Journal of Contemporary Issues in Business and Government Vol. 27, No. 1, 2021
P-ISSN: 2204-1990; E-ISSN: 1323-6903
https://cibg.org.au/

Analysis Of Personal Financial Planning Strategies Of Salaried Class Using Analysis Of Variance Method: A Case Of Dehradun City In Uttarakhand (India)

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Abstract: After the liberalization of the Indian economy in 1992, the wave of globalization benefitted Indian Financial services and individuals. However, Tier-II cities of India participated in this rally by the final part of the decade. Financial literacy is an important aspect in making a well-informed decision in the highly dynamic and convoluted market. Financial crisis can be attenuated under Financial literacy. In the current era of automation, the convoluted global economy increases the risk spectrum of the individual. Keeping in mind the large population of India works in the shambolic sector with minimum social security. As the Government withdrew pension schemes from government jobs, financial security will be a huge concern for our population. Personnel financial management will be effective as well as efficient if only financial literacy is acquired by individuals. Personal Financial management includes financial literacy and Household saving patterns of individuals. In this study, we try to identify and analyze the level of financial literacy and its relationship with the demographic profile of the salaried class and analyze the household saving pattern of the salaried class of Tier II city. Analysis of variance method used for establishing the relationship between financial literacy and demographic profile of the sample. The findings of the study imply that Financial literacy is independent of age and monthly income but not independent from family responsibility. The finding also suggests a change in household saving patterns as the age of individuals increases. This study would help in adopting appropriate strategies to improve the level of personal financial management for individuals.

Keywords: Financial literacy, Personal Financial Management, Financial Planning, Salaried class, Household saving*.*

1. INTRODUCTION

Personal Financial management is an objective-focused activity. It is the integrated approach towards an optimized solution of what to offer, how to fund it, and how to combine the two to capitalize on some proper objective. The comprehensive and vibrant field of finance affects the spectrum of financial lives of practically every individual and organization. The domain of finance is much more convoluted and dynamic today. The inclusion of new technologies and liberal policies are altering the institutional setup. Finance

had been long characterized as a component for progress and expansion but in the current epoch of globalization, it has been ascribed as the understanding of the whole economic structure. Economies are endeavouring relentlessly to make their financial system more and more effective as well as efficient. This pattern shift has instituted an immense burden on governments to intellectualize, regulate and monitor the canons of financial proprietary in such a manner that can cope up with contemporary challenges of economic growth and development. Dehradun emerges at a fast pace in terms of economic activity due to the emergence of the capital of the new state i.e., Uttarakhand in the Union of India.

Various views of Financial Planning

Categorizing financial planning based on a spectrum of services provided there are three division:

Single purpose view

Some financial experts simply provide one dimensional and uni-vectored view on a single financial issue. This single purpose or specialist view can be attributed to the following financial planner:

- A LI agent who sells LI to the owner of a small business.
- A personal finance counselor
- Preparer of ITR
- A stockbroker suggests a customer buy shares of the common stock of a particular company.

Multiple purpose view

When financial planners see beyond single-dimensional financial horizons to the multidimensional need and requirements of individuals such as planning of retirement, investment, tax, insurance, and real estate planning. According to the multipurpose view, the following financial planner qualify:

- An agent who sells all types of insurance i.e car, home, health, and life as well as all types of the mutual fund.
- A financial/investment advisor.

Comprehensive View

Some financial planners or more specifically team of financial planners used a 360-degree approach to resolve the financial objective and need of the client. Primarily there are two characteristics of comprehensive financial planning:

- An integrated approach towards the personnel and financial situation of the client. To provide a comprehensive solution of issues of the client should be explored, clarified, and addressed.
- Integrated methodology comprising all techniques and expertise to provide a customized solution for the client.

Summary/Outline of the Paper

This paper comprises six sections. Following this introduction, Section two provides a brief review of relevant literature on personal financial management. Section three describes the identification of research gaps. Section four describes the research methodology used for measuring the effect of financial literacy and household saving on personal financial management along with sample size and sample descriptives. Section five explains results from the analyzed data and Section six concludes.

2. LITERATURE REVIEW

Ceru, D., (2004) proposes that financial institutions' priority to inculcate technology to increase wealth management business is a pragmatic response to have a competitive advantage. Caselli, S. and Gatti, S. eds., (2005) analysed wealth management strategies for competitive advantage. Evensky, H. and Evensky, H.R., (1997) propose ideas on exploring new business opportunities in the arena of banking services and analysing synergy with emphasis on private-owned banking business and family-retained businesses. Isdale, M. H. (2006) analysed the pattern of strategies opted by wealthy individuals and financial institutions for portfolio management. Budge, G. S. (2007) emphasized the prominence of selecting wealth management business by Financial institutions successfully. It helps India to leave a footprint in a strong as well as the integrated global economy. Amenc, N., Martellini, L., Milhau, V., & Ziemann, V. (2009) analysed the growth in the area of private banking space over the decade. After liberalization, the new era of banking started with an increase in competition and integrated, customized solutions to the client. Dr. J. Gajendra Naidu (2017) published a paper that said that India's Financial management arena is enormously uneven due to the early stage of expansion of the market. The urban segment is the focus of prominent players in this market which keeps twenty percent of high-net-worth individuals almost untapped. India has huge potential in wealth management sectors and will require a skilled workforce to bridge parity between demand and supply in the future. Lusardi, A., & Mitchell, O. S. (2011c) proposes a world view of financial literacy. It emphasizes on relationship between financial literacy and financial attitude.

Pang, G., & Warshawsky, M. J. (August 2009) proposed that the investment spectrum of investors is distributed and dependent on several independent variables. Their regressive nature towards investment is often mistaken by risk averting attitude. It is observed that financially literate individuals are effective and efficient in personnel financial management. Hamilton (1992) focuses on investment schemes, investment models, and standards to pick out investment managers. Pang, G., & Warshawsky, M. J. (2009) forwarded a comparative analysis in strategies adopted by wealth management companies for achieving the goal of their client. Velmurugan, G., Selvam, V., & Abdul Nazar, N. (July 2015) proposed that the investment spectrum adopted by all kinds of individuals is for the sole purpose of capital appreciation. He observed lesser risk aversion in financially literate individuals.

Pompian, M. M. (2012) in his book try to analyse the irrational behaviour of investors and the impact it on the return of the portfolio. Nayak, S. (2013) concluded that rural household saving patterns are upward due to the profound reach of microfinance companies, NBFC, and private sector banks. The tacit pressure of uncertainty has made rural people adopt the saving habit. Although the urban population's saving magnitude is no match for rural communities saving but the trajectory of rural saving is affirmative.

Schröder, D. (2013) concluded the difference of opinion between wealthy advisors and financial economists. This study reflected wealth advisors' focus on the systematic and unsystematic risk exposure of a portfolio of clients. Morgan, J.P. and Wyman, O., (2014) concluded that the inclusion of digital technology will alter the dynamics of wealth management strategies of individuals. An individual with the help of the internet and artificial intelligence can align their portfolio objective with current asset allocation. Johan, I., Rowlingson, K. & Appleyard, L. (2020) conclude that the inclusion of AI, Big data analysis, and cloud computing is going to change the whole dynamics of the financial service sector. The inclusion of high-end technology can provide customized solutions to an individual client. Evensky, H. and Evensky, H.R., (1997) concluded that wealth management companies should more focus on customized financial products for an individual client. Villalonga, Belen & Amit, Raphael, (2006) emphasize the impact on firm value of private ownership,

control, and management. Aghion, Philippe, and Jeremy Stein,(2004), implied in their study about the balance of greed and fear factor in the market.

Identification of Research Gaps

Based on the critical literature review following research gaps were identified:

The wealth management industry is in the expansion stage in India after liberalization. This fast pace market expansion provides growth opportunities to individuals and financial organizations. To achieve an optimized solution for financial services, an institution must adopt a customized approach and special attention towards attributes of the Indian market. Customer's customized requirements can be well addressed by the inclusion of technology and help to build a cost-effective model.

Robo advisory models are yet to be tested under more variable responses and dynamic situations. Generally, in India Static asset allocation model is used as it depends on the client's feedback. The flaw in the static model is correct timing. It fails to switch between different asset classes such as Equity/Debt with appropriate timing. The static asset allocation model should be replaced with the Dynamic Asset Allocation model which works on the valuation of the market.

Generally, the financial institution makes their strategy based on Tier I cities. Tier-II cities like Dehradun required a customized approach because of the different attributes of the city. The institution keeps its interest first while providing a single purpose view and multipurpose view. Financial literacy initiatives should give people basic information, proficiencies, insight, and faith to help them to cope with their finances well. A comprehensive purpose view is missing from the spectrum of financial services for Tier-II cities.

3. RESEARCH METHODOLOGY

In this study, 406 salaried class individuals participated with a different demographic profile. The method of primary data collection is by google form. We used one way ANOVA testing method for establishing a relationship between Financial Literacy level and demographic (age, family responsibility, and monthly income) profile of a sample. In the presented study we also tried to analyze household saving patterns for salaried classes with help of two variables.

4. OBJECTIVES

Based on the identified research gaps following objectives were drafted for the proposed thesis.

The research objectives aimed at

- To identify and analyze the level of financial literacy and its relationship with the demographic profile of the salaried class of Dehradun district.
- To analyze household saving patterns.

5. RESULTS AND DISCUSSION

This segment deals with the analysis of data and discussion of results related to financial literacy, personal financial management, and the impact of financial literacy on personal financial management.

Test of Reliability and Validity

Data analysis has been carried out to derive something meaningful understanding of the relationship between various variables and data collected. The goodness of analysis is evaluated mainly in terms of reliability and validity. Reliability is a measure of stability and internal consistency. It shows how closely the set of items are related to each other and validity is the ability of the device to measure what it is intended to measure.

Reliability-Total

Scale: All variables

Table no.1: Reliability test of data

Case Processing Summary			
		N	%
Cases	Valid	11	22.0
	Excluded	39	78.0
	Total	50	100.0
a. Listwise deletion based on all variables in the procedure.			

Reliability Statistics	
Cronbach's Alpha	N of Items
0.971	106

Reliability analysis

In the present study, the reliability is linked with internal consistency which is generally used by researchers in various application areas. The most popular test which is used widely is the Cronbach alpha coefficient. The alpha coefficient value varies from zero to one which indicates higher the value better will be the reliability. The measure scales 106 items of attributes are reliable as Cronbach alpha coefficient is 0.971 (Table No.1). It showed that the scale items are consistent with each other and this could be used further for analysis.

The validity of the study

Validity can be calculated mathematically by taking the square root of reliability.

Validity = Square root of reliability coefficient value

Validity = Square root of 0.97 = 0.9848 (Cronbach Alpha)

Demographic details of respondents

Table no. 2 – Analysis of population-based on Gender, Age, Monthly Income and Region.

Socio-Economic Factors	**Options**	**Frequency**	**Percent**
Gender	Male	255	62.8
	Female	150	36.9
	Prefer not to say	1	0.2
Age Group	25 to 30 yrs.	342	84.2
	31 to 35 yrs.	11	2.7
	36 to 40 yrs.	14	3.4
	41 to 45 yrs.	19	4.7
	46 to 50 yrs.	4	1.0
	51 to 55 yrs.	9	2.2

	56 yrs. and above	7	1.7
Income Group	Upto Rs. 10000	137	33.7
	Rs. 10001 to Rs. 20000	33	8.1
	Rs. 20001 to 30000	36	8.9
	Rs. 30001 to 40000	35	8.6
	Rs. 40001 to Rs. 50000	33	8.1
	Rs. 50001 and above	64	15.8
	Missing Values	68	16.7
Region	Dehradun	382	94.1
	Mussoorie	10	2.5
	Rishikesh	14	3.4

It was evident from Table No. 2 the first important demographic variable was gender, and it was found that the total number of respondents was 406 individuals. Among them, 255 were found to be males which constitute 62.8 % and 155 were females which constituted 36.9 %.

It was seen from Table No. 2, The Third demographic variable which was considered was age and it was divided into seven parts i.e., from 25-30, 31-35,36-40,41-45,46-50,51-55 and above 56 as stated in the table and graph. The total number of respondents was 406, among them 342 were from the age group 25-30 which constitutes 84.23 %, 11 were from the 31-35 age group which constituted 2.7 %, 14 were from the 36-40 which constitutes 3.4 % and 19 were from the 41-45 which constitute 4.7%.

It was seen from Table No. 2, The fourth demographic variable which was considered as an occupation and it was again divided into three parts i.e., Full time salaried, Part-time salaried and self-employed business as stated in the table and graph. The total number of respondents was 406, among them, 324 were from Full-time salaried class which constitutes 79.80%, 15 were from the part-time salaried class which constituted 3.7 % and 59 were a self-employed business which constitutes 14.5 %.

It was seen from Table No. 2, The fifth demographic variable which was considered was monthly income and it was again divided into six parts i.e. up to Rs 10,000/, Rs 10001 to Rs 20000, Rs 20001 to Rs 30000, Rs 30001 to Rs 40000, Rs 40001 to Rs 50000 and Rs 50001 and above as stated in the table and graph. The total number of respondents was 406, among them 137 were from up to Rs 10000 group which constitutes to 33.74 %, 33 were from the Rs 10001 to Rs 20000 which constituted to 8.12 %, Rs 20001 to Rs 30000 group consist 36 and constitute 8.9% Rs 30001 to Rs 40000 group consist 35 and constitute 8.6%, Rs 40001 to Rs 50000 group consist 33 and constitute 8.1%, Rs 50001 and above group consist 64 and constitute 15.8%

Analysis related to objective 1 The data was collected with the help of a standardized scale from 406 respondents. This scale has two parts containing 40 questions in each part, i.e., financial literacy and Advance financial literacy. The sum scores of the financial literacy and Advance financial literacy were taken into consideration, which represent total financial literacy.

The data collected were analysed according to different segments. The sample distribution of individuals as it relates to income and region characteristics. For the analysis of data, the researcher has applied ANOVA with the help of SPSS.

Hypothesis 1 (H1): The hypothesis focuses on the relationship between the level of Financial literacy and demographics (age, monthly income, and family responsibility)

Sub-Hypothesis A. Financial literacy and Age
H0: Financial literacy is independent of age.
HA: Financial literacy is not independent of age.

Sub-Hypothesis B: Financial literacy and monthly income
H0: Financial literacy is independent of monthly income.
HA: Financial literacy is not independent of monthly income

Sub-Hypothesis C. Financial Literacy and Family Responsibility
H0: Financial literacy is independent of family responsibility.
HA: Financial literacy is not independent of family responsibility.

Analysis for Hypothesis 1

One way

Table no.3: Basic Financial Literacy (BFL), Advanced Financial Literacy (AFL) and Total Financial Literacy (TFL) vs Age Group (PI3), Income Group (PI6) and Family Responsibility (PI7)

BFL, AFL, TFL vs Age Group(PI3)									
		N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
						Lower Bound	Upper Bound		
BFLSCORE Basic Financial literacy Score	25 to 30	342	12.8187	4.20472	.22737	12.3715	13.2659	2.00	20.00
	31 to 35	11	15.2727	3.82337	1.15279	12.7042	17.8413	7.00	19.00
	36 to 40	14	12.9286	5.04540	1.34844	10.0154	15.8417	3.00	19.00
	41 to 45	19	11.5263	4.90316	1.12486	9.1631	13.8896	4.00	18.00
	46 to 50	4	9.5000	4.50925	2.25462	2.3248	16.6752	6.00	16.00
	51 to 55	9	12.2222	5.28625	1.76208	8.1589	16.2856	4.00	19.00
	56 and above	7	9.4286	4.35343	1.64544	5.4023	13.4548	3.00	15.00
	Total	406	12.7241	4.32024	.21441	12.3026	13.1456	2.00	20.00
AFLSCORE Advanced financial literacy Score	25 to 30	342	15.4971	5.32121	.28774	14.9311	16.0630	.00	27.00
	31 to 35	11	17.8182	7.93496	2.39248	12.4874	23.1490	.00	25.00
	36 to 40	14	16.7143	5.84977	1.56342	13.3367	20.0918	.00	24.00

	41 to 45	19	15.7368	4.90852	1.12609	13.3710	18.1027	10.00	24.00
	46 to 50	4	12.0000	8.12404	4.06202	-.9272	24.9272	.00	17.00
	51 to 55	9	14.8889	7.86518	2.62173	8.8432	20.9346	2.00	24.00
	56 and above	7	11.2857	4.85504	1.83503	6.7955	15.7759	4.00	19.00
	Total	406	15.4926	5.50095	.27301	14.9559	16.0293	.00	27.00
FL_SCORE Total Financial Literacy Score	25 to 30	342	28.32	8.514	.460	27.41	29.22	2	46
	31 to 35	11	33.09	11.493	3.465	25.37	40.81	7	42
	36 to 40	14	29.64	10.441	2.791	23.61	35.67	3	43
	41 to 45	19	27.26	8.937	2.050	22.96	31.57	15	41
	46 to 50	4	21.50	11.446	5.723	3.29	39.71	6	33
	51 to 55	9	27.11	11.731	3.910	18.09	36.13	13	43
	56 and above	7	20.71	8.159	3.084	13.17	28.26	7	34
	Total	406	28.22	8.845	.439	27.35	29.08	2	46
BFL, AFL, TFL vs Income Group (PI6)									
BFLSCORE Basic Financial literacy Score	up to Rs. 10000	137	12.7372	4.22574	.36103	12.0233	13.4512	2.00	20.00
	Rs. 10001 to Rs. 20000	33	13.6970	4.45453	.77543	12.1175	15.2765	4.00	19.00
	Rs. 20001 to 30000	36	12.4444	4.25907	.70985	11.0034	13.8855	3.00	19.00
	Rs. 30001 to 40000	35	12.2857	4.13430	.69882	10.8655	13.7059	2.00	20.00
	Rs. 40001 to Rs. 50000	33	12.2121	4.97969	.86685	10.4464	13.9778	4.00	20.00
	Rs. 50001 and above	64	12.6250	4.72246	.59031	11.4454	13.8046	2.00	19.00
	Total	338	12.6805	4.40107	.23939	12.2096	13.1514	2.00	20.00
AFLSCORE Advanced financial literacy Score	up to Rs. 10000	137	15.0584	5.09868	.43561	14.1969	15.9198	.00	26.00
	Rs. 10001 to Rs. 20000	33	17.2121	5.01097	.87230	15.4353	18.9889	7.00	25.00
	Rs. 20001 to 30000	36	15.3889	5.37868	.89645	13.5690	17.2088	2.00	25.00
	Rs. 30001 to 40000	35	15.1714	5.64377	.95397	13.2327	17.1101	.00	26.00
	Rs. 40001 to Rs. 50000	33	16.1818	4.73982	.82510	14.5012	17.8625	5.00	24.00
	Rs. 50001 and above	64	15.4063	6.55555	.81944	13.7687	17.0438	.00	25.00
	Total	338	15.4911	5.44857	.29636	14.9082	16.0741	.00	26.00
FL_SCORE Total	up to Rs. 10000	137	27.80	8.318	.711	26.39	29.20	4	44

Financial literacy Score	Rs. 10001 to Rs. 20000	33	30.91	8.087	1.408	28.04	33.78	15	42
	Rs. 20001 to 30000	36	27.83	8.814	1.469	24.85	30.82	5	42
	Rs. 30001 to 40000	35	27.46	9.063	1.532	24.34	30.57	2	45
	Rs. 40001 to Rs. 50000	33	28.39	9.172	1.597	25.14	31.65	11	41
	Rs. 50001 and above	64	28.03	10.173	1.272	25.49	30.57	3	43
	Total	338	28.17	8.871	.483	27.22	29.12	2	45
BFL, AFL, TFL vs Family Responsibility (PI7)									
BFLSCORE Basic Financial literacy Score	Single	317	12.8770	4.21953	.23699	12.4107	13.3433	2.00	20.00
	Married without children	13	12.3077	5.57352	1.54582	8.9396	15.6757	4.00	19.00
	Married with dependent children	43	13.0465	4.42371	.67461	11.6851	14.4079	4.00	19.00
	Married with no dependent children	13	10.2308	4.47500	1.24114	7.5266	12.9350	4.00	17.00
	Older married living separately of children / spouse	5	8.8000	4.60435	2.05913	3.0829	14.5171	2.00	14.00
	Total	391	12.7366	4.33172	.21906	12.3059	13.1673	2.00	20.00
AFLSCORE Advanced financial literacy Score	Single	317	15.3533	5.58548	.31371	14.7361	15.9705	.00	26.00
	Married without children	13	15.9231	3.54640	.98359	13.7800	18.0661	11.00	23.00
	Married with dependent children	43	17.6512	4.69490	.71597	16.2063	19.0960	8.00	25.00
	Married with no dependent children	13	14.2308	5.46434	1.51553	10.9287	17.5328	2.00	24.00
	Older married living separately of children / spouse	5	10.2000	4.71169	2.10713	4.3497	16.0503	6.00	18.00
	Total	391	15.5217	5.48928	.27760	14.9759	16.0675	.00	26.00
FL_SCOR	Single	317	28.23	8.814	.495	27.26	29.20	2	46

E Total Financial literacy Score	Married without children	13	28.23	8.516	2.362	23.08	33.38	15	42
	Married with dependent children	43	30.70	8.568	1.307	28.06	33.33	15	43
	Married with no dependent children	13	24.46	8.569	2.377	19.28	29.64	13	41
	Older married living separately of children / spouse	5	19.00	6.633	2.966	10.76	27.24	9	26
	Total	391	28.26	8.833	.447	27.38	29.14	2	46

Table no.4: ANOVA Basic Financial Literacy (BFL), Advanced Financial Literacy (AFL) and Total Financial Literacy (TFL) vs Age Group (PI3), Income Group (PI6) and Family Responsibility (PI7)

ANOVA (Age Group (PI3))						
		Sum of Squares	df	Mean Square	F	Sig.
BFLSCORE Basic Financial literacy Score	Between Groups	222.226	6	37.038	2.014	.063
	Within Groups	7336.877	399	18.388		
	Total	7559.103	405			
AFLSCORE Advanced financial literacy Score	Between Groups	257.486	6	42.914	1.427	.203
	Within Groups	11997.992	399	30.070		
	Total	12255.478	405			
FL_SCORE Total Financial literacy Score	Between Groups	895.906	6	149.318	1.935	.074
	Within Groups	30787.020	399	77.160		
	Total	31682.926	405			
ANOVA (Income Group (PI6))						
BFLSCORE Basic Financial literacy Score	Between Groups	49.434	5	9.887	.507	.771
	Within Groups	6478.057	332	19.512		
	Total	6527.491	337			
AFLSCORE Advanced financial literacy Score	Between Groups	143.552	5	28.710	.967	.438
	Within Groups	9860.922	332	29.702		
	Total	10004.473	337			

FL_SCORE Total Financial literacy Score	Between Groups	291.541	5	58.308	.738	.595
	Within Groups	26226.507	332	78.996		
	Total	26518.047	337			
ANOVA (Family Responsibility (PI7))						
BFLSCORE Basic Financial literacy Score	Between Groups	171.881	4	42.970	2.321	.056
	Within Groups	7145.986	386	18.513		
	Total	7317.867	390			
AFLSCORE Advanced financial literacy Score	Between Groups	369.338	4	92.334	3.131	.015
	Within Groups	11382.227	386	29.488		
	Total	11751.565	390			
FL_SCORE Total Financial literacy Score	Between Groups	872.113	4	218.028	2.847	.024
	Within Groups	29558.798	386	76.577		
	Total	30430.910	390			

Analysis of Variance for Financial Literacy and Age Group

The total numbers of items were 50 which was based on overall financial literacy as per age and income groups. The mean score and standard deviation value were also calculated for further analysis. One way analysis of variance is a statistical test that determines the probability values of a quantifiable data variable for two or more independent samples or groups. This test is applied for ascertaining whether there is a difference between the income groups or not. The respondents of the 25 to 30 age group were 342, 31 to 35 age group has 11, 36 to 40 age group has 14, 41 to 45 age group has 19, 46 and above has 20 as per Table No. 3. From the above Table No. 4, it was revealed F value for age groups was 1.935 and was found to be non-significant at 0.05 level of significance with degrees of freedom 399/406. It implies that the mean financial literacy score of various age groups do not differ significantly from each other. In light of this, the null hypothesis namely "Financial literacy is independent of age." has been accepted. This shows that there is no statistical difference among different age groups concerning their financial literacy.

Analysis of Variance for Financial literacy and Monthly Income

In the study 338 respondent's monthly income groups were divided into five categories i.e. up to Rs 10000/- with 137 respondents, Rs. 10001 to Rs. 20000 with 33 respondent, Rs 20001 to Rs 30000 with 36 respondent, Rs 30001 to Rs 40000 with 35 respondent, Rs 40001 to Rs 50000 with 33 respondents, and 50001 and above category with 64 respondents. From the above Table No. 4, it was revealed F value for monthly income groups was 58.308 and was found to be non-significant at 0.05 level of significance with degrees of freedom 332/338. It implies that the mean financial literacy score of various income groups do not differ significantly from each other. Considering this, the null hypothesis namely "Financial literacy is independent of monthly income." has been accepted. This shows that there is no statistical difference among different monthly income groups

concerning their financial literacy.

Analysis of Variance for Financial literacy and Family responsibility

In the study 391 respondent's level of family responsibility were divided into five categories i.e., "Single" category with 317 respondents, "married without children" category with 13 respondents, "married with dependent children" with 43 respondent, "married with no dependent children" category has 13 respondent and "older married living separately of children/spouse" with 05 respondent. From the above Table No. 4, it was revealed F value for Family responsibility groups was 2.847 and was found to be significant at 0.05 level of significance with degrees of freedom 390/391. It implies that the mean financial literacy score of various income groups differ significantly from each other. Considering this, the null hypothesis namely "Financial literacy is independent of family responsibility." has been rejected. This shows that there is a statistical difference among different family responsibility groups concerning their financial literacy.

By testing hypothesis 1 we can conclude that Financial literacy is independent of age, monthly income but not independent from financial responsibility.

Analysis related to Objective 2

Household saving income and investment are defined by two variables HSI 1 and HSI 2. HSI 1 implies the investment alternatives in which you would prefer to invest. HSI 2 implies the reasons which restrict you to invest. The first variable HSI 1 response is analysed over different age groups in Table no. 6. Total 301 respondent lies in the Category of 25-to-30-year age group. 18.6% prefer real estate while debenture and bonds attract only 5.6% of sample populations. The highest count in this age category falls for Share and Mutual funds i.e., 22.3% and 22.6%. The total number of the respondent is 11 in the 31-to-35-year age group. In the 31 to 35 age group, maximum interest lies in real estate and share each 27.3%. Total respondents in the 36-to-40-year age group are 14. In this highest interest lies with mutual fund i.e., 41.7%. In the 41-to-45-year age category, the total number of respondents is 19. A highly rated investment alternative, in this age group, is real estate i.e., 42.1%. In 46-to-50-year age, the category number of respondents is 4. A highly appreciated investment alternative in this group is Insurance and pension plans i.e., 50%.

The second variable HSI 2 response is analysed over different age groups in Table no. 6. In the 25-to-30-year age group, 342 respondent lies. 25.7% of respondents find the confusing alternatives as too risky. 19.3% prefer to have complete liquidity in hand. In all other age groups find it confusing alternatives too risky which reflects the requirement of financial literacy.

Table no.6 HSI 1 and HSI 2 vs Age Group (PI3)

HSI 1 Vs. Age Group (PI3)									
			(PI3) Age Group (in Years): *						Total
			25 to 30	31 to 35	36 to 40	41 to 45	46 to 50	51 to 55	56 and above	
HSI 1 the investment alternativ	Real Estate	Count	56	3	2	8	1	1	1	72
		% within (PI3) Age Group (in Years): *	18.6 %	27.3 %	16.7 %	42.1 %	25.0 %	12.5 %	14.3 %	19.9 %

es in which you would prefer to invest	Debentures and Bonds	Count	17	1	0	2	0	1	0	21
		% within (PI3) Age Group (in Years): *	5.6%	9.1%	0.0%	10.5%	0.0%	12.5%	0.0%	5.8%
	Shares	Count	67	3	1	1	0	0	0	72
		% within (PI3) Age Group (in Years): *	22.3%	27.3%	8.3%	5.3%	0.0%	0.0%	0.0%	19.9%
	Bank Deposits	Count	48	2	2	2	1	1	2	58
		% within (PI3) Age Group (in Years): *	15.9%	18.2%	16.7%	10.5%	25.0%	12.5%	28.6%	16.0%
	Insurance and Pension plans	Count	25	1	1	2	2	2	1	34
		% within (PI3) Age Group (in Years): *	8.3%	9.1%	8.3%	10.5%	50.0%	25.0%	14.3%	9.4%
	Mutual Funds	Count	68	0	5	4	0	2	2	81
		% within (PI3) Age Group (in Years): *	22.6%	0.0%	41.7%	21.1%	0.0%	25.0%	28.6%	22.4%
	Post office Saving Schemes	Count	20	1	1	0	0	1	1	24
		% within (PI3) Age Group (in Years): *	6.6%	9.1%	8.3%	0.0%	0.0%	12.5%	14.3%	6.6%
Total		Count	301	11	12	19	4	8	7	362
		% within (PI3) Age Group (in Years): *	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
HSI 2 vs Age Group (PI3)										
HSI2 (The reasons which restrict you to invest?)	Prefer to have complete liquidity in my hands.	Count	66	1	1	5	0	1	0	74
		% within (PI3) Age Group (in Years): *	19.3%	9.1%	7.1%	26.3%	0.0%	11.1%	0.0%	18.2%
	Don't see any benefit in doing so. provided by the advisors /Co	Count	18	1	2	2	0	1	2	26
		% within (PI3) Age Group (in Years): *	5.3%	9.1%	14.3%	10.5%	0.0%	11.1%	28.6%	6.4%
	Find it	Count	88	7	5	3	1	4	0	108

	confusing alternatives as too risky	% within (PI3) Age Group (in Years): *	25.7%	63.6%	35.7%	15.8%	25.0%	44.4%	0.0%	26.6%
	Not have enough time to arrange ment for investment	Count	33	1	3	3	1	2	1	44
		% within (PI3) Age Group (in Years): *	9.6%	9.1%	21.4%	15.8%	25.0%	22.2%	14.3%	10.8%
	Don't trust the information provided by the advisors /Co	Count	33	0	1	4	1	1	3	43
		% within (PI3) Age Group (in Years): *	9.6%	0.0%	7.1%	21.1%	25.0%	11.1%	42.9%	10.6%
	Find all the investment	Count	35	1	1	1	0	0	0	38
		% within (PI3) Age Group (in Years): *	10.2%	9.1%	7.1%	5.3%	0.0%	0.0%	0.0%	9.4%
	Other	Count	69	0	1	1	1	0	1	73
		% within (PI3) Age Group (in Years): *	20.2%	0.0%	7.1%	5.3%	25.0%	0.0%	14.3%	18.0%
Total		Count	342	11	14	19	4	9	7	406
		% within (PI3) Age Group (in Years): *	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

6. CONCLUSION

In the present study, the finding implies that Financial literacy is independent of age and monthly income. In this era of information technology, it seems relevant but also implies scope for financial awareness. In the current era, the nuclear family system is dying due to urbanization and tacit pressure of uncertainty. The current study suggests that Financial Literacy is not independent of family responsibility. In the current study data also implies that household saving pattern changes with age profile. At a young age, respondents prefer shares and mutual funds as an investment while after 40 years their inclination towards retirement funds and pension fund increases. Wealth managers are required to provide customized products in which the spectrum of benefit is skewed towards clients. Personal financial planning is a necessity for the current generation. For government employees old pension scheme was stopped in 2004, private sector never had that luxury. The salaried class required more awareness regarding different verticals of investment. Conventional saving methods can erode the purchase power parity of individuals in the future. A prerequisite for effective and

efficient personal financial management is proper financial literacy. This study can accommodate furthermore dependent variables for a more conclusive and cohesive approach.

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