

A STUDY ON DETERMINANT FACTORS TOWARDS PERSONAL FINANCIAL PLANNING OF PRIVATE BANK EMPLOYEES IN SIVAKASI TOWN, TAMIL NADU

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Abstract: The concept of Personal financial planning is significant in determining a person's financial success. People were found to be more aware on spending their money in different sources. Therefore, it is essential to identify the Personal financial planning behaviour as people are more tend to spend rather than to save. Nevertheless, there is a lack of research on the determinants of factors affecting the attitude towards Personal financial planning behaviour. Thus this study aims to identify the factors affecting the Personal financial planning behaviour of private bank employees in Sivakasi. Five determinants are identified: Financial Knowledge, Religious Belief, Health and Income Uncertainty and Social Influence. Survey data was collected from 150 respondents using a set of structured questionnaire. Stratified random sampling method was adopted and the data collected were analyzed using SPSS. The study result indicated that social influence is identified to be the major determinant that influences the attitude towards Personal financial planning behaviour. The findings of this study will be of interest for the academics and practitioners concerned with money management skills so that they become independent financially for long term.

Key Words: Financial Literacy, Investment Decision, Financial Decision, Financial Planning, Savings Behaviour, Personal Finance

I. INTRODUCTION

Personal finance is a study on an individual's money management. In simple words, it is a process of managing funds or money, which belongs to a person or an individual so that he or she can get personal economic satisfaction. Personal finance is much important because it determines a person's or an individual's financial success (Kapoor, 2012). The significance of this study is to identify the factors influencing the attitude towards Personal Financial Planning behavior. This study becomes more important people tend to spend more rather than to plan and save money for emergencies, for use after retirement and for their future. Even though people earn more, yet many people failed to manage their personal financial very well still. Failure to manage their personal finance can lead them to a serious, long-term and negative impact to the personal and societal consequences. People who failed to plan their personal finance very well will end up with more stress, anger, guilt, embarrassment and a feeling of insecurity.

Apart from this, when individuals does not plan their personal finance well in advance, they will face lot of difficulties in developing their lives like delaying marriage or not getting married at all, postponing having children or remaining childless, divorcing or remarrying, changing jobs more frequently and having a lower ratio of children to parents. Personal financial planning is important to both individual and nation since it provides an individual with financial security for possible hard times and provides a nation with a valuable source of investment fund for economic development. People's awareness on Personal financial planning has been increasing day by day. The Personal savings of net income among the people of Sivakasi from the year of 2009 to 2015 is not stable but there is an increase in this rate from 2016 onwards. Therefore, due to this increasing rate in savings, the researcher intends to analyze what are the factors that affecting the attitude toward Personal financial planning behavior in Sivakasi.

II. OBJECTIVES OF THE STUDY

This study seeks to achieve the following objectives:

1. To explore the determinant factors behind the personal financial planning behaviour of private bank employees in Sivakasi.
2. To assess the relationship between determinant factors and personal financial planning behaviour of private bank employees in Sivakasi.