

# A Study of Financial Planning Among College Teachers in Government-Aided Colleges of Beed, Maharashtra

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## **Abstract:**

Proper financial planning is essential for everyone in their daily lives. Individuals must create budgets, save, and allocate their financial resources over time while considering different financial risks and potential future life events. The primary objective of this study is to evaluate the financial planning practices of college teachers working in Higher Educational Institutes and examine the connection between financial planning and its awareness among college teachers in the Beed district. The scope of the study is restricted to assessing the financial planning practices of college teachers within the Beed district. A group of 60 respondents was surveyed about their financial planning practices and the motivations behind their financial planning; their feedback was categorized and analysed. Both primary and secondary data were gathered from various sources and utilized for the analysis. Due to the larger size of the population, a sample of 60 respondents was selected using simple random sampling.

**Keywords:** Financial planning, investment planning, tax planning, financial awareness.

## **INTRODUCTION**

Planning is a vital aspect of life, and it becomes essential for financial matters. Throughout one's life, numerous financial decisions must be made, such as funding children's higher education, ensuring a comfortable retirement, purchasing a family car, taking the family on annual vacations, and buying or upgrading to a larger home. Fundamental financial planning is critical in helping to accomplish these goals and ensuring long-term financial stability. Financial planning is an essential requirement for everyone in their daily lives. Individuals must create budgets, save, and allocate their financial resources over time, all while considering various financial risks and future life events. When managing personal finances, individuals evaluate the appropriateness of a variety of banking products (such as checking and savings accounts, credit cards, and consumer loans), investment options (including stocks, bonds, and mutual funds), and insurance products (like life, health, and disability insurance), as well as participation in and monitoring of individual or employer-sponsored retirement plans, social security benefits, and income tax strategies. Numerous factors affect daily financial choices, including age, household size, interest rates, and inflation. College teachers are the primary group with consistent income in our research area. Consequently, the researcher has sought to determine if adequate financial planning exists among college teachers.

## **OBJECTIVES OF THE STUDY**

The aims of the research are:

1. To examine the financial planning of college teachers in the Beed district.
2. To investigate the impact of age on the financial planning of college teachers in the Beed district.
3. To provide appropriate recommendations based on the findings.

## **SCOPE OF THE STUDY**

The scope of this research focuses on evaluating the financial planning practices of college teachers in the Beed district. A sample of sixty participants was surveyed with questions regarding their financial planning, and the motivations behind their financial strategies, and their responses were categorized and analysed. The primary objective of this study is to investigate the financial planning habits of college teachers within the Beed district. The main aim of this research is to examine aspects such as tax planning, liability planning, investment planning, insurance planning, retirement planning, estate planning, and expense planning.

## **HYPOTHESIS OF THE STUDY**

The following are the hypotheses of the study:

1. There is no significant difference in financial planning based on the gender of college teachers in the Beed district.

## **RESEARCH METHODOLOGY**

This chapter provides a detailed overview of the methodology used in the current study aimed at understanding the financial planning practices of college teachers. Both primary and secondary data have been gathered from a variety of sources for analysis. Secondary data necessary for the research has been obtained from multiple publications. Primary data was gathered through a carefully designed questionnaire developed by the researcher. The finalized structured questionnaire was employed to collect information from the selected respondents.

## **SAMPLING DESIGN**

A sample design outlines a specific approach for selecting a sample from a particular population since the researcher cannot gather data from every college teacher in the Beed district. Given the population size is substantial, a total of 60 respondents have been chosen as the sample representing the population through simple random sampling. The sample consists of 60 teachers from government-aided colleges in the Beed district.

## **LIMITATIONS OF THE STUDY**

Since many teachers provided the information based on their recollections and experiences, the data collected may be affected by recall bias. The research is confined to the Beed district, and the results may not be relevant to other regions due to significant variations among teachers in terms of demographic and psychographic traits.

**ANALYSIS AND INTERPRETATION OF DATA**

**Financial Planning and Age**

College teachers from various age brackets have engaged in financial planning to varying extents. The researcher has examined the financial planning practices among different age groups of college teachers using ANOVA. A null hypothesis has been established for this purpose: " There is no significant difference in financial planning based on the gender of college teachers in the Beed district" The findings obtained through ANOVA are presented in the table below.

**Table 1: Findings obtained through ANOVA**

| Financial Planning   |                | N  | Mean   | Std. Deviation | Std. Error | F Value | P Value |
|----------------------|----------------|----|--------|----------------|------------|---------|---------|
| Tax Planning         | Below 30 Years | 10 | .3000  | .48305         | .15275     |         |         |
|                      | 30-40 Years    | 19 | .3684  | .49559         | .11370     |         |         |
|                      | 40-50 Years    | 18 | .6111  | .50163         | .11824     | 1.970   | .129    |
|                      | Above 50 Years | 13 | .6923  | .48038         | .13323     |         |         |
|                      | Total          | 60 | .5000  | .50422         | .06509     |         |         |
| Liabilities Planning | Below 30 Years | 10 | .2000  | .42164         | .13333     |         |         |
|                      | 30-40 Years    | 19 | .4211  | .50726         | .11637     |         |         |
|                      | 40-50 Years    | 18 | .7222  | .46089         | .10863     | 2.982   | .039    |
|                      | Above 50 Years | 13 | .6154  | .50637         | .14044     |         |         |
|                      | Total          | 60 | .5167  | .50394         | .06506     |         |         |
| Investment Planning  | Below 30 Years | 10 | .3000  | .48305         | .15275     |         |         |
|                      | 30-40 Years    | 19 | .5789  | .50726         | .11637     |         |         |
|                      | 40-50 Years    | 18 | .7222  | .46089         | .10863     | 1.595   | .201    |
|                      | Above 50 Years | 13 | .5385  | .51887         | .14391     |         |         |
|                      | Total          | 60 | .5667  | .49972         | .06451     |         |         |
| Insurance Planning   | Below 30 Years | 10 | .6000  | .51640         | .16330     |         |         |
|                      | 30-40 Years    | 19 | 1.0000 | .00000         | .00000     |         |         |
|                      | 40-50 Years    | 18 | 1.0000 | .00000         | .00000     | 6.370   | .001    |
|                      | Above 50 Years | 13 | .6923  | .48038         | .13323     |         |         |
|                      | Total          | 60 | .8667  | .34280         | .04426     |         |         |
| Retirement Planning  | Below 30 Years | 10 | .3000  | .48305         | .15275     |         |         |
|                      | 30-40 Years    | 19 | .6316  | .49559         | .11370     |         |         |
|                      | 40-50 Years    | 18 | .8889  | .32338         | .07622     | 5.994   | .001    |
|                      | Above 50 Years | 13 | .9231  | .27735         | .07692     |         |         |
|                      | Total          | 60 | .7167  | .45442         | .05867     |         |         |

|                   |                |    |       |        |        |       |      |
|-------------------|----------------|----|-------|--------|--------|-------|------|
| Expenses Planning | Below 30 Years | 10 | .4000 | .51640 | .16330 |       |      |
|                   | 30-40 Years    | 19 | .5263 | .51299 | .11769 |       |      |
|                   | 40-50 Years    | 18 | .7222 | .46089 | .10863 | 1.497 | .225 |
|                   | Above 50 Years | 13 | .3846 | .50637 | .14044 |       |      |
|                   | Total          | 60 | .5333 | .50310 | .06495 |       |      |

From the above table, it is depicted that the ‘F’ value for tax planning, liability planning, insurance planning, investment planning, retirement planning, estate planning, expense planning, and overall financial planning among the different age groups of college teachers in Beed district is 1.970, 2.982, 1.595, 6.370, 5.994, 1.497 having 5 percent significance level with ‘p’ value of 0.129, 0.39, 0.201, 0.001, 0.001, 0.225. It is found that the ‘P’ value of liabilities planning; insurance planning and retirement planning is less than 0.05. Hence, the null hypothesis is rejected. This means there is a significant relationship between age and liabilities planning; insurance planning and retirement planning. On the other hand, the ‘P’ value of tax planning, investment planning, and expense planning is more than the 0.05 level of significance hence; the null hypothesis is accepted. This means there is no significant relationship between the age of the respondents and tax planning, investment planning, and expense planning.

**SUGGESTIONS**

The following suggestions are made;

1. The proportion of savings among college teachers is significantly lower than that of other individuals in the study area, so it is essential for college teachers to cultivate better savings habits for their future needs.
2. In the study area, college teachers tend to rely on family consultations when making financial investment decisions, indicating a lack of confidence in making independent choices. Therefore, college teachers should enhance their skills in financial investment decision-making by exploring various journals, books, and online resources.
3. Tax planning among college teachers in the study area is notably inadequate. They are not taking full advantage of Income Tax benefits like deductions from their salaries and rebates. college teachers overlook tax relief options when submitting their tax returns and exhibit low awareness regarding how to maximize tax benefits through various investment opportunities.
4. Many college teachers possess limited understanding of budgeting for expenses, lacking a clear strategy for regular monthly costs. They tend to overspend beyond their monthly earnings and fail to establish an emergency fund for unforeseen circumstances. Therefore, it is essential for college teachers to cut back on their monthly expenditures and take future needs into account. Additionally, college teachers should keep accurate financial records.

**CONCLUSIONS**

The findings indicate that younger college teachers possess effective financial planning, and expense management. However, their capacity to bear risk is higher in comparison to older college teachers. Male college teachers exhibit stronger financial planning than their female counterparts. College teachers with

a high monthly salary can effectively handle tax obligations, debts, insurance, investments, retirement planning, estate management, and their expenses.

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