CHAPTER - 6

Conclusion & Scope of Future Research

6.1 Conclusion

Strengthening of any economy depends upon the financial well-being of the residents of the country. Past researches show that financial well-being of an individual depends upon their financial behaviour, which in turn depends upon attitude towards personal financial planning and the Financial Literacy of an individual. Balanced Personal Financial Plan also plays vital role for Financial Well Being of an individual. Many studies have been done in the area of financial literacy in Indian context but very few studies have been conducted on Overall Personal Financial Planning, especially in the state of Gujarat. The present study had focused on Financial Literacy, Awareness of overall PFP and Attitude of the respondents towards PFP.

600 Salaried employees from four major cities of Gujarat had been selected for the purpose of the study. Study revealed that Respondents possess fair financial literacy. This shows that respondents are quite informed and aware about financial terms, concepts and its working. Awareness related to traditional Investment Avenues like FD, Saving Bank Account, Post Office Schemes and PPF is quite high. Still awareness of new age Investment Avenues like Derivatives, Non-Conventional Avenues - Precious Coins, Paintings is still very low among respondents, so they are not able to reap advantages associated with these products. Interesting finding of the research is: though awareness of all the components of PFP is not that high, attitude towards PFP is positive among the respondents. They understand the importance of balanced Financial Plan and they feel that they require an expert to help them in sketching a Financial Plan. Overall, the study has created a base for the future detailed research to be done in the field of Personal Finance.
6.2 Limitations of the Study

Following are limitations and constraints of the present research.

- The present study was confined to the state of Gujarat. Sample Size was 600 and only salaried employees were considered for the research purpose. So, Findings of the present study can’t be generalized for the entire Nation.
- The study was all about the Financial Planning of the respondents, there may be the possibility of biasness in the responses given by them.
- There were abundant literatures available in the area of Financial Literacy and Awareness of Investment Avenues. But there was absence of studies specifically in the area of Awareness of overall PFP, Attitude and Factors influencing PFP. There was absence of some model or developed scale in the particular area. If some published research study had been available, it would have helped the current study to gauge still better results.
- Some of the findings of the study suggest that there may be chance of lack of understanding of some of the concepts by respondents.

6.3 Implications of the Study

- The current study suggests that Respondents possess Basic Financial Literacy. Respondents are lacking awareness regarding new investment avenues, Retirement Planning and Estate Planning. So, SEBI, RBI and Other Government Agencies, Banks & Other financial Institutions may focus on increasing literacy regarding advanced financial concepts.
- Study will help financial planners and Investment Advisors, to better understand attitude of investors regarding Personal Financial Planning and Factors which may influence the decision for PFP.
- Study provides comprehensive idea about Personal Financial Planning concept, Process and the different components of the same. Study also provides idea about how to plan finances through different stages of life cycle. So, it can be used as a ready reckoner by normal investor for understanding concepts of PFP.
6.4 Scope of the Future Research

- As present study was confined to state of Gujarat, scope of the study can be extended towards other states.
- The present study has focused only on salaried employees. The same can also be extended towards responses of Businessmen and Professionals.
- Linkages between Financial Literacy and Awareness of different Investment Avenues have been established in the present study. Further linkages can be established between Financial Literacy and Attitude. Past Researches suggest that Financial Well-being depends upon the Financial Attitude of the respondents. So further studies can be done to establish the linkage between Financial Attitude and Financial Well-being of the respondents.