



## **PERSONAL FINANCIAL PLANNING PRACTICES AMONG WORKING WOMEN IN VIRUDHUNAGAR TOWN**

<sup>1</sup>Muthulakshmi V and Jaisun M<sup>2</sup>

Ph.D. Research Scholar and Assistant Professor<sup>2</sup>

<sup>1</sup>Madurai Kamaraj University, Madurai and Department of Business Administration<sup>2</sup>,  
V.H.N. Senthikumara Nadar College (Autonomous), Virudhunagar.

Corresponding Author's mail id: [muthulakshmiss2019@gmail.com](mailto:muthulakshmiss2019@gmail.com)

### **ABSTRACT**

Empowerment begins with financial independence. This study investigates the personal financial planning practices of working women in Virudhunagar town, focusing on their financial literacy, savings, investment behaviors, and retirement planning. Using a structured questionnaire, data were collected from a diverse sample of women across various professions and income levels. The findings reveal that while a significant portion of working women are engaged in financial planning, many face challenges such as limited financial knowledge, irregular savings habits, and a lack of access to professional financial advice. The study highlights the critical need for targeted financial education programmes, accessible advisory services, and tailored financial products to better support the financial planning efforts of working women. Additionally, the research underscores the importance of balanced work-life responsibilities with effective financial management. The insights from this study are intended to guide financial institutions, policymakers, and employers in developing strategies that enhance the financial well-being of working women in Virudhunagar.

**Keywords:** Budgeting, Financial literacy, Investment, Personal financial planning, Retirement, Savings,

### **INTRODUCTION**

From the kitchen to the boardroom, today's women have made remarkable strides in closing the gender gap across nearly every aspect of professional and personal lives. Women may experience

significant life events and transitions. Women are now leading in various fields, breaking barriers in politics, business, science and technology, and making significant contributions to society. They

excel in leadership roles, pursuing higher education and achieving financial independence in ways that were once considered improbable. Despite these advancements, there remains a notable disparity in the realm of personal financial planning. Many women, despite their professional success and financial stability, often find themselves taking a back seat when it comes to managing their own finances. Financial independence among women has been significantly influenced by the rise of financial literacy and empowerment, as highlighted by various studies. Kainth and Bhushan (2020) observed that the life expectancy of women is more as compared to men and thus they need mandatory financial planning for their financial well-being and retirement. The study further indicated that there is a need to encourage working women towards participation in financial planning as women are not actively participating in personal financial planning as they have little to no knowledge about financial aspects. Padmaja and Samudhra (2022) recorded that today women have started playing a significant role in family decision making due to the change in their education, employment and social awareness. Despite being well-educated, women are still considered as conservative investors and are not fully aware about personal financial planning and they rely on others while taking financial

and investment decisions (Priyanka and Falguni, 2021). A study by Sneha and Gaurav (2023) pointed out that in the current economic landscape, women are increasingly taking charge of their financial lives. However, Kavitha *et al.*, (2023) found that while working women are earning more, they often lack seriousness in making financial decisions and saving adequately. Despite the fact that personal financial planning is an essential part of everyone's life, working women face unique challenges in managing their finances (Dhandayuthapani and Santhiya, 2023). Collectively, these reviews point to the crucial role of financial literacy in helping women effectively manage money, invest wisely, and achieve financial independence.

Personal financial planning is vital for working women to achieve financial stability and long-term goals. However, unique challenges impact their financial planning practices. This study examines the demographic profile of working women in Virudhunagar, investigating reasons behind their financial planning decisions. It identifies key challenges, including financial literacy gaps, limited investment knowledge, inadequate retirement planning, and work-life balance issues. By understanding these aspects, the research provides actionable recommendations for financial institutions, policymakers, and employers to enhance working women's financial planning

practices, addressing specific needs and challenges.

## RESEARCH METHODOLOGY

The present study employed a descriptive research design to examine the personal financial planning practices of working women in Virudhunagar town. A stratified random sampling technique was used to select a sample of 150 working women across diversified sectors, ensuring representation from various demographic and professional backgrounds. The study utilized a mixed-method approach, combining both primary and secondary data.

Primary data was collected through a structured questionnaire administered to the sampled working women, while secondary data was gathered from relevant websites, articles, and literature reviews. Descriptive statistics, weighted average, and Garret Ranking methods were employed as research tools to analyze the data. This methodology enables a comprehensive understanding of the financial planning behaviours, challenges, and needs of working women in Virudhunagar town. An overview of the respondents' demographic details is presented in the table 1.

**Table 1: Demographic Profile of the Respondents**

Variables	Particulars	No. of Respondents	Percentage %
Age	20 – 30	50	33.4
	31 – 45	57	37.9
	46 – 60	43	28.7
Marital Status	Married	101	67.6
	Unmarried	39	25.8
	Divorced/Separated/Widow	10	6.6
Education	Higher Secondary	8	5.3
	UG	47	31.3
	PG/Professional degree	95	63.4
Occupation	Academicians	38	25.3
	Professionals	24	16.0
	Banker/CA	34	22.7
	Self-employed	29	19.3
	IT	21	14.0
	Others	4	2.7
Family Type	Nuclear family	82	54.5
	Joint family	68	45.5
Monthly Income	Rs. 15,000 – Rs.35,000	26	17.3
	Rs.35,001 – Rs.55,000	33	22.1
	Rs.55,001 – Rs.75,000	44	29.3
	Above Rs.75,000	47	31.3
Experience in practicing personal financial planning	Less than 2 years	34	22.7
	2 – 5 years	59	39.5
	5 – 10 years	32	21.2
	More than 10 years	25	16.6

Source: Primary data

The demographic profile of the respondents, as outlined in the table 1 reveals several key trends. The majority of

the respondents (37.9%) fall within the 31–45 years age group, followed by those in the 20–30 years category. In terms of marital

status, a significant proportion (67.6%) is married. Regarding educational qualifications, most respondents (63.4%) possess a post-graduate or professional degree. The occupational group consists of mostly academicians, representing 25.3% of the respondents. In terms of family structure, the majority (54.5%) belong to nuclear families. When considering monthly income, the majority group (31.3%) earns above Rs.75,000. Finally, in terms of experience with personal financial planning, a substantial proportion (39.5%) have been engaged in personal financial planning for a period of 2 to 5 years.

**Table 2: Respondents opinion about their level of financial knowledge**

Financial knowledge level	No. of Respondents	Percentage (%)
High	35	23.3
Average	63	42.0
Low	52	34.7
<b>Total</b>	<b>150</b>	<b>100.0</b>

Source: Primary data

Respondents’ level of financial knowledge (Table 2) implies that how much the respondents know about the financial concepts and utilize it for personal financial planning. In this study, the financial knowledge of respondents was tested based on specific questions related to investment options, retirement planning and budgeting techniques and the responses were rated accordingly. Respondents who correctly answered a majority of financial literacy questions were rated as having high financial knowledge level, the respondents

who correctly answered 50% of the questions were rated as having average level of financial knowledge and those who answered fewer than 50% of the questions were rated as having low financial knowledge level. Based on the above criteria, 42.0% of the working women finds that they have only average level of financial knowledge, while 34.7% believes that they have low level of financial knowledge and needs to enhance it more and only 23.3% of the working women are confident about their financial knowledge and they believe they possess high level of financial knowledge.

**Table 3: Reasons behind personal financial planning practice**

Objective	No. of Respondents	Weighted Average	Rank
For Children’s education	37	120.84	1
For Children’s marriage	17	54.81	5
For family’s future security/to earn regular income	24	78.35	3
For unforeseen emergencies	31	100.15	2
To buy a home	14	45.02	6
To accumulate wealth for children	19	61.19	4
To live comfortably after retirement	8	24.64	7

Source: Primary data

The respondents were asked to rank the main reasons behind their personal financial planning practice. Weights were offered to the ranks as given by the respondents (Table 3). Based on the ranks, it was inferred that ‘Children’s education’ is

the most important reason behind the practice of personal financial planning of working women.

**Table 4: Personal financial planning practices among working women in Virudhunagar**

Financial planning practice	No. of responses	Percentage (%)
Budgeting (tracking income/expenses)	120	16.6
Savings for emergency/ short term goals)	110	15.3
Investing (in mutual funds/stocks/other instruments)	95	13.1
Retirement planning (pension/ provident fund/other schemes)	86	11.8
Insurance health /life/other types)	94	12.9
Debt management (loan repayment/control over borrowing)	65	8.9
Tax planning (saving taxes through investments/other measures)	50	6.9
Setting long term financialgoals(buying home/marriage)	105	14.5
<b>Total</b>	<b>725</b>	<b>100.0</b>

Source: Primary data

As the respondents involved in more than one personal financial planning practice, here the no. of respondents exceeds 150. The table 4 shows that most respondents (16.6%) are likely tracking their incomes and expenses to ensure they stay within their financial means. A high number of working women (15.3%) are saving for emergencies or short-term financial goals. Around 14.5% of the respondents have set long-term financial goals, demonstrating proactive financial planning and 13.1% of respondents are investing in different financial instruments. A more modest group

of around 12.9% have insurance, showing a strong focus on risk management and securing their future while 11.8% of the respondents are planning for retirement through pension schemes or provident funds. 8.9% of the respondents manage their debt through loan repayments or by controlling their borrowing habits and about 6.9% of respondents are engaged in tax planning to reduce their tax liabilities.

**Table 5: Garrett Ranking table showing the challenges faced by working women in personal financial planning**

Challenges/Problems	Mean (S.D)	Rank
No regular savings to plan	1.49 (1.1)	2
Limited financial knowledge	1.60 (1.11)	1
Lack of a financial Guide/Advisor	1.13 (0.99)	6
Not enough time to engage in Personal financial planning regularly	1.37 (0.97)	4
Personal financial planning is too hectic to practice	1.25 (1.03)	5
Limited decision-making authority in family	1.46 (1.06)	3

Source: Primary data

From the above Garrett ranking table, it is obvious that ‘Limited financial knowledge’ (Rank 1) is the most significant challenge for respondents, with the highest mean score (1.60). This suggests that many women in Virudhunagar feel that a lack of financial knowledge is a major barrier to personal financial planning. ‘No regular savings to plan’ (Rank 2)also stands as a significant issue, with a mean of 1.49 which indicates that many respondents struggle with regular savings, possibly due to lack of discipline or financial constraints. ‘Limited decision-making authority in family’(Rank

3) follows closely with a mean of 1.46, showing that many women feel that they do not have enough authority to make financial decisions within the family structure. ‘Not enough time to engage in personal financial planning regularly’(Rank 4)has a mean of 1.37, reflecting that busy schedules prevent many women from committing time to financial planning. ‘Personal financial planning is too hectic to practice’ (Rank 5), with a mean score of 1.25, is a moderately ranked challenge, suggesting that some respondents find financial planning complicated and difficult to implement and ‘Lack of a financial guide/advisor’ (Rank 6), with the lowest mean (1.13), is ranked the least significant challenge, indicating that while this is an issue for some, it is not as prevalent as the other challenges.

**Hypotheses**

**H<sub>1</sub>:** There is no significant relationship between age and the reason or objective behind personal financial planning practice among working women in Virudhunagar.

**H<sub>2</sub>:** There is no significant relationship between marital status and the reason or objective behind personal financial planning practice among working women in Virudhunagar.

**H<sub>3</sub>:** There is no significant relationship between income level and the reason or objective behind personal financial planning practice among working women in Virudhunagar.

The above stated hypotheses have been tested using Chi-square test.

**Table 6: Chi square test on reasons or objective behind personal financial planning**

Pearson Chi-square test				
		Age	Marital Status	Income level
Reasons/ Objectives	Chi-square value	11.70	23.5	25.69
	df	12	12	18
	Critical value	21.026	21.026	28.87
	p-value	0.470	0.021	0.99998

**Source: Computed data, alpha level 0.05**

On the basis of the result of Chi-square test, the p-value (0.470) is greater than the typical significance level of 0.05, we accept the null hypothesis (H<sub>1</sub>). Hence, there is no statistically significant relationship between age and the reasons or objective behind personal financial planning of working women in Virudhunagar. Since the p-value (0.021) is less than 0.05, we reject the null hypothesis (H<sub>2</sub>). Therefore, there is a significant relationship between marital status and the objective behind personal financial planning of working women in Virudhunagar. In the third hypothesis, the calculated Chi-Square value (25.69) is less than the critical values 28.77 and the p-value (0.99998) is significantly higher than  $\alpha = 0.05$ , we accept the null hypothesis (H<sub>3</sub>). Hence, there is no significant relationship between income levels and the reasons or objectives for personal financial planning among the respondents.

The findings reveal mixed relationships between demographic factors and the objectives behind personal financial planning among working women in Virudhunagar. Age and income level show no statistically significant relationship with financial planning objectives, indicating that these factors do not heavily influence the reasons for financial planning. However, marital status exhibits a significant relationship, suggesting that marital commitments and family responsibilities strongly impact the financial planning priorities of working women in this region.

Based on the findings and results of the study, several suggestions can be made to enhance personal financial planning practices among working women in Virudhunagar. While 67.6% of respondents are married and prioritize family security and children's education, only 23.3% exhibit high financial knowledge. This disparity highlights the gap between financial responsibilities and preparedness, which this study aims to address. Although 31.3% of women with incomes above ₹75,000 actively manage their financial futures, the prevalence of low and average financial knowledge (77%) signals the need for robust financial literacy programmes. Thus, the study emphasizes the necessity of implementing targeted financial education programmes to enhance women's financial literacy. As

highlighted by Sneha and Gaurav (2023), understanding the personal finance decisions of women is crucial in the current economic context, where working women are increasingly assuming greater responsibility for managing their financial lives. Though the money management skills of working women are good, they are mostly dependent on others in financial decision-making (Shree Jyothi and Ravi Kiran, 2016). Therefore, workshops and seminars shall be conducted in local languages which can help in bridging the knowledge gap and empower women to make informed decisions about budgeting, investment, and retirement planning.

Additionally, introducing systematic savings plans can encourage regular savings habits, especially among women with lower income levels or irregular saving patterns. The results also reveal the limited access to professional financial advice as a significant challenge. Affordable or subsidized financial advisory services, in collaboration with certified planners, can provide personalized guidance to women, enabling them to navigate complex financial decisions. Furthermore, promoting the use of digital tools and mobile applications for budgeting and investment planning can save time and simplify financial management for busy working women. Addressing barriers to financial decision-making is crucial, as many women feel

constrained by limited authority within their households. Addressing challenges such as limited decision-making authority requires cultural shifts and organizational support to empower women in financial decision-making.

Lastly, highlighting success stories of financially empowered women can motivate others to prioritize personal financial planning. These recommendations, rooted in the study's findings, aim to provide actionable steps for financial institutions, policymakers, and local organizations to support the financial well-being of working women in Virudhunagar, enabling them to achieve greater financial independence and security.

Thus, the present study reveals a growing awareness of financial independence and the importance of financial planning. However, challenges such as limited financial literacy, irregular savings habits, lack of professional financial guidance, and time constraints persist. The findings indicate that factors like marital status and education significantly influence financial planning behaviours, with priorities centred around children's education, unforeseen emergencies, and family security. To address these challenges, the study emphasizes the need for targeted financial education, affordable advisory services, and women-centric financial products. By

implementing these recommendations, financial institutions, policymakers and employers can help working women achieve greater financial security and empowerment, contributing to a more equitable and prosperous society.

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