

Financial Planning Behaviour among College Professors: An Empirical Study

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Abstract:

Financial planning is an important component of individual financial well-being and long-term security. This study examines the financial planning behaviour among college professors and identifies their investment preferences, savings patterns, retirement planning, and financial literacy. The study used a descriptive research design with primary data collected from 55 respondents through structured questionnaires. Statistical tools including percentage analysis were employed to analyze the data. Findings reveal that most respondents demonstrate moderate financial confidence but show a preference for traditional investment instruments such as gold and life insurance over modern financial products such as mutual funds and equity investments. Retirement planning and emergency fund creation were found to be relatively weak among respondents. The study suggests that improving financial literacy and promoting diversified investment opportunities can enhance financial preparedness and long-term financial stability.

Keywords: Financial Planning, Investment Behaviour, Financial Literacy, Savings, Retirement Planning, College Professors.

1. Introduction

Financial planning refers to the process of managing financial resources effectively to achieve both short-term and long-term financial goals. It includes budgeting, savings, investment planning, tax planning, risk management, and retirement planning. In today's dynamic financial environment, effective financial planning is necessary to ensure financial stability and improve quality of life.

College professors constitute an important professional group with stable income sources and long-term career prospects. Despite possessing educational expertise, their financial behaviour and investment decisions may differ significantly due to income levels, financial awareness, and risk preferences. Understanding the financial planning behaviour of educators provides insight into their financial preparedness and helps identify gaps in financial management practices.

2. Literature Review

Author & Year	Major Findings
Sarkar & Basu (2019)	Faculty members were aware of financial planning, but comprehensive planning practices were limited.
Aarthy et al. (2025)	Professors preferred low-risk savings and financial literacy significantly influenced saving behavior.
Sree Prakash et al. (2024)	Teaching faculty preferred traditional investments with growing interest in mutual funds and equities.
Surendar & Sarma (2017)	Higher education teachers demonstrated satisfactory financial literacy and planning awareness.

Author & Year	Major Findings
Shaikh & Shaikh (2021)	Tax planning was identified as an important component of overall financial planning.
Thamoung & Bora (2025)	Tax-paying teachers exhibited stronger financial planning attitudes than non-tax-paying teachers.
Surendar & Sarma (2018)	Teachers had adequate financial literacy and independent financial planning abilities.
Misra & Bohra (2024)	Professors showed average financial knowledge with positive attitudes toward financial planning.
Deepti & Vidya (2018)	Improved financial education and investment awareness were recommended.
Rema Devi (2025)	Teachers strongly preferred traditional low-risk investment avenues due to safety concerns.

Previous studies indicate that financial literacy significantly influences investment behaviour and financial decision-making. Research suggests that individuals with higher financial knowledge demonstrate better savings behaviour and greater participation in diversified investment opportunities.

Studies have also highlighted that many educators and salaried professionals prefer low-risk investment avenues due to conservative attitudes toward financial risk. Traditional savings methods such as fixed deposits, gold investments, and insurance continue to dominate investment preferences, while participation in equity markets and retirement schemes remain comparatively low.

3. Research Objectives

The objectives of the study are:

1. To analyze the financial planning behaviour of college professors.
2. To examine investment and savings patterns.
3. To evaluate retirement planning practices.
4. To assess financial literacy and risk attitudes.

4. Research Gap

The existing literature largely focuses on financial literacy, investment behavior, and savings habits among educators and salaried individuals. However, limited studies comprehensively examine financial planning behavior among college professors by integrating savings patterns, investment preferences, retirement planning, tax planning, and financial literacy dimensions together. Therefore, the present study aims to address this gap by providing a broader understanding of financial planning behavior among college professors.

5. Research Methodology

The study adopted a descriptive research design. Primary data were collected through structured questionnaires distributed among college professors and guest lecturers.

Sample size: 55 respondents

Sampling technique: Convenience sampling

Data analysis tools:

- Percentage analysis
- Chi-square analysis
- ANOVA
- Regression analysis

6. Statistical Analysis and Interpretation

6.1. Regression Analysis 1

Hypothesis

H₀: Gross annual household income has no significant effect on the amount of pension respondents expect after retirement.

H₁: Gross annual household income has a significant effect on the amount of pension respondents expect after retirement.

Interpretation

The regression results indicate a very weak relationship between gross annual household income and expected pension amount after retirement ($R = 0.005$). The coefficient of determination ($R^2 = 0.000$) shows that income explains almost none of the variation in pension expectations. The ANOVA results indicate that the model is statistically insignificant ($F = 0.001$, $p = 0.972$).

Further, the regression coefficient for gross annual household income ($B = 0.006$, $p = 0.972$) is extremely small and statistically insignificant. Therefore, household income does not significantly influence respondents' expected pension amount.

Decision: Since $p > 0.05$, **H₀ is accepted and H₁ is rejected.**

6.2. Chi-Square Analysis

Hypothesis

H₀: There is no significant association between financial instruments/insurance and percentage of monthly salary saved.

H₁: There is a significant association between financial instruments/insurance and percentage of monthly salary saved.

Interpretation

The Chi-square results indicate significant associations for several financial instruments such as Mutual Funds ($p = 0.000$), Fixed Deposit/Bonds ($p = 0.001$), Provident Fund ($p = 0.022$), Pension Fund ($p = 0.000$), Stocks and Equity ($p = 0.000$), NPS ($p = 0.000$), and Medical Insurance ($p = 0.000$).

Gold/Precious Metals ($p = 0.686$) and Life Insurance ($p = 0.686$) did not show statistically significant associations.

Decision: Since some variables have p-values less than 0.05, **H₀ is rejected and H₁ is accepted.**

6.3. Regression Analysis 2

Hypothesis

H₀: None of the financial instruments significantly affect the percentage of monthly salary saved.

H₁: At least one financial instrument significantly affects the percentage of monthly salary saved.

Interpretation

The regression model showed a moderately strong relationship between financial instruments and savings percentage ($R = 0.640$). The model explained approximately 41% of the variation in savings percentage ($R^2 = 0.410$), while the adjusted R^2 value of 0.276 indicates that 27.6% of the variance remains meaningful after adjustment.

The ANOVA result ($F = 3.055$, $p = 0.005$) indicates that the overall regression model is statistically significant.

Among the predictors, only **Provident Fund Account** demonstrated a significant impact ($B = -0.794$, $p = 0.008$). Other variables such as Mutual Funds, FD/RD/Bonds, Pension Fund, Gold, NPS, Life Insurance, and Medical Insurance did not show statistically significant effects.

Decision: Since the model significance value is less than 0.05, H_0 is rejected and H_1 is accepted.

6.4. Anova Analysis

Interpretation

The ANOVA analysis examined differences in investment patterns across various investment categories.

Significant Result

- NPS ($p = 0.038$) showed statistically significant variation among respondents.

Non-significant Results

- Fixed Deposit ($p = 0.072$)
- Mutual Funds ($p = 0.365$)
- Stocks/Shares/Bonds ($p = 0.137$)
- PPF ($p = 0.376$)
- Life Insurance ($p = 0.898$)
- Medical Insurance ($p = 0.941$)
- Gold/Jewelry ($p = 0.411$)
- Other Investments ($p = 0.819$)

The findings indicate that only NPS investment behavior differs significantly among respondent groups, while other investment categories do not exhibit statistically meaningful differences.

7. Major Findings

- Respondents demonstrate moderate confidence in financial management.
- Traditional investments such as gold and life insurance are highly preferred.
- Participation in pension schemes and equity markets is low.
- Monthly savings capacity remains limited.
- Emergency fund preparedness is weak.
- Retirement planning receives limited attention.
- Financial literacy regarding investment markets is moderate.

8. Suggestions

1. Financial literacy programs should be organized in educational institutions.
2. Greater awareness regarding retirement planning should be promoted.
3. Investment diversification should be encouraged.
4. Emergency fund creation should be emphasized.
5. Tax planning awareness should be strengthened.

9. Conclusion

The study concludes that college professors primarily prefer traditional and low-risk investment options. Despite moderate financial awareness, participation in diversified financial instruments remains limited. Retirement planning and emergency preparedness require improvement. Enhancing financial literacy and encouraging diversified investment practices can strengthen long-term financial security among educators.

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