International Journal of Advance and Applied Research
www.ijaar.co.in
ISSN – 2347-7075 Impact Factor – 8.141
Peer Reviewed Bi-Monthly
UGC Recognized Journal
Vol. 7 No. 43 May – June - 2026

A Study on Personal Financial Planning among Working Professionals in Hyderabad

Keerthi Sree Varsha[1] & Prof. A. J. Praveen[2]

[1]*Student Scholar,*

HT No: 1326-24-672-003

[2]*Research Guide, Principal and Professor of Management,*

St Mary's Centenary College of Management - Secunderabad

Corresponding Author – Keerthi Sree Varsha

DOI - 10.5281/zenodo.21449994

Abstract

Personal financial planning has become an essential aspect of financial stability in the modern world. With increasing income opportunities and financial responsibilities, working professionals must effectively manage their income, savings, investments, and expenses to achieve long-term financial goals. The main problem addressed in this study is the lack of awareness and proper financial planning practices among working professionals.

The objective of this study is to analyze the level of awareness and importance of personal financial planning among working professionals in Hyderabad. The study adopts a descriptive research design and collects primary data through a questionnaire survey from 50 respondents. Secondary data were collected from journals, research articles, websites, and financial reports.

The findings indicate that most working professionals understand the importance of saving and investment but lack proper knowledge about financial planning tools and strategies. The study concludes that improving financial awareness and financial literacy can help individuals manage their income effectively and achieve long-term financial security.

Keywords: Personal Financial Planning, Savings, Investment, Financial Literacy, Working Professionals.

Introduction:

Personal financial planning plays a vital role in managing an individual's financial resources effectively. It involves planning income, savings, investments, insurance, retirement planning, and tax management to achieve financial goals. In the present economic environment, financial planning has become necessary for individuals to maintain financial stability and security.

Working professionals often face various financial responsibilities such as household expenses, education, loans, and future planning. Without proper financial planning, it becomes difficult to manage these financial obligations effectively. Personal financial planning helps individuals control their spending, save regularly, and invest wisely for the future.

Financial planning includes several important components such as budgeting, saving, investment planning, retirement planning, tax planning, and risk management through insurance. These elements help individuals build wealth and achieve financial independence over time.

In recent years, financial awareness has increased due to the availability of digital banking services, financial advisory platforms, and investment opportunities. However, many working professionals still lack sufficient knowledge about financial planning strategies and financial products.

Hyderabad is a major metropolitan city with a large number of working professionals in sectors such as IT, education, healthcare, and business services. The financial decisions made by these professionals significantly impact their long-term financial security.

Therefore, it is important to study the level of awareness and practices of personal financial planning among working professionals in Hyderabad. This study aims to understand how individuals manage their income, savings, and investments and how financial planning helps them achieve financial stability.

Problem Statement:

Many working professionals earn regular income but do not follow systematic financial planning practices. Lack of financial awareness and poor financial management may lead to financial stress and insecurity in the future. Therefore, it is important to study the awareness and practices of personal financial planning among working professionals in Hyderabad.

Literature Review:

Lusardi and Mitchell (2014) emphasized that financial literacy plays a crucial role in helping individuals make better financial decisions regarding savings and investments.

Kapoor, Dlabay, and Hughes (2017) explained that personal financial planning helps individuals manage income, expenses, and investments efficiently to achieve financial security.

Agarwal and Mazumder (2019) stated that financial planning helps individuals plan for long-term goals such as retirement, education, and wealth creation.

Sharma (2021) highlighted that lack of financial literacy is one of the major reasons why many individuals fail to manage their finances effectively.

Reddy (2022) explained that awareness of financial planning tools such as mutual funds, insurance, and retirement schemes can improve financial stability among working professionals.

Objectives of the Study:

1. To study the level of awareness of personal financial planning among working professionals in Hyderabad.
2. To analyze the saving and investment habits of working professionals.
3. To examine the importance of financial planning for long-term financial security.

Research Questions:

1. Are working professionals aware of personal financial planning?
2. What are the common saving and investment practices followed by working professionals?
3. How does financial planning help individuals achieve financial security?

Research Methodology:

1. Research Design:

The study adopts a descriptive research design to analyze personal financial planning among working professionals.

2. Sample Size:

The sample size of the study is 50 respondents.

3. Sample Area:

The study focuses on working professionals in Hyderabad, Telangana State.

4. Data Collection: Primary Data:

- Collected through a structured questionnaire survey from respondents. Secondary Data
- Collected from journals, books, research articles, websites, and financial reports.

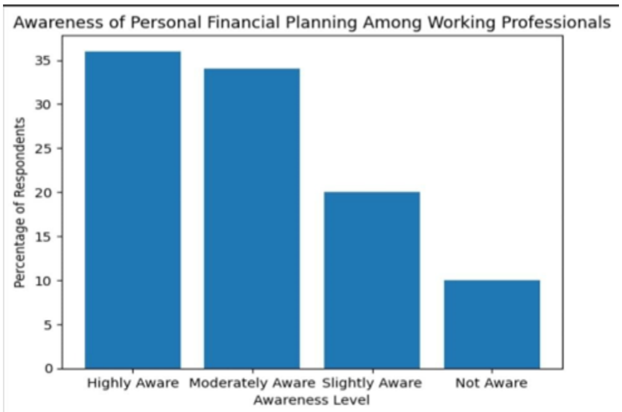
5. Sampling Technique:

The study uses convenience sampling technique for selecting respondents.

Data Analysis:

Table 1: Awareness of Personal Financial Planning

Awareness Level	Respondents	Percentage
Highly Aware	18	36%
Moderately Aware	17	34%
Slightly Aware	10	20%
Not Aware	5	10%

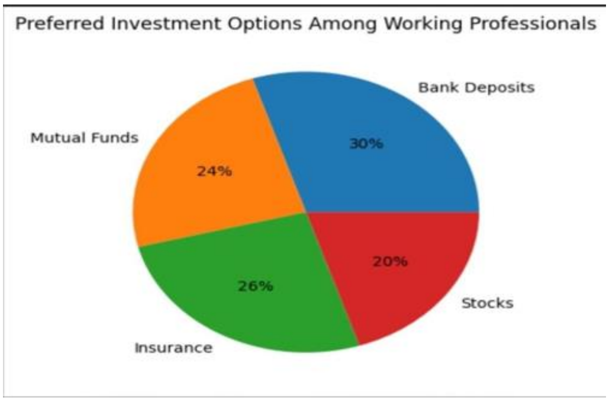


Interpretation:

The table shows that 36% of respondents are highly aware of personal financial planning, while 34% are moderately aware. Only 10% of respondents are not aware of financial planning practices.

Table 2: Preferred Investment Options

Investment Option	Respondents	Percentage
Bank Deposits	15	30%
Mutual Funds	12	24%
Insurance	13	26%
Stocks	10	20%



Interpretation:

The table indicates that 30% of respondents prefer bank deposits for investment, while 26% prefer insurance plans. Around 24% invest in mutual funds and 20% invest in stocks.

Findings:

1. Most working professionals are aware of the importance of financial planning.
2. Many respondents prefer safe investment options such as bank deposits and insurance.
3. Financial planning helps individuals manage income and expenses effectively.
4. Some respondents lack knowledge about advanced investment options.

Suggestions:

1. Financial awareness programs should be conducted to educate people about financial planning.
2. Working professionals should adopt systematic saving and investment habits.
3. Financial institutions should provide proper guidance on investment options.
4. Individuals should focus on long-term financial goals such as retirement planning.

Conclusion:

The study examined the importance of personal financial planning among working professionals in Hyderabad. In the modern economic environment, financial planning has become essential for managing income, savings, and investments effectively.

The findings of the study indicate that most working professionals understand the importance of saving and financial security. However, some individuals still lack proper knowledge about financial planning tools and investment strategies.

Personal financial planning helps individuals achieve financial stability, manage risks, and prepare for future financial needs such as retirement and emergencies. By improving financial literacy and awareness, individuals can make better financial decisions and build long-term wealth.

Overall, effective financial planning plays a crucial role in improving the financial well-being of working professionals and helps them achieve financial independence.

Bibliography:

1. Agarwal, S., & Mazumder, B. (2019). Financial literacy and financial planning. Journal of Economic Studies.
2. Kapoor, J., Dlabay, L., & Hughes, R. (2017). Personal Finance. McGraw Hill Education.
3. Lusardi, A., & Mitchell, O. (2014). Financial literacy and retirement planning. Journal of Economic Literature.
4. Reddy, P. (2022). Financial awareness and personal financial planning. International Journal of Finance Studies.
5. Sharma, R. (2021). Importance of financial planning in modern society. Journal of Financial Management.