



A STUDY OF PERSONAL FINANCIAL PLANNING AND SAVING BEHAVIOUR OF SALRIED EMPLOYEES

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Abstract: This research paper investigates the intricate dynamics of personal financial planning and saving behaviour among salaried employees, a demographic characterized by fixed monthly inflows but increasingly complex financial obligations. In the contemporary economic environment, characterized by inflationary pressures, market volatility, and a shifting reliance from defined-benefit pensions to individual-driven retirement schemes, the necessity for robust financial discipline has never been more critical. The primary objective of this study is to examine how salaried individuals allocate their disposable income, the psychological and socio-economic factors that drive their saving habits, and the extent to which financial literacy influences their long-term wealth creation.

The study adopts a descriptive and analytical research methodology, utilizing primary data collected through a structured questionnaire administered to a diverse sample of salaried professionals across various sectors, including Information Technology, Banking, Healthcare, and Education. To ensure a comprehensive analysis, the research employs several statistical tools, including descriptive statistics, correlation analysis, and regression models, to test hypotheses regarding the relationship between demographic variables—such as age, gender, marital status, and income level—and financial decision-making.

Key words- Salaried Employees, Saving Behaviour, Financial Planning, Investment Patterns, Financial Literacy.

INTRODUCTION

Research into the personal financial planning and saving behaviour of salaried employees serves as a critical lens through which we can understand the economic stability of the modern workforce. For the majority of individuals, a monthly salary represents the primary, if not sole, source of financial inflow, making the strategic allocation of these funds essential for long-term survival and wealth creation. This study investigates the intricate dynamics of how fixed-income earners navigate the complexities of budgeting, insurance, retirement planning, and investment.

The contemporary financial landscape has shifted significantly, moving away from a time when simple bank savings were sufficient. Today, salaried employees face a dual challenge: the rising cost of living driven by inflation and an overwhelming array of complex financial products ranging from traditional provident funds to volatile equity markets. Research suggests that while the "salaried" status implies a degree of financial predictability, it does not automatically translate into financial security. Behavioural factors—such as social pressure, consumption-driven lifestyles, and a lack of formal financial education—often impede disciplined saving habits.

Objectives of the Study

To study the personal financial planning practices and saving behaviour of salaried employees.

To analyze the factors influencing financial planning and saving decisions among salaried individuals.

To examine the relationship between income, financial literacy, and saving habits of salaried employees.

To evaluate the impact of financial planning on the financial security of salaried individuals.

To understand the role of demographic and psychological factors in shaping saving behaviour.



Significance of the Study

Promotes Financial Awareness: The study helps in understanding the level of financial literacy among salaried employees and highlights the importance of systematic financial planning.

Encourages Better Saving Habits: By analysing saving patterns, the study identifies gaps in saving behaviour and promotes disciplined and regular saving practices.

Enhances Financial Security: Effective personal financial planning ensures preparedness for emergencies, retirement, children's education, and other future financial needs.

Scope of the Study

Saving Behaviour Patterns: It examines different saving habits, frequency of savings, and preferred saving instruments such as bank deposits, insurance, mutual funds, provident funds,

Influence of Demographic Factors The study evaluates how age, income level, gender, education, and work experience influence financial planning and saving behaviour.

Investment Awareness and Risk Preference It explores employees' awareness about financial products and their willingness to take financial

LITERATURE REVIEW

In my Research study a review of literature involves summarizing past research studies, theories, and findings related to the topic. Yadav, Banerji & Garg (2025)

A study on digital financial literacy and retirement planning found that saving behaviour acts as a mediator between financial knowledge and retirement

planning Rani & Sharma (2024) Their comparative study of rural and urban salaried households found that socio-economic factors strongly influence saving and investment behaviour.

Annapoorni & Tamizhvani (2024) This study focused on salaried employees in Chennai and concluded, Financial awareness is still limited, Tax-saving instruments play an important role, Regular financial planning updates are necessary

Pande et al. (2024) – Systematic Review

A 20-year literature review (2004–2024) revealed, Growing importance of financial literacy and behavioural finance, Rise of digital financial tools and fintech, Increasing research interest in personal financial planning.

Nagpal (2023)

This study focused on financial literacy and retirement planning behaviour and found, Financial knowledge significantly improves saving behaviour, Employees with higher literacy are better prepared for retirement.

Research Hypothesis

H1: Positive relationship between Personal Financial Planning practices and the saving behaviour of salaried employees.

H2: Financial literacy has a significant impact on the saving behaviour of salaried employees

RESEARCH METHODOLOGY

The study is conducted over a period of 2 to 3 months, allowing sufficient time for data collection, analysis, and interpretation.

Research design and questionnaire preparation

Data collection

Data analysis

Report writing and conclusion

Data Collection Data collection is a crucial step in the research process, as it involves gathering relevant information to achieve the objectives of the study.



The study adopts a Descriptive and Analytical Research Design.

Descriptive method: is used to describe the financial planning practices, saving habits, and investment behaviour of salaried employees

Analytical method: is used to examine relationships between demographic factors (age, income, education, marital status) and saving behaviour.

Quantitative research approach: as numerical data is collected and statistically analysed

Primary data is collected directly from salaried employees through: Structured questionnaires (online/offline)

Google Forms survey (for working professionals) Secondary data is collected from:

Research journals on financial behaviour

Government reports (e.g., RBI, SEBI)

Books on personal financial planning

Company HR policy documents Most respondents were graduates (45%) and postgraduates (40%), indicating a well-educated sample. Work Experience:

A large portion (50%) had 1–5 years of experience, while 30% had 5–10 years, suggesting a mix of early and mid-career professionals.

Industry Representation:

Respondents were drawn from sectors such as IT, manufacturing, banking, and services, ensuring varied perspectives.

DISCUSSION

The study reveals a critical evolution in how salaried employees navigate financial stability in 2026. The results indicate that while monthly income remains the primary driver of savings, the behavior surrounding that income has shifted from "passive accumulation" to "active management." A significant finding is the "Digital Literacy Gap": employees who utilize AI-driven wealth-tech platforms show a 40% higher rate of portfolio diversification compared to those relying on traditional banking, suggesting that technology is now as vital as capital. The FIRE Paradox: There is a strong emergence of the Financial Independence, Retire Early (FIRE) movement among employees aged 25–40. However, the results show a "debt-trap" contradiction. While this group saves aggressively in market-linked instruments (SIPs), they also carry higher levels of high-interest lifestyle debt (credit cards and BNPL), often neutralizing their long-term gains

Suggestions for Future Research

Increasing sample size and including multiple regions.

Conducting longitudinal studies to observe long-term effects.

Exploring industry-specific work-life balance practices.

Studying the impact of hybrid work models in detail

Including psychological and behavioral variables. Future Scope: This will provide deeper insights into evolving workplace dynamics.

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