

Financial Planning for Special Needs Individual and their Families

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Abstract: *This study examines the financial planning practices, challenges, and support systems for families caring for individuals with special needs. The research focuses on assessing financial awareness, investment behavior, and the utilization of financial tools such as insurance, savings, and government schemes. A descriptive research design was adopted, and primary data were collected through a structured questionnaire from 160 respondents across urban and semi-urban areas. The findings indicate that families face significant financial challenges, including high medical expenses, lack of stable income support, and limited awareness of specialized financial planning tools. While a portion of respondents actively engage in saving and investment activities, a considerable number lack structured financial plans and exhibit low confidence in managing long-term financial needs. The study also highlights the critical role of financial advisors, non-governmental organizations (NGOs), and government support systems in improving financial preparedness. The study concludes that there is a strong need to enhance financial literacy, improve accessibility to government schemes, and promote customized financial planning strategies. Such measures are essential to ensure long-term financial security and well-being for individuals with special needs and their families.*

Keywords: Awareness, Financial Planning, Government Schemes, Investment Behavior, Special Needs

1. Introduction

Financial planning plays a crucial role in ensuring economic stability, risk management, and long-term financial security for individuals and families. It involves systematic allocation of financial resources to meet current needs while preparing for future uncertainties. However, for families caring for individuals with special needs, financial planning becomes significantly more complex due to unique and lifelong challenges such as continuous medical expenses, dependency, and uncertain income streams [1]. Unlike general households, families with special needs members must plan for long-term care that may extend throughout the lifetime of the dependent individual. These families often face increased financial burdens, including healthcare costs, specialized education, rehabilitation services, and assistive technologies. Additionally, caregiving responsibilities may restrict employment opportunities, thereby affecting income stability and savings capacity [2]. Such conditions necessitate a more structured and sustainable financial planning approach that goes beyond conventional methods.

In the Indian context, financial planning for special needs individuals is further complicated by limited awareness of financial tools, inadequate access to government welfare schemes, and low levels of financial literacy among caregivers [3]. Although the government has introduced various support programs, many families face challenges in accessing these benefits due to procedural complexities and lack of information. Furthermore, financial instruments such as insurance policies, special needs trusts, and long-term investment plans are underutilized, primarily due to lack of awareness and perceived complexity [4]. Traditional financial planning typically focuses on wealth creation, retirement planning, and asset accumulation. In contrast, financial planning for individuals with special needs requires a holistic approach that incorporates risk management, legal preparedness, and long-term sustainability. It also involves

planning for contingencies such as the incapacity or absence of caregivers, making it essential to integrate financial, legal, and social support mechanisms [5].

This study aims to explore the financial behavior, challenges, and planning practices of families caring for individuals with special needs. It seeks to assess the level of awareness and utilization of financial planning tools, identify key financial challenges, and evaluate the role of financial advisors, government schemes, and non-governmental organizations (NGOs) in supporting these families. By analyzing data collected from caregivers and families, the study provides insights into the effectiveness of existing financial strategies and highlights gaps in financial preparedness. The findings of this research are expected to contribute to the development of more inclusive and effective financial planning frameworks. By addressing issues related to awareness, accessibility, and financial literacy, the study emphasizes the need for customized financial solutions that can enhance the quality of life and long-term well-being of individuals with special needs and their families.

2. Research Methodology

This study adopts a descriptive research design to analyze the financial planning practices among families caring for individuals with special needs. The descriptive approach is appropriate as it enables systematic collection, analysis, and interpretation of data to understand existing conditions and behavioral patterns. A quantitative research methodology was primarily employed to ensure objective measurement and statistical analysis, supported by limited qualitative observations to capture contextual insights.

2.1. Data Collection

The study is based on both primary and secondary data

sources. Primary data were collected through a structured questionnaire designed to gather information on financial awareness, investment behavior, financial challenges, and utilization of financial tools. The questionnaire was carefully framed to ensure clarity, relevance, and sensitivity to respondents, particularly parents, guardians, and caregivers of individuals with special needs.

Secondary data were collected from various sources, including books, research journals, government publications, and credible online resources. These sources provided theoretical support and background information for the study.

2.2. Sampling Technique and Sample Size

A non-probability convenience sampling method was adopted due to accessibility constraints and the specific nature of the target population. The sample consists of 160 respondents from urban and semi-urban areas. The selected respondents include parents, caregivers, and guardians who are directly involved in financial decision-making for individuals with special needs.

2.3. Data Collection Procedure

Data collection was carried out using both online and offline survey methods as shown in Figure 1. Online questionnaires were distributed through digital platforms, while offline surveys were conducted through direct interaction with respondents. This mixed approach ensured better coverage and response reliability.

2.4. Tools and Techniques for Data Analysis

The collected data were analyzed using statistical tools such as percentage analysis and tabulation methods shown in Figures 2,3 and 4. These techniques were used to identify trends, patterns, and relationships among variables related to financial planning practices.

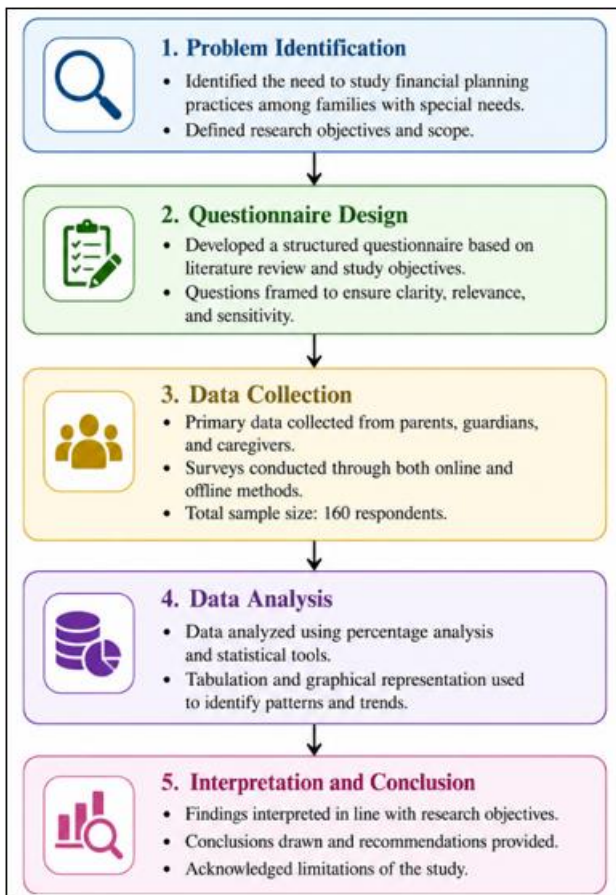


Figure 1: Data collection process flow chart

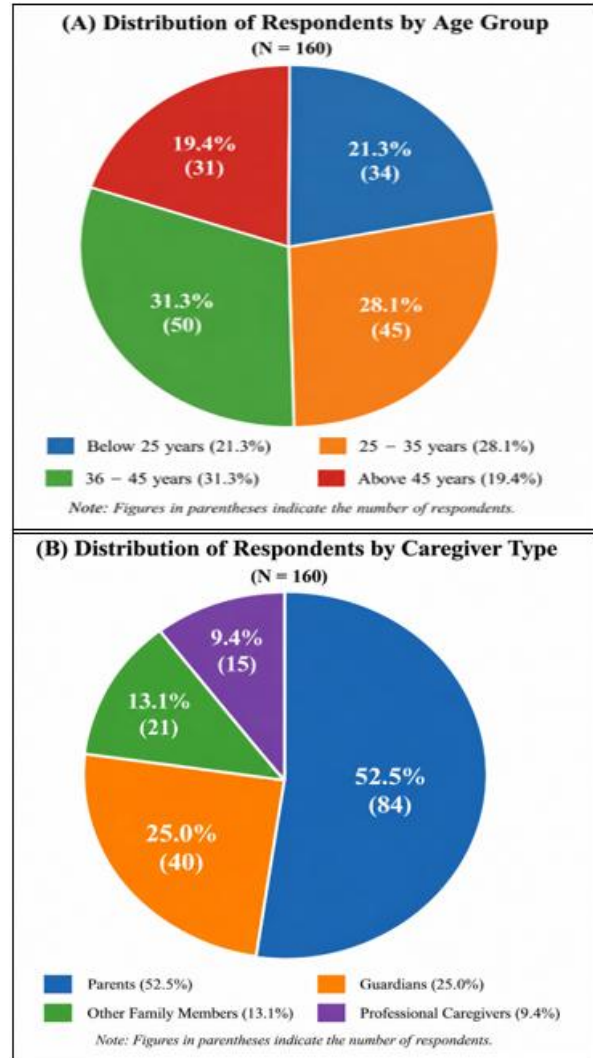


Figure 2: Sample Distribution chart

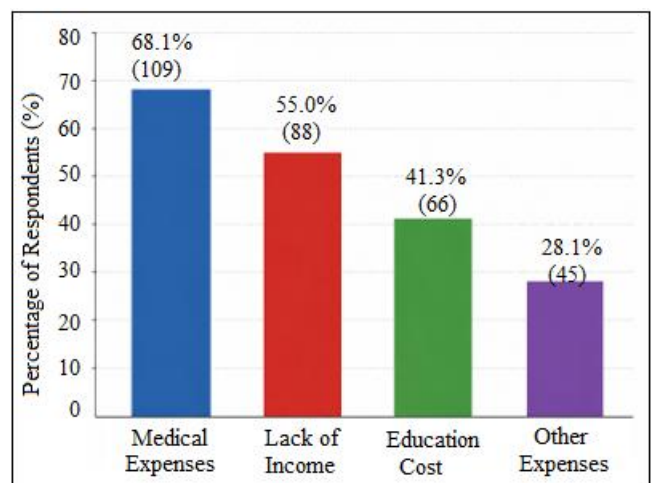


Figure 3: Financial Challenges faced by respondents

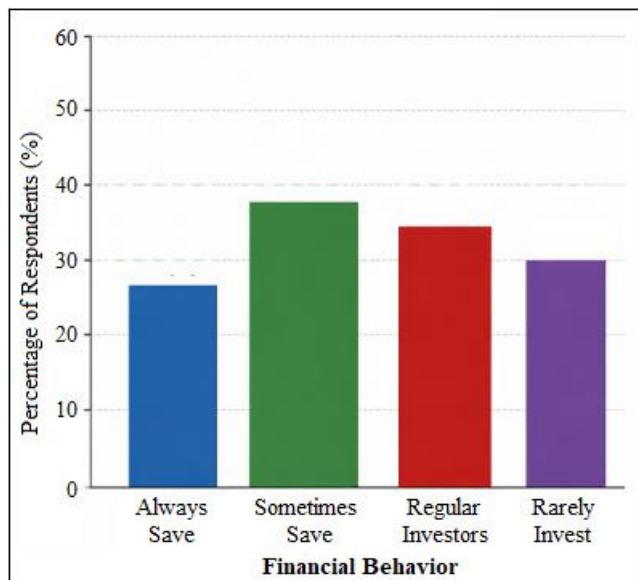


Figure 4: Savings and investment behavior

2.5. Scope and Limitations

The study focuses on families with special needs individuals residing in urban and semi-urban regions. It evaluates financial planning awareness, challenges, and the role of financial tools and support systems. The study has certain limitations. The use of convenience sampling restricts the generalizability of findings to a larger population. Additionally, the sample size is limited to 160 respondents, and responses are based on self-reported data, which may involve bias. The study is also geographically limited to urban and semi-urban areas.

Despite these limitations, the study provides valuable insights into financial planning practices and challenges faced by families with special needs individuals.

3. Results and Discussion

The findings of the study highlight critical financial vulnerabilities among families caring for individuals with special needs, emphasizing the long-term and multidimensional nature of financial planning in such contexts. A significant proportion of respondents (35%) reported that their dependents are above 40 years of age, indicating that caregiving responsibilities often extend over several decades. This underscores the necessity of adopting long-term financial planning strategies that go beyond conventional life-cycle models, incorporating provisions for lifelong care, medical contingencies, and post-caregiver security.

The financial burden associated with caregiving is substantial and persistent. Approximately 32% of respondents reported monthly expenditures ranging between ₹25,000 and ₹50,000, reflecting the high cost of healthcare, rehabilitation, and daily support services. Among the various financial challenges, medical expenses emerged as the most dominant factor (28%), followed by lack of income support (26%) and education-related costs (22%). This distribution indicates that healthcare costs are not only unavoidable but also constitute the primary driver of financial stress.

Furthermore, the lack of stable income sources exacerbates financial strain, particularly in households where caregivers are unable to engage in full-time employment.

The study also reveals inconsistencies in savings and investment behavior. While 35% of respondents reported engaging in investment activities, only 27% demonstrated consistent saving habits. This disparity suggests that financial planning among these families is often fragmented and lacks a structured approach. The moderate level of awareness and usage of financial tools (39%) further indicates that a considerable proportion of respondents are either unaware of or hesitant to utilize financial instruments such as insurance policies, pension schemes, and long-term investment options. This gap may be attributed to limited financial literacy, perceived complexity of financial products, and lack of professional guidance.

A particularly significant finding is the impact of caregiving responsibilities on employment patterns. Many respondents reported reducing their working hours, shifting to part-time roles, or completely exiting the workforce. This reduction in earning capacity directly affects household income and limits the ability to accumulate savings and investments. Consequently, families face a dual financial challenge: increasing expenditures coupled with declining income. This imbalance creates a cycle of financial vulnerability, making it difficult to achieve long-term financial stability.

Moreover, the study highlights a low level of confidence among respondents regarding their ability to manage future financial needs, with nearly half expressing uncertainty. This lack of confidence reflects inadequate financial preparedness and the absence of structured financial planning frameworks tailored to special needs care. It also suggests a psychological dimension to financial insecurity, where uncertainty about the future further compounds stress among caregivers.

The findings collectively point toward systemic gaps in financial support mechanisms. Although government schemes and institutional support systems exist, their reach and effectiveness appear limited due to lack of awareness, accessibility issues, and procedural complexities. In this context, the role of financial advisors, non-governmental organizations (NGOs), and policy interventions becomes crucial. Providing targeted financial education, simplifying access to welfare schemes, and promoting customized financial planning solutions can significantly enhance financial resilience.

4. Conclusions

This study concludes that financial planning for individuals with special needs remains a critical yet underdeveloped area, particularly in the context of developing economies. The findings reveal that families face persistent financial challenges, including high recurring healthcare and caregiving expenses, unstable income sources, and limited awareness and utilization of financial planning tools. These factors collectively contribute to long-term financial vulnerability and reduced economic security.

Despite an increasing recognition of the importance of financial planning, the absence of structured financial strategies and low confidence levels among caregivers indicate significant gaps in financial preparedness. The study also highlights that existing support systems, including financial advisors, non-governmental organizations (NGOs), and government welfare schemes, are not being effectively utilized, primarily due to lack of awareness, accessibility issues, and procedural complexities.

The research emphasizes the need for a comprehensive and integrated approach to financial planning for families with special needs individuals. Enhancing financial literacy, promoting awareness of specialized financial instruments, and simplifying access to government support schemes are essential steps toward improving financial resilience. Furthermore, the development of customized financial planning models tailored to the unique needs of such families is crucial.

From a policy perspective, collaborative efforts among policymakers, financial institutions, and social organizations are necessary to design inclusive financial frameworks and targeted support mechanisms. Strengthening these systems will not only ensure long-term financial security but also contribute to improving the overall quality of life and well-being of individuals with special needs and their families.

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Author Profile



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