

A study of the difference in need for Personal Financial Planning amongst the youth of India

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Abstract: The ability of the youth to save funds and stockpile assets is highly crucial in the age of group of 20-30 years as they move towards adulthood and start to accept their financial responsibilities & figure out their financial goals for the long run. Lack of a financial plan for the future creates risk of not having sufficient wealth in order to live comfortably & securely after retirement. However, the financial goals differ amongst the male and female population of the youth of India which creates a need for different approaches towards all the components of financial planning for the attainment of these goals. For the study, the components are budget creation, saving-spending management, debt management, investment planning, insurance planning and tax planning. The difference in current financial situation regarding all these components actively illustrate that the male need assistance in funds management and the female need to invest in high-risk high return investment avenues in order to create wealth. This shall assist the individuals as well as financial planners to know that a common financial plan for the youth irrespective of gender may not result in the attainment of financial goals and there exists a need for separate financial plans for both male and female youth.

Keywords: Finance, Personal Financial Planning, Financial Planning Components, Financial Awareness, Gender, Youth

I. INTRODUCTION

Financial Planning concept

With changing lifestyle and increasing inflation, financial planning at an early age has become the need of the hour. An apt financial plan is supposed to meet one's individual needs at different stages of life and it must also have a balanced mix of instruments to address the various financial needs. Financial planning is all about evaluating one's current and future financial position which leads to systematic achievement of all the life goals. A financial plan acts as a road map that equips a person in meeting all the life's expected and unexpected expenses. Financial planning is all about defining financial goals, creation of a budget, keeping an emergency/ contingency fund, efficient asset allocation & regular review of the financial plan. The number of young generation people in India is higher compared to the old generation. They have ample amount of time to meet their future financial goals as they have their whole lives ahead of them. However, the youth of India, even with decent amount of surplus funds, invest without performing proper asset allocation in various classes like equity, debt, gold, real estate etc.

After proper asset allocation, the youth needs to follow the step-by-step process of financial planning in a disciplined manner and systematically this will lead to a higher sum of wealth accumulation over an extended period of time. With a high-risk appetite at the young age, investing in equity market shall be a rewarding investment avenue for the youth. The financial markets of India are strengthening day by day which gives the youth an even better opportunity to grow their funds.

Setting and prioritizing financial goals plays a vital role in any financial planning process. Before investing your savings, you need to know why you are investing and for how long. The willing to create wealth is what triggers investments especially amongst the youth. One of the best wealth creation option available to the youth of India is Systematic Investment Plan (SIP) which have gained popularity in the recent times. Taking all the components of financial planning into consideration, the youth can make sure their present as well as the future is secured by starting financial planning at an early age.

Components

Money management: In order to reach the financial goals that one has set, it necessary to keep a track on your current assets and debts and make sure that you're not spending more than you earn. Understanding one's cash flows is the basis of fund management. Cash flow management, personal balance sheet, saving- spending behavior & debt management are the pillars of successful fund management. Having a close look at your cash inflows & outflows facilitate you to see if your money is on the right path. All your current assets and liabilities that you may have by way of loans and outstanding sums can be easily depicted on a personal balance sheet.

Budget creation: Creating a budget is all about having a document for action. Cutting expenses and increasing savings for specific financial goals in the essence of budgeting. However personal budgets are not always successful and can fail occasionally. This failure of budget can therefore lead to frustration and stress. The budget is Not Realistic, you don't know your spending style or triggers, your partner, family, & friends aren't on board, it doesn't fit your lifestyle, you're not rewarding small successes, you're using a budgeting system that doesn't match you, your budget doesn't have an accurate record of past spending & your budget doesn't have well defined, attainable goals are some of the reasons due to which a personal budget might fail. These have been theorized & suggested by psychologists and scholars.

Saving spending behavior: The income of any individual is usually categorized into savings part and spending part. Savings is that portion of the income which one wants to save and invest later on and in-turn create wealth using it and achieve his/her financial goals. People The spending part includes that part of the income which a person uses for his/her expenses towards lifestyle, food, utilities, travel, entertainment etc. These don't lead to wealth creation. The balance between savings and spending is crucial in order to be financially planned. The behavior of savings and spending is different for every individual and various psychological studies have been done in the past for determining how people behave differently in case of savings and spending on the basis of different demographical, geographical & other variables.

Debt management: In times of need for finance, an individual may opt for debt financing. This refers to the personal decision of being involved in debt transactions & carrying personal debt in one or a combination of loan from the bank, loan from friends/relatives & credit cards. Having too much debt can lead to a negative effect on one's credit score which can later lead to high rates of interest on future loans. Bankruptcy can be the result of poorly managed personal debt. Creation of personal balance and budget facilitate the efficient management of debt. It ensures that one doesn't fall into more, unaffordable debt and also pays off the existing debts on time.

Insurance planning: An individual's risk management needs evolve depending on his/her stage of life. Protection of self, family and assets against unexpected events is of vital importance and this is a highly overlooked component of financial planning. It helps to ease financial burden in case of unexpected situations. Insurance planning includes evaluating risks & finding out the appropriate insurance coverage in order to mitigate those risks. The ultimate goal of insurance planning is to know and analyze risk factors & seek proper coverage based on these risks.

Investment planning: In financial terms, investment is referred to as the purchase or possession of that asset which has a monetary value & there is a hope that it will appreciate in the future. It is made for a specific time period and is the current outflow of money in anticipation of a future inflow. Investment planning holds to be a crucial component of financial planning. In order to achieve these goals, the resources are invested in different avenues for best returns. It is about the commitment of funds which have been saved from consumption with an attached hope that benefits or returns will be received in the future. Partial or full portion of the savings are invested in different avenues on the basis of factors likes risk appetite, liquidity, returns etc. Time & risk are the two major factors in the process of investment. Factors like Risk tolerance, Age, Investment objective etc. must be looked at before taking investment decisions.

Tax Planning: It is the process of including a tax perspective into the financial plan in order to ensure tax efficiency. Reduction in tax liability maximizes the contribution towards retirement plans and wealth creation. Section 80 C, Section 80CCC and Section 80 CCD of the Income Tax Act have gained popularity as they mention a wide choice of investment avenues through which tax deductions can be claimed up to the limit of Rs. 1.5 Lakh in a financial year.

II. OBJECTIVES OF THE STUDY

- To examine the primary reason for which the youth of India considers personal financial planning to be necessary.
- To find out the difference in the current situation & future need for budget creation & saving-spending of the youth of India on the basis of gender.
- To know the difference in need for investment planning amongst the youth of India on the basis of gender
- To know the different types of credit that the youth has opted for and what is their attitude towards the repayment of it.
- To analyze the pattern of investment avenue preferences amongst the youth on the basis of demographic factor i.e., gender.
- To find out the difference in need for tax planning & awareness regarding tax saving deductions amongst the youth of India on the basis of gender.
- To know the difference in need for insurance assessment amongst the youth of India on the basis of gender.

III. LITERATURE REVIEW

A. Financial Literacy and Personal Financial Planning in Klang Valley, Malaysia by (Tan huI boon, Hoe siew yee & Hung woan ting): This study highlighted that financial literacy is a useful indicator of an individual's decision regarding financial planning. Gearing up with financial knowledge is a pre requisite for financial well-being. It also concludes that the financial planning professionals need to take part in providing financial education while delivering their services which shall enable the public to engage in taking better financial planning decisions.

B. Financial Prudence among Youth by (Pillai, Rajasekharan and Carlo, Rozita and D'souza, Rachel): This study focuses on the expenditure pattern of the youth. It highlights whether the youth exhibits financial prudence in making financial decisions or not. The study also explores the factors influencing formation of spending and saving habits among youth. The study concludes that the young adults today are very materialistic and look first to the acquisition of physical assets rather than saving their income for the future. It also states that peer pressure, family, brand mania & gadget lifestyle are the main drive behind the spending saving habits of the youth.

C. Debt and the management of personal finances by (Kotze, Liezel): The researcher has shown the relationship between excessive personal debt and low savings and its impact on the individual, his/her employer and on the overall economy. It is highlighted that the failure of managing personal finances lead to excessive debt and as the individual's life has it's damaging effects, it is also reflected in his work life therefore it affects the employer negatively. Gender, age, income and education level are the other factors that affect financial literacy which eventually affect the management of personal finances.

D. Investors behavior in various investment avenues: a study by (Dr. S. Suriya Murithi, Narayana, M. Arivazhagan.): On the basis of this study, it had been concluded that female investors dominate the investment market in India. The percentage of income that is invested highly depends on the annual income of the investor. The investors, before making investment decisions, opt for more than

two sources of information. The increase in age leads to decrease in the risk tolerance level. Through this study, the research has suggested that an investor must diversify the portfolio in order to reduce risk. The decisions are suggested to be based on careful investigation rather than advice by brokers/agents.

E. Gender Differences in Financial Perceptions, Behaviours and Satisfaction by (Tahira K. Hira, Ph.D., and Olive Mugenda, Ph.D.): This study is made to assist the financial advisors as it explains client's spending behaviour on the basis of gender. One of the objective of this study is to find out the gender difference with respect to Satisfaction with specific aspects of one's finances. It was concluded that men have more sales resistance than women and that women are more likely to make spontaneous purchases as compared to men.

IV. RESEARCH METHODOLOGY

Statement of problem: The research problem is the defined as the starting point of a research and it states the issue that the researcher wishes to solve. In this study, the research problem is 'If gender (Male & Female), as a base, establishes the difference in need for Personal Financial Planning amongst the youth of India taking their current financial situation into consideration.'

Research hypothesis:

H0: There is no relationship between gender and need for personal financial planning amongst the youth of India

H1: There is a relationship between gender and the need for personal financial planning amongst the youth of India. Research Design: For this study, the research design is exploratory research. This design focusses on the discovery of ideas and the research process involved in this is usually unstructured.

Research Tool: Data collection tool used for the study is survey questionnaire. The preferred tool for data collection under qualitative research is unstructured interview but the population as well as the sample for this study was comparatively large, which is why survey questionnaire method has been adopted.

Sampling size: A total sample of 50 respondents has been chosen for this study who belong to different regions of India.

Sampling design: For this study, non-probability sampling design has been chosen. In this type of sampling design, the sample is not selected randomly and is widely used in qualitative research studies. The expertise and judgement of the researcher plays an important role in non-probability sampling design.

Sampling technique: Judgement/purposive sampling technique under non probability sampling design has been adopted for this study. As under purposive sampling, the research's choice acts as a basis for selecting the sampling unit, only those respondents have been selected for this study who can be considered financially literate or possess necessary financial knowledge.

V. DATA INTERPRETATION, DISPLAY & JUSTIFICATION

Type of data: Primary data

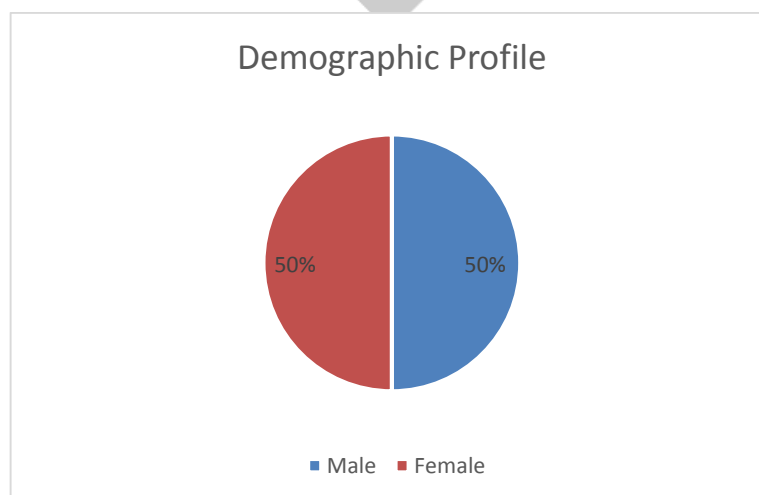
Sources: Survey questionnaire

Demographic profile of the respondents:

Responses in this study depict that are 50% are male and 50% are female. A sample for 50 individuals who fall under the category of youth was collected in the region of India.

Demographic variable	Classification	Frequency	Percentage
Gender	Male	25	50%
	Female	25	50%

Table 9.1 Gender classification



Graph 9.1 Gender demographic profile

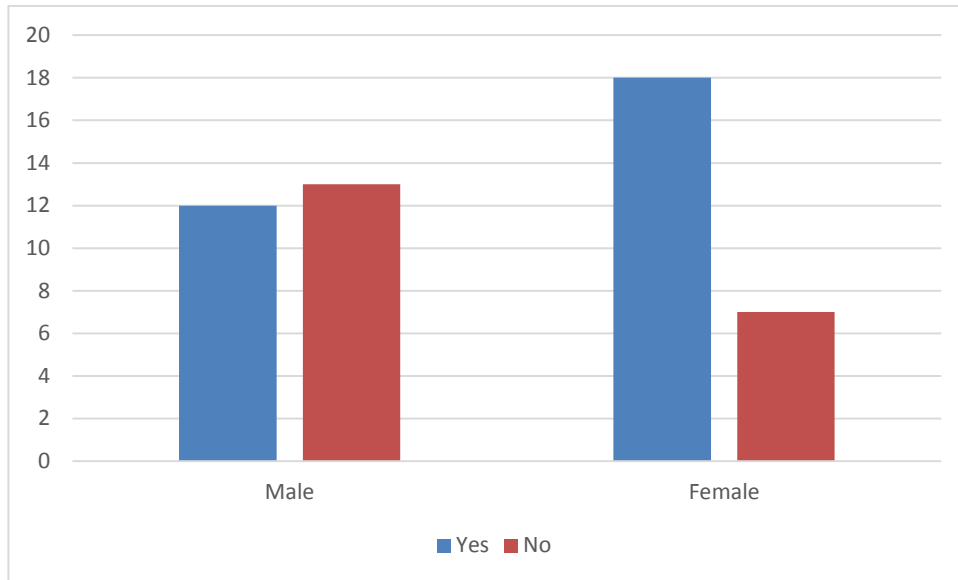
A. Funds Management

Q1. Do you make a weekly/quarterly/yearly budget?

On the basis of gender, 60% of the respondents create a budget and 40% of the respondents don't create a budget. Palpably, male & female have a difference in the creation of budget.

	Male		Female	
	Frequency	%	Frequency	%
Yes	12	24%	18	36%
No	13	26%	7	14%

Table 9.2 Budget Creation



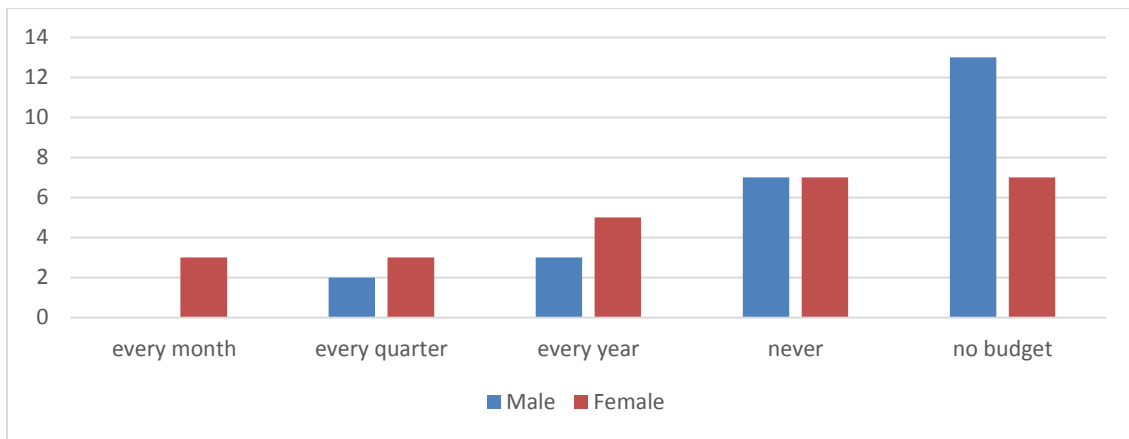
Graph 9.2 Budget Creation

Q2. How often does your personal financial budget fail & you end up with a cash crunch?

In order to know the current financial situation of the respondents, the frequency of occurrence of budget failure was asked. 28% of the respondents never end up with a cash crunch. 40% of the respondents are those who don't create a budget at all. On the basis of gender, 14% of the male respondents and 14% of the female respondents never end up with a cash crunch as their budget never fails.

	Male		Female	
	Frequency	%	Frequency	%
Every month	0	0%	3	6%
Every quarter	2	4%	3	6%
Every year	3	6%	5	10%
Never	7	14%	7	14%
Not Applicable	13	26%	7	14%

Table 9.3 Budget Failure



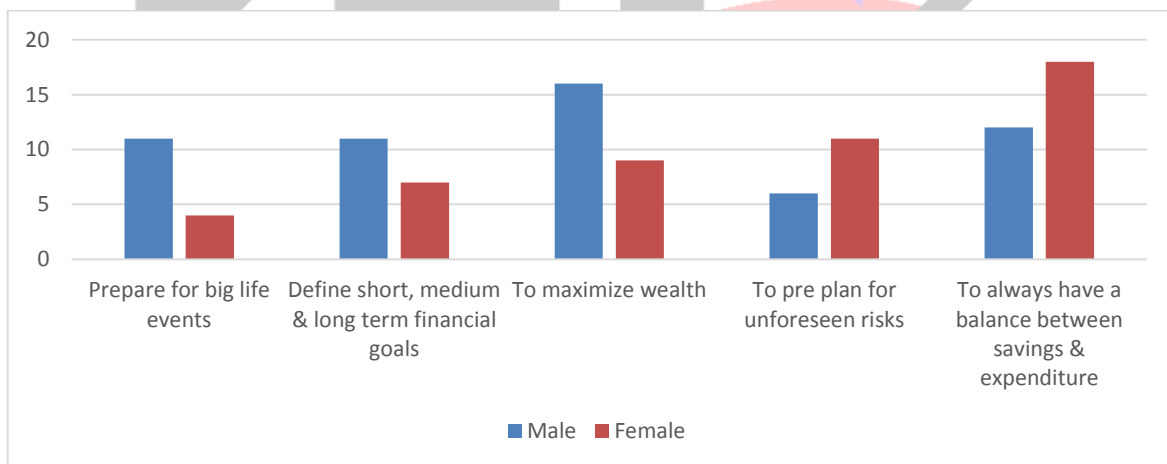
Graph 9.3 Budget Failure

Q3. Reason for which you think Personal Financial Planning is most necessary for you?

There are different reason(s) because of which respondents can consider financial planning to be necessary for them. In the case of male respondents, 'to maximize wealth' and in the case of female respondents, 'To always have a balance between savings & expenditure' is considered to be the most necessary reason.

	Male		Female	
	Frequency	%	Frequency	%
Prepare for big life events	11	22%	4	8%
Define short-, medium- & long-term financial goals	11	22%	7	14%
To maximize wealth	16	32%	9	18%
To pre plan for unforeseen risks	6	12%	11	22%
To always have a balance between savings & expenditure	12	24%	18	36%

Table 9.4 Reasons for Financial Planning



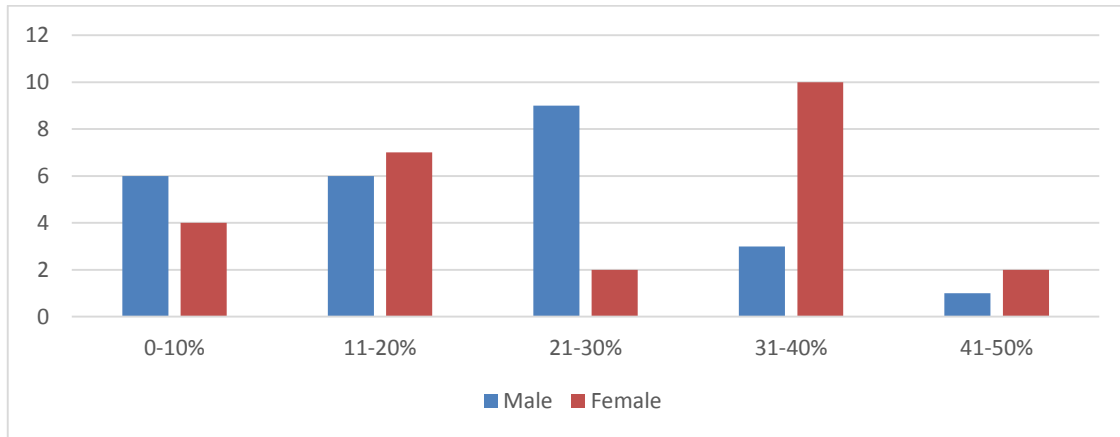
Graph 9.4 Reasons for Financial Planning

Q4. What percentage of your annual income do you save?

In order to know about the current savings of the respondents, they were asked the approximate percentage of annual income that they are able to save. The responses have been classified in the range shown in the following table. Considering the male respondents, the majority of them are saving 21-30% whereas the majority of female respondents are saving 31-40% of their annual income.

	Male		Female	
	Frequency	%	Frequency	%
0-10%	6	12%	4	8%
11-20%	6	12%	7	14%
21-30%	9	18%	2	4%
31-40%	3	6%	10	20%
41-50%	1	2%	2	4%

Table 9.5 Savings percentage



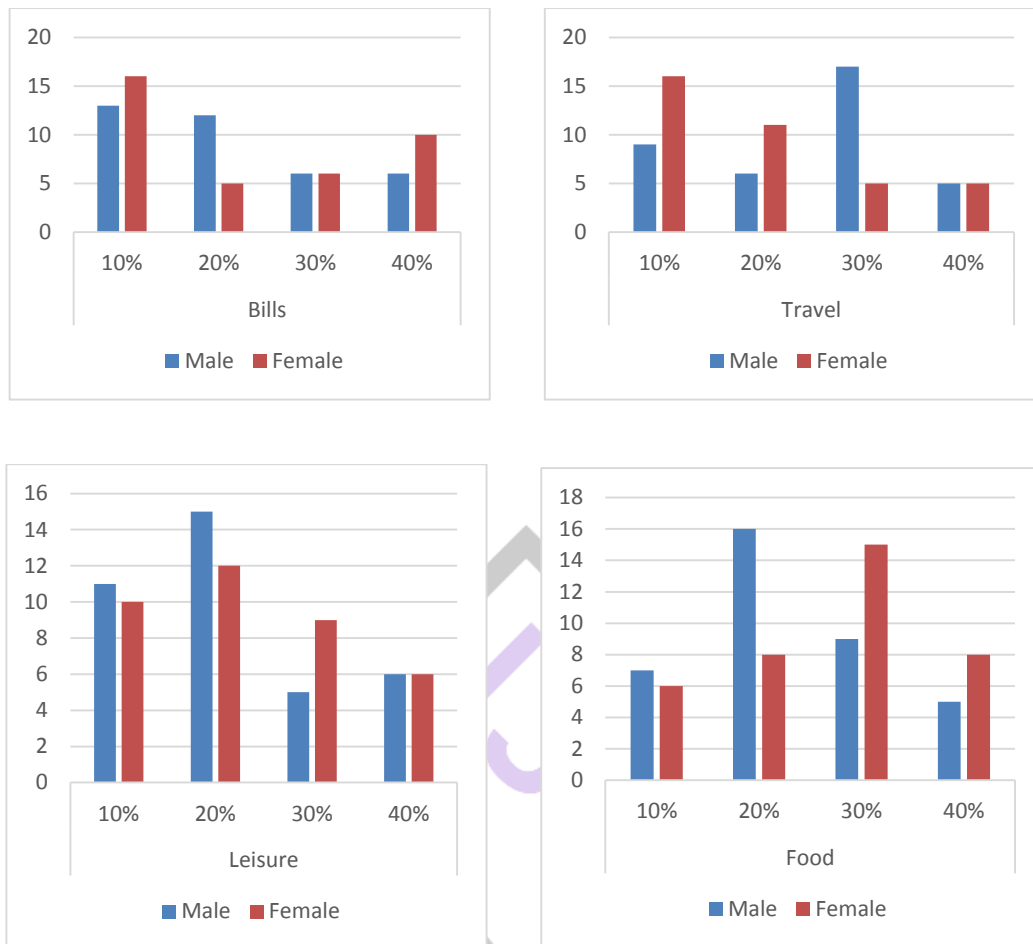
Graph 9.5 Savings percentage

Q5. What percentage of your total annual expenditure goes into the following? (sum must be =< 100%)

To understand the spending/ expenditure of the respondents, the area of expenses has been classified into four categories namely Food, Lifestyle & Personal Care, Leisure & Entertainment, Travel & Transportation and Bills & Utilities. The respondents were asked about the percentage of annual expenditure which goes into each of the categories. Majority of the male respondents spend 10% on Bills & Utilities, 30% on Travel & Transportation, 20% on Leisure & Entertainment and 20% on Food, Lifestyle & Personal Care. Majority of the female respondents spend 10% on Bills & Utilities, 10% on Travel & Transportation, 20% on Leisure & Entertainment and 30% on Food, Lifestyle & Personal Care. The mode expenditure on Bills & Utilities, Travel & Transportation, Leisure & Entertainment, Food, Lifestyle & Personal Care are 10%, 30%, 20% and 20% respectively.

	Spending/Expenditure	Male		Female	
		Frequency	%	Frequency	%
Bills & Utilities	10%	13	18%	16	22%
	20%	12	16%	5	7%
	30%	6	8%	6	8%
	40%	6	8%	10	14%
Travel & Transportation	10%	9	12%	16	22%
	20%	6	8%	11	15%
	30%	17	23%	5	7%
	40%	5	7%	5	7%
Leisure & Entertainment	10%	11	15%	10	14%
	20%	15	20%	12	16%
	30%	5	7%	9	12%
	40%	6	8%	6	8%
Food, Lifestyle & Personal Care	10%	7	9%	6	8%
	20%	16	22%	8	11%
	30%	9	12%	15	20%
	40%	5	7%	8	11%

Table 9.6 Savings percentage



Graph 9.6 Spending/Expenditure

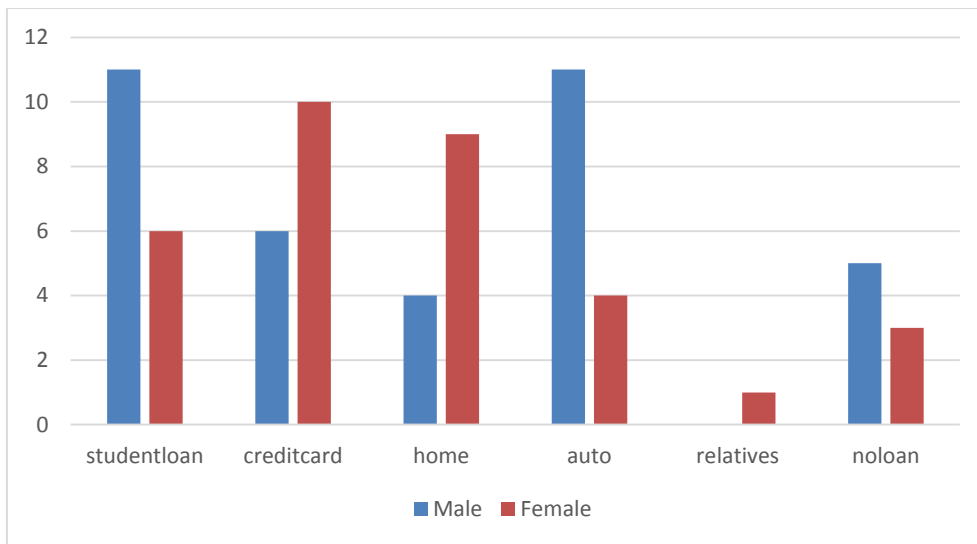
B. Debts Management

Q6. Which of the following types of debts/loans do you currently owe?

Personal credit/debt might become a growing problem if not managed properly. Measures like budget creation, timely payment, avoiding too many sources of credit etc. can help in the reduction of financial distress and hence lead of efficient debt management. The respondents were asked about these sources of credit which they currently owe. Out of the 50 respondents, majority of them have a student loan and credit card. Loan from relatives is evidently the least preferred loan. 16% of the respondents do not have any loan/debt. On the basis of gender, most of the male respondents have taken auto loan & student loan and most of the female respondents have a credit card.

	Male		Female	
	Frequency	%	Frequency	%
Student Loan	11	22%	6	12%
Credit Card	6	12%	10	20%
Home Loan	4	8%	9	18%
Auto Loan	11	22%	4	8%
Loan from Relatives	0	0%	1	2%
No loan	5	10%	3	6%

Table 9.7 Debt/Loan Mix



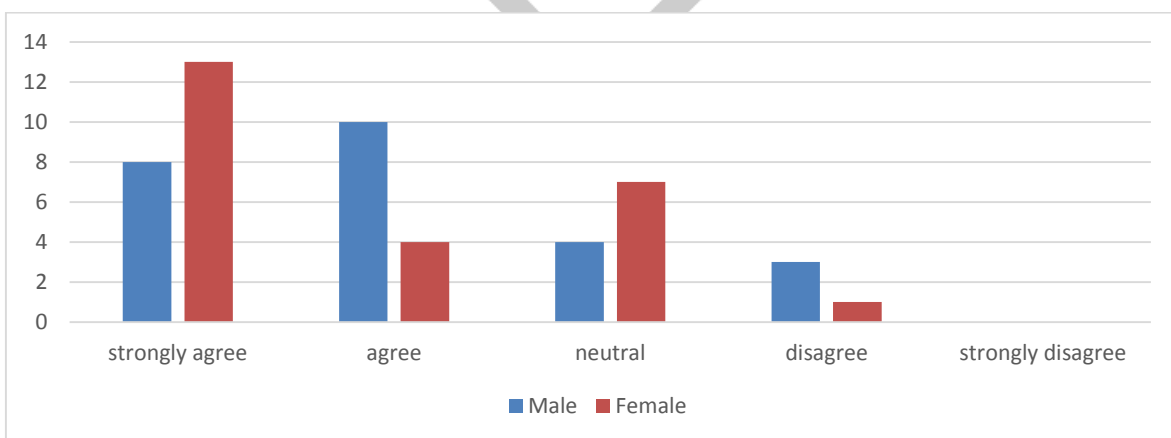
Graph 9.7 Debt/Loan mix

Q7. Kindly indicate how strongly you agree or disagree with this statement ‘Excess funds must first be used to pay off debts before opting for investment or expenditure’.

In the decision to choose between getting rid of debt and opting for investment/expenditure, there is always an emotional factor associated with it. The respondents were asked how they agree or disagree with the statement ‘Excess funds must first be used to pay off debts before opting for investment or expenditure’. Out of the 50 respondents, 35(70%) of them agree or strongly agree with paying off debt using the excess funds before investment/expenditure. 11 (22%) respondents are neutral (i.e. neither agree nor disagree) about making this decision and only 4(8%) respondents disagree with it. There are no respondents who strongly disagree with the statement. On the basis of gender, majority of male respondent agree with the statement whereas majority of female respondents strongly agree with it. The frequency table & chart below represents the responses of the sample and the demographic categorization of it.

	Male		Female	
	Frequency	%	Frequency	%
strongly agree	8	16%	13	26%
agree	10	20%	4	8%
neutral	4	8%	7	14%
disagree	3	6%	1	2%
strongly disagree	0	0%	0	0%

Table 9.8 Attitude towards debt repayment



Graph 9.8 Attitude towards debt repayment

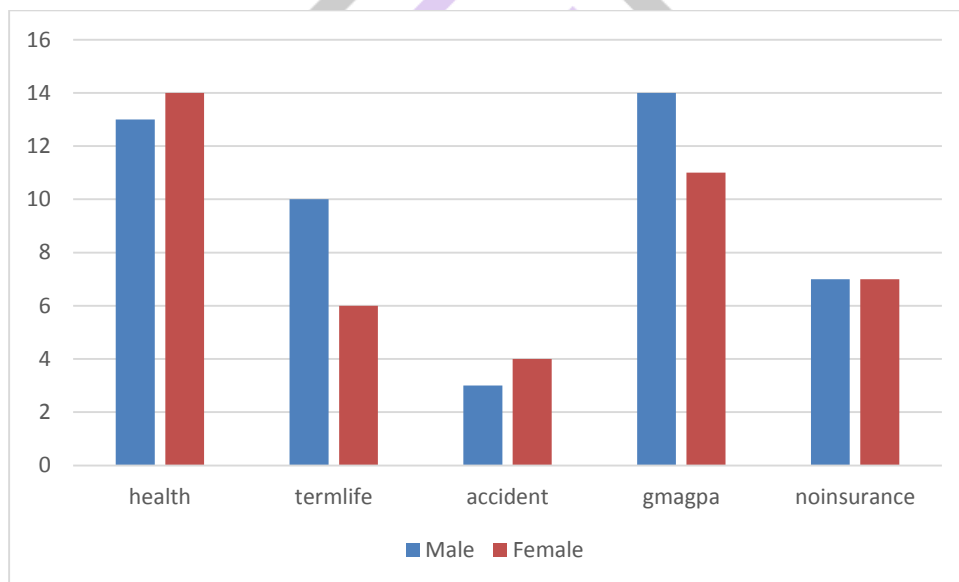
C. Insurance Protection

Q8. Which of the following insurance policies do you have?

Life events, health issues and sudden accidents can drain one’s savings and lead to debt. The respondents were asked about the types of insurance policies that they currently have. This was asked to know how they are currently protecting their finances. Out of the 50 respondents, 28% of them don’t have any insurance coverage and are in high financial risk due to no wealth protection. On the basis of gender, majority of male respondents have Group Mediclaim & Group Personal Accident (GMA & GPA) coverage. Majority of female respondents have Health insurance coverage. Overall, Accident insurance stands to be the least preferred type of insurance.

	Male		Female	
	Frequency	%	Frequency	%
Health Insurance	13	26%	14	28%
Term Life Insurance	10	20%	6	12%
Accident Insurance	3	6%	4	8%
Group Mediclaim & Group Personal Accident (GMA & GPA)	14	28%	11	22%
No Insurance	7	14%	7	14%

Table 9.9 Insurance coverage



Graph 9.9 Insurance coverage

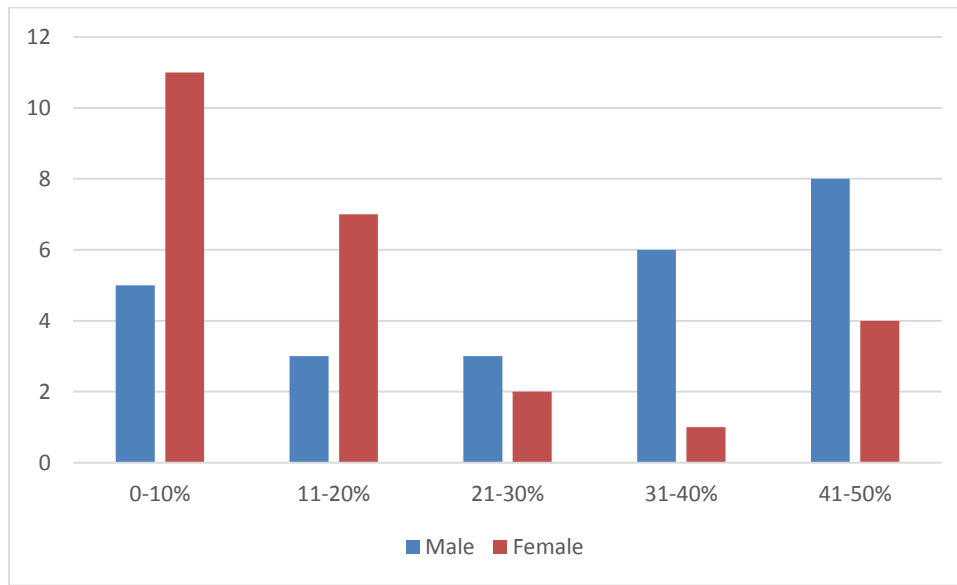
D. Investment Planning

Q10. What percentage of your savings do you invest?

The savings of the respondents are either left idle in the bank or they are used for the creation of wealth by way of investments. In order to know about the investments of the respondents, they were asked about the percentage of their savings that they are using towards investment in different avenues. As the respondents were not given a multiple-choice option, their responses have been classified in the range shown in the following table. For all the 50 respondents, the mode investment percentage lies between 0-10%. On the basis of gender, the mode investment percentage for male respondents lie between 41-50% and that for female respondents lie between 0-10%.

	Male		Female	
	Frequency	%	Frequency	%
0-10%	5	10%	11	22%
11-20%	3	6%	7	14%
21-30%	3	6%	2	4%
31-40%	6	12%	1	2%
41-50%	8	16%	4	8%

Table 9.10 Investment Percentage



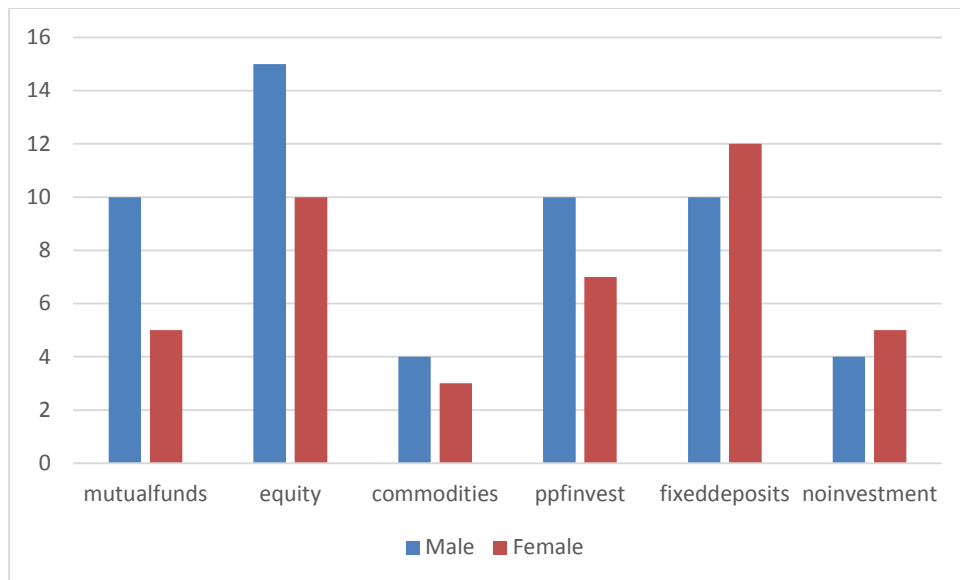
Graph 9.10 Investment Percentage

Q11. Which investment avenue(s) have you currently invested in?

One of the main reasons behind the rise of financial planning & wealth management services is the evolution of properly regulated investment options in the near past. The investor’s need to analyze the varied choices of investment avenues on the basis of deciding factors and then finally take an investment decision. The respondents were asked about the investment avenue(s) they have currently invested in. Out of the 50 respondents, majorly of them have claimed to invest in Equity Shares. The least preferred investment avenue is evidently Commodities. On the basis of gender, the most preferred avenue in the case of male respondents is Equity Shares and in the case of female respondents is Fixed Deposits. 18% of the respondents don’t invest in any avenue as of now.

	Male		Female	
	Frequency	%	Frequency	%
Mutual Funds	10	20%	5	10%
Equity	15	30%	10	20%
Commodities	4	8%	3	6%
Provident Funds	10	20%	7	14%
Fixed Deposits	10	20%	12	24%
No Investment	4	8%	5	10%

Table 9.11 Investment Avenues



Graph 9.11 Investment Avenues

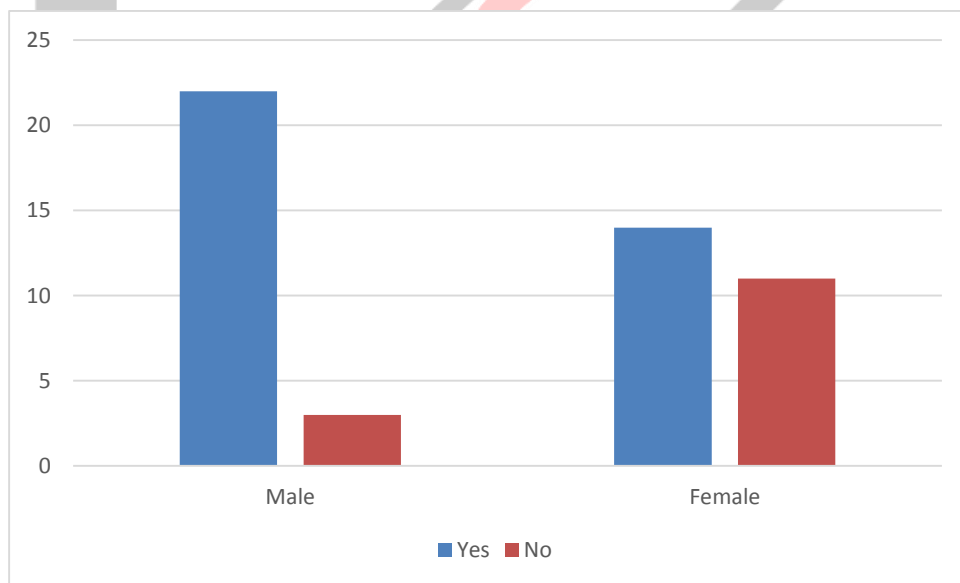
E. Tax Planning

Q12. Are you aware of tax saving investment options under the Income Tax Act (for example Section 80C)?

A major prerequisite for effective tax planning is the awareness of investments and expenditure which help in tax savings up to a certain amount. These deductions are mentioned in the sec 80C of the Income Tax Act. Out of the 50 respondents, 72% of the them claim to be aware of tax saving investment options under Sec 80C whereas 28% are not. On the basis of gender, 88% of the male respondents are aware of the tax saving investment/expenditure options whereas 12% are not. 56% of the female respondents are aware of the tax saving investment/expenditure options whereas 44% are not.

	Male		Female	
	Frequency	%	Frequency	%
Yes	22	44%	14	28%
No	3	06%	11	22%

Table 9.12 Section 80C Awareness



Graph 9.12 Section 80C Awareness

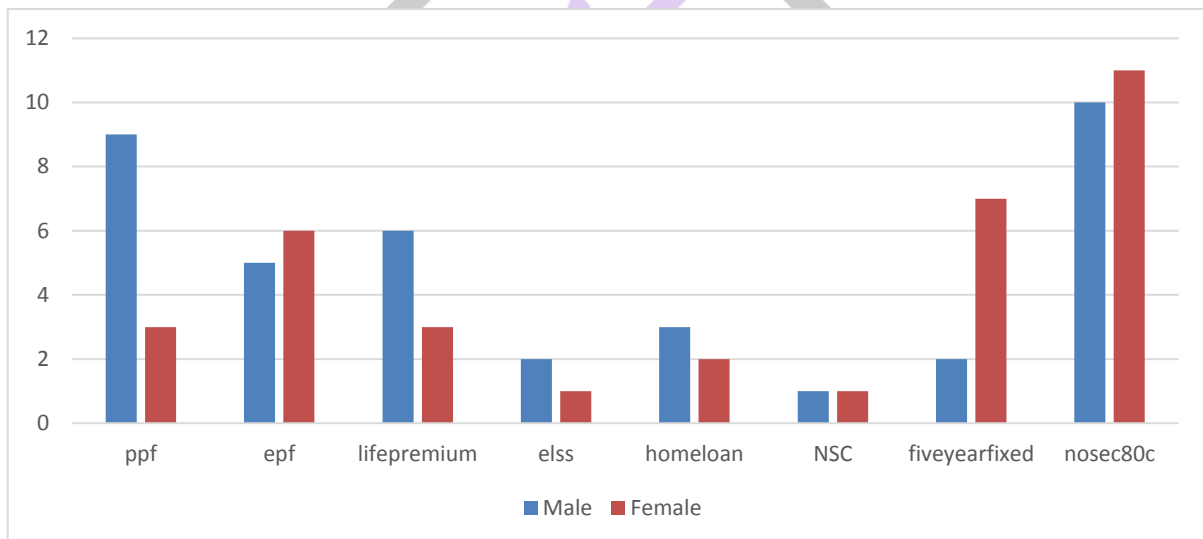
Q13. Which of the following deductions allowed under the income tax act (Sec 80C) are you current availing?

The various investment/expenditure options which allow tax deduction up to Rs. 1.5 lakhs have been mentioned in the table below. The respondents were asked about the tax saving option(s) that they are currently availing. Public Provident Funds and Employee’s Provident Funds are evidently the most preferred ones and National Savings Certificate and ELSS Funds are the least preferred ones according to the respondents. Majority of male respondents have opted for Public Provident Funds & Life Insurance Premium and

female respondents have chosen Employee’s Provident Funds & 5-year bank Fixed Deposits. 42% of the respondents are not availing any tax saving benefits under Sec 80C.

	Male		Female	
	Frequency	%	Frequency	%
Provident Funds	9	18%	3	6%
Employee’s Provident Fund	5	10%	6	12%
Life Insurance Premium	6	12%	3	6%
ELSS	2	4%	1	2%
Home loan	3	6%	2	4%
National Savings Certificate	1	2%	1	2%
Five-year bank fixed deposits	2	4%	7	14%
Not applicable	10	20%	11	22%

Table 9.13 Tax deductions under Sec. 80C



Graph 9.13 Tax deductions under Sec. 80C

VI. ANALYSIS OF FINDINGS

Introduction: In this chapter, the hypothesis has been tested using fisher’s exact test & chi square test. Funds management, Investment Planning and Tax Planning have been tested using the fisher’s exact test. Debt management & Reasons for personal financial planning has been tested using the chi square test.

H0: There is no relationship between gender and need for personal financial planning amongst the youth of India

H1: There is a relationship between gender and the need for personal financial planning amongst the youth of India.

Fisher’s exact test:

1. Budget Creation

	Value	df	Asymptotic Significance (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Pearson Chi-Square	3.000	1	0.083	0.148	0.074	
Fisher’s Exact Test				0.148	0.074	
N of Valid Cases	50					

Fig. 10.1 Fisher’s Exact test on Budget Creation

Alpha level: 0.1

P value: 0.148

2. Savings

	Value	df	Asymptotic Significance (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Pearson Chi-Square	9.034	4	0.060	0.056		
Fisher-Freeman-Halton Exact Test	9.004			0.051		
N of Valid Cases	50					

Fig. 10.2 Fisher's Exact Test on Savings

Alpha level: 0.1

P value: 0.051

3. Investment Planning

	Value	df	Asymptotic Significance (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Pearson Chi-Square	8.955	4	0.062	0.062		
Fisher-Freeman-Halton Exact Test	8.686			0.064		
N of Valid Cases	50					

Fig. 10.3 Fisher's Exact Test on Investment Planning

Alpha level: 0.1

P value: 0.064

4. Tax Planning

	Value	df	Asymptotic Significance (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Pearson Chi-Square	6.349	1	0.012	0.025	0.013	
Fisher's Exact Test				0.025	0.013	
N of Valid Cases	50					

Fig. 10.4 Fisher's Exact Test on Tax Planning

Alpha level: 0.1

P value: 0.025

Chi Square test:**5. Debt Management**

Pearson Chi-Square Tests		
		Gender
\$Debt	Chi-square	12.300
	df	4
	Sig.	.015*

Fig. 10.5 Chi Square Test on Debt Management

Alpha level: 0.1

P value: 0.015

6. Reasons for personal financial planning

Pearson Chi-Square Tests		
		Gender
\$Reasons	Chi-square	15.204
	df	5
	Sig.	.010*

Fig. 10.6 Chi Square Test on Reasons for Financial Planning

Alpha level: 0.1

P value: 0.010

Interpretation:

On the basis of the results of Fisher's exact test and Chi square test, we reject the null hypothesis and accept the alternative hypothesis. It is clear that gender has a significant impact on the need for personal financial planning & its components ($P < 0.1$). Budget creation is the only component of personal financial planning under which no such impact has been observed. However, regarding saving-spending planning, debt management, insurance planning, investment planning and tax planning it is evident that the current situation of male and female differs from each other and hence their need for personal financial planning and its components are different (i.e. gender has an impact on it).

VII. FINDINGS**Male youth:**

- Majority of male don't create a budget but those who do, their budgets don't usually give them a cash crunch by failing. 14% of the male youth make highly efficient budgets that never fail
- Their top reasons behind opting for personal financial planning stands to be the maximization of wealth.
- The male youth is saving 21-30% of their annual income. The remaining part of their income is going towards investment, insurance and expenditure.
- The male youth is spending the most on travel and transportation i.e. 30% of their expenditure amount and the least on bills & utilities i.e. 10% of their expenditure amount
- Their debt mix consists of Auto loan and student loan. They somewhat agree with using excess funds for repayment of debts before opting for investment or expenditure.
- They have a balance mix of insurance coverage. They are getting GMA GPA benefits from their employer and also have health and term life insurance policies.
- The male youth is investing 41-50% of their savings into Mutual funds, equity, provident funds and fixed deposits.
- They are seen to have a good risk appetite as they have opted for equity
- They are aware of the deductions available under section 80C
- They are mainly availing tax deduction benefits under sec 80c by way of provident funds and life insurance premium.

Female youth:

- Majority of female creates a budget and their budgets either fail once a year or don't fail at all.
- Their top reason for the creation of personal financial plan is to always have a balance between savings & expenditure.

- They are saving 31-40% of their annual income
- They are spending the most i.e., 30% on Food, Lifestyle & Personal care. They are spending the least i.e., 10% on bills & utilities.
- Their debt mix majorly comprises of Credit card and home loan. They also strongly agree with using excess funds towards the repayment of debt before opting for investment or expenditure.
- According to the current financial situation, the female youth has health insurance coverage. They are being provided with GMA & GPA benefits but accident & term life insurance is yet to be included in their insurance coverage.
- The female youth is investing only 0-10% of their income towards fixed deposits & equity.
- They are seen to have low risk appetite regarding investments as they have opted for fixed deposits which are less risky in nature.
- The female youth is not fully aware of tax saving benefits under the section 80C.
- Some female youth are availing tax deductions by way of employee's provident funds and five-year bank fixed deposits. As life insurance premium is not in their insurance mix, it is apparently not a part of their tax saving deductions either.

VIII. CONCLUSION

The aim of this study was to find out if there exists a difference in the need for various components of personal financial planning amongst the youth of India on the basis of gender. According to the finding of this study, it can be concluded that the current financial situation of men and women have significant polarity. The male isn't creating budgets but happen to have a balanced insurance coverage. Female create such successful budgets that it hardly fails but they only have health insurance protection in their insurance coverage. As the male youth is already investing in high-risk high-return avenues, they could explore more investment options. The female is seen to have low risk appetite but considering their age, with the correct investment advice, they could grow their wealth by investing in high-risk high-return avenues such as mutual funds and equity shares. The male is availing tax deduction benefits through the most popular ways under section 80C such as public provident funds and life insurance premium. They could expand their investment avenues and hence save more taxes. The female, with their restricted insurance coverage, are lagging behind in tax deduction benefits such as life insurance premium. With this, it can be concluded that the approach towards personal financial planning for both male and female youth differs for various components and hence they need to have a balance in their financial plan in order to achieve their financial goals in the most successful ways.

IX. SUGGESTIONS

To an individual:

- The female youth needs to know more about the various tax savings deduction options available under section 80C. If they opt for term life insurance, it will not only lead to better insurance planning but also result in tax savings.
- The female youth should also invest more percentage of their savings as they saving good proportion of their income but not investing in those investment avenues that have better returns than fixed deposits.
- The male youth should get into budget creation as it will give them a spending structure. Creation of budget is considered by many personal finance researches as one of the crucial beginner steps towards personal financial planning.
- As the male youth is already aware of tax saving deductions, they should explore more such deductions in order to have more tax benefits.

To a financial planner:

- While planning the investment portfolio of female youth, the financial planner can suggest medium risk investment avenues which shall give higher returns than fixed deposits. For example mutual funds.
- To the male youth, the financial planner should suggest more investment avenues apart from the major ones which they are already investing in. For e.g. ELSS funds, NSC etc.
- As the current financial situation regarding funds management, debt management, investment planning and tax planning differs, the financial planner needs to pay attention to this gender difference and offer his/her services accordingly.

To the researcher:

- It is suggested to include other components of personal financial planning like retirement planning, will planning etc. in the research which have not been considered in this study
- The research can perform the study in order to analyse the difference in personal financial planning amongst the youth on the basis of more demographic factors other than gender like age, educational background, occupation etc.
- Behavioural concepts, attitude, perception of individuals can be included in this study in order to enhance the subject. The basis of this study was the sample's current financial situation. For the next researches, this basis can be accompanied with the attitudes and perceptions of the sample regarding each of the components of personal financial planning.

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