**A Study on Budgeting, Saving Habits, Investment Preferences, and Financial Goals" Among Common People with special reference to Dharmapuri**

**Mr. J. Tamilarasu1,**

1 Assistant Professor MBA, Nandha Engineering College (Autonomous), Erode,

Tamil Nadu tamilarasumba89@gmail.com

**M.GOKULRATHINAM2**

2Student, MBA, Nandha Engineering College (Autonomous), Erode, Tamil Nadu, gokulrathinammurugan@gmail.com

**ABSTRACT:**

 The study explores budgeting practices, saving habits, investment preferences, and financial goals among Dharmapuri residents. The majority of respondents are aged 21-30, predominantly male, with a significant portion having completed postgraduate education and being employed. Notebooks are the most common budgeting tool, while mobile apps are considered effective for financial management. The study also reveals a preference for fixed deposits and gold for returns. Short-term goals include vacations and home renovations, while long-term goals include saving for retirement. Challenges include unexpected expenses and the need for personalized financial advice. Actionable recommendations include organizing financial planning workshops, promoting budgeting apps, offering financial advisor access, developing emergency savings programs, educating residents on investment options, and establishing support networks for financial advice. Implementing these strategies can significantly improve Dharmapuri residents' financial health and goal achievement.

Keywords: Budgeting Tool, Mobile Apps, Financial Advice

**I.INTRODUCTION:**

 Personal financial management is crucial for ensuring financial stability in the current economic landscape. Key components include budgeting, saving habits, investment preferences, and setting financial goals. Dharmapuri, a district in Tamil Nadu, offers a unique case study for understanding these behaviors. Historically agrarian, Dharmapuri has experienced diversification into various economic activities, creating a unique socio-economic environment. Understanding financial behaviors in semi-urban and rural settings is essential due to varying access to financial services, educational opportunities, and employment options. This study aims to analyze budgeting practices, saving habits, investment preferences, and financial goals of common people in Dharmapuri, revealing prevalent financial behaviors and understanding demographic factors influencing these behaviors.

**IMPORTANT OF FINANCIAL SERVICE SECTOR:**

 The financial services sector is crucial for the economy by facilitating capital allocation, managing risk, and enabling economic growth. It offers essential services like banking, investment, insurance, and wealth management, essential for businesses, individuals, and governments to manage finances, mitigate risks, and achieve financial goals. The sector also fosters innovation, supports entrepreneurship, and contributes to job creation and economic stability.

**STATEMENT OF THE PROBLEM:**

 The study investigates the financial behaviors of Dharmapuri residents, focusing on budgeting, saving habits, investment preferences, and financial goals. It aims to identify factors influencing these behaviors and provide insights for stakeholders to enhance financial literacy and promote better practices within the community. Dharmapuri's diverse population presents both opportunities and challenges in financial management, especially in semi-urban and rural areas where financial education and resources may be limited. Financial literacy and effective money management are crucial for individual and societal well-being.

**OBJECTIVE:**

1.To Identify the most frequently used methods and tools for budgeting among residents of Dharmapuri, such as notebooks, spreadsheets, or mobile apps.

 2. To Determine the typical frequency and amount of savings made by individuals in Dharmapuri, and identify the most common reasons for saving money.

 3. To List the top three investment choices preferred by people in Dharmapuri, such as fixed deposits, gold, or mutual funds.

4. To Identify the most common short-term and long-term financial goals of Dharmapuri residents, such as purchasing a home, funding education, or saving for retirement.

 5. To Provide simple, actionable recommendations for improving budgeting, saving, and investment practices among the residents of Dharmapuri based on the study’s findings.

**RESEARCH METHODOLOGY:**

 I use a mixed-methods approach to explore budgeting practices, saving habits, investment preferences, and financial goals among Dharmapuri residents. A literature review will guide the research, with random sampling for participants from diverse socioeconomic backgrounds. Data will be collected through surveys, interviews, and focus groups, capturing quantitative and qualitative insights into income levels, savings percentages, and investment allocations. Results will be presented in charts, graphs, and summaries, with implications for individuals, financial institutions, policymakers, and future research.

**RESEARCH DESIGN:**

 A research design is a systematic approach to gather and process information to address problems within a project's framework, specifying the sources and procedures for gathering this information The research Design that is used by the investigate is descriptive Research design.

**DESCRIPTIVE RESEARCH DESIGN:**

 The Descriptive Design involves a prior formulation of a specific research problem, requiring the investigate to have a clear understanding of the problem and set up appropriate means for measuring it.

**SAMPLE DESIGN:**

 A sample design may be defined as a plan for obtaining a sample from a given population. It therefore refers to the technique or procedure the researcher would adopt in selecting item.

**SAMPLING METHOD**:

 In the samples are collected from the peoples in Dharmapuri district. It was also collected through the various areas and by having formal and informal communication and also by filling the questionnaire.

**Sample size:**

The research has drawn 100 respondents as sample for these collections of data.

**DATA COLLECTION:**

 Data collection involves gathering information from relevant sources to answer research questions and evaluate outcomes. There are two main methods: primary and secondary data collection, which are used to gather and analyze data.

**Primary Data:**

 This study utilized a questionnaire as the primary data collection method, as it was the researcher's original and fresh approach to gathering this data, which is a popular method for gathering primary information.

**Secondary Data:**

 Secondary data refers to data already available, such as company records, internet, and observation methods collected by the researcher.

**STATISTICAL TOOLS USED:**

* Simple Percentage Method.
* Chi-square Method.
* Ranking Method

**II. RIVIEW OF LITERATUTE.**

1. Chandra, R. (2019). Household Budgeting Patterns in Rural India. **Journal of Rural Studies**, 35(2), 145-157. This study examined the budgeting practices of rural households in India, highlighting how income, education, and employment influence these practices.
2. Rajesh, K., & Sharma, M. (2020). Impact of Financial Literacy on Budgeting Practices. **International Journal of Financial Education,** 12(3), 89-105. This research focused on the effect of financial literacy programs in Tamil Nadu on budgeting habits, showing a positive correlation between financial literacy and effective budgeting.
3. Pandey, A., & Kumar, S. (2021). Digital Tools and Budgeting Efficiency. **Digital Finance Journal**, 9(1), 56-70. The paper explored the adoption of digital budgeting tools and their impact on financial management, finding that these tools improve budgeting accuracy and efficiency.
4. Venkatesh, S., & Ramesh, B. (2019). Saving Behavior in South Indian Households. **Journal of South Asian Economics**, 22(4), 302-318. The study analyzed the saving habits of households in South Indian regions, noting the significant influence of cultural factors and familial obligations.
5. Karthik, P., & Suresh, A. (2020). Role of Microfinance in Promoting Savings. **Microfinance Review**, 15(2), 214-230. This research highlighted the role of microfinance institutions in enhancing the saving habits of rural populations, concluding that access to microfinance services significantly boosts saving rates among low-income groups.
6. Anitha, M., & Prakash, G. (2022). Impact of COVID-19 on Saving Patterns. **Economic Impact Journal**, 10(1), 45-60. This paper examined how the COVID-19 pandemic affected saving habits, revealing an increase in precautionary savings due to economic uncertainties.
7. Natarajan, S., & Meena, R. (2019). Investment Choices Among Rural Investors. **Investment Analysis Journal**, 13(3), 98-112. This study focused on the investment preferences of individuals, showing a strong preference for traditional investment options like gold and fixed deposits.
8. Balaji, V., & Priya, D. (2021). Influence of Risk Perception on Investment Decisions. **Journal of Behavioural Finance**, 17(4), 233-248. This research explored how risk perception influences investment choices, revealing that risk-averse individuals prefer low-risk investments despite potentially lower returns.
9. Subramanian, K., & Manjula, R. (2023). Emerging Trends in Investment Preferences Post-Pandemic. **Global Finance Journal**, 19(2), 151-167. This study analyzed the shift in investment preferences following the COVID-19 pandemic, highlighting a growing interest in mutual funds and stocks due to increased financial awareness and education.
10. Krishna, P., & Vijay, K. (2019). Financial Goals and Planning in Rural Tamil Nadu. In **Rural Financial Planning: Challenges and StrategiesS** (pp. 123-145). New Delhi: Financial Times Publishing. This book chapter discussed the financial goals of rural households, emphasizing the importance of children's education and home ownership as primary goals.

**III. ANALYSIS AND INTERPRETATION**

1. **SIMPLE PERCENTAGE ANALYSIS**

Table 1: Profile of the People’s demographics.

|  |  |  |
| --- | --- | --- |
| **Details of the women’s demographics** | **No. of Respondents** | **Percentage** |
| Age Group (in Years) | Below 20 years | 01 | 1% |
| 21 – 30 | 58 | 58% |
| 31 – 40 | 23 | 23% |
| 41 – 50 | 14 | 14% |
| Above 50 years | 4 | 6% |
| **Total** | **100** | **100%** |
| Gender | Female | 38 | 38% |
| Male | 62 | 62% |
| **Total** | **100** | **100%** |
| Educational qualification | Schooling | 3 | 3% |
| Graduate | 48 | 48% |
| Postgraduate | 44 | 44% |
| Diploma | 4 | 4% |
| ITI | 1 | 1% |
| **Total** | **100** | **100%** |

**INTERPRETATION:**

 The majority of respondents (58%) are in the 21–30 age range, followed by those in the 31–40 age range (23%) and the 41–50 age range (14%). The groups with the lowest percentages are the Under 20 years old (1%) and Over 50 years old (6%). Additionally, according to data from respondents categorized by gender, 38% of people are women and 62% of people are men. Furthermore, the data on educational qualifications shows that 48% of the population is postgraduate and 44% of graduates, representing the majority of people with higher education degrees. Only 4% of the population holds a diploma, and even fewer have only completed their education (3%) or earned an ITI (1%).

**2. CHI SQUARE TEST**

**TABLE 2 CHI SQUARE TEST FOR The EDUCATION QUALIFICATION AND PRIMARY SHORT-TERM FINANCIAL GOALS**

HO= There are significant relationship between education qualification and Primary short term financial goal

H1= There are no significant relationship between education qualification and  Primary short term financial goal

Source: Primary data

CHI SQUARE=X2 =0.00

Hence, from the analysis it is calculated that, there is no significant relationship between education qualification and Primary short term financial goal

**INTERPERTATION:**

From the table, X2 =0.00 is less than 0.05 for H1=There is no significant relationship between age and How Satisfied Are You with Your Current Budgeting Method

**TABLE 3 Chi Square test for Age and How Satisfied Are You with Your Current Budgeting Method**

HO= There are no significant relationship between age and How Satisfied Are You with Your Current Budgeting Method

H1= There are significant relationship between age and How Satisfied Are You with Your Current Budgeting Method



Source: Primary data

CHI SQUARE=X2 =0.01

Hence, from the analysis it is calculated that, there is significant relationship between age and How Satisfied Are You with Your Current Budgeting Method

**INTERPERTATION:**

From the table, X2 =0.01 is less than 0.05 for H1=There is no significant relationship between age and How Satisfied Are You with Your Current Budgeting Method

**3.RANKING METHOD:**

 **TABLE 4. Please rank the following factors in order of their importance to you when choosing an investment (1 being most important, 4 being least important)**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **S.NO** | **PROBLEMS** | **MEANSCORE** | **TOTALSCORE** | **RANK** |
| **1** | **Risk** | 236 | 708 | 2 |
| **2** | **Return** | 228 | 912 | 1 |
| **3** | **Liquidity** | 264 | 528 | 3 |
| **4** | **Familiarity****/Trust in the option** | 272 | 272 | 4 |

**Interpretation:**

From this study, it is found from the table that.

1. **Return** is ranked as no.1 and the total score is 912
2. **Risk** is ranked as no.2 and the total score is 708.
3. **Liquidity** ranked as no.3 and the total score is 528.
4. **Familiarity Trust in the option** ranked as no.4 and the total score is 272.

**TABLE 5. Please rank the following recommendations for improving financial practices based on their importance to you (1 being most important, 4 being least important)**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **S.NO** | **PROBLEMS** | **MEANSCORE** | **TOTALSCORE** | **RANK** |
| **1** | Financial literacy workshop and seminars | 210 | 840 | 1 |
| **2** | Personalized financial advice and planning services | 235 | 705 | 2 |
| **3** | Community saving and investment groups | 275 | 550 | 3 |
| **4** | Incentives for saving and investing such as tax benefits or matching contributions | 280 | 280 | 4 |

**Interpretation:**

From this study, it is found from the table that.

1. **Financial literacy workshop and seminars** is ranked as no.1 and the total score is 840
2. **Personalized financial advice and planning services** is ranked as no.2 and the total score is 705.
3. **Community saving and investment groups** ranked as no.3 and the total score is 275.
4. **Incentives for saving and investing such as tax benefits or matching contributions** ranked as no.4 and the total score is 280

**CONCLUSION:**

 The study of Dharmapuri residents reveals that young, educated individuals prioritize returns on investments while managing risks and ensuring liquidity. Despite a preference for traditional investment options like fixed deposits and gold, there is a notable reliance on notebooks for budgeting, though mobile apps are seen as more effective. Short-term financial goals such as vacations and home renovations are common, with long-term aspirations focused on retirement savings. The study highlights significant challenges, including unexpected expenses and a need for personalized financial advice. To enhance financial health, recommendations include organizing financial planning workshops, promoting budgeting apps, providing access to financial advisors, developing emergency savings programs, and establishing support networks for financial guidance. These measures can significantly improve financial literacy and goal achievement among Dharmapuri residents.

**REFERENCES:**

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