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FINANCIAL PLANNING AND INVESTMENT PREFERNCES OF SALARIED EMPLOYEES

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ABSTRACT:

Financial planning is the procedure which helps to grow financially, to achieve financial goals by doing financial management. Some factors affect on financial planning such as gender, income, age, percentage of amount to investment etc. Awareness is most important regarding to investment. Result found that the employees should take risk to invest it will help them, create awareness among themselves is also important.

KEYWORDS: Financial, Investment, Risk, Returns, Goals.

1.1 INTRODUCTION:

Financial Planning is the procedure of meeting life aim through the proper correct management of finances. Financial planning is a activity that a person goes through to perceive where they are now (economically), determine where they want to be in the future, and what they are going to do to get there. Financial Planning gives direction and importance to person's financial decisions. It helps for understanding of each financial decision affects different areas of their finances. For example, purchasing a specific investment product can be help to pay debt quickly or it might keep back the retirement notably. By observing every financial decision as portion of the whole, one can think about its short and long- term effects on their life achievements. Person can also adapt more easily to life changes and feel more secure that their goals are on track.

Financial products which is like Investment Avenue and give the required financial certainty and safety to the investors based on the risk-return profile of the financial products. Investment preference varies from person to person, as each individual act very different while investing. With looking forward to generating high returns over a period of time and certain levels of risk,

individuals invest in several financial products. Today, different kinds of investment avenues are there to an individual, after market study and compatible with his needs and conditions, has got to clear which avenue has to be chosen for investment. This study is an attempt to research the financial planning and investment preferences of salaried employees.

1.2 REVIEW OF LITERATURE:

Geetha and Ramesh (2011) (IN THE SURVEY of study on people's preferences in investment behaviour) 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. There were lot of options for investment like equity, mutual bonds, company funds, gold/silver, bank deposits, real estate and life insurance etc. But people prefer them according to their choices which were most appropriate and suitable for them. studies show that how people plan to their investment to meet their objectives and goals. They check people preferences according to their age, income, education, savings and gender. This study find that the people were not properly aware to the investment options, they have lack of knowledge about risky and less risky securities.

Bhushan and Medury (2013) (from RESEARCH PAPER of Assistant Professor, Manish Institute of Management, Visnagar) 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. women are more conservative and takes less risk and significant gender differences occur in investment preferences for health insurance, fixed deposits and market investments among employees.

Sangeeta Gupta (2017) (from shodhganga.inflibnet.ac.in site) The development and growth of the Indian economy and the expansion of financial markets post industrial policy have resulted into tremendous growth of financial products as an investment alternative. The increasing complexity and available choices of financial products, shift of providing social security from government to individuals, growing importance of planning for retirement have made it compulsory to provide financial literacy at all levels for the countries as the low level of financial literacy prevents people making a judicious choice in regard to their financial decisions and consequently render them incompetent to select most appropriate investment alternative to beat the prevalent inflation rate of economy.

1.3 OBJECTIVES OF THE STUDY:

- To study the awareness of financial planning and investment preferences of salaried employees
- To study factors affecting financial planning and investment preferences of salaried

employees.

1.4 IMPORTANCE OF THE STUDY:

Financial Planning is very essential for being focused and achieving financial goals and to sketch the exact and correct investment portfolio to achieve the financial needs and desire. It is not only about expand your savings and reducing your expenses. Financial planning is beyond that. It includes accomplish your future goals. basically, it gives advice to you be in control of your income, expenses and investments that you can control your money and complete your goals.

1.5 RESEARCH METHODOLOGY:

1.5.1 SAMPLE SIZE:

Data collected from 50 respondents.

1.5.2 TOOLS USED:

Google form was used to collect required information.

1.5.3 DATA COLLECTION

PRIMARY DATA:

The structured questionnaire was in the form of google form.

SECONDARY DATA:

The secondary data for this study has been collected from articles, journals, magazine and projects.

DATA ANALYSIS:

- Study reveals that majority of the employees were from the age group of 18 – 30 years.
- Majority of the employees were male.
- Study reveals that majority of the employees have salary between rs.1,20,000 – rs. 3,60,000. There were less employees who has salary more than 6,00,000.
- From the study, majority of the employees want safety about their money.
- Study reveals that most of the employees are aware of equity shares, fixed deposits as well as mutual fund. Very less employees know about bond and debentures.
- From the above study it is found that majority of the employees make any important decision about finance or investment by using their past experience or knowledge.
- From the study it is found that maximum employees have them less knowledge about financial planning and investments.

SUGGESTIONS:

- Employees invest very less amount of money from their income. They need to invest more.
- There are varieties of investment avenues have come into the market. Most important thing is to create awareness in employees.

- Important things is understanding the investment market by employee and they should invest appropriately.
- Very less employees invest in shares and share market because they don't have very much knowledge about share market and education should give to the investors. At starting phase of their investment investors should go for mutual funds.
- Employees should take advise from expert financial advisor. It will helpful to know the condition of market.
- Employee should have take consultation from their friends and family member who is good at investment decision before making any investment or who is expert in the field.
- Very less employees budgeting for retirement there is need to drill the investors for retirement planning.
- They should choose the best way of investment which suitable for themselves. Security of investment and liquidity as well returns, risk and others aspects should be considered. Employees should growth oriented.

CONCLUSION:

In this study we came to know that, financial planning is a changeable and modifiable thought which includes well organized and systematic analysis, true and correct management, actions common sense. Increase the returns by decreasing the risk by doing together various kinds of shares. Basics analysis should do before making any investment.

Employees are less aware of avenues of investment so they should aware of it. Some employees invest in fixed deposit because it is safe and secured and fixed returns. Employees are risk averse and they run after safety, benefits of tax, liquidity, more returns, very less in periods.

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