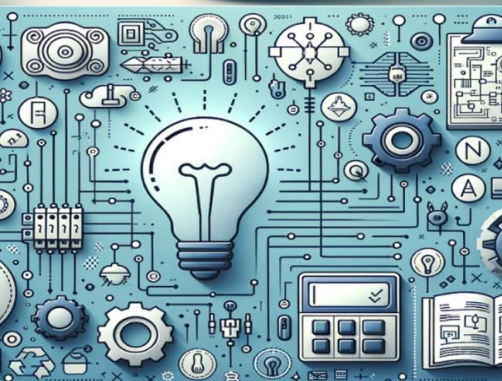


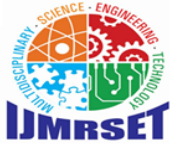
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Personal Finance Management of Employees

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ABSTRACT: Personal finance management is an essential factor in the well-being and productivity of employees. In a rapidly changing financial landscape, employees face significant financial stress due to inadequate financial literacy, high debt levels, and insufficient savings. This research examines the personal finance management practices of employees, the financial challenges they encounter, and the effectiveness of employer-sponsored financial wellness programs in mitigating these issues. The study utilizes a mixed-methods approach, combining quantitative surveys and qualitative interviews, to gain insights from employees and employers. The findings indicate a significant relationship between financial stress and job performance, and highlight the critical role of financial literacy in improving personal finance management. Based on the results, the study offers recommendations for employers to implement comprehensive financial wellness programs and education to foster a financially stable workforce. This research underscores the importance of personal finance management in promoting employee well-being and organizational productivity.

KEYWORDS: Personal Finance Management, Employee Financial Wellness, Financial Literacy, Financial Stress, Employer Support, Financial Wellness Programs, Employee Productivity, Debt Management, Retirement Planning, Financial Education

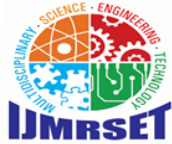
I. INTRODUCTION

Personal finance management is a vital component of an individual's overall health and well-being. In today's increasingly complex financial environment, employees often face challenges related to budgeting, debt management, and savings. These financial struggles not only impact their personal lives but also their professional performance. Financial stress has become a leading cause of workplace absenteeism, reduced job satisfaction, and lower employee productivity. The need for effective personal finance management among employees is more pronounced than ever, as it directly correlates with both personal well-being and organizational success.

This research paper explores the personal finance management practices of employees, focusing on their financial literacy, common financial challenges, and the role of employers in alleviating financial stress through wellness programs. Specifically, the study aims to assess the effectiveness of financial wellness initiatives provided by employers and the impact of these programs on employee performance. The paper further investigates the significance of financial literacy in helping employees make informed financial decisions.

II. LITERATURE REVIEW

- **Vyas, R., & Luhar, H. (2022)** examined the financial planning habits of salaried employees in Mumbai in their study "A Study on Financial Planning of Salaried Employees in Mumbai." They focused on the challenges these employees face, such as high living costs and low financial literacy, and highlighted the importance of financial education and the role of technology in improving financial management.
- **Ms. Purva Savaliya and Mr. Vivek Ayre (2022)** explored financial planning for salaried employees and strategies for tax saving in their study "An Analysis of Financial Planning for Salaried Employees and Strategies for Tax Saving." They focused on how employees manage their finances and utilize tax-saving strategies, emphasizing the need for informed planning to maximize financial benefits.
- **Dinesh Chandra Pandey, Dr. N. S. Bohra, and Shobhit Garg (2021)** conducted a study titled "Analysis of Personal Financial Planning Strategies of the Salaried Class Using the Analysis of Variance Method: A Case of Dehradun City in Uttarakhand (India)." They explored how factors such as income, age, and financial literacy



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affect personal financial strategies. Using ANOVA, their research reveals the variability in financial planning practices among salaried individuals.

- **Rhitam Kalpataru Duttgupta, Prachi Agarwal, Sanjusha Mallareddy, and Ramar Veluchamy (2021)** conducted a study titled "Awareness of Salaried Employees Towards Investment Portfolios." They examined the level of awareness among salaried employees regarding various investment options and portfolio management. Their research highlights the gaps in knowledge and understanding, providing insights into how awareness impacts investment decisions and financial planning.
- **Neetu Chhillar, Swaranjeet Arora (2020)** conducted a study titled "Basic Financial Literacy Level of Salaried People in Delhi NCR: A Comparative Study." They investigated the basic financial literacy levels among salaried individuals in the Delhi NCR region. The study compares financial literacy across different demographics, revealing variations and providing insights into how financial knowledge influences personal finance management.
- **NISM**, established by SEBI, plays a vital role in promoting financial education and research. According to NISM's Curriculum on Financial Education, financial literacy encompasses the ability to make informed judgments and effective decisions regarding the use and management of money. It includes knowledge of budgeting, saving, investing, debt management, and retirement planning (NISM, 2024).
- **SEBI** has launched various initiatives aimed at increasing financial awareness among Indian citizens. SEBI outlines practical advice on income and expense management, emphasizing the creation of budgets, distinguishing between needs and wants, and maintaining an emergency fund (SEBI, 2024).

III. RESEARCH METHODOLOGY

This research utilizes a **mixed-methods approach** combining both quantitative and qualitative techniques to explore personal finance management among employees. The methodology consists of two primary data collection methods: a survey and semi-structured interviews.

Research Design

The study is designed to explore the financial challenges faced by employees, the role of financial literacy, and the impact of employer-sponsored financial wellness programs. The research is exploratory and descriptive, aiming to gather both broad statistical data and in-depth personal insights.

Sample and Population

The study focuses on employees from various sectors, including corporate offices, healthcare, and education. The sample includes 100 employees (ages 18-65) selected through **stratified random sampling**. Additionally, 10 HR managers or program coordinators are interviewed to provide insights into the design and effectiveness of financial wellness programs.

Data Collection

Survey: An online questionnaire was distributed to employees to gather quantitative data on their financial behaviors, financial stress, and participation in wellness programs. Questions were designed to assess financial literacy, common financial challenges, and the perceived impact of financial stress on job performance.

Data Analysis

Quantitative data was analyzed using **descriptive statistics** (mean, frequency, and percentage) to summarize employees' financial challenges and stress levels. **Correlation analysis** was conducted to identify relationships between financial literacy, financial stress, and employee performance. Qualitative data from interviews was analyzed using **thematic analysis** to identify common themes and insights regarding the effectiveness of financial wellness programs.

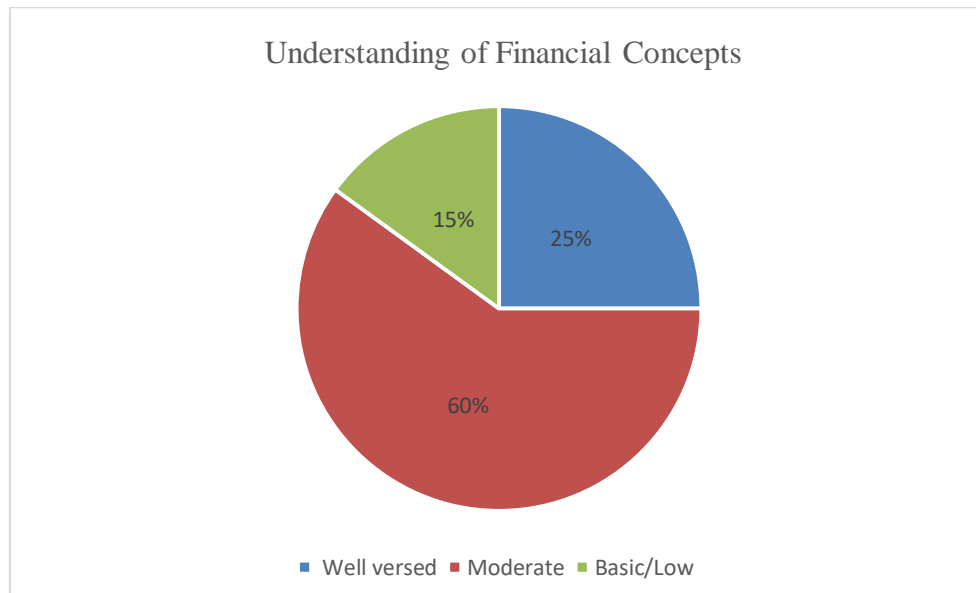


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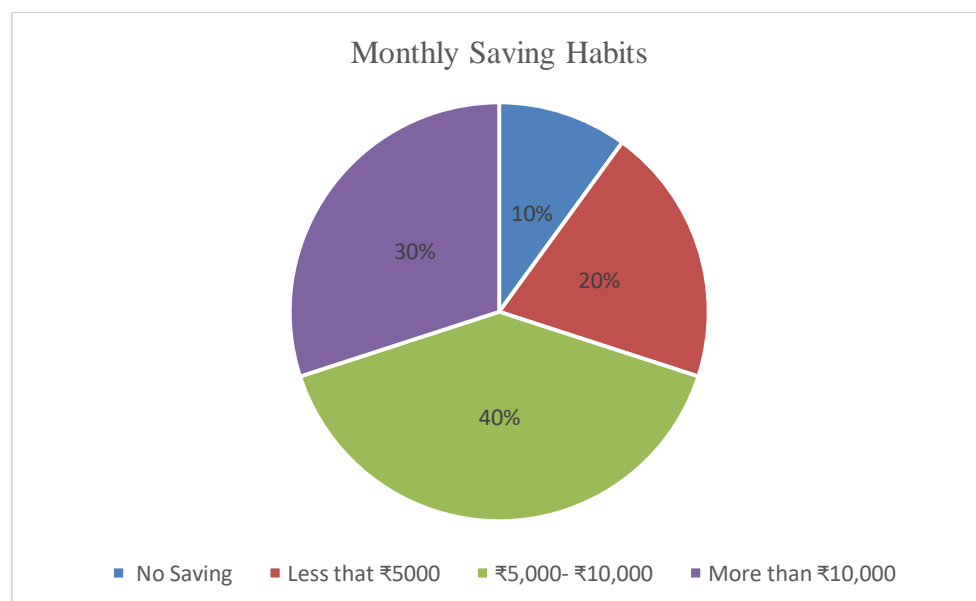
Data and Interpretation of Responses

1. Understanding of Financial Concepts



The interpretation of survey responses reveals insightful trends in personal finance management among employees. A significant 60% of employees consider their understanding of financial concepts to be moderate, with 25% claiming a strong grasp and the rest acknowledging basic knowledge.

2. Monthly Saving Habits



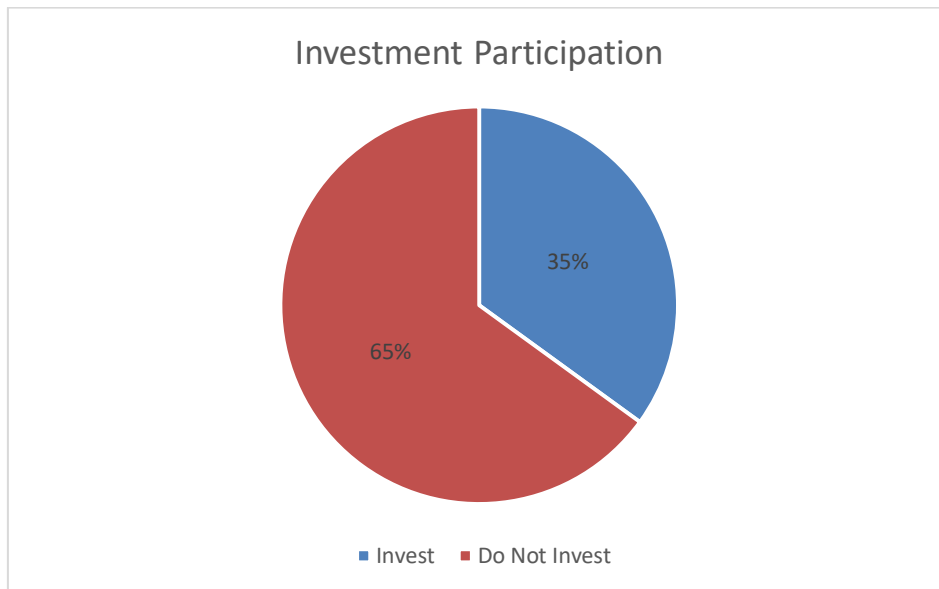
Saving practices are evident, with 70% saving monthly, predominantly within the ₹5,000–₹10,000 range. This reflects a healthy habit of prioritizing future financial security among employees.



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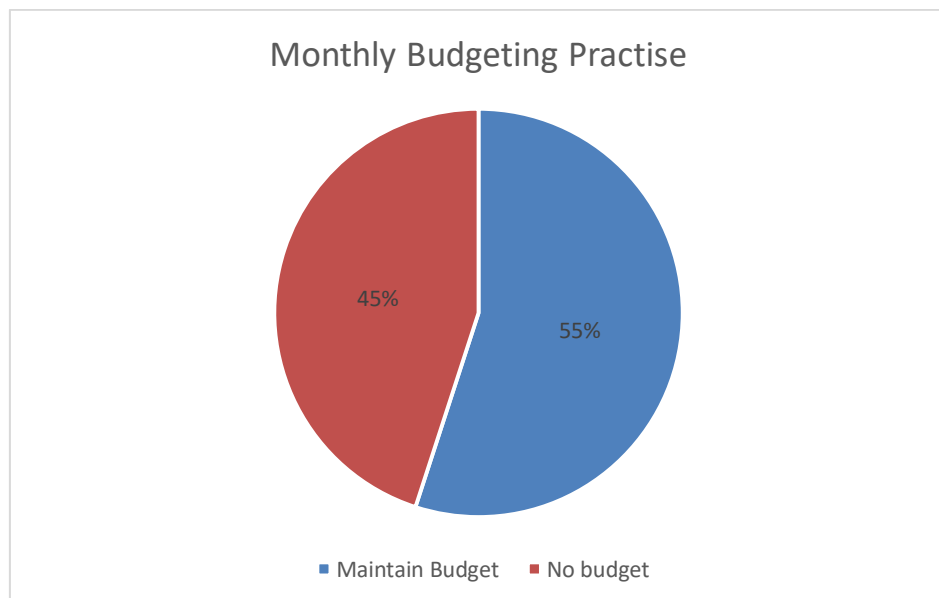
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3. Investment Participation



Only 35% engage in investment activities, with mutual funds and stocks being the favored options. The remaining 65% refrain from investing, citing lack of awareness and fear of market volatility.

4. Monthly Budgeting Practice



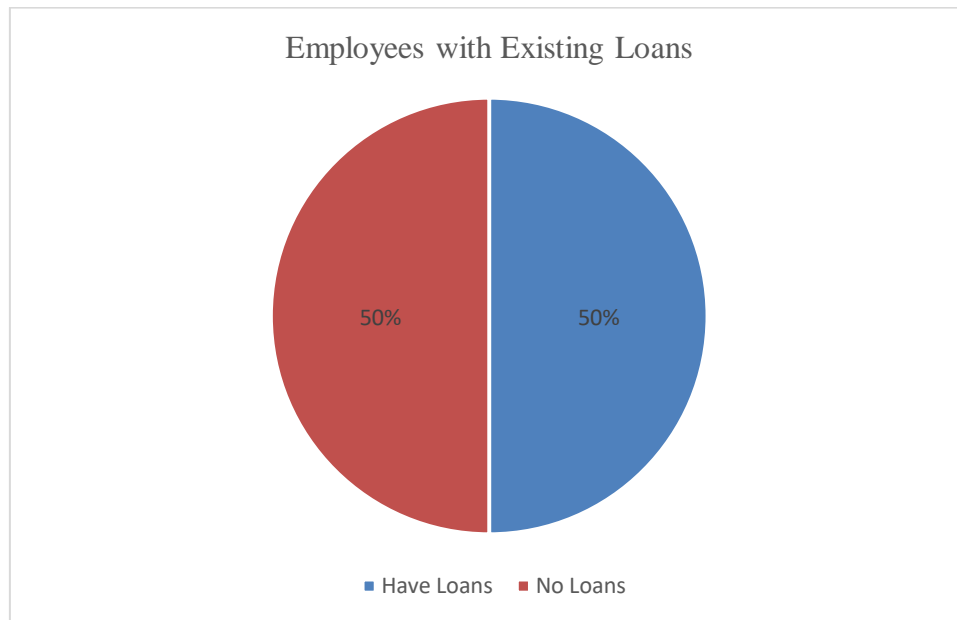
Budgeting behavior presents a balanced divide — 55% maintain a monthly budget, indicating moderate financial discipline, while 45% do not actively track or plan their expenditures.



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5. Employees with Existing Loans



50% of respondents have active loans, such as personal or education-related debts. Of these, 20% report facing difficulties with timely repayments, highlighting the need for better debt management.

Major Findings

1. Understanding of Financial Concepts

Most of the employees (60%) said they have a moderate understanding of financial topics. Around 25% feel confident and have a good knowledge, while the remaining employees know only the basic things about finance.

2. Monthly Saving Habits

About 70% of employees save money every month. Most of them save between ₹5,000 to ₹10,000. This shows that many employees are thinking about their future and trying to be financially secure.

3. Investment Participation

Only 35% of employees are involved in investments. Those who invest mostly prefer mutual funds and stocks. The rest 65% are not investing due to less knowledge or fear of losing money in the market.

4. Monthly Budgeting Practice

Around 55% of the employees follow a monthly budget, which means they are somewhat careful with their money. However, 45% don't keep track of their spending, which shows a lack of financial planning.

5. Employees with Existing Loans

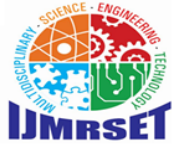
Half of the employees have loans like personal loans or education loans. Out of these, 20% are facing problems in repaying their loans on time, which shows there is a need for better debt management.

IV. FUTURE STUDY

Future research could explore the long-term effects of financial wellness programs on employee retention and career advancement. Further studies could also investigate the impact of different types of financial education (e.g., online courses vs. in-person workshops) and the role of financial advisors in improving financial literacy among employees.

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whose papers have been critical references for this research. Special appreciation to the participants who gave valuable contributions to this research by assisting me in gathering Data. Thanking to all respondents for giving their contribution through Questionnaire Data gathering and Successful completion of these paper.

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2. **Bhushan and Medury (2013)** highlighted that financial literacy plays a big role in how employees take investment and saving decisions in their daily life.
3. **Geetha and Ramesh (2012)** found that factors like age, income, and education influence how individuals manage their personal finance and investments.
4. **Suman and Warne (2015)** observed that many salaried employees in small cities still lack awareness about financial planning and budgeting.
5. **Manimekalai and Vennila (2020)** focused on the saving behavior of working individuals and found that most of them prefer safer investment options due to lack of risk knowledge.
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