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A Study on "Investment Behaviour & Financial Planning Practices Among Young & Mid-Career Professionals in Surat City"

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Abstract: ***This study examines the financial planning techniques and investment habits of mid-career (ages 36–50) and younger (years 21–35) professionals in Surat, India, a city that is seeing fast economic growth. It examines how different groups make investment decisions, set financial goals, and plan for the future while accounting for variables such as their degree of financial literacy, risk tolerance, and investment possibilities. According to the research, mid-career professionals are more likely to employ strategic, long-term investing strategies, such as equities, mutual funds, and real estate, whereas younger professionals are more likely to favor liquid assets and immediate goals. The study highlights the growing influence of digital platforms on investment practices and finds significant gaps in financial literacy, especially among younger people. It demands that both groups participate in specific financial education programs designed to enhance their long-term planning and financial literacy.***

Keywords: Surat City, young professionals, mid-career professionals, financial planning, investment habits, and financial awareness

1. Introduction

Surat City's economic expansion, which is primarily driven by the textile, diamond, and industrial sectors, has resulted in an increase in disposable income for both young and mid-career professionals. These individuals are critical to the local economy and confront important decisions about their investment strategy and financial management. As financial products become more sophisticated and socioeconomic situations shift, understanding how these professionals manage their funds becomes increasingly critical. Investment techniques and financial planning are vital for creating wealth and assuring

Financial security and retirement planning. Young workers aged 21 to 35 typically focus short-term financial goals, investing in low-risk, easily accessible assets. Mid-career professionals aged 36-50, on the other hand, frequently aim to diversify their investments in order to promote long-term growth and ensure retirement security. Even as awareness grows, many in the younger group still struggle to navigate financial literacy, analyze risks, and engage in long-term planning. This study intends to investigate the investment patterns and financial planning behaviors of Surat professionals, providing useful information that can be used to improve financial education activities and policies, thereby improving the region's financial well-being.

2. Literature Review

Singh, Ravinder, Gupta, Komal (2025), investigate the investing patterns of professionals in Tier II cities such as Surat. Their findings show that these people often avoid high-risk investments in favor of safer alternatives like Public Provident Funds (PPFs) and bonds. This conservative approach may hamper their ability to accumulate wealth in the long run, emphasizing the significance of improved financial education to encourage more proactive investing methods among Surat residents.

Saha, Sneha, Deb, Somali, Digar, Biki (2024), investigate the investment habits of young professionals in metropolitan locations, highlighting their reluctance to make long-term investments while having greater education levels and salaries. This reluctance is ascribed to a lack of financial awareness and a preference for readily available cash assets. The report emphasizes that enhancing financial literacy can significantly improve investment habits among young professionals, a problem that equally applies to Surat's younger population.

Yeo, Kingsley Hung Khai, Lim, Weng Marc, Yii, Kwang-Jing (2023), This study, which examined financial planning behaviour among early to mid-career professionals, identified social influence and risk tolerance as crucial drivers. According to the study, mid-career professionals have a larger risk tolerance and are more concerned with retirement planning than younger workers. These tendencies are likely to apply in Surat, where both young and mid-career workers show evolving investment patterns as they gain financial expertise.

Elea (2022), The study analyzed the financial behaviors of Indian households and discovered that the majority of respondents engage in wealth management activities such as bank deposits, investments, and tax planning, demonstrating a high level of financial knowledge among ordinary people. However, the study acknowledges the limits of its small sample size and recommends additional research to investigate the factors driving this participation and knowledge gaps.

Grover & Kataria (2022), conducted a study on individuals' investment behaviour in Delhi, identifying major factors influencing the adoption of wealth management services. They emphasized the importance of investor attitudes and advocated for more research into how characteristics such as financial literacy, risk tolerance, and personal views influence wealth management decisions.

Basha & Kethan (2022), investigated the investment behaviors of IT workers in India and discovered that they often have low savings rates but prefer traditional investments such as bank deposits and insurance. Their findings highlight how family-oriented goals and a modest orientation to risk influence investment decisions.

Modi & Gondaliya (2021), The study evaluated personal financial planning awareness in Surat and concluded that an individual's financial literacy and attitudes toward financial planning are critical to their overall financial well-being. Their findings emphasize the importance of strengthening financial education.

Kadu & Pardeshi (2021), revealed a positive correlation between financial literacy and individual investors' involvement in personal financial planning. Their findings showed that having more financial knowledge had a beneficial impact on investment decisions and behaviour.

Deiny & Naidu (2020) assessed the level of financial planning awareness among professionals in Bangalore, uncovering significant deficiencies in financial literacy despite their career successes, particularly in areas such as risk management, investment strategies, and insurance choices.

Rao (2018), examined the intricacies of financial planning and investment behaviours in Tirupathi, finding that knowledge of financial planning varies according to educational level and age, with individuals possessing higher degrees demonstrating more comprehensive planning habits.

Popat & Pandya (2018), investigated the effect of financial literacy on investment decisions in Gandhinagar, highlighting different investment tendencies among rural and urban investors. Their results also emphasized the considerable part that social networks play in shaping investment actions.

Panda 2018, examined investment patterns in Malda Town, finding that people from different age brackets preferred low-risk investment options. The research additionally highlighted gender differences in saving practices, which could provide a foundation for creating focused financial literacy initiatives.

3. Methodology

Problem Statement:
Young and mid-career professionals in Surat City often encounter hidden obstacles in their financial planning stemming from a limited grasp of fundamental investment concepts. These concepts include Return on Investment (ROI), risk assessment, investment horizons, liquidity, tax implications, inflation rates, and market volatility. This lack of financial literacy results in challenges when selecting appropriate investment options, potentially endangering their financial security in the long run. Furthermore, many individuals remain unaware of the tax benefits available to them or lack effective tax planning strategies, which further hinders their capacity to make informed investment decisions. This research intends to investigate how these knowledge gaps affect the investment behaviors and financial planning techniques of young and mid-career professionals in Surat City.

Research Objectives:
- To identify the primary factors that influence the investment choices and financial planning strategies of young and mid-career professionals in Surat City.
- To explore how demographic characteristics such as age, income, education level, and career stage impact the investment decisions and financial planning methods of professionals in Surat City.

Research Design:
Research Category: A descriptive research approach will be employed to examine the characteristics and actions of investors, responding to the essential inquiries of "Who, What, When, Where, Why, and How" related to wealth management strategies.

Sample Design:
- Sample Size: 230 respondents.
- Sampling Unit: Individuals aged 21 and above.
- Sampling Method: Non-probability convenience sampling.

Data Analysis Tools:
- Data Collection Source: Organized survey.
- Nature of Data: Quantitative.
- Data Collection Approach: Primary data gathered directly from participants.
- Analytical Tools: SPSS and Excel.

Significance of the Study:
- For the Researcher: Improves comprehension, provides up-to-date perspectives, and stimulates further investigation.
- For the Public: Helps individuals identify investment opportunities and emerging industries. Supplies essential information to wealth management companies to tailor their services to the preferences of investors.

Limitations of the Study:
- Geographical Constraints: This research is concentrated on Surat City, which might not represent investment behaviours in other areas with varying economic or cultural backgrounds.
- Sample Bias: The focus of the study is on young and mid-career professionals, which may neglect the investment habits of other demographic segments, resulting in reduced generalizability.

Scope of the Study:
This research will investigate the different risk profiles, investment preferences, and the variables that affect investment choices, including gender and financial literacy. It will look into common investment avenues (like savings

accounts, bank deposits, and equity shares) and examine the motivations behind these preferences, such as family security and guidance from financial experts. The results are intended to offer valuable insights for financial institutions, advisors, and policymakers to adapt their services more effectively.

4. Data Analysis & Interpretation

Chi-Square Test between Gender and Awareness about Financial Planning

Chi-Square Test was conducted to assess the relationship between **Gender** and **Awareness about financial planning**.

Hypotheses:

- **H0 (Null Hypothesis):** There is no association between awareness about financial planning and gender.
- **H1 (Alternative Hypothesis):** There is an association between awareness about financial planning and gender.

The **crosstabulation** of the data for fiscal planning mindfullness and gender is presented below:

Awareness about Financial Planning	Yes	No	Total	P Value
Male	103	29	132	0.00
Female	50	48	98	
Total	153	77	230	

The table shows that out of the 230 participants:

- **153 were apprehensive** of financial planning (93 males, 45 females).
- **77 were'nt apprehensive** (29 males, 38 females).

Statistical Analysis: A Chi-Square test was performed to examine the association between gender and financial planning mindfullness. The **p-value** is **0.00**, which is less than the significance position of 0.05.

Interpretation: Given the p-value of 0.00, we reject the null hypothesis (H0) and accept the indespensible hypothesis (H1). This indicates a statistically significant association between gender and awareness of fiscal planning among youthful and mid-career professionals in Surat City.

Thus, gender significantly influences awareness about financial planning, suggesting the need for gender-specific financial education and planning initiatives for this demographic.

Mann-Whitney U Test between Gender and Factors Affecting Investment Decisions

The Mann-Whitney U test was conducted to examine the impact of **Gender** on various factors influencing investment decisions.

Key Hypotheses:

- **H0 (Null Hypothesis):** There is no significant difference between male and female participants in terms of the factors affecting investment decisions.
- **H1 (Alternative Hypothesis):** There is a significant difference between male and female participants in terms of the factors affecting investment decisions.

The results of the **Mann-Whitney U Test** for the different factors are summarized in the table below:

Factors Affecting Investment Decisions	P-Value	Male Mean Rank	Female Mean Rank	Total Mean Rank
Interest Rates	0.88	1.86	1.88	1.87
Risk Tolerance	0.576	2.14	2.23	2.18
Return Frequency	0.022	2.34	2.57	2.44
Regular Income	0.239	2.28	2.41	2.34
Safety & Security	0.725	2.32	2.39	2.35
Tax Benefits	0.609	2.29	2.40	2.33
Maturity Period	0.666	2.33	2.37	2.35
Liquidity	0.516	2.27	2.36	2.31
Inflation Rate	0.497	2.31	2.39	2.34
Volatility	0.123	2.20	2.38	2.28
Other Factors	0.777	2.78	2.84	2.81

Statistical Analysis:

- **Significant Differences**: The **p-value** for **Return Frequency** (0.022) is less than 0.05, indicating a statistically significant difference between male and female participants regarding the importance of this factor in investment decisions.
- **No Significant Differences**: For factors such as **Interest Rates**, **Risk Tolerance**, **Regular Income**, **Safety & Security**, **Tax Benefits**, **Maturity Period**, **Liquidity**, **Inflation Rate**, **Volatility**, and **Other Factors**, the **p-values** are greater than 0.05, suggesting no significant gender-based differences in their impact on investment decisions.
- **Interpretation:** The analysis shows that, on the whole, **gender** does not significantly affect the factors influencing investment decisions among young and mid-career professionals in Surat City. However, **Return Frequency** emerges as a notable exception, with a significant difference observed between male and female participants. This indicates that **financial planning practices** may be influenced by gender with respect to the timing of returns, but other factors largely remain unaffected by gender differences in this demographic.

5. Findings

The study titled "Investment Behavior & Financial Planning Practices Among Young & Mid-Career Professionals in Surat City" reveals several significant findings. It shows that 54% of the participants fall into the category of moderate risk-takers, with most opting to invest between 10% to 20% of their earnings. The investment options that are most commonly preferred include savings accounts first, followed by bank deposits, with equity shares ranking third. A medium-term investment approach appears to be favored by most respondents. Interestingly, younger participants showed a

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propensity for taking higher risks and were more inclined toward short-term investments. The research also highlights a connection between gender and financial planning knowledge. Moreover, motivating factors such as ensuring family security, reducing financial stress, and seeking professional advice were found to significantly influence investment behavior. However, the study did not reveal strong relationships between gender and most of the factors influencing investment decisions, except concerning the frequency of returns.

6. Conclusion

To summarize, the research titled "Investment Behavior & Financial Planning Practices Among Young & Mid-Career Professionals In Surat City" provides insightful information on how people manage their investments. A notable 54% of the respondents exhibit a moderate risk tolerance, with many investing between 10 to 20% of their income in various investment avenues. Savings accounts rank as the preferred investment choice, closely followed by bank deposits and equity shares. Most participants lean towards medium-term investment approaches, while younger respondents are more inclined to select higher-risk, short-term options compared to their older peers. The findings also reveal a link between gender and awareness of financial planning practices, particularly concerning preferences regarding the frequency of returns.

7. Recommendations

Grounded on these insights, it is recommended that wealth operation services and educational enterprise adapt their offerings to accommodate varying degrees of risk tolerance and investment timelines. Highlighting the significance of domestic security, streamlining fiscal planning processes, and offering expert guidance can inspire individualities to engage further actively in wealth management. Additionally, recognizing the unique preferences and risk profiles that differ across various age demographics—especially among younger individuals—will be pivotal for developing targeted investment products and strategies. This customized approach won't only attract a larger pool of investors but also foster a culture of informed and confident financial decision-making.

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