



A Study on Financial Planning: A Roadmap for Achieving Goals

Prof. Priyanka Sagar Pawar¹, Dnyaneshwar Eknath Lashkare²

¹Assistant Professor, ²MBA-1st year Student, Sinhgad Institute of Management

Abstract-- Financial planning is a structured approach to managing personal finances with the objective of achieving financial stability, independence and long-term aspirations. It involves assessing current financial resources, setting realistic goals and creating strategies to allocate income effectively across saving, investing and spending. In today's dynamic economic environment - marked by inflation, market volatility and evolving lifestyle demands - financial planning has become essential for individuals at all income levels. This study explores the awareness, practices and challenges individuals face regarding financial planning. By combining theoretical insights with primary field research, the project examines perceptions of financial planning, the extent to which individuals engage in it and the tools they use. It also highlights the gap between awareness and actual implementation and its impact on achieving financial goals. Primary data was collected through structured questionnaires and interviews from a sample of individuals. Findings reveal that although many are aware of the concept of financial planning, few follow a disciplined, structured approach. Barriers such as limited financial literacy, poor budgeting habits and minimal access to professional guidance were identified. Key observations indicate that while the importance of financial planning is recognized, implementation remains low due to a lack of knowledge, financial discipline and guidance. Few individuals set measurable financial goals or track their progress regularly. Investment behaviours tend to be conservative, with a preference for traditional saving instruments over market-linked products due to fear or limited understanding.

Keywords-- Budgeting, Financial Goals, Financial Literacy, Financial Planning, Investment Behaviour

I. INTRODUCTION

In an era marked by rapid economic changes, globalization and technological advancements, the importance of personal financial planning has grown significantly. Individuals today are required to make increasingly complex financial decisions - ranging from choosing the right investment options to planning for retirement, managing debt and preparing for emergencies. Without a structured and strategic financial plan, these decisions can become overwhelming, often leading to financial stress, instability or long-term insecurity.

Financial planning is a comprehensive, ongoing process that helps individuals assess their current financial position, define realistic goals and implement strategies to achieve those goals efficiently. It involves a holistic view of finances, encompassing budgeting, saving, investing, insurance, debt management, tax planning and estate planning.

Unlike traditional financial practices that focus on short-term needs, financial planning encourages long-term thinking and disciplined financial behaviour, enabling individuals to take control of their financial future.

The modern financial landscape offers a wide range of opportunities but also presents numerous challenges. Economic uncertainty, inflation, fluctuating interest rates, volatile markets and evolving government policies can all impact individual financial well-being. Furthermore, the availability of various financial products and digital platforms, while offering convenience and choice, can also create confusion for individuals lacking the necessary knowledge and guidance. As a result, many people either avoid planning altogether or make poor financial choices that negatively affect their long-term financial health.

This project, titled "*A Study on Financial Planning: A Roadmap for Achieving Goals*," seeks to explore the essential role of financial planning in today's world and its impact on individuals' ability to achieve their life goals. It aims to investigate how people perceive financial planning, what strategies they adopt and the challenges they face in implementing and maintaining those strategies. The research also focuses on understanding investment patterns, saving habits and the financial goals of individuals from different demographic backgrounds.

Additionally, the project highlights the significance of financial literacy as a foundational skill in effective planning. Many individuals, despite earning sufficient income, struggle with managing their finances due to a lack of financial knowledge, emotional decision-making and absence of structured guidance. This leads to issues such as high debt, inadequate savings, poor investment decisions and unpreparedness for future needs like retirement or emergencies.

To better understand these issues, the study draws from various theoretical frameworks including Behavioural Finance Theory, the Life-Cycle Hypothesis, Goal-Setting Theory and Financial Literacy Theory. These frameworks provide insights into how financial behaviour is influenced by psychology, life stages, goals and knowledge. By applying these theories, the study aims to identify gaps in current financial practices and offer practical, actionable strategies to overcome them.

The findings of this research will be based on real-world data collected through surveys, interviews and case studies. These insights will help in developing a structured, adaptable roadmap for effective financial planning that individuals can follow to achieve both short-term milestones and long-term financial independence.



II. LITERATURE REVIEW

Financial planning has been widely recognized as a critical tool for achieving long-term financial stability and goal attainment. Shinde and Hariharan examined the importance of structured financial and investment planning among individuals and emphasized that disciplined budgeting and proper allocation of financial resources significantly enhance long-term wealth creation [1]. Their study highlighted that individuals with higher levels of financial literacy demonstrate better investment decision-making abilities [p. 734].

Patel *et al.* analyzed the relationship between financial education and saving behavior in the Indian context and found that financial education programs have a positive impact on individuals' saving habits and financial discipline [2, pp. 410–412]. The authors concluded that increased awareness leads to improved financial planning outcomes.

Ruparel conducted a systematic analysis of individual financial planning and stressed the importance of analytical tools such as forecasting models and digital applications in enhancing financial decision-making [3, p. 88]. The study argued that data-driven planning approaches improve prioritization of financial goals and efficient utilization of resources.

Mahapatra, Patel and Behera examined the psychological outcomes of personal financial planning and reported that structured planning significantly reduces financial stress while increasing economic satisfaction, particularly among lower-income groups [4, pp. 58–60]. Their findings suggest that financial planning contributes not only to economic security but also to psychological well-being.

Singh *et al.* explored the role of financial literacy in financial decision-making and demonstrated that individuals with higher financial literacy levels are more confident and make informed financial choices [5, pp. 142–144]. The study emphasized financial education as a foundational element of effective financial planning.

Rentala studied financial planning awareness and investment patterns and revealed that education, income and employment status significantly influence investment behavior and planning habits [6, pp. 97–99]. The research highlighted disparities in planning practices across demographic groups.

Gupta *et al.* investigated the relationship between financial literacy and investment decisions in India using survey-based analysis [7]. Their findings confirmed that financial knowledge strongly influences investment preferences and risk tolerance among individuals.

Agarwal *et al.* provided empirical evidence on financial literacy and financial planning in India and found that demographic factors such as educational background, gender and self-confidence play a significant role in determining planning effectiveness [8, pp. 10–14].

The study reinforced the importance of targeted financial education initiatives.

Overall, the reviewed literature establishes that financial literacy, structured planning and access to financial education significantly influence individuals' saving behavior, investment decisions and long-term financial well-being.

III. RESEARCH METHODOLOGY

3.1 Research Design

This study follows a **descriptive research design** to analyse financial planning habits, awareness and goal-setting behaviour. Data was collected using a structured offline questionnaire to observe current practices without manipulating variables.

3.2 Sampling Design

A **non-probability convenience sampling** method was used due to time and resource constraints.

- **Sample Size:** 124 respondents
- **Target Group:** Individuals aged 18 and above (mainly students and young professionals)

3.3 Sampling Unit

The sampling unit includes individual respondents aged 18 to 35+, comprising students and early-career professionals.

3.4 Sampling Frame

Respondents were selected from colleges, training centres and workplaces via offline distribution of printed questionnaires.

3.5 Sample Size

A total of **124 respondents** were surveyed, sufficient for basic analysis and insights.

3.6 Sampling Procedure

Participants were selected based on availability and willingness using convenience sampling. Data was collected offline.

3.7 Determination of Sample Size

The sample size was based on feasibility, accessibility and scope of the study rather than statistical calculations.

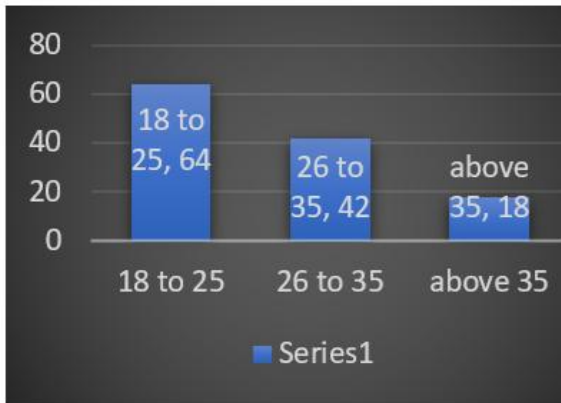
Sources & Methods of Data Collection

Primary Data: Collected through structured offline questionnaires from respondents about their financial habits and awareness.

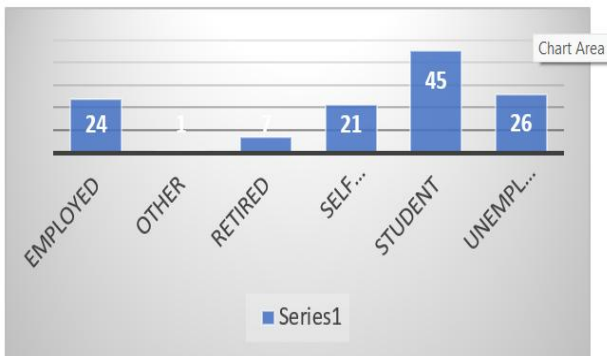
Secondary Data: Sourced from books, journals, research articles and online publications for theoretical support and comparison.

IV. DATA ANALYSIS AND DESIGN

➤ This graph indicates the percentage wise distribution of the population according to age.



➤ This graph indicates the percentage wise distribution of the population according to Occupations Status



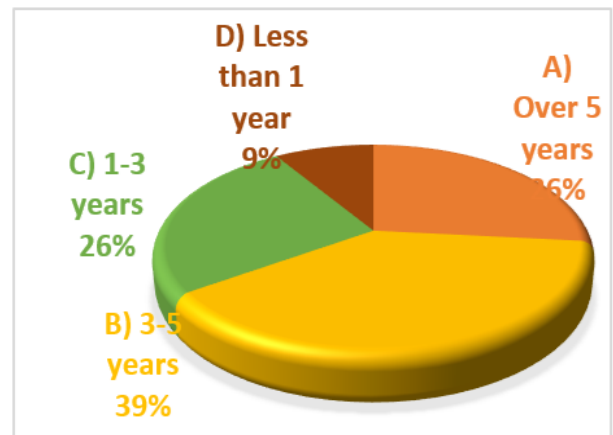
➤ This table indicates the type of investment by individuals prefer.

Responses	A) Real Estate	B) Fixed Deposits	C) Mutual Funds	D) Stocks market	E) Other
Bad	16	9	26	22	26
Excellent	47	36	24	19	7
Good	30	40	33	29	29
Okay	18	32	31	35	42
Poor	13	7	10	19	20
Grand Total	124	124	124	124	124

➤ This table indicates the Income Status of individuals.

Income Range Option	Frequency	Percentage Population
Below ₹25,000	45	36%
₹25,000 - ₹50,000	46	37%
₹50,001 - ₹1,00,000	25	20%
₹1,00,001 - ₹2,00,000	7	6%
Below ₹2,00,000	1	1%
Grand Total	124	100%

➤ This graph indicates the typical investment horizon.



V. FINDINGS

The analysis of primary data reveals several important insights into the financial planning behaviour, saving patterns and investment preferences of the respondents.

A significant majority of respondents, exceeding 70%, reported that they regularly prepare a household or personal budget. This indicates a fairly strong awareness of the importance of budgeting as a foundation for effective financial planning. However, the presence of a small segment (less than 9%) who rarely or never prepare a budget suggests that there is still scope for improving basic financial discipline among certain individuals.

Saving behaviour among respondents appears to be generally positive. About 84% of participants save a portion of their income and notably, 61% save at least 20% or more of their earnings. This reflects a healthy saving culture and a forward-looking financial mindset.



Nevertheless, around 16% of respondents save very little or not at all, highlighting the need for targeted support and financial awareness initiatives for this group.

Insurance coverage and retirement planning are prioritized by approximately 74% of respondents, indicating a strong inclination toward long-term financial security and risk protection. This demonstrates growing awareness of future financial needs, although a small proportion of individuals still neglect these critical aspects of financial planning.

The study also reveals that nearly 74% of respondents consult a financial advisor either regularly or occasionally. This reflects a positive attitude toward professional financial guidance. However, the remaining 25% who rarely or never seek expert advice point to an opportunity to enhance awareness about the benefits of professional financial planning services.

In terms of confidence levels, about 66% of respondents expressed confidence in their existing financial plans. Meanwhile, 22% reported neutral confidence levels and 12% lacked confidence altogether. This variation suggests that while many individuals feel secure about their financial decisions, others may require better clarity, guidance, or structured planning support.

Regarding investment preferences, real estate (38%) and fixed deposits (29%) emerged as the most preferred investment avenues, reflecting a conservative approach to investing. Mutual funds (19%) and stock market investments (15%) were moderately preferred, indicating cautious participation in market-linked instruments. Other investment options received mixed responses, suggesting varying levels of awareness and risk appetite.

The investment horizon analysis indicates that most respondents favor medium- to long-term investments. Approximately 66% invest for periods of three years or more, while only 9% prefer short-term investments of less than one year. This highlights a strong orientation toward long-term wealth creation and financial stability.

Wealth accumulation (41%) and retirement planning (31%) were identified as the primary motivations behind investment decisions. This finding underscores a strong focus on future financial security rather than short-term gains such as tax benefits.

Risk assessment practices among respondents appear encouraging, with 92% evaluating investment risks to some extent. However, only 50% do so regularly, while 42% assess risks only occasionally. This indicates the need to strengthen consistent risk evaluation habits through financial education.

Overall satisfaction with investment returns was reported by 62% of respondents, reflecting a generally positive sentiment. However, the remaining 38% were either neutral or dissatisfied, suggesting a need for better alignment between financial goals, risk tolerance and investment choices.

Saving continues to be a priority for most participants, with 71% ranking it as a top financial objective. Additionally, 90% reported saving either consistently or occasionally, demonstrating broadly positive saving behaviour. A majority (61%) consider saving more important than investing, indicating a preference for financial safety over growth-oriented strategies.

Furthermore, 71% of respondents regularly save between 10% and 30% of their income, reflecting disciplined saving habits. Awareness of saving schemes was reported by 57% of participants, although 19% lacked awareness, highlighting the need for enhanced financial education. Finally, 63% of respondents acknowledged that factors such as income and age significantly influence their investment decisions, confirming the role of personal and demographic characteristics in shaping financial planning behaviour.

VI. SUGGESTIONS

Based on the findings of the study, several measures are recommended to improve financial planning awareness and practices among individuals.

A. Increase Financial Literacy

There is a strong need to enhance financial literacy, particularly among students and young professionals. Educational initiatives such as workshops, seminars and webinars should be organized to cover key topics including budgeting, saving, investing, insurance and retirement planning. Improved financial knowledge can empower individuals to make informed and confident financial decisions.

B. Encourage Goal-Based Financial Planning

Individuals should be encouraged to adopt goal-based financial planning using the SMART framework—Specific, Measurable, Achievable, Realistic and Time-bound goals. Clear financial goals can improve motivation, provide direction and help individuals track their progress effectively.

C. Promote the Use of Digital Financial Tools

The use of reliable digital tools such as budgeting applications and financial planning software should be promoted. These tools can assist individuals in monitoring expenses, setting saving targets, tracking investments and maintaining financial discipline in a convenient and transparent manner.

D. Introduce Early Investment Education

Basic education on investment options such as mutual funds, systematic investment plans (SIPs), public provident fund (PPF) and insurance products should be introduced at the school and college levels. Early exposure to financial concepts can help individuals develop healthy financial habits from a young age.



E. Improve Access to Financial Advisors

Efforts should be made to improve access to professional financial advisors, especially for students and low-income individuals. Partnerships with financial institutions and advisory firms can facilitate free or subsidized financial consultations, enabling personalized guidance and better financial outcomes.

F. Encourage Regular Review and Monitoring

Individuals should be educated on the importance of periodically reviewing their financial plans. Regular monthly or quarterly reviews can help adjust plans according to changes in income, expenses, life stages and economic conditions.

G. Promote Customized Financial Planning

Financial plans should be tailored to individual needs based on income level, age, life stage and risk tolerance. Personalized financial planning can enhance effectiveness, improve confidence and increase the likelihood of achieving both short-term and long-term financial goals.

VII. CONCLUSION

The study concludes that while awareness of financial planning is relatively high, its systematic implementation remains inadequate.

Improved financial literacy, disciplined budgeting and access to professional guidance are essential for enhancing financial planning effectiveness and achieving long-term financial goals.

REFERENCES

- [1] G. S. Shinde and V. Hariharan, "A study of financial planning and investment planning of individuals," *The Quarterly Journal of Economics*, vol. 112, no. 3, pp. 729–758, 1997.
- [2] G. N. Patel, P. Seth and K. K. Krishnas, "Financial education and savings behaviour: Evidence from India," *BIMTECH Newsletter*, pp. 405–420, 2010.
- [3] R. Ruparel, "Systematic analysis in financial planning for individuals," *Journal of Economics and Finance*, vol. 33, no. 4, pp. 422–436, 2009.
- [4] M. Mahapatra, G. N. Patel and R. Behera, "Personal financial planning and economic satisfaction," *International Journal of Research in Finance and Marketing*, vol. 6, no. 11, pp. 55–65, Nov. 2016.
- [5] A. Singh, R. Verma and S. Sharma, "Financial literacy and its impact on financial decision-making," *International Journal of Business and Administration Research Review*, vol. 2, no. 4, pp. 126–134, 2014.
- [6] R. R. Rentala, "Financial planning awareness and investment patterns," in *Proceedings of the SKOCH Summit, Mumbai, India, 2012*, pp. 95–102.
- [7] S. Gupta, A. Mehta and R. Joshi, "Financial literacy and investment decisions in India," *Journal of Housing Economics*, vol. 27, pp. 4–21, Feb. 2015, doi:10.1016/j.jhe.2015.02.003.
- [8] S. Agarwal, G. Amromin, I. Ben-David, S. Chomsisengphet and D. D. Evanoff, "Financial literacy and financial planning: Evidence from India," *Journal of Housing Economics*, vol. 27, pp. 4–21, Feb. 2015, doi:10.1016/j.jhe.2015.02.003.