International Journal of Scientific Research and Engineering Development-– Volume 9 Issue 6, Nov – Dec 2026
Available at www.ijsred.com

RESEARCH ARTICLE OPEN ACCESS

A STUDY ON FINANCIAL PLANNING STRATEGIES FOR INDIVIDUAL INVESTORS FOR LONG-TERM WEALTH CREATION

[1]Shweta Ambadas Thakre, [2]Dr. Ujwala Narkhede
[1]MBA-sem III Specialization: MBA Core Finance Management, Wainganga Collage of Engineering and Management, Nagpur
Email: shwetathakre2002@gmail.com
2Associate Professor, MBA Department Wainganga College of Engineering and Management
Email: vaidehi1210@gmail.com

****

Abstract

Financial planning helps individuals manage income, savings, investments, and future financial needs. Long-term wealth creation requires regular saving, suitable investment choices, diversification, risk management, and consideration of inflation. This study examines financial planning strategies for individual investors, with special reference to Nagpur, Maharashtra. It uses secondary sources, including academic studies, investor-education publications, and official financial information. The paper reviews financial literacy, budgeting, emergency savings, investment diversification, systematic investment plans (SIPs), retirement planning, and inflation. Existing research links financial literacy with financial planning and investment decisions, while official guidance emphasises diversification, risk assessment, and matching investments with financial goals. The study does not claim new survey results or guarantee wealth creation. It aims to provide practical recommendations for individuals seeking to manage their finances systematically.

Keywords: Financial planning; individual investors; long-term wealth creation; financial literacy; diversification; SIP; Nagpur; investment risk.

****

1. Introduction

1.1 Context of the study

Financial planning is the process of managing money to meet present needs and future financial goals. It includes budgeting, saving, investing, managing debt, protecting against emergencies, and preparing for retirement. Individuals receive income from salaries, businesses, professional work, or other sources and must decide how much to spend, save, and invest. Long-term wealth creation is not simply about earning high investment returns. It also depends on how regularly a person saves, how long the money remains invested, investment costs, risk, and inflation. A person who saves and invests a manageable amount every month may build a useful financial reserve, but actual outcomes depend on investment performance and costs.

1.2 Problem statement

Individuals may find it difficult to develop a financial plan because of competing expenses, limited investment knowledge, uncertain income, family responsibilities, or concerns about market risk. Some may choose investments mainly on recommendations from friends, family, or online sources rather than assessing their goals and risk tolerance. Others may save without considering inflation or the time required to achieve a goal.

The central problem addressed is how individual investors can use practical financial planning strategies to make informed decisions for long-term wealth creation.

1.3 Significance of the study

- Individual investors can better understand budgeting, saving, and long-term investing.
- Young earners can learn how starting early may support wealth accumulation.
- Families can plan for education, home purchases, emergencies, and retirement.
- Finance students can understand the relationship between financial literacy and investment decisions.
- Financial educators can identify important topics for investor education.

 ©IJSRED: All Rights are Reserved

1.4 Scope of the study

The study focuses on financial planning strategies relevant to individual investors in Nagpur, Maharashtra, using secondary sources rather than new questionnaire responses. It covers budgeting, emergency funds, financial goals, investment options, diversification, inflation, risk management, and retirement planning. It does not measure the actual wealth of Nagpur residents or assume that all local investors follow the same practices.

2. Background of the Study

2.1 Meaning of financial planning

Financial planning is a systematic process of deciding how to earn, spend, save, invest, and protect money to achieve financial goals. It includes understanding income and expenses, setting goals, creating emergency savings, choosing investments, managing debt and risks, and reviewing progress.

Example: A salaried employee earning Rs. 35,000 per month may budget household expenses, save for emergencies, pay loan instalments, and invest a suitable amount for retirement.

2.2 Long-term wealth creation

Long-term wealth creation means building financial assets over time to meet future needs. It may include savings, investments, retirement funds, and other assets after considering liabilities. Important factors include the amount invested regularly, the time invested, and actual returns after costs, taxes, and inflation. Compounding occurs when investment earnings remain invested and may generate further earnings; actual returns are not guaranteed.

2.3 Common investment options in India

Option	Main feature	Important consideration
Savings account	Convenient access to money	Returns may be limited
Bank fixed deposit	Interest terms set for the deposit	Check rate, maturity, tax, and applicable deposit protection
Government savings schemes	Saving under scheme rules	Eligibility, liquidity, lockin, and interest terms vary
Mutual funds	Pooled investment in securities or other assets	Risk and returns depend on the scheme
Equity shares	Ownership in companies	Prices can fluctuate significantly
Bonds and debt instruments	Interest income or debt exposure	Credit, interest-rate, and liquidity risks vary
Gold	Possible diversification or store of value	Prices fluctuate; costs and ownership form matter
Real estate	Property ownership and possible rent	Requires capital and may be difficult to sell quickly

No single option is suitable for every investor. Investors should consider safety, returns, liquidity, diversification, time horizon, and personal circumstances.

2.4 Financial literacy

Financial literacy means understanding and applying basic financial concepts such as interest, inflation, risk, diversification, and investment products. For example, a nominal return of 6% does not mean purchasing power has increased by 6% if prices have also risen.

3. Literature Review

3.1 Agarwal et al. (2015)

Agarwal and colleagues examined financial literacy and financial planning behaviour using participants in a financial advisory programme in India. The study considered knowledge of interest rates, inflation, and risk diversification, and examined its relationship with investment, insurance, and liability decisions. The authors reported an association between financial literacy and financial planning.

 ©IJSRED: All Rights are Reserved

Relevance: This supports the importance of financial knowledge. However, participants in an advisory programme may not represent all Indian investors, and the results cannot automatically be applied specifically to Nagpur.

3.2 Raut (2020)

Raut examined how financial literacy, previous behaviour, and social influences relate to individual investors' stockinvestment decisions. The study used questionnaire data from investors across four Indian states and structural equation modelling. The reported results indicated an important role for social influences in investment intentions. The model explained 36% of variation in stock investment intention.

Relevance: Investors may benefit from evaluating financial products independently instead of relying only on friends or family. However, the study concerns stock-investment intentions, not every aspect of household financial planning.

3.3 Chandekar and Keshtty (2025)

A study in the Journal of East-West Thought examines financial planning among individual investors in Nagpur, especially salaried employees. The publication reports a questionnairebased study of 200 participants and discusses investment preferences, financial awareness, and gaps between financial objectives and planning practices.

Relevance: This is geographically relevant, but its sample should not be treated as representative of every investor in Nagpur. Full publication details and methodology should be checked before relying heavily on the findings.

3.4 Deshmukh and Mahantare (2026)

A paper titled A Study of Financial Planning for Individual Investors in Nagpur was listed as published in June 2026 in the International Journal of Versatile Research and Analysis. Its abstract reports a descriptive study using primary and secondary data and a convenience sample of 60 respondents. The authors report preferences for traditional investments and a need for greater financial literacy and goal-oriented planning.

Relevance: This is another local source, so it would be inaccurate to claim that no Nagpur-specific research exists. The sample is relatively small and convenience-based; publication details and full methodology should be verified.

3.5 SEBI investor education

SEBI's investor-education materials explain asset allocation, diversification, risk, liquidity, and matching investments to financial goals and investment horizons. Its guidance notes that diversification may reduce exposure to problems affecting one investment but does not eliminate all risks. Past performance does not guarantee future returns.

3.6 AMFI and systematic investment plans

AMFI explains that a systematic investment plan (SIP) allows an investor to invest a fixed amount at regular intervals in a mutual fund. It can support disciplined investing and purchases at different market prices over time. A SIP is a method of investing, not a guarantee of profit; risk depends on the scheme.

3.7 Synthesis of the literature

Source	Main contribution	Main limitation
Agarwal et al. (2015)	Links financial literacy with planning behaviour	Advisory-program participants may not represent all investors
Raut (2020)	Examines literacy, social influence, and stock investment intention	Focuses on investment decisions, not complete financial plans
Chandekar and Keshtty (2025)	Nagpur-specific survey evidence	Findings depend on the surveyed sample
Deshmukh and Mahantare (2026)	Additional Nagpurspecific evidence	Convenience sample; details need appraisal

 ©IJSRED: All Rights are Reserved

SEBI	Practical guidance on risk and investment principles	Educational guidance is not proof of causal wealth effects
AMFI	Explains the SIP method	SIP information alone does not prove superior performance

Together, these sources suggest that financial knowledge, disciplined planning, awareness of social influences, and risk management deserve attention. They do not establish that every investor in Nagpur behaves alike or that one strategy is universally best.

4. Research Gap

The source review identifies previous research on financial planning and investor behaviour in India, including studies specifically concerning Nagpur. Therefore, the gap is not an absence of all previous research.

Instead, this paper addresses a more focused gap: combining academic evidence and official investor-education guidance to explain how individuals can bring budgeting, emergency savings, goal-setting, diversification, regular investing, inflation awareness, and retirement planning into one practical long-term financial plan.

The identified Nagpur studies rely on primary survey data from particular samples, whereas this paper uses secondary data to synthesise existing evidence. It develops an accessible framework rather than estimating how common particular investment behaviours are among Nagpur residents. This gap remains provisional and is limited to the sources reviewed; a systematic search would be needed to determine how much previous research has addressed this exact combination.

5. Research Objectives

- To understand the importance of financial planning for long-term wealth creation.
- To examine common financial planning strategies used by individual investors.
- To explain the role of diversification, inflation, and risk management in long-term investing.
- To review existing evidence on financial literacy and investment decision-making in India.
- To develop practical financial planning recommendations relevant to individual investors in Nagpur.

6. Research Questions

- Why is financial planning important for long-term wealth creation?
- Which financial planning strategies are supported by the reviewed literature and official guidance?
- How does financial literacy relate to investment decisions?
- Why should investors consider risk, inflation, liquidity, and investment duration?
- How can the reviewed evidence support a practical longterm financial planning framework for investors in Nagpur?

7. Hypotheses

Formal statistical hypotheses are not necessary for the current descriptive secondary-data design. The paper does not collect a new dataset or test a statistical relationship between variables. A future primary survey or quantitative secondarydata study could test whether greater financial literacy is associated with more systematic financial planning, using clearly defined measures and appropriate data.

8. Research Methodology

8.1 Research design

The study adopts a descriptive research design based on secondary data. It describes existing knowledge about financial planning and wealth creation rather than collecting new responses. This approach allows academic studies, official guidance, and practical principles to be compared without a costly survey.

8.2 Sources of data

Source	Information sought
Academic journals	Research on financial literacy, planning, and investor behaviour

 ©IJSRED: All Rights are Reserved

SEBI	Investor education, diversification, risk, and asset allocation
AMFI	Mutual fund education and SIP information
MoSPI	Consumer price index and inflation data
RBI	Household savings and financial-system information
Nagpur-specific studies	Existing local evidence on financial planning

8.3 Study area and period

The geographical focus is Nagpur city, Maharashtra. National publications explain general principles, while Nagpur-specific research provides local context. National evidence is not presented as if it directly measures all Nagpur investors. The review prioritises research published between 2015 and October 2026, allowing older foundational sources where relevant.

8.4 Selection criteria

- Sources must address financial planning, financial literacy, investing, or wealth creation.
- Sources should come from identifiable academic publishers, government bodies, regulators, or recognised industry organisations.
- Sources should provide enough detail to understand the claim being made.
- Sources with unclear methods or incomplete publication details are treated cautiously.

8.5 Key concepts and measures

Concept	Meaning in this study
Financial planning	Organising income, expenses, savings, investments, and goals
Financial literacy	Understanding interest, inflation, risk, diversification, and products
Saving discipline	Setting aside money regularly for future needs
Diversification	Spreading investments across different assets or investments
Investment horizon	The period money can remain invested
Inflation	Increase in prices that reduces purchasing power
Wealth creation	Accumulating assets over time while considering liabilities and costs

8.6 Analysis techniques

- Descriptive analysis: explain main concepts and strategies.
- Comparative analysis: compare objectives, methods, findings, and limitations of studies.
- Thematic analysis: group evidence under literacy, saving, investing, diversification, inflation, and retirement planning.
- Illustrative calculations: demonstrate compounding, separating assumptions from observed data.

No new statistical relationship, correlation, or causal effect will be reported without appropriate data.

8.7 Ethics

The study acknowledges original authors and organisations. It does not fabricate respondents, survey results, financial returns, or statistical findings. Investment examples are educational and not personalised investment advice.

9. Data Analysis and Interpretation

Because the study uses secondary data, the analysis compares existing research and interprets official guidance. It does not claim an original investor survey or new empirical results for Nagpur.

9.1 Financial literacy and planning

Agarwal et al. (2015) report an association between financial literacy and financial planning behaviour in India. Raut (2020) examines how literacy and social influences relate to investment decisions. These studies examine different outcomes: financial planning includes budgeting, insurance, debt management, and future needs, not just selecting shares or mutual funds.

Interpretation: Financial knowledge may help individuals make informed decisions, but income, expenses, access to products, personal circumstances, and market conditions also matter.

9.2 Regular saving and investing

AMFI describes SIPs as a method for investing a fixed amount at regular intervals. An investor may set a monthly investment target after accounting for essential expenses, debt repayments, and emergency savings. A SIP can help create a habit, but it does not eliminate market risk or guarantee positive returns.

 ©IJSRED: All Rights are Reserved

9.3 Illustrative example of compounding

Consider a hypothetical individual investing Rs. 2,000 at the end of every month for 20 years. Total contributions would be Rs. 480,000. If a constant annual return of 8% were assumed, compounded monthly, the illustrative future value would be approximately Rs. 1.18 million before taxes, fees, and inflation. This is a mathematical illustration, not an observed result or a prediction of mutual fund performance.

The example shows how contribution size, time, and assumed returns affect possible future value. Actual investment returns vary and are not guaranteed.

9.4 Diversification and risk

SEBI recommends considering diversification across different assets and investments. An investor who puts all savings into one company's shares faces company-specific risk. Spreading investments across suitable assets can reduce dependence on one investment, although broad market losses may still affect the portfolio.

Interpretation: Diversification manages some concentration risks; it does not remove all risk.

9.5 Inflation and purchasing power

The Consumer Price Index tracks changes in the prices of goods and services purchased by households. If a household needs Rs. 10,000 today for an expense, it may need more in the future if prices rise. Financial goals should therefore be considered in future purchasing-power terms. The exact amount depends on the expense category, relevant inflation rate, and time period.

9.6 Local relevance to Nagpur

The two reviewed Nagpur-specific studies describe financial planning and investment behaviour using survey samples of 200 and 60 respondents. Their findings concern the participants studied and should not be generalised to all residents. This secondary-data study adds a practical synthesis of planning principles but cannot determine the most popular investments among all Nagpur residents or calculate average local household wealth.

10. Findings

The following findings are supported by reviewed literature and official guidance. They are not results from a new survey.

- Financial literacy is relevant to financial planning; Agarwal et al. (2015) report an association between literacy and planning behaviour.
- Investor decisions can be affected by social influences; Raut (2020) identifies an important role for social influences in stock investment intentions.
- Nagpur-specific research already exists, but the reviewed studies concern selected samples.
- Diversification is a risk-management strategy, not a guarantee; it cannot remove every investment risk.
- Regular investing through SIPs can support a saving habit, but outcomes remain uncertain.
- Inflation matters when planning future expenses because changes in prices affect purchasing power.

These findings support structured financial planning. They do not prove that any single strategy guarantees higher wealth or that all Nagpur investors follow the same practices.

11. Discussion

The literature and official guidance suggest that long-term wealth creation should combine financial knowledge, disciplined saving, suitable investment selection, and risk management.

First, financial literacy can help investors understand products, but knowledge alone cannot ensure success. An individual with modest or irregular income may have less capacity to invest than someone with stable, higher income.

Second, regular investing can make planning easier to implement. Yet a SIP is only a contribution method; suitability depends on scheme risk, costs, time horizon, and the investor's ability to withstand losses.

Third, diversification can reduce dependence on one asset or company, but a diversified portfolio may still decline in a broad market downturn.

 ©IJSRED: All Rights are Reserved

Investors should consider when they will need the money, not only potential returns.

Fourth, inflation makes it necessary to review long-term goals periodically. Investors should not respond by automatically taking greater risks; the balance between growth, safety, and liquidity depends on personal circumstances.

Finally, Nagpur-specific studies provide local context but have sample and method limitations. A secondary-data review can integrate their findings with broader principles, but cannot replace a representative local survey or longitudinal study.

12. Recommendations

12.1 Prepare a monthly budget

Record income and major expenses to understand how much can reasonably be saved without neglecting essential needs. For example, separate rent, food, transport, loan repayments, savings, and discretionary spending.

12.2 Build emergency savings

Plan for unexpected expenses before committing too much money to long-term or illiquid investments. The appropriate reserve depends on income stability, family responsibilities, and essential monthly costs.

12.3 Set clear financial goals

Set a target amount and time horizon for each goal, such as higher education in five years, a home in ten years, or retirement over several decades. Different goals may require different liquidity and risk levels.

12.4 Invest regularly within an affordable budget

Consider regular investments after essential expenses, expensive debt, and emergency savings are addressed. SIPs may support a regular habit, but the scheme should fit the goal and risk tolerance.

12.5 Diversify appropriately

Avoid placing all investment money in a single company, sector, or asset without understanding the risk. The suitable mix of equity, debt, deposits, and other assets varies by individual.

12.6 Consider inflation

Review future financial goals periodically and consider how rising prices may affect costs, especially for education and retirement.

12.7 Improve financial literacy

Learn product features, risks, costs, and tax implications before investing. SEBI and AMFI educational resources are useful starting points. Be cautious about guaranteed-return claims, unverified online tips, and pressure to buy unsuitable products.

12.8 Review the financial plan

Review the plan when income, family responsibilities, goals, or investment needs change, to ensure savings and investments remain aligned with objectives.

12.9 Improve local financial education

Educational programmes in Nagpur could explain budgeting, emergency savings, inflation, investment risks, diversification, and retirement planning in accessible language. Marathi and Hindi material may help some learners, but programme effectiveness should be evaluated rather than assumed.

13. Limitations

- No primary data: no new questionnaire responses or interviews were collected.
- Limited local generalisation: existing Nagpur studies use selected samples.
- Dependence on published sources: analysis is limited by source availability and quality.
- Different methods: reviewed studies use different populations, samples, and measures.
- No original statistical testing: no new correlations or causal relationships are established.
- Changing conditions: rates, products, taxation, and inflation change over time.
- Illustrative calculations use assumed returns and do not forecast actual outcomes.
- The review is focused, not an exhaustive systematic review of all Nagpur research.

 ©IJSRED: All Rights are Reserved

Future research could use a larger, more representative Nagpur sample or longitudinal data to examine actual planning practices and changes in wealth over time.

14. Conclusion

Financial planning is important for long-term wealth creation because it connects present decisions with future needs. Budgeting, emergency savings, clear goals, regular investing, diversification, and inflation awareness can help individuals organise their finances.

The reviewed research suggests that financial literacy is related to financial planning and that social influences may affect investment decisions. SEBI and AMFI guidance reinforce the importance of understanding investments, managing risk, and selecting products according to personal goals.

Nagpur-specific literature already exists. This paper contributes by combining existing evidence and practical principles in an accessible framework, rather than claiming to measure the behaviour of all investors in the city.

Long-term wealth creation depends not on a single investment product but on a suitable plan, consistent implementation, informed decisions, and periodic review. No strategy can guarantee wealth, but a considered plan can support betterinformed financial decisions.

15. References

1. Agarwal, S., Amromin, G., Ben-David, I., Chomsisengphet, S., & Evanoff, D. D. (2015). Financial literacy and financialplanning: Evidence from India. Journal of Housing Economics, 27, 4–21.
2. Association of Mutual Funds in India (AMFI). (n.d.). Investor Corner and Systematic Investment Plan resources.
3. Chandekar, D., & Keshtty, P. (2025). Study on Financial Planning for Individual Investors. Journal of EastWestThought, 15(1).
4. Deshmukh, N., & Mahantare, L. (2026). A Study of Financial Planning for Individual Investors in Nagpur. InternationalJournal of Versatile Research and Analysis, 4(6), b468–b478.
5. Ministry of Statistics and Programme Implementation, Government of India. (n.d.). Consumer Price Index data
6. Reserve Bank of India. (2025). Annual Report 2024–25.
7. Raut, R. K. (2020). Past behaviour, financial literacy and investment decision-making process of individual investors.International Journal of Emerging Markets, 15(6), 1243–1263.
8. Securities and Exchange Board of India (SEBI). (n.d.). Financial Education Booklet.
9. Securities and Exchange Board of India (SEBI). (n.d.). Investments: Factors to Consider Before Investing.
10. Securities and Exchange Board of India (SEBI). (n.d.). Securities Market Investment: How to Manage InvestmentRisks.

 ©IJSRED: All Rights are Reserved