ABSTRACT

• **Purpose**

Post Liberalization India has undergone many socioeconomic changes. Increase in per capita income, increase in life span of an average person, changing social structure from joint family to nuclear ones and lack of robust social security system; ask for a change in management of personal finance of an individual. According to latest surveys and recent researches suggest that Indians are good at savings, but then they save only in traditional investment avenues with minimum risk. Awareness and preferences for new age investment avenues are too less amongst Indians. As financial well-being of any individual depends upon how well they manage their personal finance, to assess the overall awareness of Personal Financial Planning and its components has prime importance. The study has tried to assess the financial literacy awareness and attitude towards Personal Financial Planning of the residents of Gujarat.

• **Research Methodology**

Descriptive research was conducted to study the respondent’s awareness and attitude towards Personal Financial Planning in state of Gujarat. Secondary data which was collected from various books, Journals, websites, articles laid foundation for the study. Primary data was collected with quota sampling technique. 600 salaried employees from four major cities of Gujarat: Ahmedabad, Baroda, Rajkot, Surat were selected. 600 salaried employees were further bifurcated as 200 Government Employees, 200 Pvt. Sector and 200 Public Sector employees. Chi Square, Mann Whitney U test, Kruskal Wallis, Factor Analysis and Structural Equation Modeling technique have been used to analyze the data.

• **Findings**
Present study has tried to assess the financial literacy of the respondents of Gujarat. For that, respondents were asked eight questions based on financial numeracy and concepts. Results suggest that respondents possess fair financial literacy. Respondents are aware about all traditional Investment Avenues. Awareness Related to Non-Conventional Avenues like derivatives, Money Market etc. is less. Attitude towards Overall PFP is Positive. Awareness for Retirement Planning & Estate Planning is little low and respondents possess little negative attitude towards them. Respondents feel that their Personal Financial Plan is not balanced and they require expert to manage the same.

- **Implications**

There are very few studies done in the area of comprehensive Personal Financial Planning in India and especially in the state of Gujarat. This study will help individual to better understand process and components of PFP. Apart from them it will help financial institutions, Financial Planners and Investment Advisors to understand the attitude of their customers and help them in a better manner. The study has created base for the future detailed study to be done in the area of PFP.

- **Research Limitations and Future Scope of the Study**

The study is limited to 600 salaried employees of state of Gujarat; further study can be extended towards other state too. Further research can be carried out on businessmen and professionals also. The present study has focused on awareness and attitude as independent components. Further model showing linkages between Financial Awareness, Attitude, Behavior and Financial Well-being can be established.