measures include launching Credit Guarantee Fund Scheme for MSMEs, issuing guideline to banks regarding collateral requirements and setting up a Micro Units Development and Refinance Agency (MUDRA). With a combined push by Government and private sector, India is undoubtedly one of the world's most vibrant capital markets. In 2017, a new portal named 'Udyami Mitra' was launched by Small Industries Development Bank of India (SIDBI) with an aim to improve credit availability to MSMEs in the country. India has scored a perfect 10 in protecting shareholders' rights on the back of reforms implemented by Securities and Exchange Board of India (SEBI).

1.2.1. Market Size

As of November 2020, Assets Under Management (AUM) managed by the mutual fund industry stood at Rs. 30 lakh crore (US\$ 407.39 billion). Inflow in India's mutual fund schemes via the Systematic Investment Plan (SIP) route reached Rs. 82,453 crore (US\$ 11.70 billion) in 2019. Equity mutual funds registered a net inflow of Rs. 8.04 trillion (US\$ 114.06 billion) by end of December 2019.

Another crucial component of India's financial industry is the insurance industry. Insurance industry has been expanding at a fast pace. The total first year

premium of life insurance companies reached Rs. 2.59 lakh crore (US\$ 36.73 billion) in FY20.

Furthermore, India's leading bourse, Bombay Stock Exchange (BSE), will set up a joint venture with Ebix Inc to build a robust insurance distribution network in the country through a new distribution exchange platform.

1.2.2. Investments/Developments

- In November 2020, LIC took initiatives to facilitate quicker proposal completion by launching a digital application – ANANDA.
- In November 2020, Paytm reported 2x growth in digital gold transactions in the last six months. New customers have increased 50% since the beginning of this financial year and the average order value has increased by 60%.
- In November 2020, the Reserve Bank of India (RBI) announced establishment of its Innovation Hub. In order to encourage access to financial services and goods and foster financial inclusion, this initiative would create an ecosystem. The Innovation Hub of the Reserve Bank (RBIH) is intended to promote innovation across the financial sector by leveraging technology and creating a conducive environment for innovation.
- VC investments grew to US\$ 3.6 billion in July-September 2020 from US\$ 1.5 billion in the previous quarter, powered by the mega deals, which included the US\$ 1.3 billion raised by the online retailer—Flipkart.
- On November 6, 2020, WhatsApp started its UPI payment services in India on receiving the National Payments Corporation of India (NPCI) approval to 'Go Live' on UPI in a graded manner.
- In October 2020, Unified Payments Interface (UPI) recorded 2.07 billion transactions worth Rs. 3.86 lakh crore (US\$ 52.10 billion).

1.2.3. Government Initiatives

- In November 2020, the Union Cabinet approved the government's equity infusion plan for Rs. 6,000 crores (US\$ 814.54 million) in the NIIF Debt

Platform funded by the National Investment and Infrastructure Fund (NIIF) consisting of Aseem Infrastructure Finance Limited (AIFL) and NIIF Infrastructure Finance Limited (NIIF) (NIIF-IFL).

- In November 2020, two MoUs were signed—one between India International Exchange (India INX) and Luxembourg Stock Exchange and another between State Bank of India and Luxembourg Stock Exchange for cooperation in financial services, ESG (environmental, social and governance) and green finance in the local market.
- On November 11, 2020, The Cabinet Committee on Economic Affairs approved continuation and revamping of the scheme for financial support to public-private partnerships (PPPs) in 'Infrastructure Viability Gap Funding (VGF) Scheme' until 2024-25 with a total outlay of Rs. 8,100 crore (US\$ 1.08 billion).

1.2.4. Road Ahead

- India is expected to be the fourth largest private wealth market globally by 2028.
- India is today one of the most vibrant global economies on the back of robust banking and insurance sectors. The relaxation of foreign investment rules has received a positive response from the insurance sector, with many companies announcing plans to increase their stakes in joint ventures with Indian companies. Over the coming quarters, there could be a series of joint venture deals between global insurance giants and local players.
- The Association of Mutual Funds in India (AMFI) is targeting nearly five-fold growth in AUM to Rs. 95 lakh crore (US\$ 1.47 trillion) and more than three times growth in investor accounts to 130 million by 2025.
- India's mobile wallet industry is estimated to grow at a Compound Annual Growth Rate (CAGR) of 150% to reach US\$ 4.4 billion by 2022, while mobile wallet transactions will touch Rs. 32 trillion (USD\$ 492.6 billion) during the same period.

1.3. STATEMENT OF THE PROBLEM

Financial products act as an investment avenue and supply the specified financial security to the investors supported the risk-return profile of the financial products. There are several investment avenues available for the individuals to invest, Investment preference differs from person to person, as every individual behaves differently while investing. Investment behavior of an individual is guided by his own set of circumstances. With an expectation of generating high returns over a period of your time and certain levels of risk, individuals invest in several financial products. The present study is an effort to research the investment preferences of salaried individuals towards financial products supported various demographic factors. The study reveals the association of financial planning and investment behavior of the individuals.

1.4. SCOPE OF STUDY

Salaried employees have fix flow of income & their investments patterns are also different. In connection with this researcher will try to find out investment behavior of investors in Chennai region. It will helpful to know the investment preferences of investors. The study also will throw a light-weight on the notice of the investments avenues available in India. Investment companies will get idea about investment preference towards various investments alternative. Build suitable investment products which will increase growth of the companies. The research paper will become the helping hand to the research scholars as well as students for their further studies their respective area.

1.5. OBJECTIVES OF THE STUDY

1.5.1. PRIMARY OBJECTIVE

- A study on financial planning for salaried employees with respect to savings, income tax, retirement and investment.

1.5.2. SECONDARY OBJECTIVES

- To identify the saving pattern of the salaried employees.
- To study the investment preferences of salaried individuals towards various financial instruments.
- To analyze the tax planning measures by salaried individual.
- To determine the association between demographic variables and investment preference of salaried individuals towards financial instruments.

1.6. LIMITATIONS OF THE STUDY

- Many statistical tests and formulas are required to calculate and are also difficult to provide the approximate values.
- This study is done with reference in Chennai, with the sample size of 150 to 200 and therefore dependability of the project is not certain.
- Every individual's point of view differs from one another which are tedious to compile.
- The investment preference and market risk varies for every investment options so the analysis is out of the box.
- Since the sample size is not large, hence it is not the true representation of the universe.

CHAPTER – 2

REVIEW OF LITERATURE

2.1 REVIEW OF LITERATURE

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 investment choices and how these can be chosen for the purpose of attaining the overall objectives. The details of creating the investment alongside the varied ways during which the investment has got to be maintained and managed. The sample size of area is analyzed by tools selected for this study was 2 hundred and ten respondents were randomly selected from the town. Data were analyzed using descriptive statistics and chi-square technique.

Bhushan and Medury (2011) identified that Financial literacy is that the ability to form informed judgments and to require effective decisions regarding the utilization and management of cash. Financial literacy enables individuals to enhance their overall well-being. Research has shown that levels of monetary literacy worldwide are unacceptably low. Findings of the study suggest that overall financial literacy level of respondents isn't very high. Financial literacy level gets suffering from gender, education, income, nature of employment and place of labor whereas it doesn't get suffering from age and geographical area. Findings of this study will help policy makers and regulators to plan appropriate strategies so as to extend the extent of monetary literacy amongst the population.

Pandiyan and Aranganathan (2012) studied the status of attitude of the salaried people on savings / investment is evaluated in this article. From the correlational analysis of the opinion data, seven underlying dimensions of savings / investments, viz., “Secured Life”, “Avoiding investments privately parties / Companies”, “Lack of guidelines to children about saving”, “Tough Task but good for future”, “Creation of Awareness about saving habit by Government”, “Savings Requires Experience” and “Wrong investment decision by many”. From descriptive analysis, it is found that the respondents have high the status of attitude about all aspects except “Tough Task

but good for future” are high. Regarding “Tough Task but good for future”, the respondents are found with moderate attitude.

Kaushal and Kinjal (2012) made a study on the effects of investor occupation and education on choice of investment: an empirical study. This paper will help to understand the investors facet before investing in any of the investment tools and thus to scrutinize the important aspects for the investors before investing that further helped in analyzing the relation between the features of the products and the investors’ requirements. The present study is purely based on primary data which have been collected through structured questionnaire. With the help of this study it was found that majority of investors prefer bank deposit because of less risk. Investors who have less education and income compare to other, they also prefer bank deposit, post office deposit and insurance because of easy to understand and less risk.

Swasdpeera and Pandey (2012) study identifies factors that influence the saving behavior of salaried individuals in Thailand. The results of the univariate and multivariate analyses show that income, age, marital status, number of children and educational level have a positive influence on the individuals’ average saving. The study indicates that those individuals who do not save and are not willing to save have a more indifferent attitude towards the factors of willingness to save than the individuals who save or are willing to save. The proposed model of influence on saving suggests that an individual will take a series of actions on saving if he/she has a surplus portion of income, a concern for future spending and a trusted saving product.

Savita and Lokesh (2013) identified that tax planning is an essential part of our 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 purpose of the study is 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. Over all findings reveals that the most adopted tax

saving instrument is Life Insurance policy, which got the first rank in this study and the second most adopted tax saving instrument is Provident Fund.

Bhushan and Medury (2013) made a study on determining tax literacy of salaried individuals. In personal financial planning, tax management plays a very important role. An individual should have thorough knowledge of various aspects of taxes and tax policies, which would help him to understand how much he can save even after paying taxes. Those people who have not taken any formal course on taxation finds it difficult to understand and comprehend the issues related to determination of tax liability, tax filling and tax saving. The results suggest that level of tax literacy varies significantly among respondents. Also tax literacy level gets affected by gender, age, education, income, nature of employment and place of work whereas it does not get affected by geographic region. Findings of this paper suggest that government should adopt more aggressive approaches to educate taxpayers, thereby raising the level of tax literacy among them.

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. Against this backdrop, the present study is an attempt to analyze the gender differences in investment behavior among employees. Survey method was adopted in this research study to collect information from the respondents. Our results suggest that significant gender differences occur in investment preferences for health insurance, fixed deposits and market investments among employees.

Puneet Bhushan (2014) made a research on awareness level and investment behavior of salaried individuals towards financial products. Diverse financial products have been introduced these days in Indian market. Each of these financial products offer a range of benefits and varying options with respect to interest rates, exposure to risk, time period of the contract, fees etc. Most of the individuals are not able to take advantage of higher returns offered by these products due to lack of financial awareness. This paper examines the awareness level and investment behavior of salaried individuals towards financial products. Results of the study

suggest that respondents are quite aware about traditional and safe financial products whereas awareness level of new age financial products among the population is low. Also majority of the respondents park their money in traditional and safe investment avenues.

Puneet Bhushan (2014) state that the capability of an individual to deal effectively with financial matters is known as financial capability. Financial capability is a combination of knowledge, attitudes, skills and behavior necessary to manage personal finances and to choose and make appropriate use of financial products. Financial capability enables individuals to process financial information and make informed decisions about personal finance. Financial capability is directly related to the well-being of individuals. An attempt has been made through this study to measure the financial capability of salaried individuals of Himachal Pradesh. For measuring financial capability, the comprehensive approach is used by including all the probable dimensions of financial capability i.e. financial attitudes, financial behavior and financial knowledge.

Sasmita and Manit (2014) identified that the construct of risk tolerance or an individual's attitude towards accepting risk has implications for financial service providers as well as investors. The financial service providers should be aware of the attitude and needs of their clients, including their investment objectives, investment experience and desired financial risk tolerance.

Umamaheswari and Ashok kumar (2014) state that the financial facet of the world at all times exhibits an uncanny proportionate impact of the public investment choices, their awareness about the investment needs, their expectation of returns on their investments etc. Perhaps, predicting the progress of the commercial world would be indispensable without an appropriate comprehension of the investment policies of the prime part of the society called salaried middle class. This paper intends to serve a bridge to the need of a holistic comprehension of the financial aspirations of the salaried middle-class investors with that of their ambitious longing for the percentage of investment returns.

Ciemleja and Lace et al (2014) made a study on financial literacy of individuals, the factors contributing to the level of financial knowledge, as well as tools for improving financial competence are frequently discussed topics in the academic papers. Most attention is paid to the measuring issues, because this is an initial step of developing a national strategy to enhance citizens' financial literacy level. Measuring process requires a clear understanding of the concept, underlying components and an appropriate evaluation instrument. A set of 12 questions on financial matters was developed to detect perceived importance and complexity of financial literacy components, as well as to get financial literacy self-assessment scores. Data was processed by means of SPSS 20.0, applying such methods, as analysis of means, analysis of frequencies and independent samples t-test. Received results assist to precise the content and wording of questions to be included into the questionnaire for evaluation financial literacy level of Latvian citizens.

Puneet Bhushan (2014) state that financial literacy of an individual's is their level of understanding of financial matters which enables them to process financial information and make informed decisions about personal finance. It is difficult for a common man to understand the risk associated with the new age financial products. In order to understand risk and return associated with these products, a minimum level of financial literacy is a must. An attempt has been made through this paper to examine the relationship between financial literacy of salaried individuals and their awareness regarding financial products. Also the relationship between financial literacy and investment behavior of salaried individuals is studied. The results of the study suggests that financial literacy level of individuals affects the awareness as well as investment preferences of salaried individuals towards financial products.

Saugat Das & Ritika Jain (2014) identified that the behavioral aspect of investors plays an important role in financial decision making which has attracted a huge financial literature. Among other objectives, demographic variables are one of the important objectives which influence financial decision making of investors. This paper focuses on the relationship between the four demographic variables i.e., age, gender, education and occupation with the four most important objectives of

investment such as risk, return, retirement and tax which influences the buying behavior of the investors. The study emphasizes the fact that demographic variables indeed play a role on the mindset of the investor community which is driven by age and educational qualification.

Bhushan, and Medury (2014) state that financial literacy is the ability to make informed judgments and to take effective decisions regarding the use and management of money. Past research on financial literacy had indicated that levels of financial literacy are low across the world. Various initiatives such as financial education programs are being taken by governments, organizations and agencies to improve the level of financial literacy among the population. The results of the study suggest that it is not only financial knowledge which shapes overall financial literacy of an individual but financial attitudes and financial behavior of the individual has a considerable effect on overall financial literacy of an individual.

Sonali and Kalpana (2014) state that investment is an activity that is engaged in by people who have savings i.e. investments are made from savings, or in other words people invest their savings. A variety of investment options are available such as bank, Gold, Real estate, post services, mutual funds & so on. Investors are investing their money with the different objectives such as profit, security, appreciation, Income stability. The study is based on personal interviews with salaried peoples, using a structured questionnaire. The data has been analyzed using percentage, chi-square test, and Person Correlation Coefficient with the help of statistical software. The researcher has analyzed that salaried employees consider the safety as well as good return on investment on regular basis. Respondents are aware about the investment avenues available in India except female investors.

Deepak and Navdeep (2015) objective of the study was to determine the relationship between the savings and investments pattern among the salaried class people of Chandigarh (India). It was found from the analysis there is relationship between Annual Savings and Age, Income, Sector wise Employment, Education of people at Chandigarh. Analysis has been done through One Way ANOVA. It was

propounded here that the most preferred investment options are LIC and bank deposits and most of the factors influencing investment decisions were high returns, tax benefit and safety.

Velmurugan and Selvam et al (2015) state that the economic liberalization and globalization have brought a fervent environment for the common and small investors who are willing to participate in the various investment avenues available in India. There are large number of small investors, who have the ability to save and make an investment in share market, gold, real estate, insurance and post office. In recent years, numerous researches have been conducted on investors' perception towards various investment from various perspectives. The Indian investment industry is witnessing a rapid growth because of infrastructural development, manufacturing and service sector, in personal financial assets and rise in foreign participation. The present empirical study is an attempt to examine the investors' perception towards various investment avenues in Vellore city, Tamil Nadu, India.

Selvakumar and Manicka Mahesh (2015) says that Investment of hard-earned money is a crucial activity of every human being. Investment is the commitment of funds which have been saved from current consumption with the hope that some benefits will be received in future. On the other hand, the savings provide capital to industry, economic development to the country. In developing country like India, household savings is the major source of capital for economic activities. The study helps to understand the knowledge and behavior of households, the major provider of funds to economic activities of the country. Hence, a study of investment behavior of households has made with the objective of understanding the level of knowledge of households about investment.

Thulasipriya .B (2015) state that India needs very high rate of investments to make a bound forward in efforts of attaining high level of growth. Since the beginning of planning, the prominence was on investments the primary instruments of economic growth and increase in national income. Instead of studying the complete range of investors, it is focusing only one segment called salaried Government employees. A variety of statistical tools are employed to analyze the data like Friedman Rank Test,

Chi-square, etc., to identify the right relationship among the factors related with investment. Finally it is concluded that salaried group nevertheless of age and annual Income, besides their occupation and marital status they used to prefer the investment option which will provide the long term benefit and highly secured cum profitable avenues.

Dey Sanjeeb Kumar (2015) state that tax is a compulsory extraction and major source of revenue for the government. Being a citizen of India, paying tax is one of our constitutional duties in return of fundamental rights. But paying tax, is always a painful task as it directly impacts on the residual income of the taxpayers. Tax can be reduced either by evasion or avoidance of tax planning. Tax evasion is illegal, tax avoidance is not a crime but tax planning is ethical and legal. With this background, this paper is an attempt to analyze the tax planning measures taken by the salaried persons in Odisha. It is found that more than 60% of the lecturers do not have sound ideas about various provisions of income tax. Tax planning measures adopted by different class of lecturers are almost uniform. Class of lecturers, gender, experience and length of service has no significant relationship with the level of awareness about the tax planning measures.

Ramanathan and Meenakshisundaram (2015) says that financial Investments are the commitments which are made with any financial and non-financial instruments hoping for a better and profitable return in the future for a specific objective. The financial and non-financial products act as an avenue for investment and provide the security to the respondents based on the risk-return profile of the products. The data were collected through a structured questionnaire and analyzed using percentage, chi-square test and Karl Pearson's correlation coefficient. The results of research indicate that majority of the respondents are saving money for their safety and the results of the study would be of a guide for personal finance and investment

Sunita Totala (2016) identified that salaried persons receive a definite amount out of which they are to spend for maintenance and provident for future with the help of investment. Data analysis has been done based on percent analysis. The study concludes that ten factors predominantly decide the individual investment patterns

and people differ on the basis of annual income, age, gender and profession while investing.

Monika and Bhuvnender (2016) state that the financial surface of the globe at all times reveals a weirdly balanced impact of the public investment preferences, their understanding of the investment requirements, their anticipation of returns on their investments etc. Perhaps forecasting the growth of the business world would be crucial without an opposite comprehension of the investment behavior of the key part of the society called salaried class. The major factors influencing the financial investment behavior are demographic factors (like age, income, qualification, gender, etc.) and socio-economic factors (like family income, tax benefits, the safety of fund, risk inclination, return on investment). This study aims to serve a channel to the need for a comprehension of the financial objectives of the salaried class investors with that of their determined desire for the investment returns.

Nalini and Alamelu et al (2016) says that financial literacy helps the persons to understand the information regarding financial aspects and make well-versed decisions when investing their money. The key objective is to explore the literacy level of individual in investment decisions and to suggest sustainable measures of increasing the awareness level in urban areas.

Bala Swamy and Priya (2016) made a study on financial literacy of an individual's is their level of understanding of financial matters which enables them to process financial information and make informed decisions about personal finance. In order to understand risk and return associated with these products, a minimum level of financial literacy is a must. Financially literate individuals can make effective use of these financial products and services by evaluating associated risks and returns and finally choosing those products which are best suited to them. The results of the study suggest that financial literacy level of individuals affects the awareness as well as investment preferences of salaried individuals towards financial products.

Nishu and Arpita (2016) identified that mutual fund is becoming a very popular investment avenue among the financial professional as they are having Knowledge

about mutual fund but due to lack of time and also wants better return than fixed income securities that make their inclination towards mutual fund. This paper is going to study the satisfaction level of mutual fund investors working in financial institutions and how are they inferring the risk minimization through Mutual Fund (MF).

Gajendra Naidu .J (2017) state that due to rapid growth in Indian economy over the last decade and expansion of financial markets through liberalization, privatization and globalization have given a way to overabundance of financial products in banking, investment and loan products. Low level of financial literacy prevents individuals from making right choices regarding financial decisions. The objective of the study is to study the level of financial literacy in India by using literature-based analysis. Secondary data collected from various websites, journals, research papers and articles. It is found that financial literacy in India is very low and necessitates exertion to mend level of literacy.

Sangeeta Gupta (2017) identified that financial literacy comprises of skills and knowledge that enables the individual to understand the principles of finance that an individual requires to know to make informed financial choices and decisions and also the financial products that influence the financial well-being of an individual. Invariably, bare minimum financial literacy level is must for an individual to understand risk and return related to financial products. The current study attempted to examine the association between financial literacy of salaried individuals of Delhi and their awareness index related to various products of finance. The results revealed that salaried individuals' level of financial literacy of individuals have effect on their financial products awareness as well as their investment preference. It is recommended to bridge the gap of research studies by including all sections of the society.

Dam and Leena et al (2017) says that financial planning is an art with a touch of science to manage one's own money having the propensity to accumulate for future and simultaneously meet with ease the daily financial requirement. Due to diversification of financial services sector individual investors have wide array of

products to invest. Individuals need to be financially literate in order to make realistic financial plans and decide the best suited investment product where the returns beat inflation and wealth accumulation is achieved. This study attempts to analyze the relationship between age and income with financial planning. It also studies whether age and income have a positive correlation with the choice of investment products. Analysis show that majority of individuals have set financial goals. But they are unaware of how to meet their future financial goals. Also investors are not correctly aware of which product to invest in given their age and income bracket.

Susmitha and Asha (2018) says that this study aims focus on awareness and preferences of working women. Women in India are now actively participating in all activities such as education, politics, media, science and technology& becoming financial independent. With a changing scenario, women has started actively participating in investing their surplus money, though it all depends upon the various parameters such as degree of their risk taking capability, influence of family members and friends and the dare to get exposed to modern and innovative investment avenues. The study is based on personal interviews with salaried women employees using a structured questionnaire. The data has been analyzed using percentage analysis and chi-square test. The researcher has analyzed that salaried women employees consider the safety as well as high return on investment on regular basis.

Assefa and Durga (2018) identified that the issue of financial literacy has ever increasing its importance after the recent economic crisis and the call for enhanced financial literacy amongst consumers is a global phenomenon, driven by the growing complexity of financial markets, services and products. Chi-square test was used to examine the relationship between financial literacy and investment preference. The results of the study concluded that financial literacy level of individuals is very low. These results highlight the need for financial education programs focusing specifically on developing investment knowledge and skills to facilitate informed investment decisions.

Suyog and Komal (2018) state that this research focuses on the need and importance of retirement planning. There are considerable changes in the saving and investment behavior of individuals in India over the last couple of years. The awareness about retirement planning is must for every single individual. The research paper highlights the behavior pattern of salaried individuals towards retirement planning. To do so, paper seeks to evaluate awareness of 130 working individuals towards investment approach for retirement. The result of the survey will test the awareness level and behavior towards investment pattern for retirement planning

Geethu Gopi and Priyanka et al (2018) identified that investment is an activity confined to specific financial aims of investors. It's the path through which smart money are transferred from the surplus area to the deficit. The money is deposited by the investor with the diverse intention such as appreciation, return and safety. Convenient random sampling method is used for selecting the sample of 100 employees from ten shipping industries in Ernakulam. The collected information was analyzed by using different statistical tools like T test, Chi Square analysis, correlation analysis and percentage analysis .The major findings of the study suggested most of the employee's savings are directed to their personal expenses such as child's education, marriage etc. They are tending to risk adverse investors.

Sivaramakrishnan and Kumarasamy (2018) made a research on financial smartness is a type of business intelligence constituted of the knowledge and skills gained from understanding finance and accounting principles in the business world. The Financial smartness and behavior of working employees is analyzed using the statistical tools such as frequency table, Chi-Square distribution, multiple response analysis and Factor analysis. Financial literacy goes hand-in-hand with financial intelligence. It involves the proficiency of financial principles and concepts such as financial planning, managing debt, profitable savings techniques and the time value of money.

Venkataraman and Thilak (2018) state that financial literacy will enable better decision making and efficient management of funds. The knowledge of basic

foundations of time value can result in building a robust portfolio. The recent initiatives by the government on financial inclusion aids in promoting faster access to transfer benefits. The RBI on the other hand, had initiated various financial literacy programs to have significant inclusion. The key to successful inclusion is financial literacy. The tools used for the analysis was confirmatory factor analysis and structural equation modeling. The factors identified were financial attitude, behavioral factors, financial knowledge and influence and among the factors financial knowledge and influence were observed to predict financial literacy

Anand Kumar Shrivastava (2018) The objective of the research is to study the investment behavior of government employees towards different financial products available in the market so here 50 government employees were chosen as respondents in the research. It found that most of the peoples are still investing into tradition investment avenues like bank deposits, post office etc. because either they are unaware of other financial products or they don't want to take enough risk in their investment that's why they are not much satisfactory with their current investment.

Sanket and Jagdeesh et al (2018) state that Investment is a type of activity that is engaged in by the people who have to do savings i.e. investments are made from their savings, or in other words it is the people invest their savings. The researcher has analyzed and found that salaried employees consider the safety as well as good return on investment that is invested on regular basis. Respondents are much more aware about the different investment avenues available in India except female investors.

Avni Patel (2018) identifies that financial literacy is all about how well the people understand basic concepts related to finance. Basic understanding of financial concepts is defined as financial literacy of the person. To achieve objective of financial inclusion, people must be financially literate first. So to observe the financial literacy of the respondents of Gujarat, particular study is undertaken. Study is descriptive in nature and 600 samples from four major cities of Gujarat has been selected for the same. Scope of the study is confined to salaried employees of

Govt., Public and Private sectors. To assess the financial literacy respondents were asked eight questions which pertain to basic and advanced financial literacy. Study reveals that respondents of Gujarat possess fair financial literacy

Nooka Raju (2018) state that the family unit with the available savings plan achieve various goals which they come across during their different stages of life. With the available sources of information on various investment avenues, the savings will be changed into investment considering the risk, return and other factors. The study mainly concentrates in knowing perception of risk level on various investment avenues by the employees at different stages of life. The major findings of the study are that majority of the employees at all the stages of life has less perception on the level of risk on various investment avenues.

Renu Isidore and Christie (2019) says that the purpose of this paper is to test the relationship between the annual income earned by the investors and eight behavioral biases exhibited by the investors such as mental accounting, anchoring, gambler's fallacy, availability, loss aversion, regret aversion, representativeness and overconfidence.

Zankhana and Ronikadevi (2019) aim of this research is to analyze awareness, perception & behavior regarding different investment avenues available for salaried people and to study various demographic variables and pattern of investment. Data were analyzed using descriptive statistics and chi-square technique was applied to demographic factors and motives of savings. For analysis purpose SPSS software is used. The results show that bank deposit and insurance policies still remains the most preferred investment avenues. Salaried people's age and their motives of savings are dependent on each other.

Meenakshisundaram and Ramanathan (2020) state that decisions towards investment are based on investor's mind set rather than rational decision making. The main objective of this research study is to identify the factors that influence the investment decisions of the women employees working in banks. Factors like Investor's Self-confidence, Investment Prudence and Investment Planning &

Annoying Planning were identified for the investment decision of respondents. Further, Friends / Colleagues and Family members were found to be the motivational factors for influencing the decision making process by the 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. Tax planning does not mean to not pay the tax but in actual tax planning means paying a tax when individual crosses certain limit. Also researcher has study the concept of tax planning in detail. It also creates wealth in the hand of individual assessee in the form of good return. Individual assessee requires a full understanding of tax rules. Tax planning also helps to reduce the tax liability of individual.

Siddhaarth and Vilas (2020) state that “This is too difficult for a mathematician. It takes a philosopher. The hardest thing in the world to understand is the income tax.” –Albert Einstein Tax Management. Tax Management is an activity conducted by the tax payer to reduce the tax liability and maximize the use of all available deductions, allowances, exclusions, as per income tax act 1961. Study outcomes reveals that the foremost adopted combination of tax saving instrument are PPF (Public Provident Fund), which got the primary rank during this study and therefore the other are Children education , LIC , Home Loan, NPS and other priority gives to Medical Insurance, National saving certificates ,Fixed Deposits and ELSS.

Sekar and Uma (2020) says the object of the study the awareness level regarding investments among the salaried class individuals of Neyveli NLC India Ltd. The collected data were analyzed using simple percentage, chi-square test, and mean, co-efficient of variation. The study evidenced that higher level of awareness was found in the aspects of return on various schemes in life insurance, about bank fixed deposits and various schemes in Life insurance. And lesser level of awareness was identified in the aspects of requirements to make investments in stock market, Knowledge about right time to invest or disinvest mutual funds and about net assets value.

Priti and Purvi (2020) This paper aims to find the behavior of individual investors of Ahmedabad district vis-a-vis available investment avenues in the Indian financial markets. All the investors invest their surplus money in the above mentioned avenues depending on their risk taking attitude. "No pain, no gain" it is the golden principle of investment management. Investors cannot avoid risks, but they can minimize the risk by investing their money in various forms of safe investments so that they can get a moderate profit. This study has led the researcher to conclude that most of the investors of Ahmedabad district prefer bank deposits followed by investments in gold and silver.

Vyshak and Joobi (2020) made a research on tax planning is the arrangement of one's affairs in such a way that the tax planner can either reduce the tax incident in its entirety or reduce it to the maximum extent that is permissible within the framework of taxation. Tax planning is really worthwhile because tax laws are changing every year. Every year, new rules and regulations are included in tax legislation. Tax planning enables investors to minimize their tax burden on investment returns. The major findings of the study are that, majority of the age and gender wise individual assesses agrees that tax awareness and tax planning lead to wealth creation in their hands. They also believe that tax planning and awareness leads to more savings, helps in building efficient portfolio and increases their standard of living.

Bindabel and Hamza (2021) state that the main objective of the study was to find out the relationship between saving and investment pattern and orientation towards finance among the working women at the universities of Saudi Arabia. Orientation towards finance (ORTOFIN) is one's attitude towards effectively managing financial activities. This study states there is a significant positive relationship among the saving and investment pattern and orientation towards finance among the working women at the universities of Saudi Arabia. The finding of the study revealed Financial Management Behavior act as a major contributor to the orientation towards finance and the factor of personnel planning is another significant contributor towards ORTOFIN.

CHAPTER – 3

RESEARCH METHODOLOGY

3.1. RESEARCH DESIGN

A type of research design that is used for this research is Descriptive research. The method in which the study undergoes is Questionnaire.

The descriptive research aims at obtaining complete and accurate information for the study, the method adopted must be carefully planned. It uses methods like quantitative analysis of secondary data, surveys, panels, observations, interviews, questionnaires, etc.

3.2. SAMPLING TECHNIQUE

It is a method of selecting a suitable sample for the purpose of determining the characteristics of the whole population. There are two types of sampling design Non-probability Sampling Techniques and Probability Sampling Techniques. There are various sub techniques under each.

The best suitable sampling design is Non-Probability Sampling Technique, as it involves non-random selection and not every individual has a chance of being included. Convenience sampling is taken. It is used when we don't have any kind of prior information about the target population. Convenience sampling (also known as grab sampling, accidental sampling, or opportunity sampling) is a type of non-probability sampling that involves the sample being drawn from that part of the population that is close to hand. Members of the population are chosen based on their relative ease of access. To sample peer groups, co-workers, software employees, government employees are considered for convenience sampling.

3.3. SOURCES OF DATA

3.3.1. PRIMARY DATA

The primary data consist of Questionnaire. A Questionnaire is basically a written and authorized format containing all the questions which are relevant to the required information. Therefore data can be collected through Questionnaires from the required sample size

The questionnaire was distributed with close ended questions like multiple choice questions, dichotomous questions (Yes or No) and close ended questions (Demographic questions).

3.3.2. SECONDARY DATA

The secondary data is derived from Banking industry reports, online websites, journals and books which are published on the project topic.

3.4. STRUCTURE OF QUESTIONNAIRE

There are two broad types of questions open ended or open questions, and closed ended or closed questions. Open questions enable respondents to answer as they wish. Closed questions provide respondents with a list of options from which they choose.

3.5. SAMPLE SIZE

A sample size is a component of population which is cautiously selected to signify the population. The most commonly used approach for determining the size of sample is the confidence interval approach covered under inferential statistics.

The sample size for the project 163 samples

3.5.1. SAMPLE PLAN

It includes sampling design, sample location, sampling frame, sampling unit and sample size. When you collect any sort of data, especially quantitative data, whether observational, through surveys or from secondary data, you need to decide which data to collect and from whom. This is called the sample. A sample is a subset of the population being studied. It represents the larger population and is used to draw inferences about that population.

3.5.2. POPULATION

Population is a complete set of elements (persons or objects) that possess some common characteristics defined by the sampling criteria established by the researcher. The population focused for the study titled, “A study on financial planning for salaried employees.” The responses can be derived from family, relatives and peer groups in Chennai.

3.5.3. SAMPLING FRAME

“Sampling frame comprises all the elements of a population with proper identification that is available to us for selection at any stage of sampling”. In the above case, sampling frame will be taken from all the persons who are working in private/government organizations around Chennai.

3.5.4. SAMPLING UNIT

Every single unit or object inside the sampling frame is regarded as sampling unit. Each person who is working in any organizations of sampling frame will be a sampling unit.

3.6. PERIOD OF STUDY

The period of study can be observed for three months starting from January 2021 to March 2021.

3.7. RESEARCH HYPOSTHESIS

- There is no significant difference among various age group on their preference of savings of regular income
- There is no significant difference among annual household income on their regular spending pattern.
- There is no relationship among the respondent's regular contribution to their retirement account with respect to gender.
- There is no association between the familiarity of investment markets and risk tolerance to achieve higher level of return.
- There is no relationship between the regular savings pattern and spending pattern of the respondents.

CHAPTER - 4

DATA ANALYSIS AND INTERPRETATION

4.1. PERCENTAGE ANALYSIS

TABLE 4.1 - Gender of the respondents

Gender	Frequency	Percentage
Male	106	65.03%
Female	57	34.97%
Grand Total	163	100.00%

Source: Primary Data, 2021

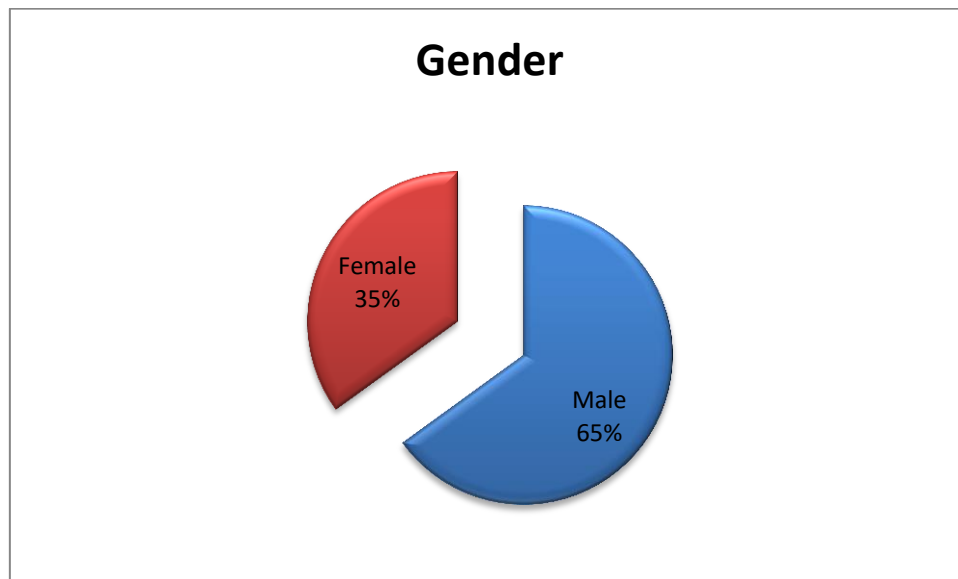


CHART 4.1 - Gender of the respondents

INTERPRETATION

From the above table, 65.03% of the respondents are Male and 34.97% of the respondents are Female.

TABLE 4.2 - Age of the respondents

Age	Frequency	Percentage
Below 20 years	1	0.61%
21-30 years	105	64.42%
31-40 years	45	27.61%
41-50 years	8	4.91%
51 years and above	4	2.45%
Grand Total	163	100.00%

Source: Primary Data, 2021

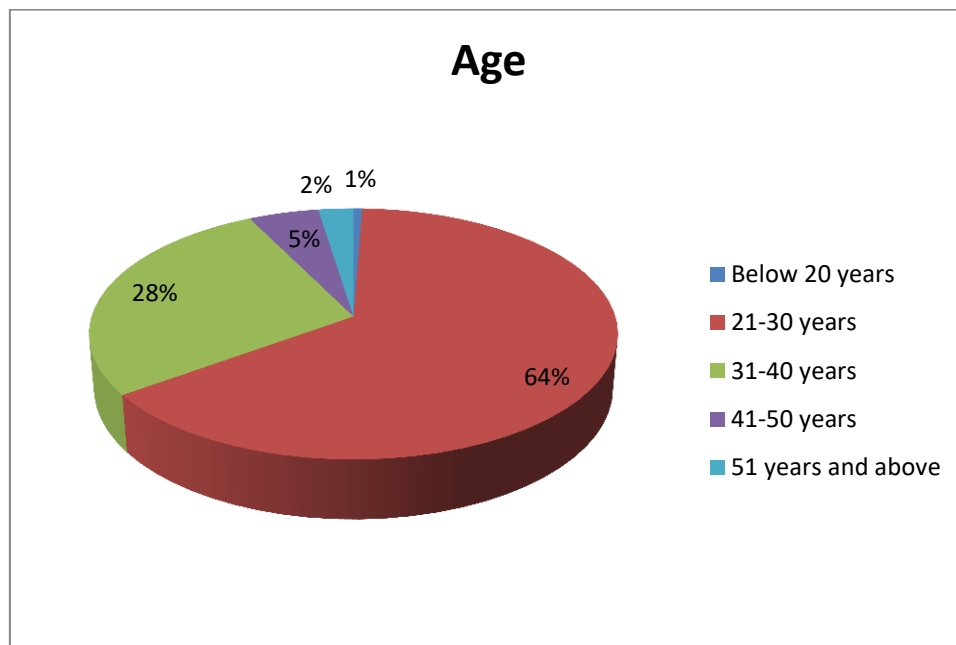


CHART 4.2 – Age of the respondents

INTERPRETATION

From the above table, 64.42% of respondents are of 21-30 years of Age, 27.61% of respondents are of 31-40 years, 4.91% of respondents are of 41-50 years, 2.45% of respondents are of 51 years and above and the remaining 0.61 % of respondents are of below 20 years.

TABLE 4.3 – Education details of respondents

Particulars	Frequency	Percentage
Higher secondary / Diploma	10	6.13%
Graduate	97	59.51%
Post graduate	56	34.34%
Grand Total	163	100.00%

Source: Primary Data, 2021

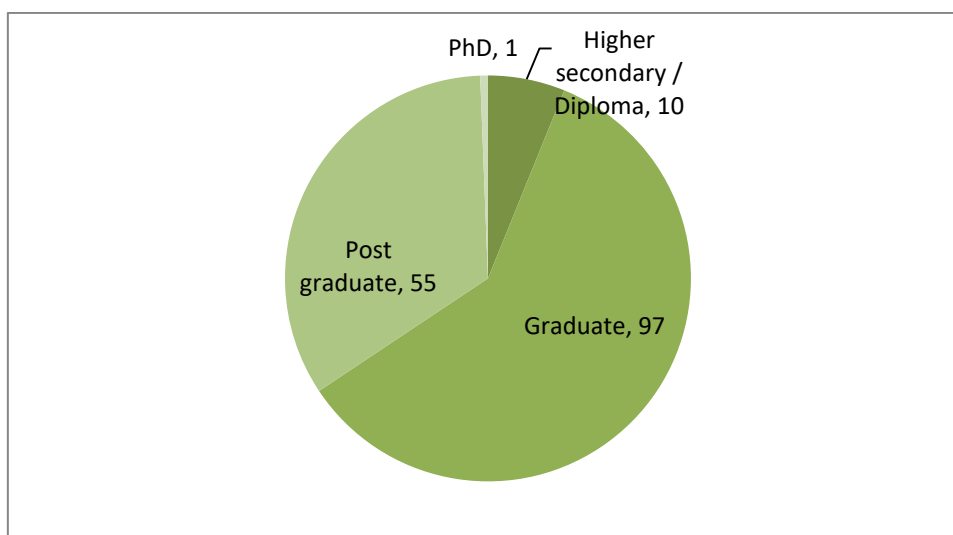


CHART 4.3 – Education details of respondents

INTERPRETATION

From the above table, 59.51% of respondents are of graduate, 33.74% of respondents are of Post graduate, 6.13% of respondents are of higher secondary / diploma and the remaining, 0.61% of respondents are of PhD.

TABLE 4.4 – Marital Status of respondent

Particulars	Frequency	Percentage
Married	85	52.15%
Unmarried	78	47.85%
Grand Total	163	100.00%

Source: Primary Data, 2021

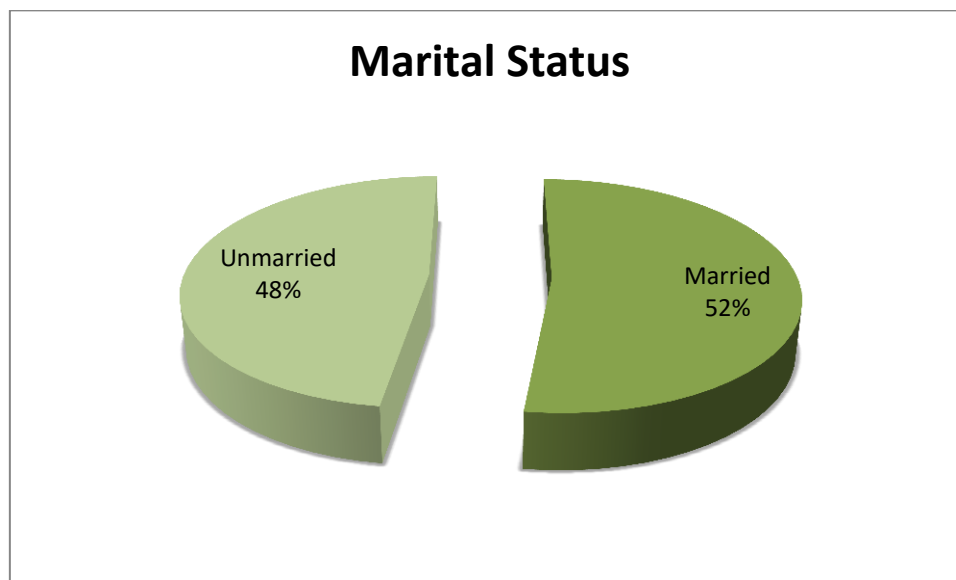


CHART 4.4 - Marital Status of respondents

INTERPRETATION

From the above table, 52.15% of the respondents are married and 47.85% of the respondents are unmarried.

Table 4.5 – Number of Dependents of respondent

Particulars of Dependents	Frequency	Percentage
1	35	21.47%
2	59	36.20%
3	30	18.40%
4	28	17.18%
5	11	6.75%
Grand Total	163	100.00%

Source: Primary Data, 2021

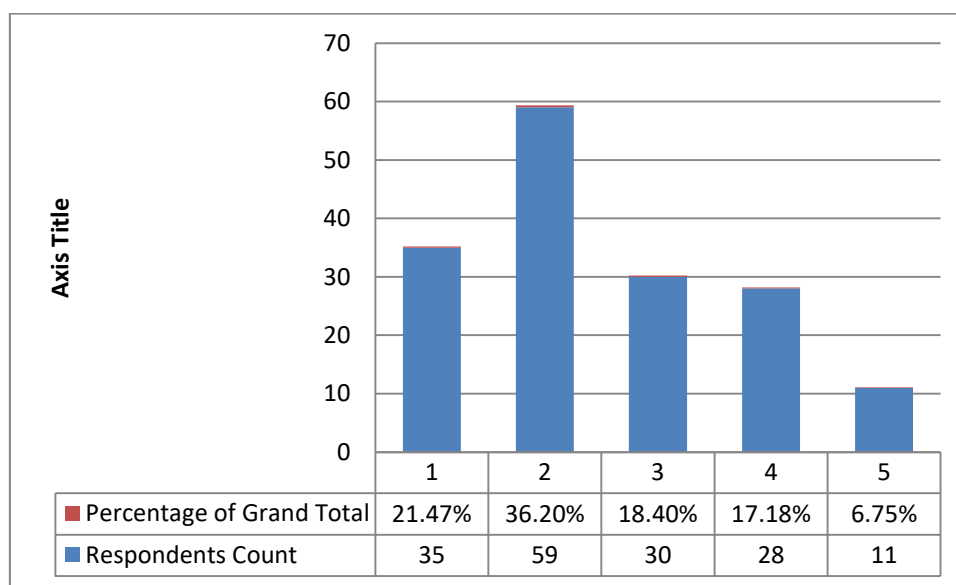


CHART 4.5 – Number of Dependents of respondent

INTERPRETATION

From the above table, 36.20% of the respondents are having 2 dependents, 21.47% of the respondents are having 1 dependent, 18.40% of the respondents are having 3 dependents, 17.18% of the respondents are having 4 dependents and the remaining, 6.75% of the respondents are having 5 dependents.

TABLE 4.6 – Current employment of respondent

Current Employment Particulars	Frequency	Percentage
Government employee	11	6.75%
Private sector employee	152	93.25%
Grand Total	163	100.00%

Source: Primary Data, 2021

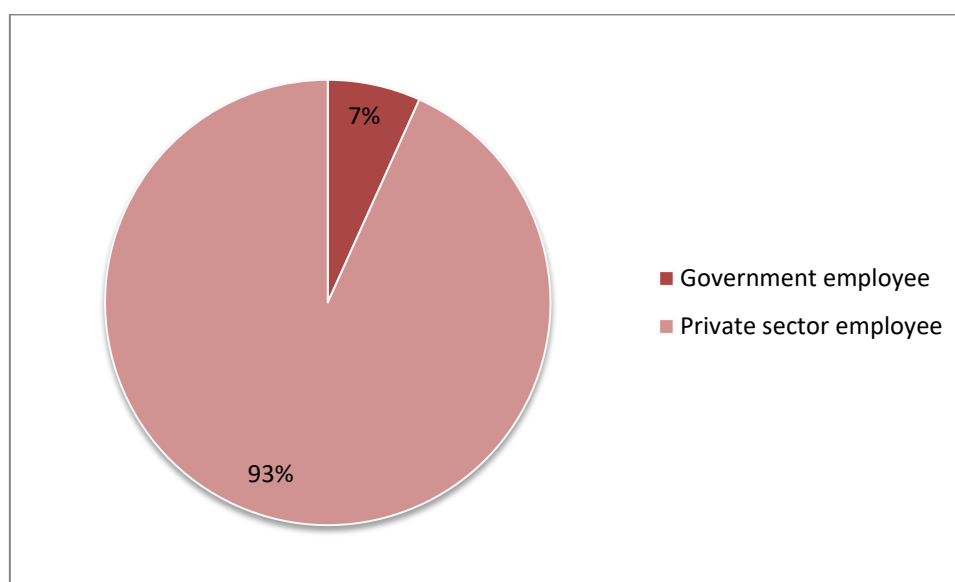


CHART 4.6 – Current employment of respondent

INTERPRETATION

From the above table, 93.25% of the respondents are of Government employees and 6.75% of the respondents are of Private sector employees.

TABLE 4.7 – Annual Household Income of respondent

Annual Household Income	Frequency	Percentage
Below Rs.2.5 lakh	20	12.27%
Rs.2.5 lakh - Rs.5 lakh	50	30.67%
Rs.5 lakh - Rs.10 lakh	60	36.81%
Rs.10 lakh and above	33	20.25%
Grand Total	163	100.00%

Source: Primary Data, 2021

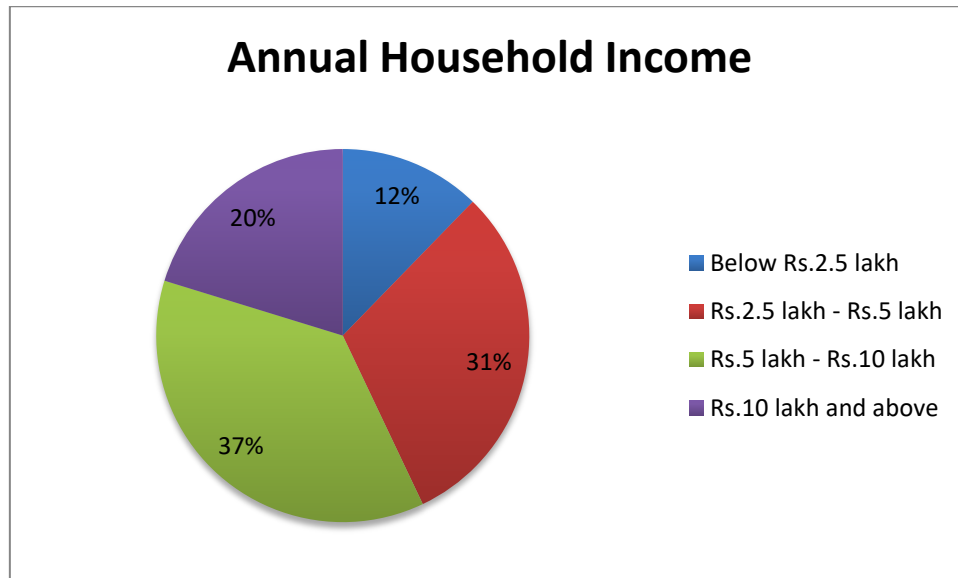


CHART 4.7 – Annual Household Income of respondent

INTERPRETATION

From the above table, 36.81% of the respondents are getting Rs.5 lakh – Rs.10 lakh gross annual household income, 30.67% of the respondents are getting Rs.2.5 lakh – Rs.5 lakh gross annual household income, 20.25% of the respondents are getting Rs.10 lakh and above gross annual household income and the remaining, 12.27% of the respondents are getting below Rs.2.5 lakh gross annual household income.

TABLE 4.8 – The ability to manage respondents own finances

Ability of own finance management	Frequency	Percentage
Very high	15	9.20%
High	46	28.22%
Moderate	85	52.15%
Low	11	6.75%
Very low	6	3.68%
Grand Total	163	100.00%

Source: Primary Data, 2021

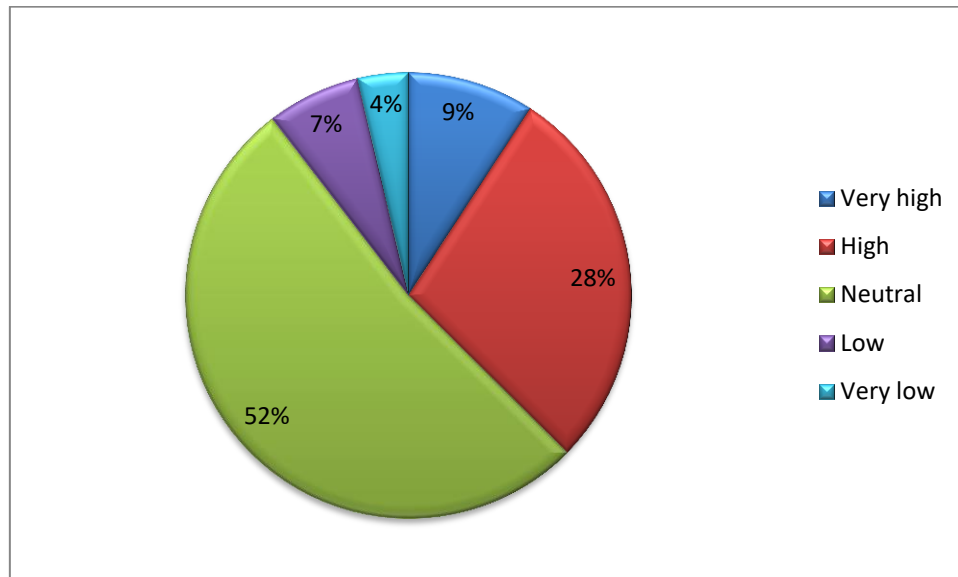


CHART 4.8 - The ability to manage respondents own finances

INTERPRETATION

From the above table, 52.15% of the respondents ability to manage their own finance is moderate, 28.22% of the respondents ability to manage their own finance is high, 9.20% of the respondents ability to manage their own finance is very high, 6.75% of the respondents ability to manage their own finance is low and the remaining, 3.68% of the respondents ability to manage their own finance is very low.

TABLE 4.9 – Current Financial Investments of the respondent

Current financial investments	Frequency	Percentage
Mutual Funds	33	20.20%
FD/RD/Bonds	74	45.40%
Provident Fund Account	52	31.90%
PPF Account	31	19.20%
Pension Fund Account	23	14.10%
Stocks and Equity Shares	12	7.40%
NPS Account	11	6.70%
Life Insurance	50	30.70%
Medical Insurance	37	22.70%
Post office Saving Scheme	1	0.61%
Others	3	1.80%
Grand Total	163	100.00%

Source: Primary Data, 2021

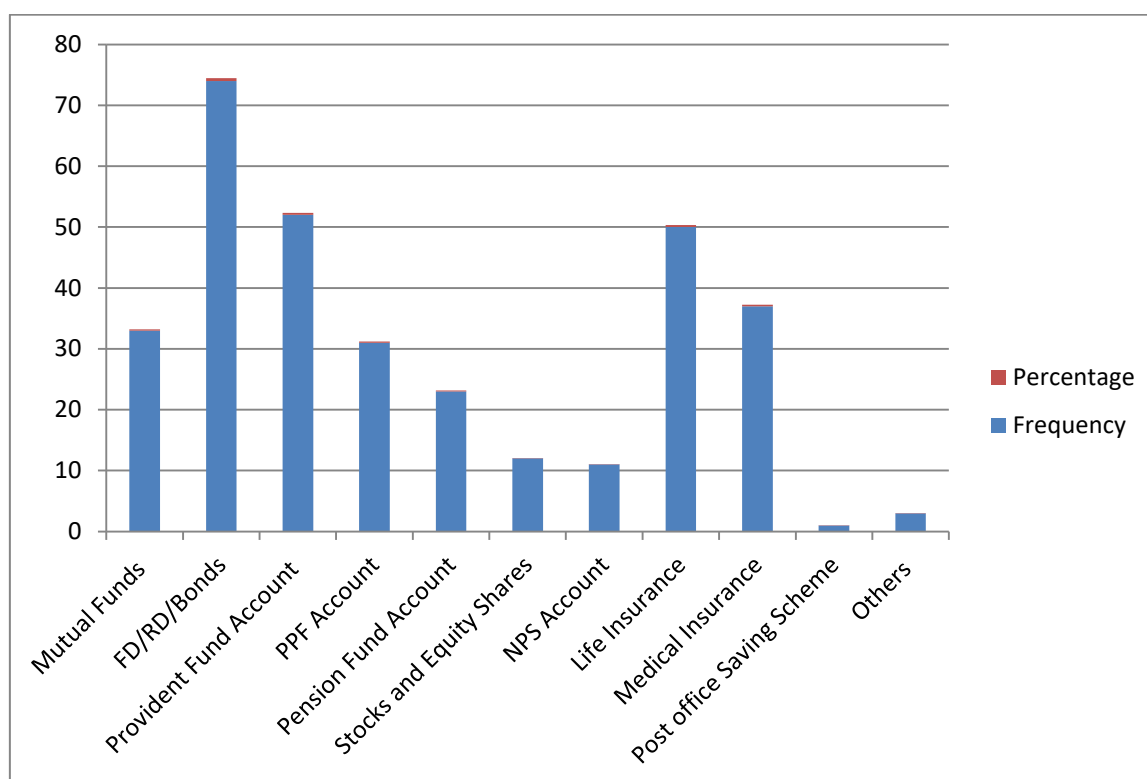


CHART 4.9 – Current financial investment of the respondent

INTERPRETATION

From the above table, 45.4% of the respondents have invested in FD/RD/ Bonds, 31.9% of the respondents have invested in Provident fund account, 30.7% of the respondents have invested in Life insurance, 22.7% of the respondents have invested in Medical insurance, 20.2% of the respondents have invested in mutual funds, 19% of the respondents have invested in PPF account, 14.1% of the respondents have invested in pension fund account, 7.4% of the respondents have invested in stocks and equity shares, 6.7% of the respondents have invested in NPS account, 1.2% of the respondents have invested in chit funds, 0.6% of the respondents have invested in post office savings scheme and the remaining, 0.6% of the respondent have not invested in anything.

TABLE 4.10 – Major Savings Objectives of the respondent

Major Savings Objectives	Buy house		Planning for children education/marriage cost		Buy a car		For retirement purpose		Reduce housing/other loans	
	N	%	N	%	N	%	N	%	N	%
Very Low	69	42.33	26	15.95	30	18.4	22	13.5	28	17.18
Low	25	15.34	41	25.15	29	17.79	28	17.18	27	16.56
Moderate	21	12.88	24	14.72	43	26.38	44	26.99	37	22.7
High	18	11.04	48	29.45	34	20.86	46	28.22	42	25.77
Very High	30	18.4	24	14.72	27	16.56	23	14.11	29	17.79
Grand Total	163	100	163	100	163	100	163	100	163	100

Source: Primary Data, 2021

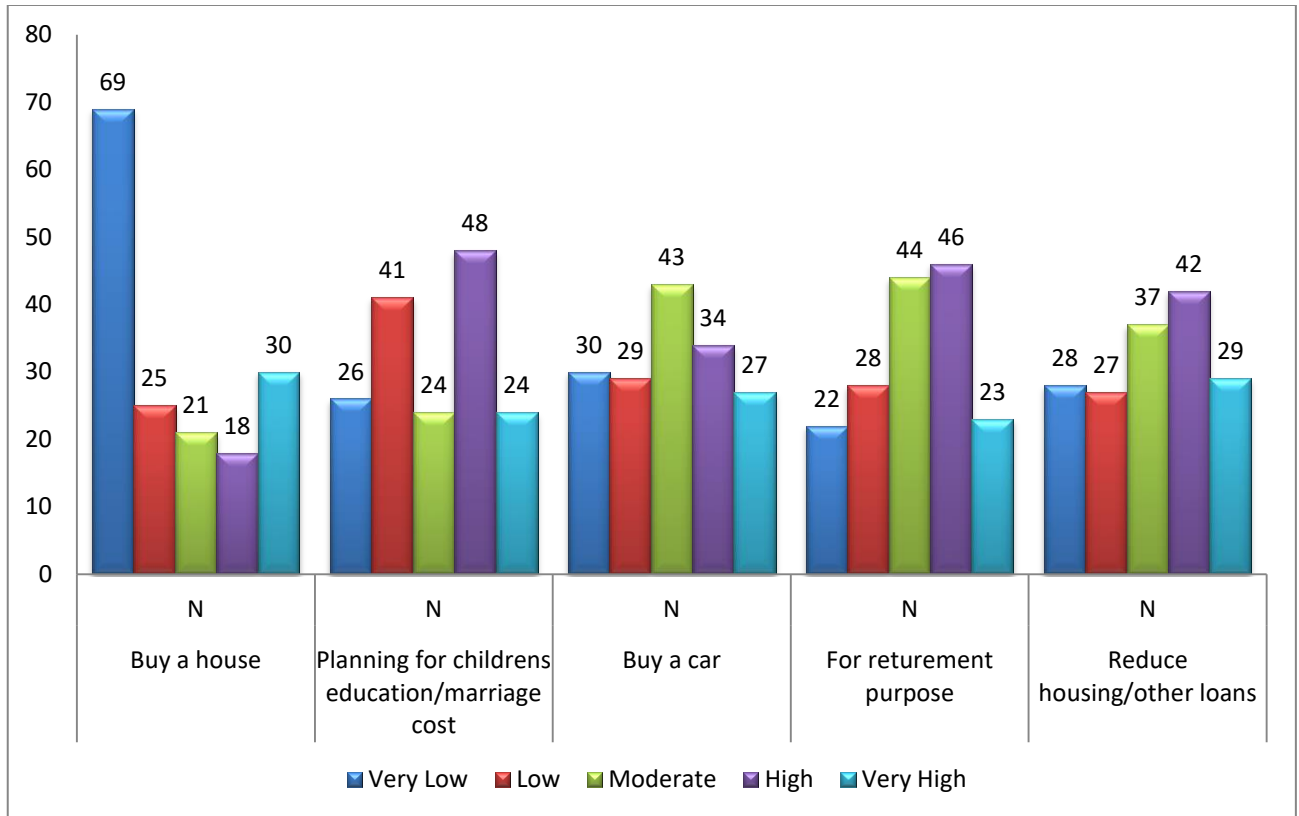


CHART 4.10 – Major Savings Objectives of the respondent

INTERPRETATION

From the above table, major savings objective of the respondents are rated from highest to lowest between 1 to 5, highest major savings objectives of the respondents is to buy a house, next to that is planning for children education / marriage costs, next to that is planning for retirement purpose, next to that is to buy a car and the lowest preference would be reducing housing/other loans.

TABLE 4.11 – Monthly Savings Percentage of the respondent

Monthly Savings Percentage	Frequency	Percentage
Less than 15%	44	26.99%
15% to 30%	56	34.36%
30% to 50%	51	31.29%
50% and above	12	7.36%
Grand Total	163	100.00%

Source: Primary Data, 2021

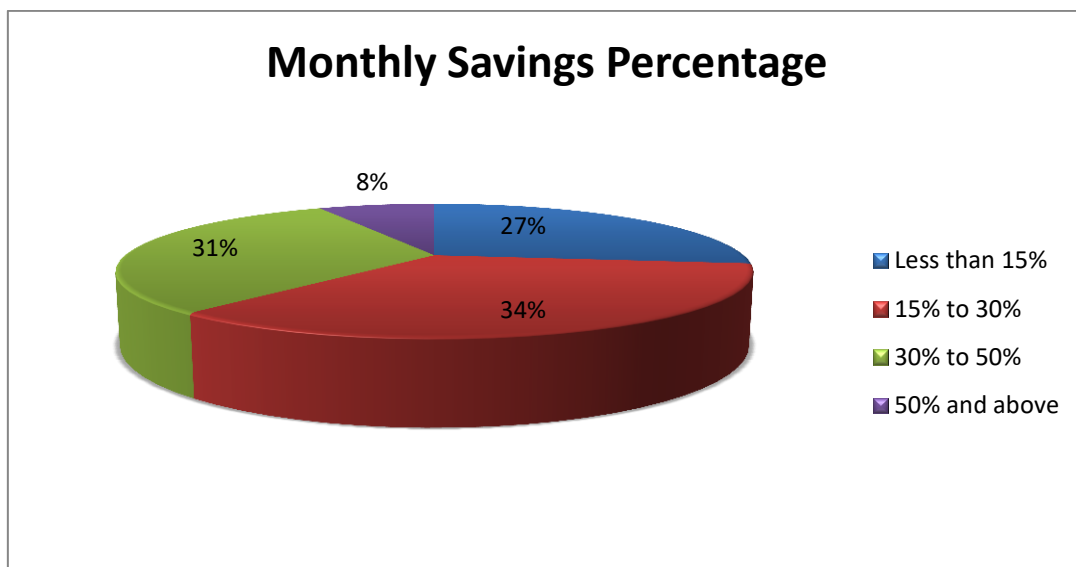


CHART 4.11 – Monthly Savings Percentage of the respondent

INTERPRETATION

From the above table, 34.36% of the respondents are saving 15% to 30% of their monthly salary, 31.29% of the respondents are saving 30% to 50% of their monthly salary, 26.99% of the respondents are saving Less than 15% of their monthly salary and the remaining, 7.36% of the respondents are saving 50% and above of their monthly salary.

TABLE 4.12 – Loan repayment percentage of respondent

Loan Repayment Percentage	Frequency	Percentage
Nil	24	14.72%
Less than 20%	47	28.83%
Between 20% - 35%	58	35.58%
Between 35% - 50%	24	14.72%
Over 50%	10	6.13%
Grand Total	163	100.00%

Source: Primary Data, 2021

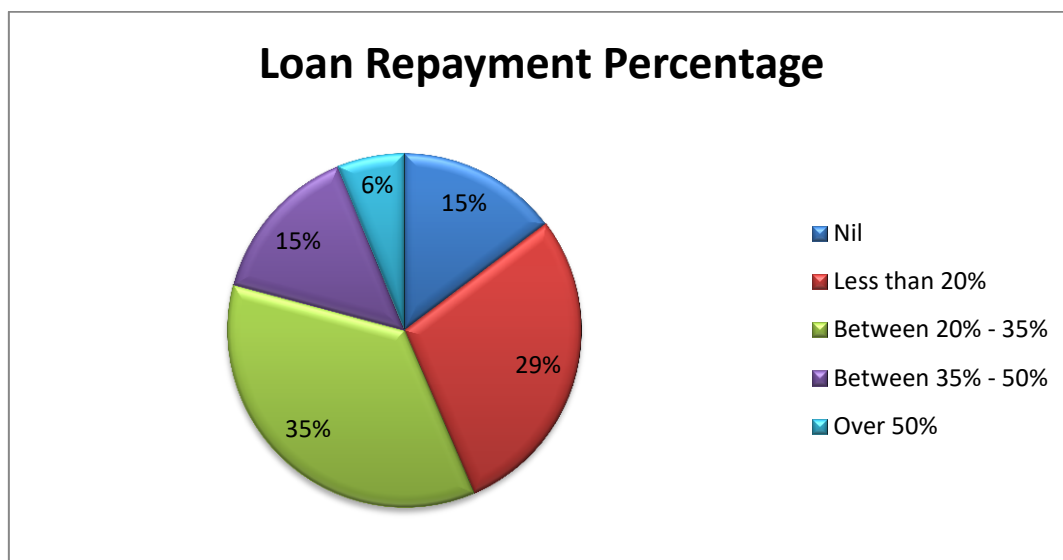


CHART 4.12 – Loan repayment percentage of respondent

INTERPRETATION

From the above table, 35.58% of the respondents are spending their monthly salary between 20% - 35% in repaying loans, 28.83% of the respondents are spending their monthly salary less than 20% in repaying loans, 14.72% of the respondents are spending their monthly salary between 35% to 50% in repaying loans, 14.72% of the respondents are not having any loans and the remaining, 6.13% of the respondents are spending their monthly salary over 50% in repaying loans.

TABLE 4.13 – Respondents Regular Income Savings Pattern

Regular income savings pattern	Frequency	Percentage
Do not save regularly as expenses generally exceed income	11	6.75%
Save as per planned schedule	32	19.63%
Save something every month	61	37.42%
Save whatever is left after meeting expenses	59	36.20%
Grand Total	163	100.00%

Source: Primary Data, 2021

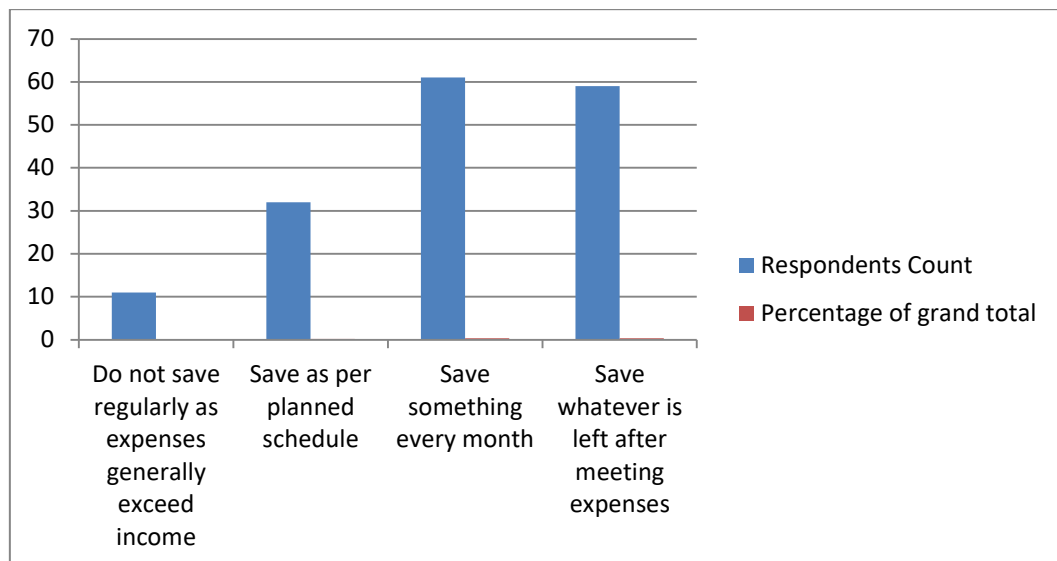


CHART 4.13 – Respondents Regular Income Savings Pattern

INTERPRETATION

From the above table, 37.42% of the respondents do save something every month regularly, 36.20% of the respondents save whatever is left after meeting expenses, 19.63% of the respondents save as per planned schedule and the remaining, 6.75% of the respondents do not save regularly as expenses generally exceed income.

TABLE 4.14 – Respondents Spending Pattern

Spending Pattern	Frequency	Percentage
I carefully plan my big purchases in advance	85	52.15%
I do not spend in a planned manner	37	22.70%
I have a definite spending pattern for regular monthly expenses	41	25.15%
Grand Total	163	100.00%

Source: Primary Data, 2021

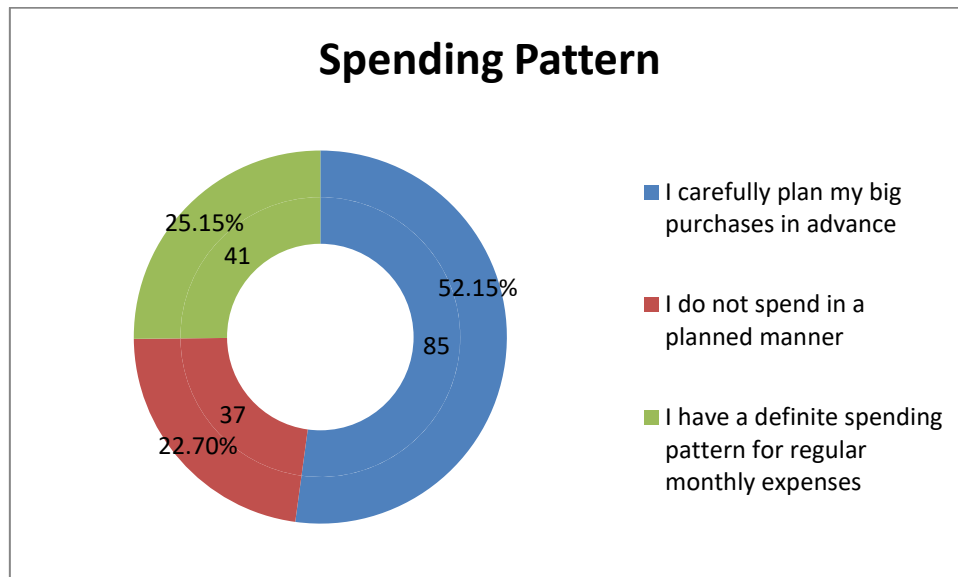


CHART 4.14 – Respondents Spending Pattern

INTERPRETATION

From the above table, 52.15% of the respondents carefully plan their big purchases in advance, 25.15% of the respondents have a definite spending pattern for their regular monthly expenses and the remaining, 22.70% of the respondents do not spend in a planned manner.

TABLE 4.15 – Usage of Generally Planned Savings of the Respondent

Planned Savings are Generally Used to	Frequency	Percentage
Buy durable items like TV, LCD, Refrigerator, Cell phone, Furniture, etc.,	33	20.25%
Buy fixed deposit schemes	47	28.83%
Buy gold and ornaments	58	35.58%
Make planned investments in Mutual Funds	25	15.34%
Grand Total	163	100.00%

Source: Primary Data, 2021

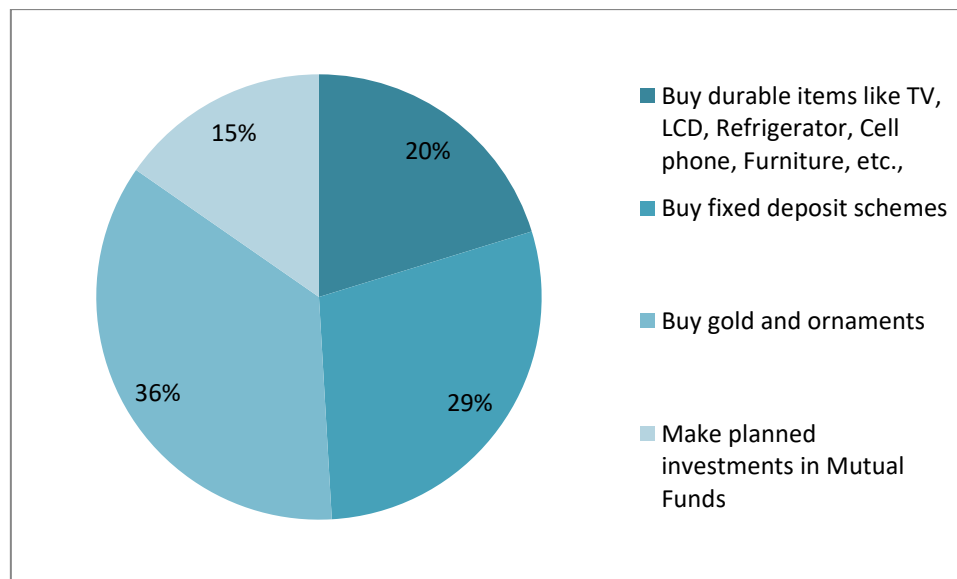


CHART 4.15 – Usage of Generally Planned Savings of the Respondent

INTERPRETATION

From the above table, 35.58% of the respondents use their generally planned saving to buy gold and ornaments, 28.83% of the respondents use their generally planned savings to buy fixed deposit schemes, 20.25% of the respondents use their generally planned savings to buy durable items like TV, LCD, Refrigerator, Cell phone, Furniture, etc., and the remaining, 15.34% of the respondents use their generally planned savings to make planned investments in mutual funds.

TABLE 4.16 – Provision for Emergency Fund to meet Exigencies

Provision for emergency fund to meet exigencies of the respondent	Frequency	Percentage
Bank Fixed Deposit from 3 - 6 month's salary/income	30	18.40%
I have not created an emergency fund	28	17.18%
Other avenues like Mutual Fund schemes, etc.: up to 3-6 month salary/income	13	7.98%
Up to one month salary/income in Bank account	25	15.34%
Up to three month salary/income in Bank account	67	41.10%
Grand Total	163	100.00%

Source: Primary Data, 2021

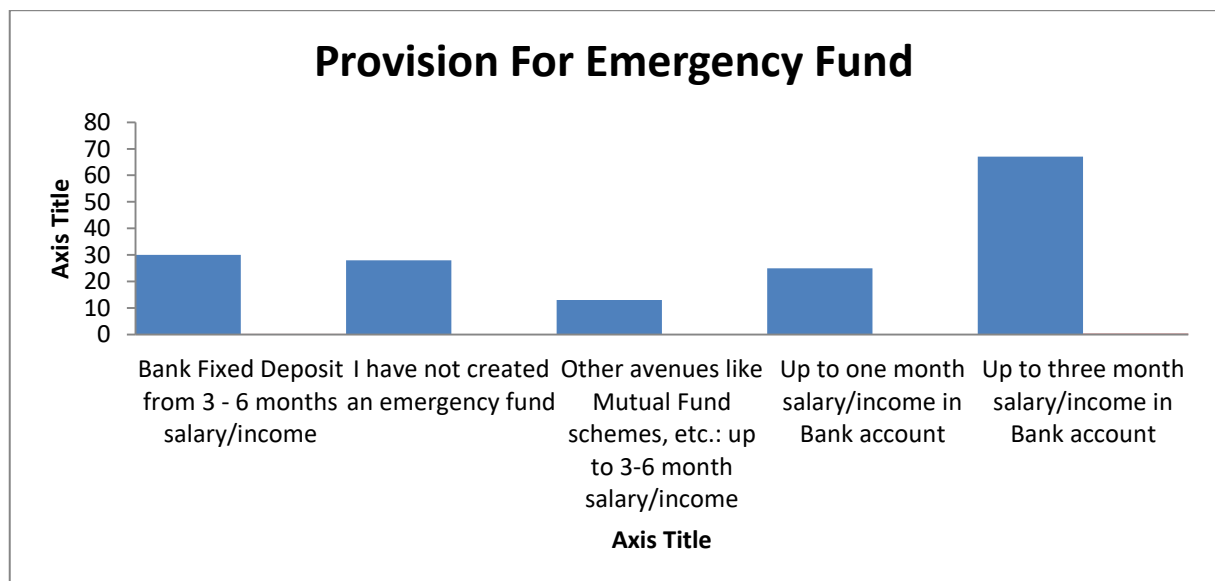


CHART 4.16 – Provision for Emergency Fund to meet Exigencies

INTERPRETATION

From the above table, 41.10% of the respondents have up-to three month salary/income in bank account, 18.40% of the respondents having bank fixed deposit from 3-6 month salary/income, 17.18% of the respondents have not created an emergency fund, 15.34% of the respondents have up-to one month salary/income in bank account and the remaining, 7.98% of the respondents have invested in other avenues like mutual fund schemes, etc.: up-to 3-6 month salary/income as their provision for emergency fund to meet exigencies like loss of job, hospitalization etc.,

TABLE 4.17 – Utilization of income tax benefits

Utilization of Income tax benefits, e.g. deductions from salary/income, rebates, etc.	Frequency	Percentage
Strongly agree	25	15.34%
Agree	69	42.33%
Neither agree nor disagree	51	31.29%
Disagree	15	9.20%
Strongly disagree	3	1.84%
Grand Total	163	100.00%

Source: Primary Data, 2021

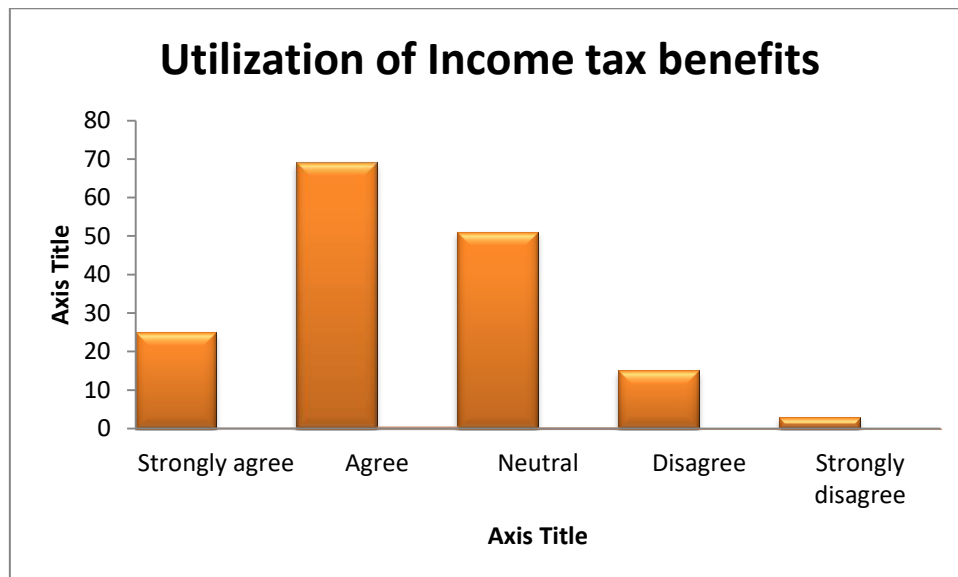


CHART 4.17 – Utilization of income tax benefits

INTERPRETATION

From the above table, 42.33% of the respondents have agreed on utilizing Income tax benefits, 31.29% of the respondents neither agree nor disagree on utilizing Income tax benefits, 15.34% of the respondents strongly agreed on utilizing Income tax benefits, 9.20% of the respondents disagree on utilizing Income tax benefits and the remaining, 1.84% of the respondents strongly disagree on utilizing Income tax benefits.

TABLE 4.18 – Income Tax Filing of the Respondents

Income tax filing during the year	Frequency	Percentage
Do not actively plan and meet most of my tax liability from the last few month salary	35	21.47%
Estimate all income during the year, plan investments availing maximum tax benefits	33	20.25%
Plan tax saving towards the end of the Financial Year	79	48.47%
Take the help of an expert like Chartered Accountant (CA)	16	9.82%
Grand Total	163	100.00%

Source: Primary Data, 2021

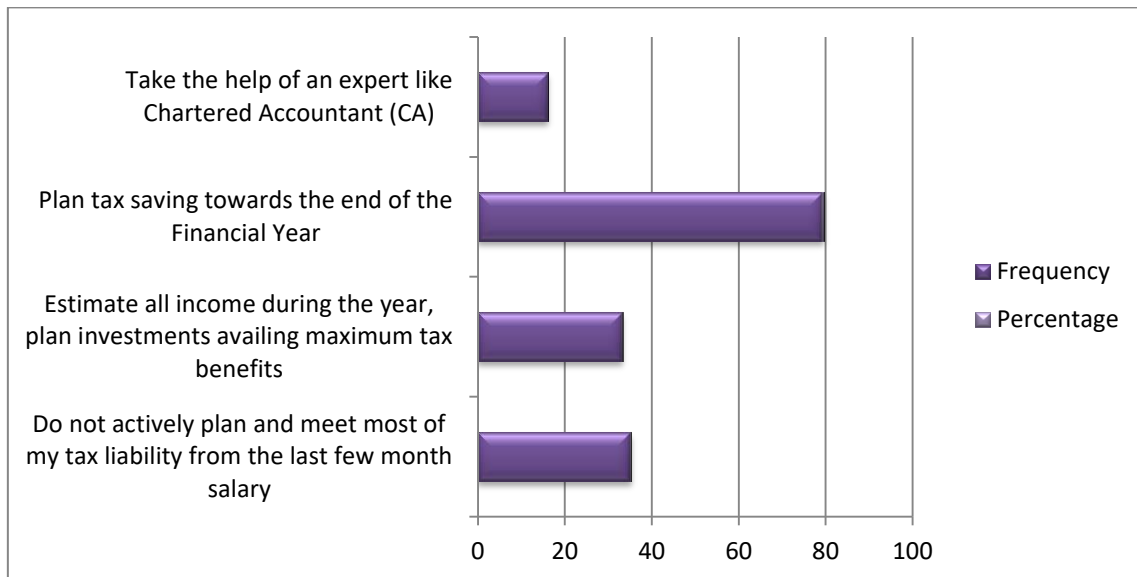


CHART 4.18 – Income Tax Filing of the Respondents

INTERPRETATION

From the above table, 48.47% of the respondents plan tax saving towards the end of the financial year, 21.47% of the respondents do not actively plan and meet most of tax liability from the last few month salary, 20.25% of the respondents estimate all income during the year, plan investments availing maximum tax benefits and the remaining, 9.82% of the respondents take the help of an expert like chartered accountant for income tax filing during the year.

TABLE 4.19 – Income Tax Planning for Upcoming Years

Income Tax Planning for Upcoming Years	Frequency	Percentage
By investing in tax saver fixed deposit	44	27.11%
By investing in term/life insurance	63	38.70%
By investing ULIP plans	36	22.10%
By investing in NPS, PPF, Mutual funds	37	22.70%
Grand Total	163	100.00%

Source: Primary Data, 2021

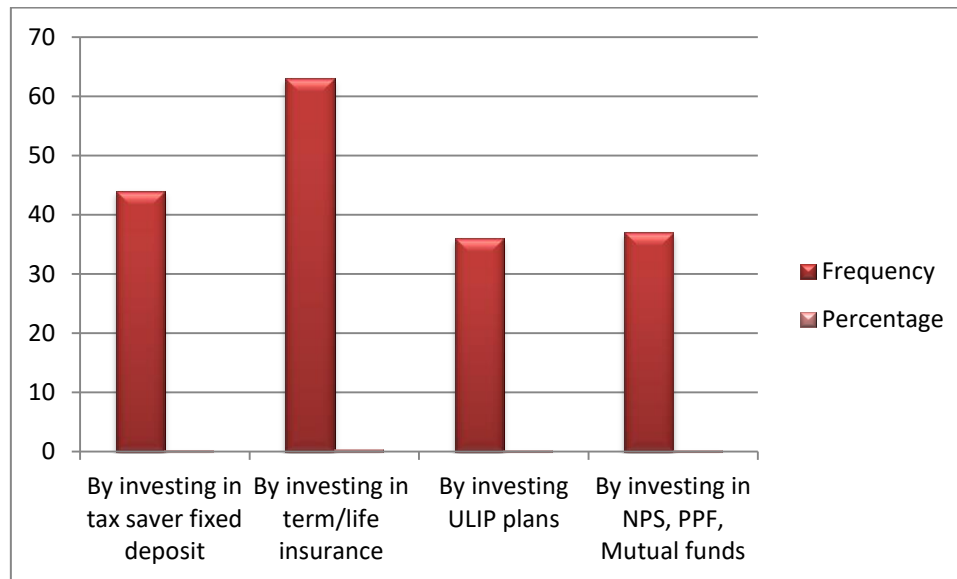


CHART 4.19 – Income Tax Planning for Upcoming Years

INTERPRETATION

From the above table, 37.7% of the respondents are planning to take income tax benefits by investing in term/life insurance, 27% of the respondents are planning to take income tax benefits by investing in tax saver fixed deposit, 22.7% of the respondents are planning to take income tax benefits by investing in NPS, PPF, mutual funds and the remaining, 22.1% of the respondents are planning to take income tax benefits by investing ULIP plans.

TABLE 4.20 – Respondents Regular Contribution to Retirement Account

Regular Contribution to Retirement Account	Frequency	Percentage
Very High	12	7.36%
High	49	30.06%
Moderate	65	39.88%
Low	27	16.56%
Very Low	10	6.13%
Grand Total	163	100.00%

Source: Primary Data, 2021

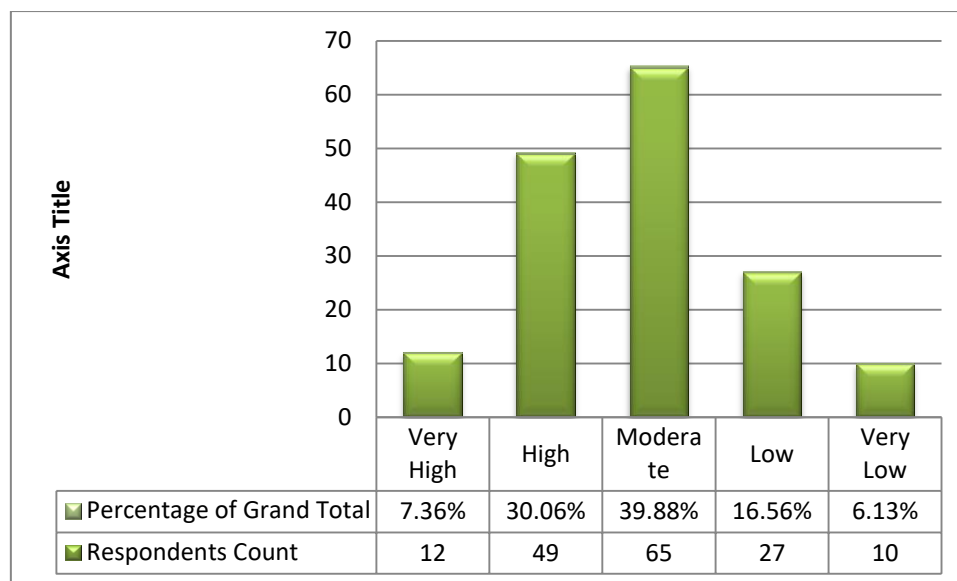


CHART 4.20 – Respondents Regular Contribution to Retirement Account

INTERPRETATION

From the above table, 39.88% of the respondents who make regular contribution to retirement account is moderate, 30.06% of the respondents do make regular contribution to retirement account is high, 16.56% of the respondents do make regular contribution to retirement account is low, 7.36% of the respondents do make regular contribution to retirement account is very high and the remaining, 6.13% of the respondents do make regular contribution to retirement account very low.

TABLE 4.21 – Planned Retirement Age of Respondent

Planned Retirement Age	Frequency	Percentage
Up to 45	15	9.20%
Up to 50	17	10.43%
Up to 55	37	22.70%
Up to 60	78	47.85%
Up to 65	16	9.82%
Grand Total	163	100.00%

Source: Primary Data, 2021

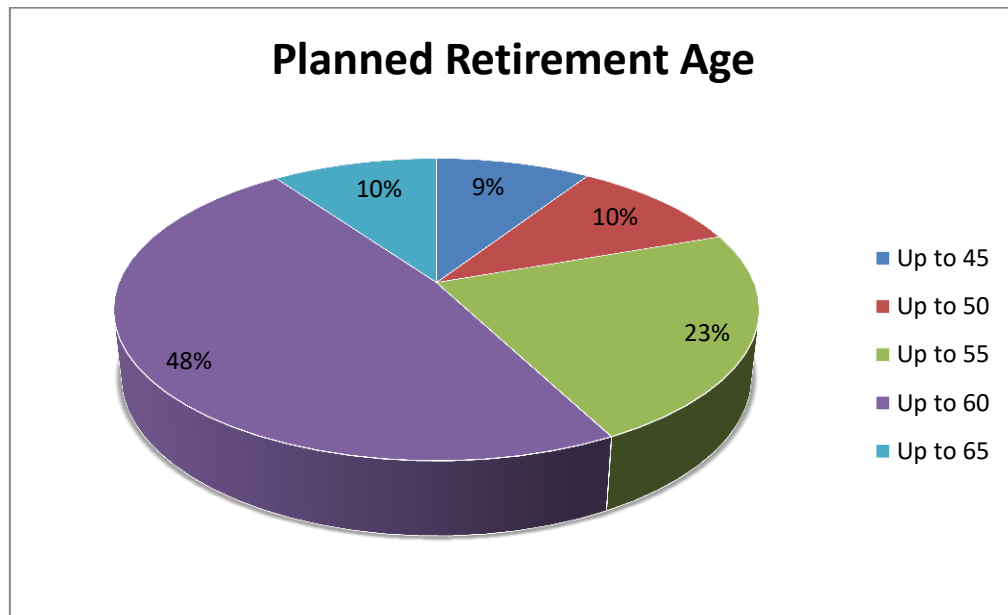


CHART 4.21 – Planned Retirement Age of Respondent

INTERPRETATION

From the above table, 47.85% of the respondents planned retirement age is up-to 60, 22.70% of the respondents planned retirement age is up-to 55, 10.43% of the respondents planned retirement age is up-to 50, 9.82% of the respondents planned retirement age is up-to 65 and the remaining, 9.20% of the respondents planned retirement age is up-to 45.

TABLE 4.22 – Pension Amount after Retirement of the Respondent

Pension Amount after Retirement	Frequency	Percentage
Equal to my current salary adjusted for price rise (inflation)	29	17.79%
Equal to 50% of my current salary adjusted for price rise (inflation)	62	38.04%
Equal to my current household expenses adjusted for price rise (inflation)	55	33.74%
Equal to 80% of my current household expenses adjusted for price rise (inflation)	17	10.43%
Grand Total	163	100.00%

Source: Primary Data, 2021

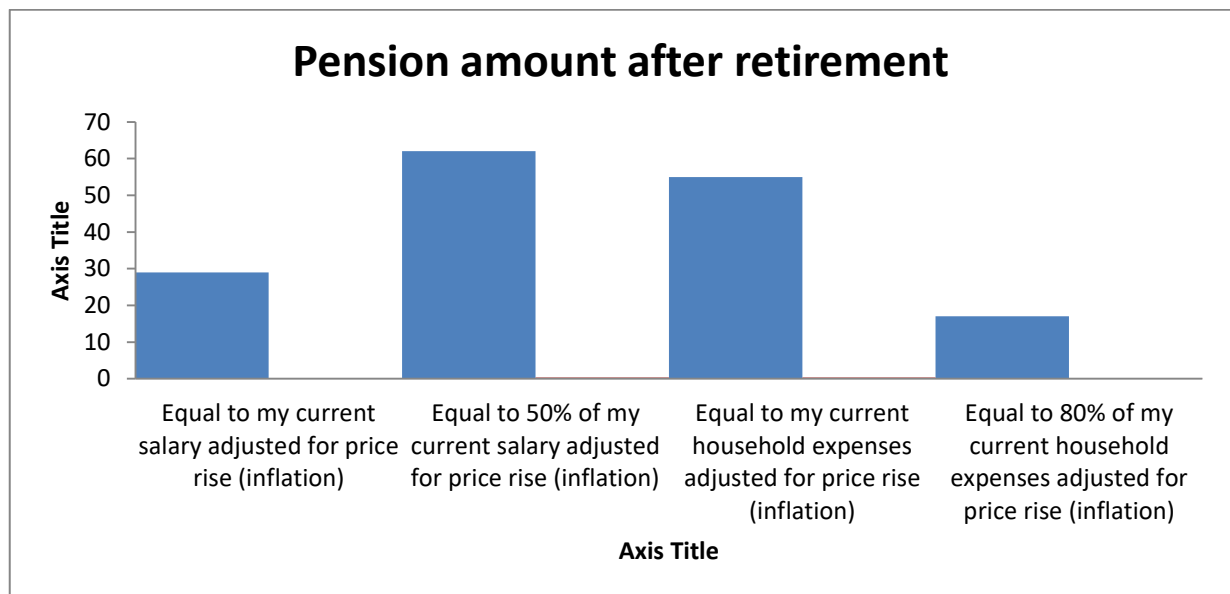


CHART 4.22 – Pension Amount after Retirement of the Respondent

INTERPRETATION

From the above table, 38.04% of the respondents want pension amount equal to 50% of their current salary adjusted to price rise (inflation) after retirement, 33.74% of the respondents want pension amount equal to their current household expenses adjusted to price rise (inflation) after retirement, 17.79% of the respondents want pension amount equal to their current salary adjusted to price rise (inflation) after retirement and the remaining, 10.43% of the respondents want pension amount equal to 80% of their current household expenses adjusted to price rise (inflation) after retirement.

TABLE 4.23 – Familiarity of Investment Markets by respondents

Familiarity of Investment Markets	Frequency	Percentage
I am an experienced investor	4	2.45%
I have a basic understanding of investment markets	68	41.72%
I have a strong understanding of investment markets	41	25.15%
I have no experience at all	50	30.67%
Grand Total	163	100.00%

Source: Primary Data, 2021

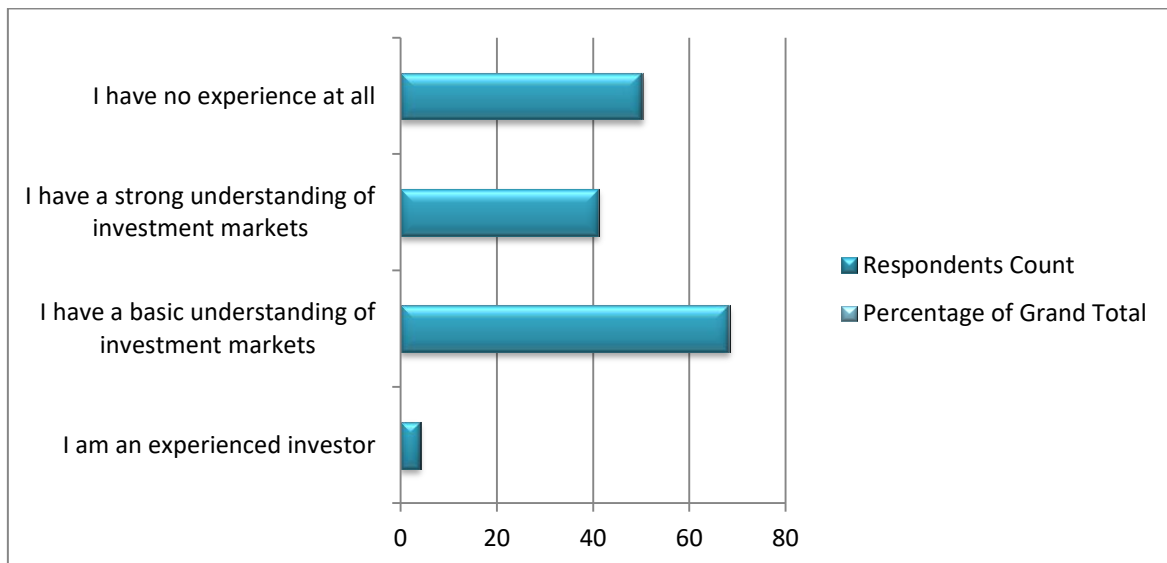


CHART 4.23 – Familiarity of Investment Markets by respondents

INTERPRETATION

From the above table, 41.72% of the respondents understand investment markets, 30.67% of the respondents have no experience at all with investment markets, 25.15% of the respondents have a strong understanding of investment markets and the remaining, 2.45% of the respondents are experienced investors in market.

TABLE 4.24 – Level of Risk Tolerance

Level of risk tolerance to achieve higher level of return	Frequency	Percentage
I can accommodate to minor loss	62	38.04%
I cannot accommodate any loss	43	26.38%
I understand that in seeking higher returns I can accept some loss	42	25.77%
In seeking higher return, I am prepared to accept a loss	16	9.82%
Grand Total	163	100.00%

Source: Primary Data, 2021

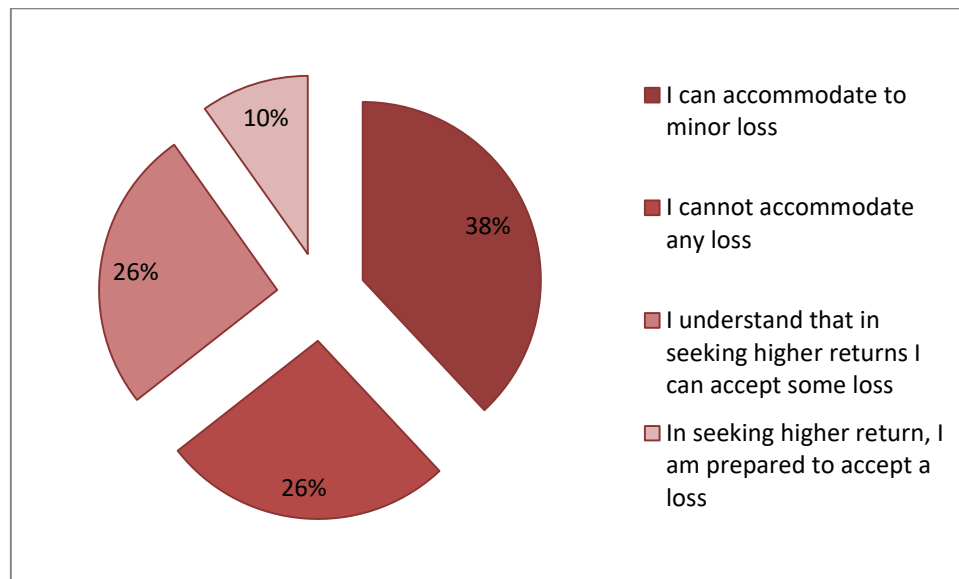


CHART 4.24 – Level of Risk Tolerance

INTERPRETATION

From the above table, 38.04% of the respondents can accommodate to minor loss, 26.38% of the respondents cannot accommodate any loss, 25.77% of the respondents understand that in seeking higher returns they have to accept some loss and the remaining, 9.82% of the respondents are prepared to accept a loss in order to achieve higher level of return.

TABLE 4.25 – Respondents preferred investment instruments

Instruments Preferred to Invest	Frequency	Percentage
Fixed Deposit	65	39.90%
Mutual Funds	51	31.30%
Stocks/Share/Bonds	45	27.60%
NPS	38	23.30%
PPF	38	23.30%
Life insurance	48	29.40%
Medical insurance	36	22.10%
Grand Total	163	100.00%

Source: Primary Data, 2021

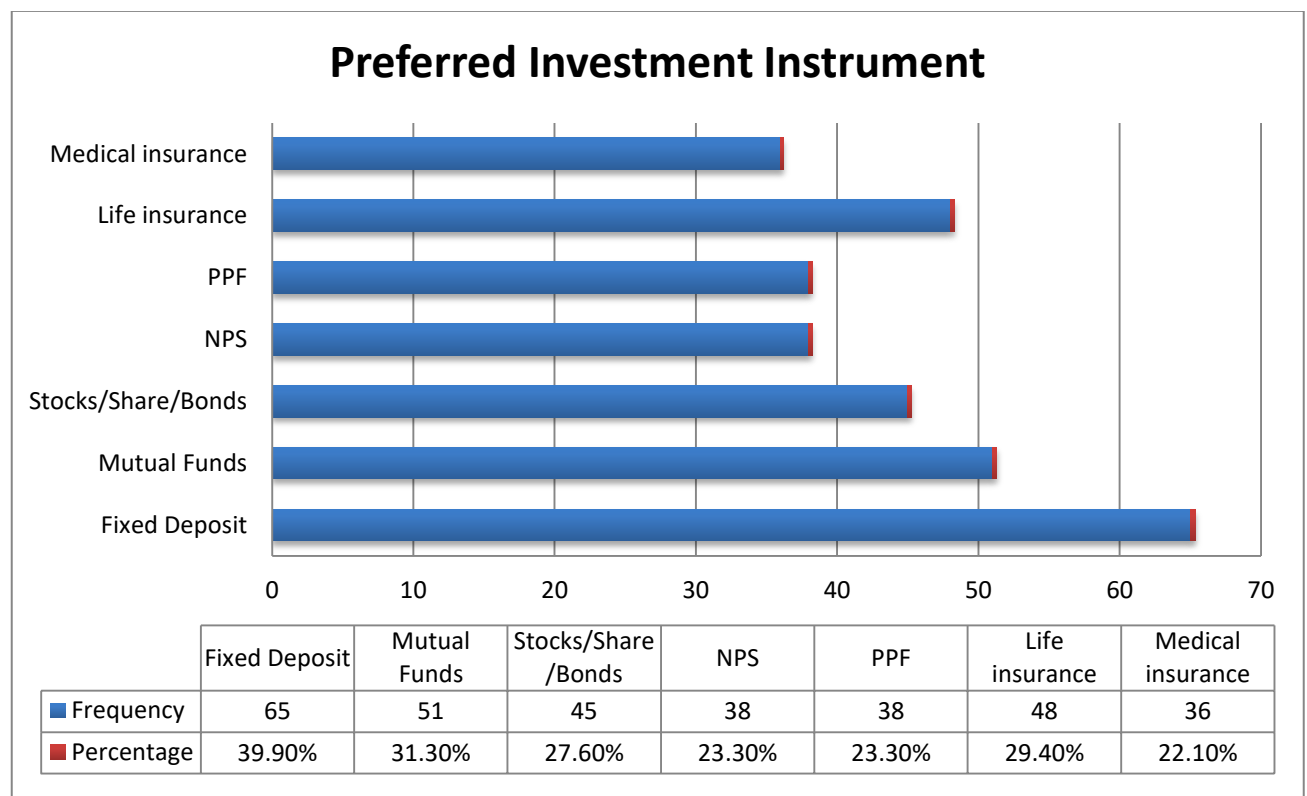


CHART 4.25 – Respondents preferred investment instruments

INTERPRETATION

From the above table, 39.9% of the respondents would prefer to invest in fixed deposit, 31.3% of the respondents would prefer to invest in mutual funds, 29.4% of the respondents would prefer to invest in life insurance, 27.6% of the respondents would prefer to invest in stocks/share/bonds, 23.3% of the respondents would prefer to invest in NPS, 23.3% of the respondents would prefer to invest in PPF and the remaining, 22.1% of the respondents would prefer to invest in medical insurance.

TABLE 4.26 – Primary Need for Life Insurance Policy

Primary Need for Life Insurance Policy	Frequency	Percentage
Covering risk of life	19	11.66%
I do not have any life insurance policy	15	9.20%
Investing for long- term goals while covering risk of life	53	32.52%
Investing for my child's education	30	18.40%
Investing for my retirement	15	9.20%
Saving my income tax	31	19.02%
Grand Total	163	100.00%

Source: Primary Data, 2021

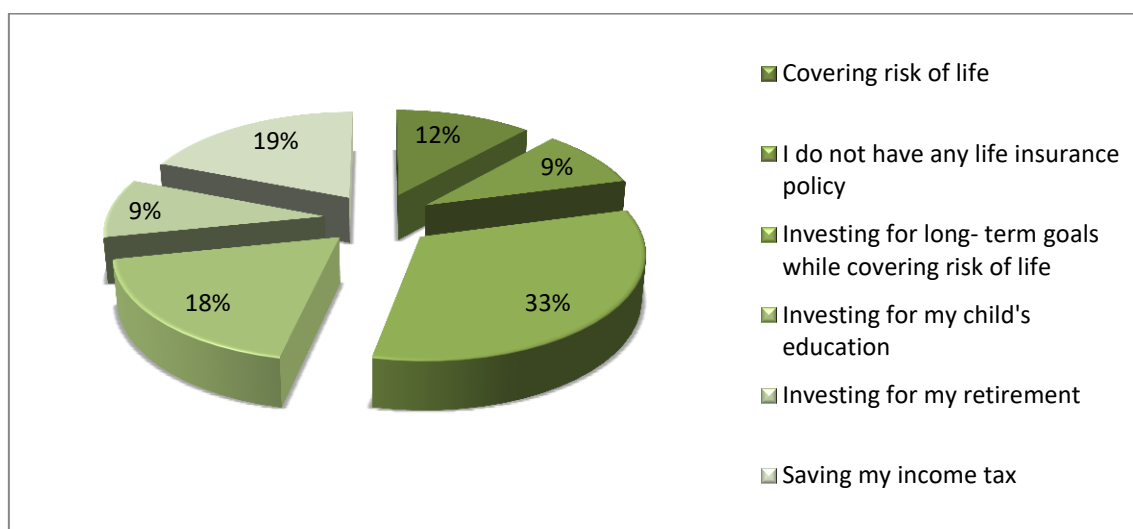


CHART 4.26 – Primary Need for Life Insurance Policy

INTERPRETATION

From the above table, 32.52% of the respondents primary need for life insurance policy is investing for long-term goals while covering risk of life, 19.02% of the respondents primary need for life insurance policy is saving for income tax, 18.40% of the respondents primary need for life insurance policy is investing for my child's education, 11.66% of the respondents primary need for life insurance policy is covering risk of life, 9.20% of the respondents primary need for life insurance policy is investing for retirement and the remaining, 9.20% of the respondents primary need for life insurance policy is since they do not have any life insurance policy.

TABLE 4.27 – Respondents objective of life insurance policy

Objective of Life Insurance Policy	Frequency	Percentage
Cover pure risk without any consideration of return (even of premium paid)	16	9.82%
Get at least the premium amount back if I survive the Plan period	30	18.40%
Get market linked return on the amount of premium and some life cover or pension	40	24.54%
Get some return on the premium if I survive the Plan period	53	32.52%
With the above options, I would also prefer tax benefits	24	14.72%
Grand Total	163	100.00%

Source: Primary Data, 2021

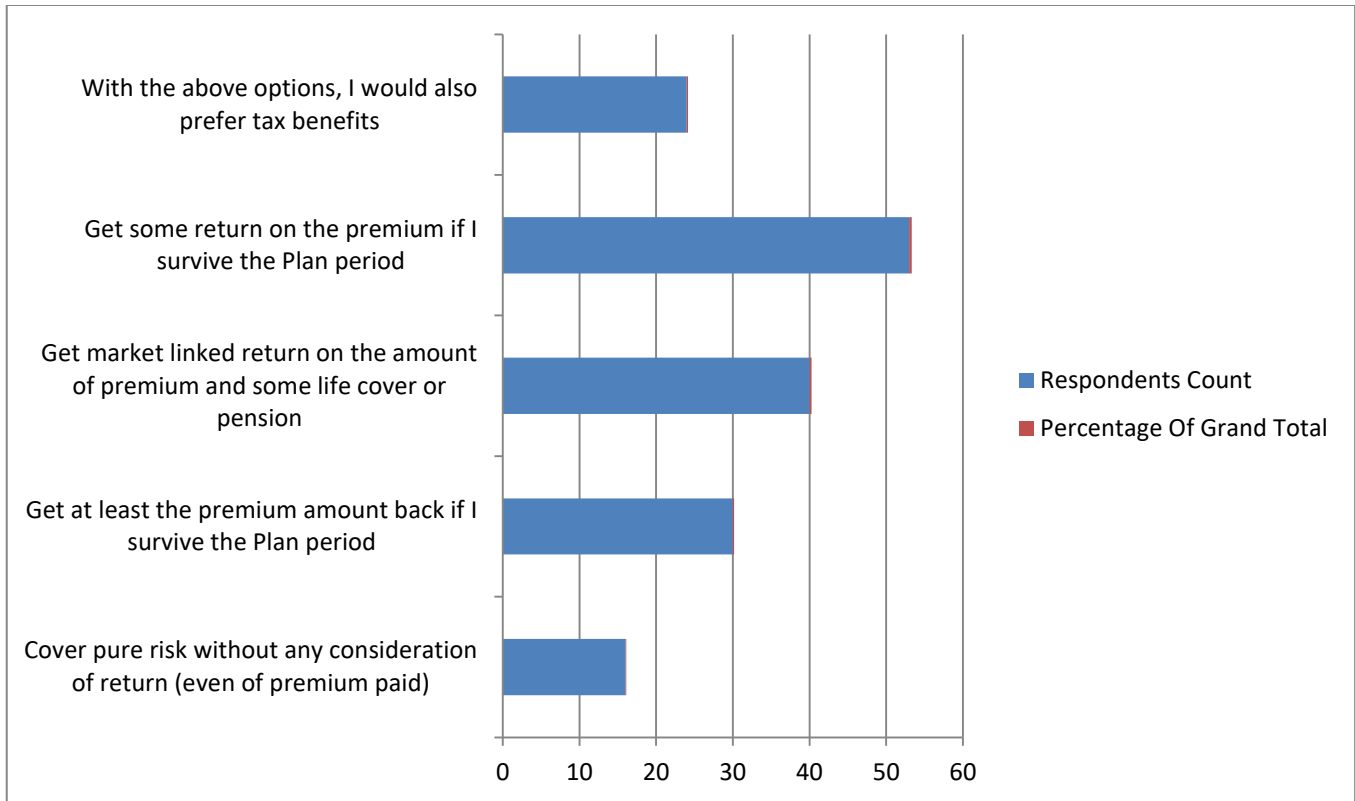


CHART 4.27 – Respondents objective of life insurance policy

INTERPRETATION

From the above table, 32.52% of the respondents objective of life insurance policy is to get some return on the premium if they survive the plan period, 24.54% of the respondents objective of life insurance policy is to get market linked return on the amount of premium and some life cover or pension, 18.40% of the respondents objective of life insurance policy is to get at least the premium amount back if they survive the plan period, 14.72% of the respondents objective of life insurance policy is to get all the above options with tax benefits and the remaining, 9.82% of the respondents objective of life insurance policy is to cover pure risk without any consideration of return (even of premium paid).

TABLE 4.28 – Reason for Medical Insurance

Reason for health cover(medical insurance)	Frequency	Percentage
Claim deduction from taxable income	48	29.45%
I have no health insurance policy	37	22.70%
Offset need for liquidating my financial assets in case of hospitalization	78	47.85%
Grand Total	163	100.00%

Source: Primary Data, 2021

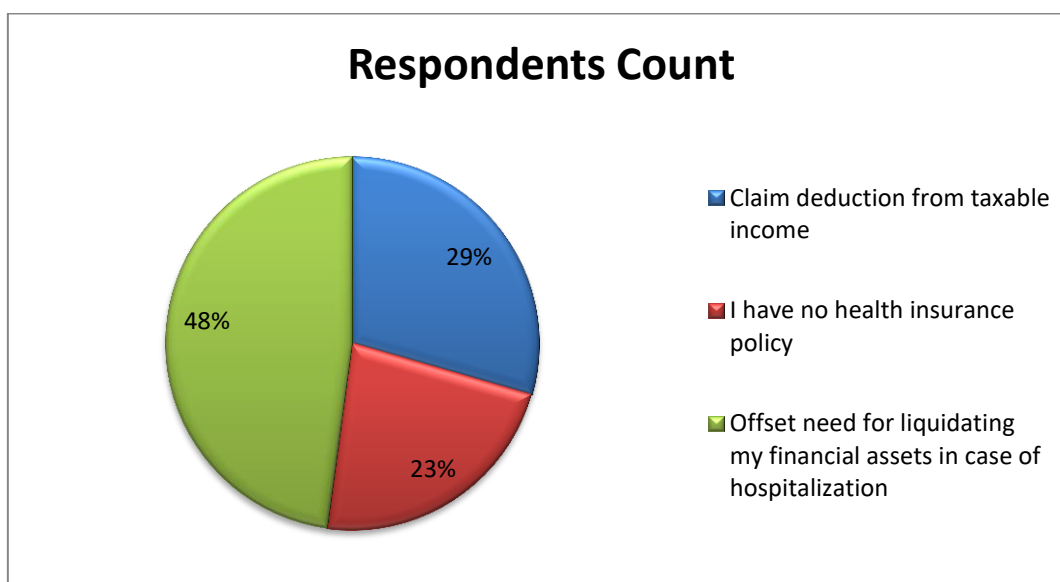


CHART 4.28 – Reason for Medical Insurance

INTERPRETATION

From the above table, 47.85% of the respondents have taken health cover (medical insurance) for themselves/family in order to offset need for liquidating my financial assets in case of hospitalization, 29.45% of the respondents have taken health cover (medical insurance) for themselves/family in order to claim deduction from taxable income and the remaining, 22.70% of the respondents have taken health cover (medical insurance) for themselves/family in order to have no health insurance policy.

4.2 ANOVA TEST

One-way ANOVA is a statistical technique that is used to compare the means of more than two groups.

STATISTICAL HYPOTHESIS

Null Hypothesis (H_0) There is no significant difference among various age groups on their preference of savings of regular income

Alternate Hypothesis (H_1): There is significant difference among various age groups on their preference of savings of regular income

TABLE 4.29: Showing descriptive statistics of the respondents

Descriptive Statistics								
Regular Savings Plan								
	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
21-30 years	1	3.00					3	3
Below 20 years	105	3.10	0.815	0.080	2.94	3.25	1	4
31-40 years	45	2.84	1.107	0.165	2.51	3.18	1	4
41-50 years	8	2.88	0.991	0.350	2.05	3.70	1	4
51 years and above	4	3.75	0.500	0.250	2.95	4.55	3	4
Total	163	3.03	0.912	0.071	2.89	3.17	1	4

Source: Primary Data, 2021

TABLE 4.30: Showing ANOVA of the respondents between various age groups on their preference of savings of regular income

ANOVA					
Regular Savings Plan					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	4.263	4	1.066	1.289	0.276
Within Groups	130.584	158	0.826		
Total	134.847	162			

Source: Primary Data, 2021 * Significant at 5% level

RESULTS

ANOVA was performed to examine the significant difference among various age group on their preference of savings of regular income

Results of ANOVA showed P value (0.276) is more than 0.05 or $p > .005$ hence null hypothesis is accepted. There is no significant difference among various age groups on their preference of savings of regular income

4.3. ANOVA TEST

One-way ANOVA is a statistical technique that is used to compare the means of more than two groups.

STATISTICAL HYPOTHESIS

Null Hypothesis (H_0) There is no significant difference among annual household income on their regular spending pattern.

Alternate Hypothesis (H_1): There is significant difference among annual household income on their regular spending pattern.

TABLE 4.31: Showing descriptive statistics of the respondents

Descriptive Statistics								
Spending Pattern								
	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
Below Rs.2.5 lakh	20	1.70	0.801	0.179	1.32	2.08	1	3
Rs.2.5 lakh - Rs.5 lakh	50	1.76	0.822	0.116	1.53	1.99	1	3
Rs.5 lakh - Rs.10 lakh	60	1.78	0.865	0.112	1.56	2.01	1	3
Rs.10 lakh and above	33	1.61	0.864	0.150	1.30	1.91	1	3
Total	163	1.73	0.839	0.066	1.60	1.86	1	3

Source: Primary Data, 2021

TABLE 4.32: Showing ANOVA of the respondents among annual household income on their regular spending pattern.

ANOVA					
Spending Pattern					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	0.741	3	0.247	0.346	0.792
Within Groups	113.382	159	0.713		
Total	114.123	162			

Source: Primary Data, 2021 * Significant at 5% level

RESULTS

ANOVA was performed to examine the significant difference among annual household income on their regular spending pattern.

Results of ANOVA showed P value (0.792) is more than 0.05 or $p > .005$ hence null hypothesis is accepted. There is no significant difference among annual household income on their regular spending pattern.

4.4. INDEPENDENT T TEST

The t test compares two averages (means) and test they are different from each other.

STATISTICAL HYPOTHESIS

Null Hypothesis (H_0) There is no significant relationship among the respondent's regular contribution to their retirement account with respect to gender.

Alternate Hypothesis (H_1) There is significant relationship among the respondent's regular contribution to their retirement account with respect to gender.

TABLE NO 4.33: Showing difference among the respondent's regular contribution to their retirement account with respect to gender.

		t-test for Equality of Means						
		t	Df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
							Lower	Upper
Gender	Equal variances assumed	-0.831	59	0.409	-0.119	0.143	-0.406	0.168
	Equal variances not assumed	-0.916	19.158	0.371	-0.119	0.13	-0.391	0.153

Source: Primary Data, 2021 * Significant at 5% level

RESULTS

Results of T test of independence showed P value 0.409 is greater than 0.05 or $p > .005$ hence null hypothesis is accepted. There is no significant relationship among the respondent's regular contribution to their retirement account with respect to gender.

4.5. CHI SQUARE TEST

A chi-square statistic shows a relationship between two categorical variables.

STATISTICAL HYPOTHESIS:

Null Hypothesis (H_0): There is no association between familiarity of investment markets and risk tolerance to achieve higher level of return.

Alternate Hypothesis (H_1): There is association between familiarity of investment markets and risk tolerance to achieve higher level of return.

TABLE 4.34: Showing cross tabulation between familiarity of investment markets and risk tolerance to achieve higher level of return.

		Level of Risk Tolerance				Total
		Accept Minor Loss	Cannot Accept any loss	Accept Some Loss	Accept Loss for high return	
Familiarity of investment markets	Extremely Aware	2	1	0	1	4
	Slightly Aware	36	11	18	3	68
	Very Aware	15	2	18	6	41
	Not at all Aware	9	29	6	6	50
Total		62	43	42	16	163

Source: Primary Data, 2021

TABLE 4.35: Showing Chi Square results between familiarity of investment markets and risk tolerance to achieve higher level of return.

Chi-Square Tests			
	Value	Df	Asymptotic Significance (2-sided)
Pearson Chi-Square	52.374 ^a	9	0.023
Likelihood Ratio	53.598	9	0.018
Linear-by-Linear Association	3.92	1	0.048
N of Valid Cases	163		
a. 6 cells (37.5%) have expected count less than 5. The minimum expected count is .39.			

Source: Primary Data, 2021 * Significant at 5% level

RESULTS

A chi-square test of independence was performed to examine the association between familiarity of investment markets and risk tolerance to achieve higher level of return.

Results of chi-square test of independence showed P value (0.023) is less than 0.05 or $p > 0.05$ hence null hypothesis is rejected. There is significant association between familiarity of investment markets and risk tolerance to achieve higher level of return.

4.6. CHI SQUARE TEST

A chi-square statistic shows a relationship between two categorical variables.

STATISTICAL HYPOTHESIS:

Null Hypothesis (H_0): There is no association between the regular savings pattern and spending pattern of the respondents.

Alternate Hypothesis (H_1): There is association between the regular savings pattern and spending pattern of the respondents.

TABLE 4.36: Showing Cross tabulation between regular savings pattern and spending pattern of the respondents.

		Spending Pattern			Total
		Advanced Plan	Do not Spend in Planned Manner	Definite Spending Pattern	
Regular Savings Pattern	Do not save	5	5	1	11
	Save as per plan	10	4	18	32
	Save something	33	13	15	61
	Save whatever left	37	15	7	59
Total		85	37	41	163

Source: Primary Data, 2021

TABLE 4.37: Showing Chi Square results between regular savings pattern and spending pattern of the respondents.

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	25.882 ^a	6	0.001
Likelihood Ratio	24.13	6	0.001
Linear-by-Linear Association	8.641	1	0.003
N of Valid Cases	163		
a. 2 cells (16.7%) have expected count less than 5. The minimum expected count is 2.50.			

Source: Primary Data, 2021 * Significant at 5% level

RESULTS

A chi-square test of independence was performed to examine the relationship between the regular savings pattern and spending pattern of the respondents.

Results of chi-square test of independence showed P value (0.001) is less than 0.05 or $p > 0.05$ hence null hypothesis is rejected. There is association between the regular savings pattern and spending pattern of the respondents.

CHAPTER - 5

FINDINGS, SUGGESTIONS AND CONCLUSION

5.1 FINDINGS

- The objectives of the study have been achieved
- Majority of the respondents for this survey is male
- Majority of the respondents are aged between 21-30 years.
- Majority of the respondents are graduates and married.
- Most of the respondents are having two dependents.
- Almost 93.25% of the respondents are private sector employees.
- Most of the respondent's annual household income is Rs.2.5 lakh – Rs.5 lakh.
- Majority of the respondent's neither agree nor disagree their ability to manage their own finance.
- The financial investment that most of the salaried employees have is FD/RD/Bonds which is nearly 45.4% of the respondents.
- Majority of the investor's major savings objective is to buy a house.
- Most of the respondents are having 15% to 30% of their monthly income in savings that is one third of the respondents.
- Most of the 35.58% of the respondent's loan repayment percentage from their salary is around 20% - 35%.
- Most of the respondents say that they do save something every month.
- Majority of the respondents carefully plan their big purchases in advance.
- Almost one third of the respondents use their generally planned savings to buy gold and ornaments that is 35.58%.
- Most of the respondent's provision for emergency fund to meet exigencies is up-to three month salary/income in bank account.
- Most of the respondents have agreed on utilizing income tax benefits.

- Majority of the respondents plan tax saving towards the end of the financial year for income tax filing during the year.
- Most of the investors are planning to take income tax benefits by investing in term/life insurance.
- Majority of the investor's contribution to retirement account is moderate.
- Majority of the respondents planned retirement age is up-to 60 years.
- Most of the respondents want pension amount equal to 50% of their current salary adjusted to price rise (inflation) after retirement.
- Majority of the respondents have basic understanding of investment markets.
- Most of the investors can accommodate minor loss in order to achieve higher level of return.
- Majority of the respondents prefer to invest in fixed deposit.
- Almost of the respondent's primary need for life insurance policy is investing for long-term goals while covering risk of life.
- Most of the respondent's objective of life insurance policy is to get some return on the premium if they survive the plan period.
- Majority of the respondents have taken health cover for themselves/family in order to offset need for liquidating my financial assets in case of hospitalization
- There is no significant association between the major savings objective and respondents monthly savings percentage.
- There is no significant difference among various age groups on their preference of savings of regular income
- There is no significant relationship among the respondent's regular contribution to their retirement account with respect to gender.
- There is significant association between familiarity of investment markets and risk tolerance to achieve higher level of return.
- There is association between the regular savings pattern and spending pattern of the respondents.

5.2. SUGGESTIONS

- Understand the investment objective and set investment goal
- Document all the income sources and organize the financial records
- Financial literacy among unmarried class of persons, especially regarding investment, should be increased in order that they are more inclined to invest.
- Start an emergency fund to meet the exigencies like loss of job, hospitalization etc.,
- Investment seeking companies may target to persons who are graduates. Postgraduates may also be targeted to be motivated towards investments.
- It is important to understand how income taxes work, Persons falling in income brackets of Rs.2-5Lac and Rs.5-10 Lac should be targeted by investment seeking organizations.
- Income tax provisions should be more relaxed regarding investment its returns moreover first exemption limit of income should be increased and more relaxation is expected regarding filling of income tax return by salaried persons.
- For outperformance of salaried investors, it's essential to form them more knowledgeable regarding investment, investment products, investment information and portfolio skills.
- It is suggested that investment should be made as per financial plans which usually differs from individual to individual taking into consideration once own specific need. After financial planning, investments plans are to be prepared to obtain capital growth and return appreciation.
- For safe and secured life and investment medium term investment should be done. People may take peer advice for it. Investments are instruments through which capital growth is often assured and inflation are often fought against with the assistance of monetary advisors. To earn profit and to possess profitability, investments could also be finished future also.

- Persons should invest consistent with their gender, legal status, age groups, educational level, annual income level, filing of tax return, annual savings level, total annual investment, return on investment, reason for investment, etc. considering various factors that determine their personal investments decisions.
- Start saving for retirement to have a planned retirement pension, Retirement is expensive, so you should ideally start saving for retirement when you start your first job. Even if you're performing on getting out of debt, contribute up to the match offered by your employer, this is often free money, after all.
- There are two ways to make money: earning it actively by working for it or earning it passively, while you sleep, by saving or investing the money you have in stocks, bonds, mutual funds, real estate, or other financial instruments. Given that the long-term average annual return of the stock market is 10%, or 6% or 7% when adjusted for inflation, investing in the stock market is a great way for the average person to build wealth.
- A financial plan is essential for taking control of your finances and accomplishing specific goals. In short, a financial plan is a timeline for the big milestones in your life.

5.3. CONCLUSION

Financial planning will help make sure the right balance between the inflow and outflow of the funds. It allows the business entity or the person to accommodate the changing market conditions and, in turn, revise their plan. Some feel that saving regularly in bank recurring deposits or Systematic Investment Plans (SIPs) in mutual funds is financial planning. But allocating savings and investments in unplanned manner isn't enough to realize your life goals. And such investments lead to inefficient utilization of your financial resources. To become rich or to realize all of your goals like buying a house, car, dream vacation, child's education then on you would like to form money work for you. Besides salary or business income won't be sufficient enough. This is where financial planning involves your rescue. A budget enables you to construct a road map to realize all the financial goals. It also helps you build your contingency fund for any unforeseen needs which will arise.

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APPENDIX 1

QUESTIONNAIRE

- 1.** Name of the respondent:
- 2.** Gender:
 - a. Male
 - b. Female
 - c. Transgender
- 3.** Age:
 - a. Below 20 years
 - b. 21-30 years
 - c. 31-40 years
 - d. 41-50 years
 - e. 51 years and above
- 4.** Education details:
 - a. Higher secondary/Diploma
 - b. Graduate
 - c. Post graduate
 - d. Others (Please specify)
- 5.** Marital status:
 - a. Married
 - b. Unmarried
- 6.** Number of dependents:
- 7.** Current employment:
 - a. Government employee
 - b. Private sector employee
- 8.** Gross annual household income:
 - a. Below Rs.2.5 lakh
 - b. Rs.2.5 lakh – Rs.5 lakh
 - c. Rs.5 lakh – Rs.10 lakh
 - d. Rs. 10 lakh and above

9. How do you feel about your ability to manage your own finances?

- a. Very high
- b. Low
- c. Moderate
- d. Low
- e. Very low

10. What are all the financial investment currently you hold (please tick as many applicable)

- a. Mutual funds
- b. FD/RD/Bonds
- c. Provident fund account
- d. PPF account
- e. Pension fund account
- f. Stocks and equity shares
- g. Gold/precious metals/jewelry
- h. NPS account
- i. Life insurance
- j. Medical insurance
- k. Others(please specify)

11. Following are my major savings objectives

(Please rate your priority from 1-5, lowest to highest)

Major savings objective	1	2	3	4	5
Buy a house					
Planning for children education/marriage costs					
Buy a car					
For retirement purpose					
Reduce housing/other loans					

12. What percentage of your monthly salary that you can save

- a. Less than 15%
- b. 15% to 30%
- c. 30% to 50%
- d. 50% and above

13. What percentage of your monthly salary is used to repay loans?

- a. Nil
- b. Less than 20%
- c. Between 20% - 35%
- d. Between 35% - 50%
- e. Over 50%

14. How do you save from your regular income?

- a. Save as per planned schedule
- b. Save something every month
- c. Save whatever is left after meeting expenses
- d. Do not save regularly as expenses generally exceed income

15. How do you spend?

- a. I have a definite spending pattern for regular monthly expenses
- b. I carefully plan my big purchases in advance
- c. I do not spend in a planned manner

16. Savings which were planned are generally used to

- a. Make planned investments in Mutual Funds
- b. Buy fixed deposit schemes
- c. Buy gold and ornaments.
- d. Buy durable items like TV, LCD, Refrigerator, Cell phone, Furniture, etc.,

17. Which of the following have you provided towards Emergency Fund to meet exigencies like loss of job, hospitalization, etc.?

- a. Up to one month salary/income in Bank account
- b. Up to three month salary/income in Bank account
- c. Bank Fixed Deposit from 3 - 6 months' salary/income

- d. Other avenues like Mutual Fund schemes, etc.: up to 3-6 month salary/income
 - e. I have not created an emergency fund
- 18.** I fully utilize Income Tax benefits, e.g. deductions from salary/income, rebates, etc.
- a. Strongly agree
 - b. Agree
 - c. Neither agree nor disagree
 - d. Disagree
 - e. Strongly disagree
- 19.** How do you file Income Tax during the year?
- a. Estimate all income during the year, plan investments availing maximum tax benefits
 - b. Plan tax saving towards the end of the Financial Year
 - c. Do not actively plan and meet most of my tax liability from the last few month salary
 - d. Take the help of an expert like Chartered Accountant (CA)
- 20.** How you are planning Income tax benefits for upcoming years?
- a. By investing in tax saver fixed deposit
 - b. By investing in term/life insurance
 - c. By investing ULIP plans
 - d. By investing in NPS, PPF, Mutual funds
- 21.** Do you make regular contribution to your retirement account?
- a. Very High
 - b. High
 - c. Moderate
 - d. Low
 - e. Very Low
- 22.** Planned retirement age?
- a. Up to 45
 - b. Up to 50

- c. Up to 55
- d. Up to 60
- e. Up to 65

23. What amount of pension would you need after retirement?

- a. Equal to my current salary adjusted for price rise (inflation)
- b. Equal to 50% of my current salary adjusted for price rise (inflation)
- c. Equal to my current household expenses adjusted for price rise (inflation)
- d. Equal to 80% of my current household expenses adjusted for price rise (inflation)

24. How familiar are you with investment markets?

- a. I have no experience at all
- b. I have a basic understanding of investment markets
- c. I have a strong understanding of investment markets
- d. I am an experienced investor

25. How comfortable are you with putting your initial investment at risk to achieve a higher level of return?

- a. I cannot accommodate any loss
- b. I can accommodate to minor loss
- c. I understand that in seeking higher returns I can accept some loss
- d. In seeking higher return, I am prepared to accept a loss

26. Which instruments would you prefer to invest (tick as many applicable)

- a. Fixed deposit
- b. Mutual funds
- c. Stocks/Share/Bonds
- d. NPS
- e. PPF
- f. Life insurance
- g. Medical insurance
- h. Others (please specify)

27. You will opt Life Insurance policies primarily towards

- a. Saving my income tax
- b. Investing for long- term goals while covering risk of life
- c. Investing for my child's education
- d. Investing for my retirement
- e. Covering risk of life
- f. I do not have any life insurance policy

28. While taking Life Insurance policy, my objective is to

- a. Get at least the premium amount back if I survive the Plan period
- b. Get some return on the premium if I survive the Plan period
- c. Get market linked return on the amount of premium and some life cover or pension
- d. Cover pure risk without any consideration of return (even of premium paid)
- e. With the above options, I would also prefer tax benefits

29. Why do you have taken health cover(medical insurance) for yourself/family in order to

- a. Claim deduction from taxable income
- b. Offset need for liquidating my financial assets in case of hospitalization
- c. I have no health insurance policy



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Abstract

Financial products act as an investment avenue and supply the specified financial security to the investors supported the risk-return profile of the financial products. In the past, traditional financial products were offered in India by banks (deposit account, credit account), life insurance Corporation (LIC), and postal department (recurring deposit, National Saving Certificate, Kisan Vikas Patra). However, in recent years with the arrival of liberalization of monetary services industry, diverse financial products are introduced like mutual funds, shares, derivatives, life and non-life insurance schemes (Unit Linked Investment Plans (ULIPs), pension plans, children education plans, etc.). Investment preference differs from person to person, as every individual behaves differently while investing. Investment behavior of a private is guided by his own set of circumstances. With an expectation of generating high returns over a period of your time and certain levels of risk, individuals invest in several financial products. The present study is an effort to research the investment preferences of salaried individuals towards financial products supported various demographic factors.

Introduction

Financial planning may be a process that an individual goes through to seek out where they're now (financially), determine where they need to be within the future, and what they're getting to do to urge there. Financial Planning provides direction and aiming to take financial decisions. It allows understanding of how each financial decision a private make affects other areas of their finances. For example, buying a specific investment product might help to pay off mortgage faster or it'd delay the retirement significantly. Financial products which act as an investment avenue and provide the required financial security to the investors based on the risk-return profile of the financial products. Investment preference differs from person to person, as every individual behaves differently while investing. With an expectation of generating high returns over a

period of your time and certain levels of risk, individuals invest in several financial products. Today, variety of investment avenues are available to a individual, after a radical market study and consistent with his needs and circumstances, has got to decide which investment avenue has to be chosen. The present study is an effort to research the investment preferences of salaried individuals towards various financial products supported demographic factors.

Scope of Study

Investment companies will get idea about investment preference towards various investments alternative. Build suitable investment products which will increase growth of the companies. The research paper will become the helping hand to the research scholars as well as students for their further studies their respective area. The study reveals the association of financial planning and investment behavior of the individuals.

Objective of study

- A study on financial planning for salaried employees with respect to savings, income tax, retirement and investment.
- To identify the saving pattern of the salaried employees.
- To study the investment preferences of salaried individuals towards various financial instruments.

Limitations of the Study

- Many statistical tests and formulas are required to calculate and are also difficult to provide the approximate values.
- This study is done with reference in Chennai, with the sample size of 150 to 200 and therefore dependability of the project is not certain.
- Every individual's point of view differs from one another which are tedious to compile.

Literature Review

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.

Swasdpeera and Pandey (2012) study identifies factors that influence the saving behavior of salaried individuals in Thailand. The results of the univariate and multivariate analyses show that income, age, marital status, number of children and educational level have a positive influence on the individuals' average saving.

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.

Saugat Das & Ritika Jain (2014) identified that the behavioral aspect of investors plays an important role in financial decision making which has attracted a huge financial literature.

Ramanathan and Meenakshisundaram (2015) says that financial Investments are the commitments which are made with any financial and non-financial instruments hoping for a better and profitable return in the future for a specific objective.

Bala Swamy and Priya (2016) made a study on financial literacy of an individual's is their level of understanding of financial matters which enables them to process financial information and make informed decisions about personal finance.

Sangeeta Gupta (2017) identified that financial literacy comprises of skills and knowledge that enables the individual to understand the principles of finance that an individual requires to know to make informed financial choices and decisions and the financial products that influence the financial well-being of an individual.

Suyog and Komal (2018) state that this research focuses on the need and importance of retirement planning. There are considerable changes in the saving and investment behavior of individuals in India over the last couple of years.

Anand Kumar Shrivastava (2018) The objective of the research is to study the investment behavior of government employees towards different financial products available in the market

Zankhana and Ronikadevi (2019) aim of this research is to analyze awareness, perception & behavior regarding different investment avenues available for salaried people and to study various demographic variables and pattern of investment.

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 objective of the study was to find out the relationship between saving and investment pattern and orientation towards finance among the working women at the universities of Saudi Arabia. Orientation towards finance (ORTOFIN) is one's attitude towards effectively managing financial activities.

Research Methodology

In this study, survey method was adopted to collect the primary information from the salaried individuals. A questionnaire was prepared which was aimed to collect the required information from the participants. The sample was probabilistic where area sampling was used. The sample was drawn from Chennai, it represented salaried individuals with different economic, social and geographical characteristics. The participants of the survey were asked to fill in their demographic details and were asked questions pertaining to their investments made in mutual funds, life insurance policies, fixed deposits, recurring deposits and market investments (shares). The analysis was carried using Statistical Packages for Social Sciences (SPSS). Chi-square test, Anova and T Test has been applied to find out significance.

Data Analysis

Table – Respondents Demographic & Social Profile

Variables	Categories	Frequency	Percentage
Gender	Male	106	65.03%
	Female	57	34.97%
Age	21-30 years	105	64.42%
	Below 20 years	1	0.61%
	31-40 years	45	27.61%
	41-50 years	8	4.91%
	51 years and above	4	2.45%
Education Details	Higher secondary / Diploma	10	6.13%
	Graduate	97	59.51%
	Post graduate	56	34.74%
Marital Status	Married	85	52.15%
	Unmarried	78	47.85%
Current Employment	Government employee	11	6.75%
	Private sector employee	152	93.25%
Annual Household Income	Below Rs.2.5 lakh	20	12.27%
	Rs.2.5 lakh - Rs.5 lakh	50	30.67%
	Rs.5 lakh - Rs.10 lakh	60	36.81%
	Rs.10 lakh and above	33	20.25%

Interpretation

From the above table, 65.03% of the respondents are male, 64.42% of the respondents aged between 21 – 30 years, 59.51% of the respondents are graduates, 52.15% of the respondents are married, 93.25% of the respondent's private sector employee, 36.81% of the respondent's annual income ranges between Rs.5 lakh – Rs.10 lakh.

Research Hypothesis

Hypothesis 1: There is no significant difference among various age groups on their preference of savings of regular income

Hypothesis 2: There is no significant difference among annual household income on their regular spending pattern.

Hypothesis 3: There is no relationship among the respondent's regular contribution to their retirement account with respect to gender.

Hypothesis 4: There is no association between the familiarity of investment markets and risk tolerance to achieve higher level of return.

Hypothesis 5: There is no relationship between the regular savings pattern and spending pattern of the respondents.

Table 1: ANOVA of the respondents between various age groups on their preference of savings of regular income

Regular Savings Plan					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	4.263	4	1.066	1.289	0.276
Within Groups	130.584	158	0.826		
Total	134.847	162			

Source: Primary Data 2021 * Significant at 5% level

Result: ANOVA shows P value (0.276) is more than 0.05 or $p > .005$ hence null hypothesis is accepted. There is no significant difference among various age groups on their preference of savings of regular income

Table 2: ANOVA of the respondents among annual household income on their regular spending pattern.

Spending Pattern					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	0.741	3	0.247	0.346	0.792
Within Groups	113.382	159	0.713		
Total	114.123	162			

Source: Primary Data 2021 * Significant at 5% level

Result: ANOVA shows P value (0.792) is more than 0.05 or $p > .005$ hence null hypothesis is accepted. There is no significant difference among annual household income on their regular spending pattern.

Table 3: Independent T test among the respondent's regular contribution to their retirement account with respect to gender

		t-test for Equality of Means						
		t	Df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
							Lower	Upper
Gender	Equal variances assumed	-0.831	59	0.409	-0.119	0.143	-0.406	0.168
	Equal variances not assumed	-0.916	19.158	0.371	-0.119	0.13	-0.391	0.153

Source: Primary Data 2021 * Significant at 5% level

Result: T test of independence showed P value 0.409 is greater than 0.05 or $p > .005$ hence null hypothesis is accepted. There is no significant relationship between the preference of respondent's regular contribution to your retirement account and gender.

Table 4: Chi Square results between familiarity of investment markets and risk tolerance to achieve higher level of return.

	Value	Df	Asymptotic Significance (2-sided)
Pearson Chi-Square	52.374 ^a	9	0.023
Likelihood Ratio	53.598	9	0.018
Linear-by-Linear Association	3.92	1	0.048
N of Valid Cases	163		
a. 6 cells (37.5%) have expected count less than 5. The minimum expected count is .39.			

Source: Primary Data 2021 * Significant at 5% level

Result: Chi-square test of independence shows P value (0.023) is less than 0.05 or $p > .005$ hence null hypothesis is rejected. There is significant association between familiarity of investment markets and risk tolerance to achieve higher level of return.

Table 5: Chi Square results between regular savings pattern and spending pattern of the respondents.

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	25.882 ^a	6	0.001
Likelihood Ratio	24.13	6	0.001
Linear-by-Linear Association	8.641	1	0.003
N of Valid Cases	163		
a. 2 cells (16.7%) have expected count less than 5. The minimum expected count is 2.50.			

Source: Primary Data 2021 * Significant at 5% level

Result: Chi-square test of independence shows P value (0.001) is less than 0.05 or $p > 0.05$ hence null hypothesis is rejected. There is association between the regular savings pattern and spending pattern of the respondents.

Conclusion

Financial planning will help make sure the right balance between the inflow and outflow of the funds. It allows the business entity or the person to accommodate the changing market conditions and, in turn, revise their plan. Some feel that saving regularly in bank recurring deposits or Systematic Investment Plans (SIPs) in mutual funds is financial planning. But allocating savings and investments in unplanned manner isn't enough to realize your life goals. And such investments lead to inefficient utilization of your financial resources. To become rich or to realize all your goals like buying a house, car, dream vacation, child's education then on you would like to form money work for you. Besides salary or business income won't be enough. This is where financial planning involves your rescue. A budget enables you to construct a road map to realize all the financial goals. It also helps you build your contingency fund for any unforeseen needs which will arise. The study reveals the association of financial planning and investment behavior of the individuals.

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