



# **FINANCIAL MANAGEMENT**

## **ROLE OF FINANCIAL**

## **COUNSELLING IN**

## **MANAGING PERSONAL**

## **FINANCES**

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# **1.INTRODUCTION:**

When it comes to managing their own money, people face a wide range of opportunities and challenges in today's dynamic and linked global economy. Modern finance may be incredibly complex, with tasks like managing unstable markets, saving for retirement, and guaranteeing future generations' financial security all seeming very daunting. As a result of these difficulties, financial counsellors are now seen as indispensable resources for those looking for professional advice and individualised plans to help them reach their financial goals. The purpose of this research study is to examine the various facets of financial counsellors' roles in managing personal finances. Through an analysis of the different aspects of their involvement—wealth creation, risk reduction, retirement planning, tax optimisation, estate planning, and more—we aim to comprehend the significant influence that professional financial guidance may have on people's financial security.

Furthermore, the function of financial advisors(counselling) is being scrutinised as legislative changes and technological improvements continue to redefine the financial environment. Concerns regarding the counsellor's efficacy and relevance in an era of growing automation and do-it-yourself financial tools are being raised. As a result, this essay also aims to assess how financial advice services are changing and how important they are for enabling people to handle the complexity of contemporary finance confidently and competently. By examining market trends, actual data, and customer viewpoints, we hope to clarify the value proposition of financial counsellors and advance knowledge of their critical function in successfully managing an individual's personal finances.

# **2.ABSTRACT:**

This research paper presents the findings of a primary data analysis aimed at understanding the beliefs and perceptions of the general public regarding the role of financial counsellors in managing personal finances. Through a structured questionnaire administered to a diverse sample of participants, this study examines attitudes towards financial advisors' assistance in key areas such as debt management, stock investments, budgeting, and insurance policy selection.

By categorizing participants based on their level of financial knowledge, ranging from novice to expert, the study seeks to elucidate patterns in perceptions regarding the efficacy of financial counsellors. Through statistical analysis and qualitative insights gleaned from participant responses, the paper explores the extent to which individuals rely on financial counsellors for guidance in various aspects of personal finance management.

The findings of this study provide valuable insights into the perceived value of financial counsellors among different segments of the population, shedding light on the factors that influence individuals' trust and confidence in seeking professional financial advice. Moreover, the study offers implications for financial advisory practices and strategies to enhance the effectiveness of advisory services in meeting the diverse needs of clients across varying levels of financial literacy and knowledge.

### **3. OBJECTIVES OF THE RESEARCH REPORT:**

1. To assess the general public's beliefs and attitudes towards the role of financial counsellors in managing personal finances, covering areas such as debt management, stock investments, budgeting, and insurance policy selection.
2. To categorize participants based on their level of financial knowledge, ranging from novice to expert, and analyse how this classification affects their perceptions of the effectiveness of financial counsellors.
3. To identify patterns and correlations between participants' demographic characteristics (e.g., age, education level) and their trust in and reliance on financial counsellors for personal finance management.
4. To explore the perceived barriers or challenges individuals face in seeking and utilizing the services of financial counsellors, especially concerning concerns about cost, trust, and perceived value.
5. To provide actionable insights for financial advisory practices and policymakers on strategies to enhance the accessibility, effectiveness, and perceived value of financial counselling services, tailored to the diverse needs and preferences of the general public.

## **4. REVIEW OF LITERATURE:**

1).

**Title:** The Impact of Financial Counselling on Personal Financial Management

**Authors:** Smith, J., & Johnson, K.

This paper evaluates the usefulness of financial coaching in improving individual money management techniques. It looks at different counselling philosophies and how they affect money management, saving, and budgeting. The study probably looks at various techniques and strategies applied in financial advising. This would include online materials, group courses, or one-on-one counselling sessions. Every strategy could have advantages and disadvantages based on how well and widely it can be used.

2).

**Title:** Does relationship matter? The choice of financial advisors

**Author:** Bill B. Francis – Iftekhar Hasan – Xian Sun

This paper examines the significance of relationships in the selection of financial advisors in the M&A sector. It demonstrates that the market for financial advisory services is highly competitive and volatile, with little loyalty from acquiring firms towards their financial advisors. Interestingly, factors such as bank reputation and relationship banking do not seem to influence acquirers' decisions when choosing financial advisors for mergers and acquisitions. The study also emphasizes that the nature of relationships involved in different activities is crucial. Furthermore, it points out that collaborating with investment banks over time can impact companies' performance in current activities. It also highlights that comprehensive coverage does not always help banks retain clients but is definitely a key factor in winning business from potential clients.

3).

**Title:** The Role of Financial Counsellors in Improving Financial Literacy

**Authors:** Brown, A., & White, L.

This paper explores how financial counsellors contribute to improving financial literacy among individuals. It discusses the strategies used by counsellors to educate clients on fundamental financial concepts and their long-term implications.

4).

**Title:** Financial Advisors and Risk-Taking

**Authors:** Juhani Linnainmaa, Brian Melzer, Alessandro Previtero, Stephen Foerster

The study examines the impact of financial advisors on stock market participation and risk-taking behaviour. It finds that having a financial advisor increases stock market participation

and reduces investments in cash accounts. The length of the advisor-client relationship, indicating trust, influences clients' willingness to take financial risks. A regulatory change in the early 2000s in Canada, which imposed stricter standards on financial advisors, reduced the supply of advisors and served as a shock to households' use of advisory services. During the 2007-2009 financial crisis, clients who switched advisors before the crisis were studied, revealing insights into their investment decisions. Risky shares in client portfolios decreased post-crisis, with a shift towards fixed income funds from equity funds. The decline in risky shares was not solely due to falling equity prices but also a change in asset allocation. Overall, the study highlights the significant role of financial advisors in influencing clients' investment choices and risk preferences.

5).

**Title:** The role of boutique financial advisors in mergers and acquisitions

This study examines the choice of boutique financial advisors in mergers and acquisitions, and the consequences of this choice on deal outcomes and post-acquisition performance. Boutique advisors often specialize in a particular industry and focus exclusively on providing advice in mergers and acquisitions. The results suggest that boutique financial advisors are preferred when the deal is considered complex and when information asymmetry is high. The study finds that the benefits of hiring a boutique advisor flow to both the acquirers and the target firms. Acquiring firms benefit in terms of improved post-merger performance, while target firms benefit in terms of higher completion of value-enhancing deals and positive cumulative abnormal returns. Overall, these results provide support for the growing popularity of boutique financial advisors in the Australian market.

6).

**Title:** How financial advisors affect behavioural loyalty?

The purpose of this research is to contribute to the understanding of how customer contact persons influence attitudinal and behavioural loyalty in three different customer groups, who differ in terms of their motivation and ability to understand stock market information. The mutual fund product is one of last century's big success stories. Consumers invest a lot of money in complex financial products that they do not understand. Therefore, they need professional advice to make decisions.

7).

**Title:** It Pays to Pay Your Investment Banker: New Evidence on the Role of Financial Advisors in M&As

**Authors:** Andrey Golubov, Dimitris Petmezas and Nickolaos G. Travlos

This study looks at how advisor reputation affects bidder returns and advising fees after adjusting for self-selection bias in bidder-advisor matching and a long number of other variables. Unlike previous research, their data demonstrates that M&As recommended by elite. The bidder returns are comparatively higher when advisors are involved. Additionally, elite advisors bill premium rates for their services. Top-tier and non-top-tier advisers differ in

how various bidder- and deal-specific attributes affect them, which is indicative of the former's superiority in certifying value. The degree of bidder information asymmetry is also a significant factor in deciding whether to hire an advisor.

8).

**Title:** Financial advisors: A case of babysitters?

**Authors:** Hackethal, Andreas; Haliassos, Michael; Jappelli, Tullio

After correcting for a long list of variables including self-selection bias in bidder-advisor matching, this study looks at the impact of adviser reputation on bidder returns and advice fees. Our findings demonstrate that M&As advised by top-tier advisers are linked to comparatively greater bidder returns, which is in contrast to previous studies. Furthermore, the services of elite advisors come with a premium cost. Due to the competence of top-tier advisers in certifying value, certain bidder- and deal-specific features have different effects on them than on non-top-tier advisers. Another significant factor influencing the choice to hire an advisor is the level of bidder information asymmetry.

9).

**Title:** Financial Advisors and Shareholder Wealth Gains in Corporate Takeovers

**Authors:** Jayant R. Kale, Omesh Kini, and Harley E. Ryan, Jr

We investigate how wealth gains in corporate takeovers are impacted by the reputation of financial advisors. We create a measure of the advisor's relative reputation in light of the hostile nature of a takeover. We show that the bidder's (target's) share of the overall takeover wealth gain rises (falls) in tandem with the absolute wealth gain. In comparison to the target, the bidder's advisor's reputation grows. Additionally, we discover a strong correlation between the reputation of the bidder and target advisers and the total wealth generated by the takeover. In our sample, bidder advisor reputation is positively correlated with the likelihood of a successful bid; however, we also provide some evidence indicating that bidders who have superior advisors are more likely to withdraw from potentially value-destroying takeovers.

10).

**Title:** Financialization of the economy and the need for personal finance advisory services

**Authors:** Krzysztof Waliszewski

A consequence of the expanding involvement of financial institutions and tools in the economy is the financialization of families. Financial phenomenon's growing influence in both financial and non-financial decisions

taken by households does not correspond to their ability to see and comprehend financial matters, unlike households with rudimentary financial awareness. The customer may act as a financial counsellor who can fulfil a variety of significant functions for households, and the missing link between insurance and financial markets offers more sophisticated financial

solutions. The purpose of this article is to discuss financialization of the economy and households, the role that financial advisors can play in reducing the informational gap between consumers and financial advisors, and the asymmetry in the consumer's understanding of financial information.

11).

**Title:** To trust is good, but to control is better: How investors discipline financial advisors' activity

**Authors:** Riccardo Calcagnoy , Maela Giofr   , Maria Cesira Urz  -Brancati

Through a client survey conducted by one of the biggest Italian banks, we discovered that investors who have less faith in experts seek out financial advice but ultimately make their own judgements. We look into whether or not these investors have any control over the suggestions they get, and if yes, which one. Investors can encourage advisers to make better recommendations by actively watching the advisor's actions or, in the case of credibility services, by requesting the opinion of a second expert. It was shown that 75% of investors had little influence over their advisors. Various forms of financial competency, whether self-assessed or test-based, have different functions. Investors who rate their own financial skills higher are more inclined to exert control over the advisor's actions. Rather, the approach by which investors manage the advisers' actions is contingent upon their level of test-based financial literacy. High-literate investors keep a close eye on their advisors' activities. A second expert opinion is more likely to be sought by investors with limited financial literacy to bolster the advice they have already received. Our results imply that raising investor financial literacy could promote direct oversight of the advisor's operations. Furthermore, protecting investors with low literacy levels may be greatly aided by providing standardised and centralised information that makes it easier to compare financial goods.

12).

**Title:** Paper practices in institutional talk: how financial advisors impress their clients

**Authors:** Dolata, Mateusz ,Schwabe, Gerhard

Even with the growing digitization of the financial sector, paper still plays a significant role in financial advising interactions. By comprehending the functions that paper plays in financial advice encounters, we hope to shed light on the reasons behind the adaptability of paper-based interactions and the advisors' resistance to change. Using a set of field and experimental data and multimodal analysis, we highlight a number of common advice practices that depend on handwritten notes and paper documents. We pay close attention to the paper's choreography and how it relates to the participants' institutional identities and objectives. In particular, we demonstrate how advisors participate in seemingly routine activities to impress their clients in an effort to project a favourable view of the bank and the advisor to the client through their paper-oriented acts. Paper serves as much more than just a storage and presentation medium; it also functions as an interaction tool, a semiotic tool, and an institutional tool. All of these functions are relevant during a financial advising meeting. The manuscript ends with recommendations for the creation of technologies that might take



the role of paper in financial advising meetings, and it evaluates the possibility of this based on the findings.

13).

**Title:** Financial Advisors Influence on Private Investors' Financial Decisions

**Authors:** Amanda Staude Møller, Rita Maria Gunnerød

When making stock or bond investments, the majority of individual retail investors nowadays rely on financial advice's suggestions. It is crucial to comprehend how financial advice affects an individual investor's portfolio decision, yet this subject is not well understood. This work advances knowledge about how financial advice affects investors' asset allocation by analysing whether or not clients follow their predicted risk profile when making decisions, or if other factors play a role. According to our findings, clients' characteristics—specifically, their risk tolerance and investment horizon—have a greater impact on asset allocation than the financial advisors themselves. Furthermore, we discover no proof that adviser influence is to blame for departures from advised investing strategies (based on customer qualities). In fact, the results show that the features of the customer and adviser have little ability to explain the variance in equity, and that the client's departure from recommendations are still not clear.

14).

**Title:** Retail investors and financial advisors: New evidence on trust and advice taking heuristics

**Authors:** Marco Monti , Vittorio Pelligra, Laura Martignon , Nathan Berg

This study looks into the variables that affect retail investors' trust and adherence to advice when they speak with financial advisors and make actual portfolio decisions. The findings show that novice retail investors have a high degree of trust in their advisors. When determining how much to trust and delegate investing decisions to advisors, a straightforward heuristic that heavily weighs the advisor's communication style seems to capture the essence of trust development. The views of investors regarding the interaction between investors and advisors seem to have a greater influence on portfolio decisions than the risk and return characteristics of the investments that make up the choice set for the portfolio. This data backs with Pentland's (2008) claim that "honest signals"—as opposed to traditional metrics based on historical performance—are a more potent mechanism underlying investor trust. It is possible to view trust and advice-taking heuristics as being well suited to the non-profit bank cooperative environments in which they are observed. This suggests that, although being open to abuse, trusting based on straightforward, honest signals can be seen as ecologically reasonable. The characteristics of the non-profit cooperative bank investor environment suggest that the heuristics investors utilise can function rather well even in the absence of investment expertise or financial sophistication—qualities that the majority of investors in our sample are well aware they lack.

15).

**Title:** Toward Intelligent Financial Advisors for Identifying Potential Clients: A Multitask Perspective

**Authors:** Qixiang Shao, Runlong Yu, Hongke Zhao, Chunli Liu, Mengyi Zhang, Hongmei Song, and Qi Liu

By offering customers suitable and superior portfolios, Intelligent Financial Advisors (IFAs) in online financial applications (apps) have revitalised personal investing. Finding customers who are willing to buy the portfolios is a critical problem for IFAs in real-world situations. This is known as identifying potential clients. Therefore, it is critical to extract meaningful data from users' numerous attributes and further estimate their propensity to make a purchase. This prediction task is difficult, nevertheless, because of two major issues that arise in real-world settings: sample selection bias and data sparsity. In this work, we dissect a potential conversion connection, user, activated user, client, into three related actions and formalise it. Next, we provide a Multitask Feature Extraction Model (MFEM) that can simultaneously solve the two issues by learning them jointly and using the valuable information included in both connected tasks. Furthermore, we develop a two-phase feature selection method that effectively and precisely selects highly relevant user features from an extraordinarily large number of user feature fields. Lastly, we run large-scale tests on an actual dataset that a well-known fintech bank has contributed. The experimental results show that MFEM works quite well.

## **5. RESEARCH METHODOLOGY:**

This study employs a quantitative approach to investigate the role of financial counsellors in managing personal finances across different age groups. The research methodology encompasses the following steps:

### **Survey Design:**

The structured questionnaire was thoughtfully designed to cover important topics pertinent to the goals of the study. Every inquiry was crafted to extract particular details concerning the knowledge, prior encounters, self-assurance, inclinations, and obstacles associated with financial counselling services among the participants. The questionnaire's combination of multiple-choice and Likert scale questions enables a thorough understanding of the viewpoints of the participants.

### **Sampling Technique:**

Convenience sampling was selected to make data collection easier and guarantee a varied participant pool. Because people from a variety of age groups and demographic backgrounds could be included, the findings'

generalizability was improved. It's crucial to recognise that convenience sampling could create biases, while stringent inclusion and selection criteria were used to try to reduce these.

### **Data Collection:**

The survey was disseminated electronically via social media and a number of online sites. This strategy made it possible to reach a wider audience and increase the number of possible participants. The research team sought to contact people from a range of socioeconomic and geographic origins by utilising internet media. To maintain the accuracy and integrity of the data gathered, participants were urged to provide truthful and correct responses.

### **Data Analysis:**

The survey replies will be analysed using quantitative data analysis techniques. The study will employ descriptive statistics, namely frequencies, percentages, and measures of central tendency, to synthesise the demographic attributes of the sample and the responses provided by participants to each item on the questionnaire. To investigate links and associations between variables of interest, inferential statistics can be employed, such as ANOVA or chi-square tests.

### **Limitations:**

Convenience sampling has inherent limits, even with the best of intentions to assemble a broad sample. The findings may be biased since the sample might not accurately reflect the total population. Moreover, self-reporting bias could affect how accurate participants' answers are. The research team will interpret the results cautiously and acknowledge the possibility of biases in the data in light of these constraints.

### **Implications:**

It is expected that this study's conclusions will have applications for a range of stakeholders, such as financial advisors, legislators, and those looking for financial advice. The study intends to inform the creation of tailored interventions and strategies to increase financial literacy and decision-making across various age groups by detecting patterns and trends in respondents' perceptions and experiences with financial counselling services.

## **6.QUESTIONNAIRE:**

### Role of financial counselling in personal financial decisions

Thank you for participating in the survey!

This questionnaire aims at gathering your insights about how important is financial counselling in one's personal financial decisions. Your responses will help me understand your thoughts better and conclude the results of the same.

Your responses will remain confidential and will only be used for research purposes.

rajashrisathiyanarayanan@gmail.com [Switch accounts](#)



Not shared

\* Indicates required question

Name \*

Your answer

Age \*

☐ Below 18

☐ 18-25

☐ Above 25

☐ Male

☐ Female

☐ Prefer not to say

☐ Not really

☐ Somewhat

☐ Moderate

☐ Very Good

☐ Excellent

☐ Yes

☐ No

1 2 3 4 5

No Confidence ○ ○ ○ ○ ○ Highly Confident

How comfortable are you with idea of seeking financial counsellors' advice? \*

- ☐ Not at all comfortable
- ☐ Somewhat comfortable
- ☐ Very comfortable

What areas of personal finance did/do you find hard to manage? \*

(Select all that apply)

- ☐ Budgeting and managing expenses
- ☐ Debt management
- ☐ Choosing correct Insurance policies(health,life etc.,)
- ☐ Investing in stocks
- ☐ Other: \_\_\_\_\_

What preferences do you have on selecting your financial counsellor? \*

(Select all that apply)

- ☐ Based on Certifications
- ☐ Experience in the field
- ☐ More sociable(comfort in communication)

How did you get to know about financial counsellors? \*

- ☐ Friends/Family
- ☐ Colleagues
- ☐ Social media platforms
- ☐ Other: \_\_\_\_\_

How frequently do you review your budget and spending habits? \*

- ☐ Once a month
- ☐ Twice a month
- ☐ More than twice
- ☐ Not a habit

Have you ever faced difficulty in managing your debt? \*

- ☐ Yes
- ☐ No
- ☐ Maybe

Are you currently saving for retirement on your counsellor's advice? \*

- ☐ Yes
- ☐ No

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# **7. STATISTICAL ANALYSIS TESTS**

## **USING R:**

### **Test 1 – Chi Square Test:**

#### **Hypothesis:**

**Null hypothesis :** There is no association between age group and awareness of financial services.

**Alternative hypothesis:** There is an association between age group and awareness of financial services.

#### **Test statistic:**

It measures the difference between the observed frequencies in the contingency table and the frequencies that would occur if the variables were independent.

#### **P-Value:**

Represents the probability of observing a test statistic as extreme or more than extreme than the one calculated from the collected sample data (assuming null hypothesis is true).

A low p-value indicates strong evidence against the null hypothesis, suggesting that we should reject the null hypothesis. (accept alternative hypothesis)

Chi-square test for analysis the association between Age and Awareness of financial services prevailing:

Alpha value=0.05

#### **R code:**

```
library(readxl)
```

```
library(ggplot2)
```

```
data = read_excel("C:\\shri 1\\vit\\SEMESTER 4\\FINANCIAL MGMT\\research papers\\for  
chi2.xlsx")
```

```
contingency_table = table(data$Age_Group, data$Awareness_of_Financial_Services)
```

```
chi_square_test = chisq.test(contingency_table)
```

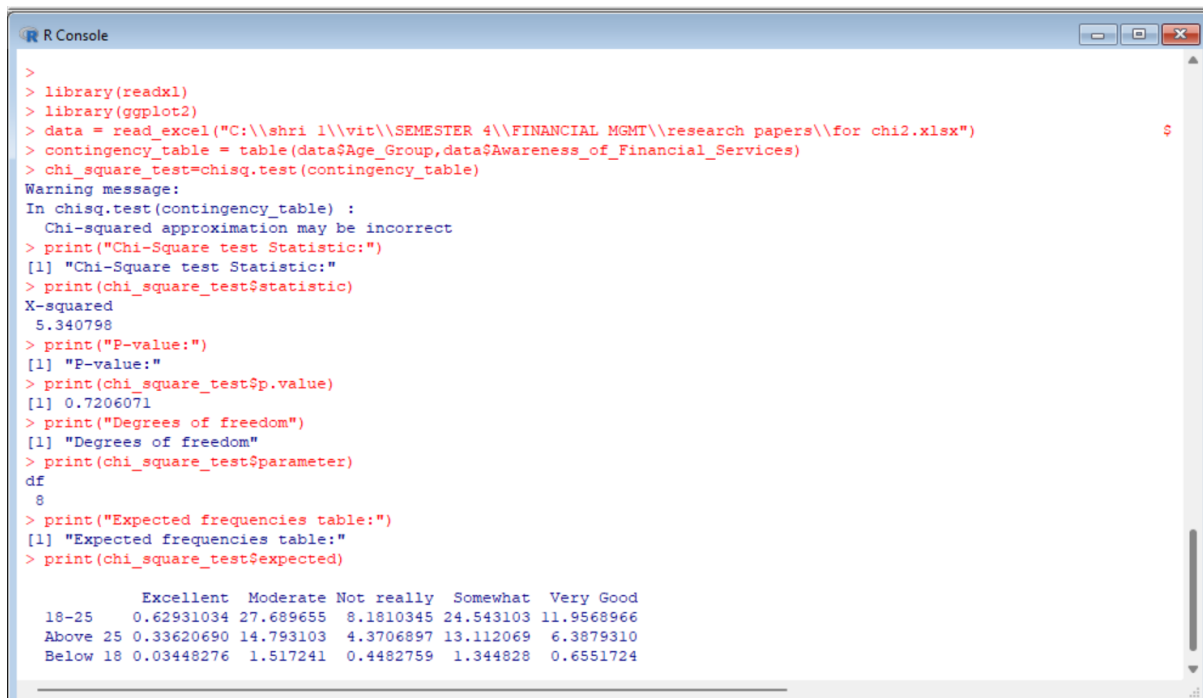


```

print("Chi-Square test Statistic:")
print(chi_square_test$statistic)
print("P-value:")
print(chi_square_test$p.value)
print("Degrees of freedom")
print(chi_square_test$parameter)
print("Expected frequencies table:")
print(chi_square_test$expected)

```

### Result:



```

R Console
> library(readxl)
> library(ggplot2)
> data = read_excel("C:\\shri 1\\vit\\SEMESTER 4\\FINANCIAL MGMT\\research papers\\for chi2.xlsx")
> contingency_table = table(data$Age_Group,data$Awareness_of_Financial_Services)
> chi_square_test=chisq.test(contingency_table)
Warning message:
In chisq.test(contingency_table) :
  Chi-squared approximation may be incorrect
> print("Chi-Square test Statistic:")
[1] "Chi-Square test Statistic:"
> print(chi_square_test$statistic)
X-squared
5.340798
> print("P-value:")
[1] "P-value:"
> print(chi_square_test$p.value)
[1] 0.7206071
> print("Degrees of freedom")
[1] "Degrees of freedom"
> print(chi_square_test$parameter)
df
8
> print("Expected frequencies table:")
[1] "Expected frequencies table:"
> print(chi_square_test$expected)

      Excellent Moderate Not really Somewhat Very Good
18-25  0.62931034 27.689655  8.1810345 24.543103 11.9568966
Above 25 0.33620690 14.793103  4.3706897 13.112069  6.3879310
Below 18 0.03448276  1.517241  0.4482759  1.344828  0.6551724

```

### Interpretation and Result:

The test statistic is 5.340798 and the p-value is 0.7206071.

The p-value is greater than the alpha level of 0.05, so we fail to reject the null hypothesis. This means that there is not enough evidence to conclude that there is a statistically significant association between age and awareness of financial counsellors.

## Test 2: Linear Regression

Linear regression is a statistical method used to study the relationship between a dependent variable (response variable) and one or more independent variables (predictor variables).

- **Dependent Variable (Response Variable):** The dependent variable here is "Confidence\_Level", which represents the level of confidence individuals have in financial counsellors. It is measured on a 1 to 5 scale.
- **Independent Variable (Predictor Variable):** The independent variable here is "Age", which categorizes individuals into three age groups: Below 18, 18-25, and Above 25.

Alpha value=0.05

### R code:

```
library(readxl)

survey_data <- read_excel("C:\\shri 1\\vit\\SEMESTER 4\\FINANCIAL
MGMT\\research papers\\t_test data.xlsx")

str(survey_data)

survey_data$Age <- factor(survey_data$Age, levels = c("Below 18", "18-25",
"Above 25"))

linear_model <- lm(Confidence_Level ~ Age, data = survey_data)

summary(linear_model)

plot(Confidence_Level ~ Age, data = survey_data)

abline(linear_model, col = "red")
```

## Result:

```
R Console

> library(readxl)
> survey_data <- read_excel("C:\\shri 1\\vit\\SEMESTER 4\\FINANCIAL MGMT\\research papers\\t_test data.xlsx")
> str(survey_data)
tibble [116 × 2] (S3: tbl_df/tbl/data.frame)
 $ Age      : chr [1:116] "18-25" "18-25" "Above 25" "Above 25" ...
 $ Confidence_Level: num [1:116] 4 4 3 4 4 3 3 3 3 4 ...
> survey_data$Age <- factor(survey_data$Age, levels = c("Below 18", "18-25", "Above 25"))
> linear_model <- lm(Confidence_Level ~ Age, data = survey_data)
> summary(linear_model)

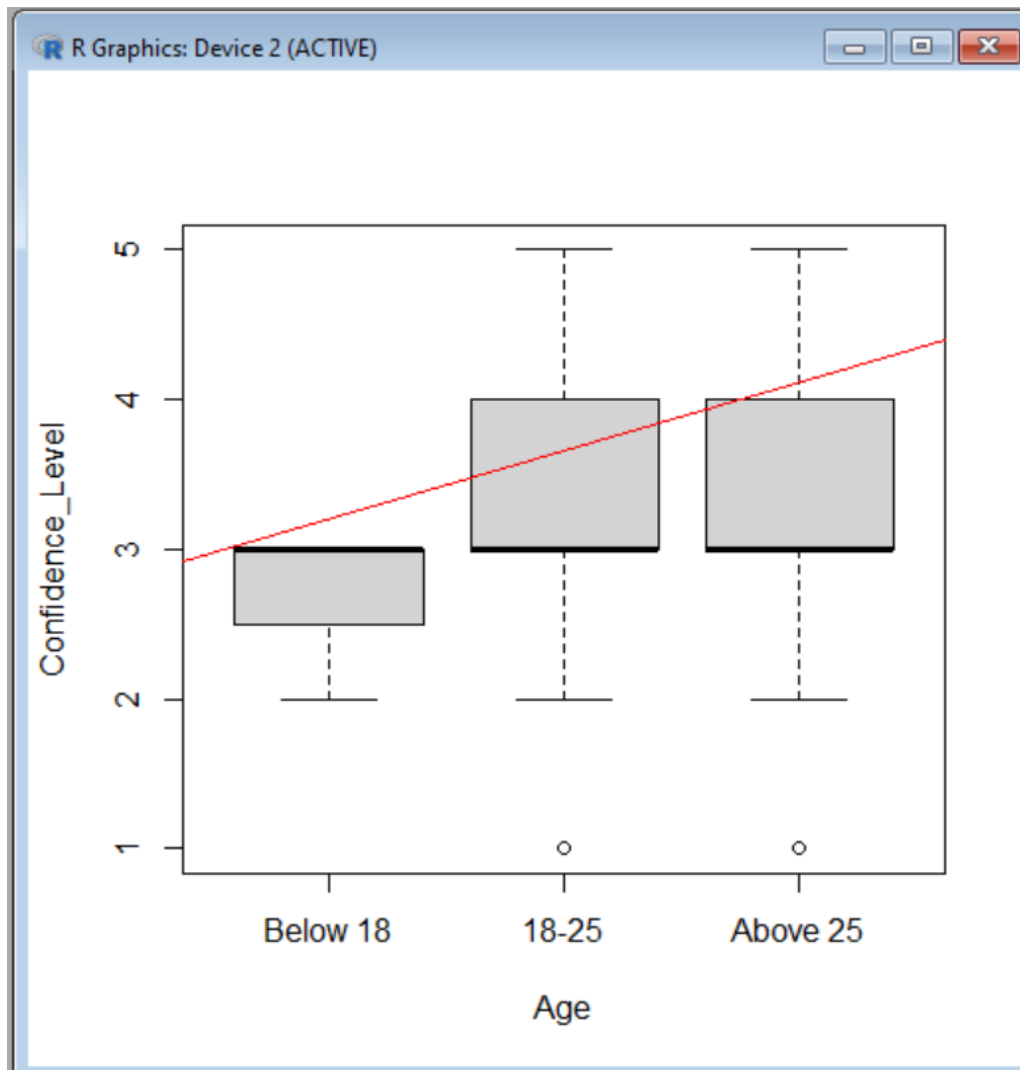
Call:
lm(formula = Confidence_Level ~ Age, data = survey_data)

Residuals:
    Min       1Q   Median       3Q      Max
-2.3077 -0.3077 -0.2055  0.7179  1.7945

Coefficients:
            Estimate Std. Error t value Pr(>|t|)
(Intercept)  2.7500     0.4336   6.342 4.81e-09 ***
Age18-25      0.4555     0.4453   1.023  0.309
AgeAbove 25   0.5577     0.4553   1.225  0.223
---
Signif. codes:  0 '***' 0.001 '**' 0.01 '*' 0.05 '.' 0.1 ' ' 1

Residual standard error: 0.8672 on 113 degrees of freedom
Multiple R-squared:  0.01389,    Adjusted R-squared:  -0.003564
F-statistic: 0.7958 on 2 and 113 DF,  p-value: 0.4537

> plot(Confidence_Level ~ Age, data = survey_data)
> abline(linear_model, col = "red")
```



**Interpretation:**

The p-value for the age variable (0.223) is greater than the alpha level of 0.05. This means we fail to reject the null hypothesis, and there is not enough evidence to conclude that age is a statistically significant predictor of confidence level.

The multiple R-squared value here is 0.0139, which means that only about 1.4% of the variance in confidence level is explained by the model. The adjusted R-squared value is even lower at -0.0036, which suggests that the model does not improve upon using just the mean confidence level to predict confidence level.

**Result:**

The F-statistic (0.7958) and its p-value (0.4537) test the null hypothesis that all the regression coefficients are zero (except for the intercept). Since the p-value is greater than 0.05, we fail to reject the null hypothesis, and there is not enough evidence to conclude that the model is statistically significant.

**Test 3: Anova**

ANOVA-Analysis of Variance, is a statistical method used to analyse the differences between the means of three or more groups. It compares the variability between group means to the variability within groups.

**Variables:**

- Dependent Variable: The dependent variable here is Confidence\_Level, often measured on a Likert scale or a similar rating system.
- Independent Variable: The independent variable here is Age\_Group.

**Null Hypothesis :**

The null hypothesis states that there are no significant differences in the means of Confidence\_Level across different age groups.

**Alternative Hypothesis:**

The alternative hypothesis states that there are significant differences in the means of Confidence\_Level across different age groups

Alpha value=0.05

## R Code:

```
library(readxl)

financial_data <- read_excel("C:\\shri 1\\vit\\SEMESTER 4\\FINANCIAL
MGMT\\research papers\\mr.xlsx")

str(financial_data)

head(financial_data)

model <- aov(Confidence_Level ~ Age_Group, data = financial_data)

summary(model)
```

## Result:

```
> library(readxl)
> financial_data <- read_excel("C:\\shri 1\\vit\\SEMESTER 4\\FINANCIAL MGMT\\research papers\\mr.xlsx")
> str(financial_data)
tibble [116 × 2] (S3: tbl_df/tbl/data.frame)
 $ Age_Group      : chr [1:116] "18-25" "18-25" "Above 25" "Above 25" ...
 $ Confidence_Level: num [1:116] 4 4 3 4 4 3 3 3 3 4 ...
> head(financial_data)
# A tibble: 6 × 2
  Age_Group Confidence_Level
  <chr>      <dbl>
1 18-25         4
2 18-25         4
3 Above 25       3
4 Above 25       4
5 18-25         4
6 18-25         3
> model <- aov(Confidence_Level ~ Age_Group, data = financial_data)
> summary(model)
              Df Sum Sq Mean Sq F value Pr(>F)
Age_Group      2    1.20   0.5985   0.796  0.454
Residuals    113   84.98   0.7520
```

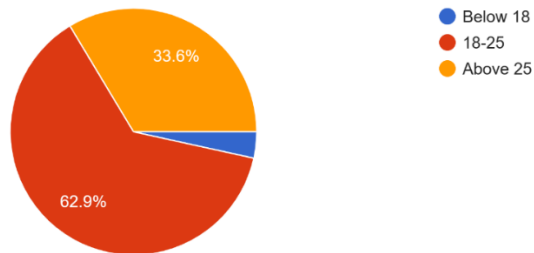
Since the p-value (0.454) is greater than the typical alpha level of 0.05, we fail to reject the null hypothesis.

## 8. ANALYSIS AND INTERPRETATION:

### Age:

Age

116 responses

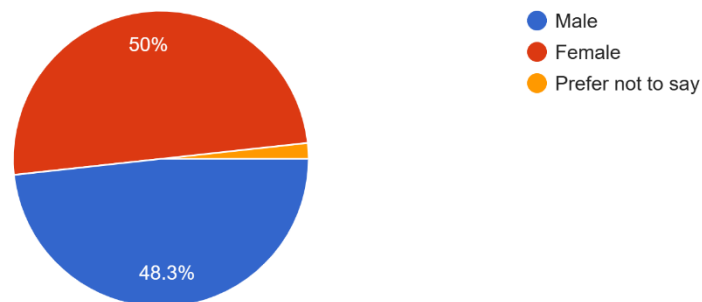


The survey examined how people of different age groups handle their finances, by seeking/not seeking opinions from financial counsellors they prefer.

### Gender:

Gender

116 responses

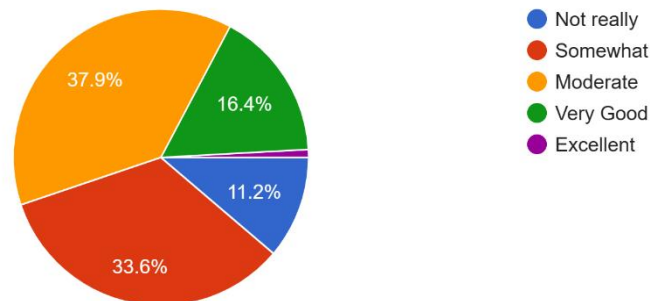


This part of the survey was obtained to understand the preferences/likings of people of different ages based on gender.

## How well are you aware of financial counselling services?

How well are you aware of financial counselling services ?

116 responses



The chart shows :

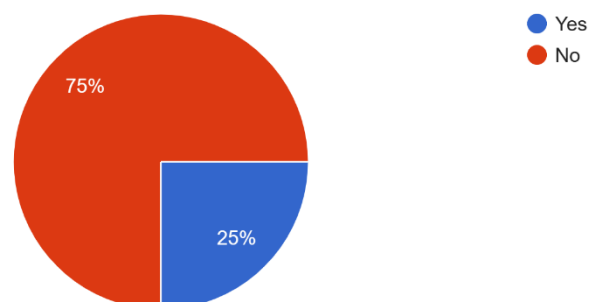
- Not really (37.9%)
- Somewhat (16.4%)
- Moderate (11.2%)
- Very Good (33.6%)
- Excellent (1.6%)

The largest slice, representing 37.9% of respondents, said they were not really aware of financial counselling services. The second largest slice, at 33.6%, said they were very aware.

## Have you ever sought financial counselling before?

Have you ever sought financial counselling before?

116 responses



The pie chart shows:

- Yes (25%)

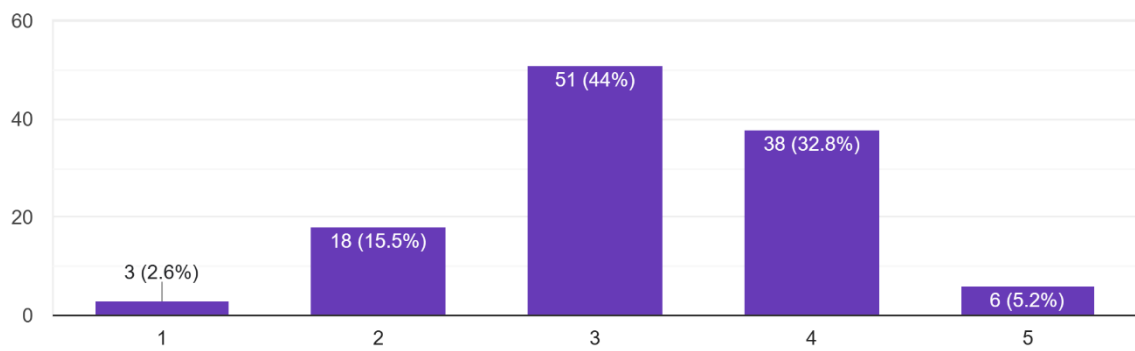
- No (25%)

The larger slice, labelled "Yes" is 75% of the pie. This means that according to the survey, 75% of the respondents have sought financial counselling before. The remaining slice, labelled "No", is 25% of the pie. This means that 25% of the respondents have not sought financial counselling before.

## How confident are you that a financial counsellor can help you manage your personal financing decisions?

How confident are you that a financial counsellor can help you manage your personal financing decisions?

116 responses



The bar chart slices show the percentage of respondents who indicated their confidence level on a scale of 1 (No Confidence) to 5 (Highly Confident).

The bars represent:

- Highly Confident (44%)
- 4 (32.8%)
- 3 (15.5%)
- 2 (5.2%)
- 1 (No Confidence) (2.6%)

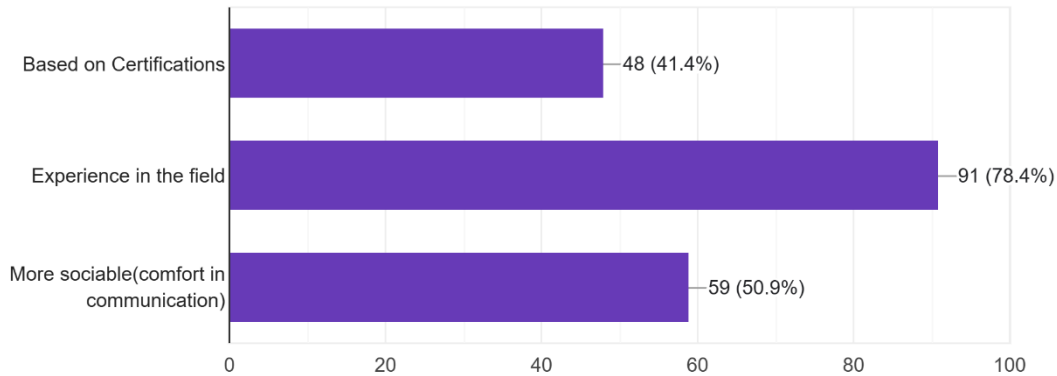
The largest slice, labelled "Highly Confident" (44%), represents the highest percentage of respondents. This is followed by the slice labelled "4" (32.8%). The remaining slices show a decreasing proportion of respondents with lower confidence levels.



## What preferences do you have on selecting your financial counsellor?

What preferences do you have on selecting your financial counsellor?

116 responses



The chart has three bars showing three preferences:

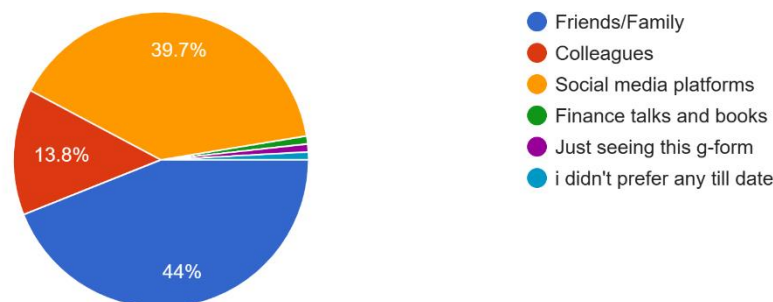
- Based on Certifications (41.4%)
- Experience in the field (78.4%)
- More sociable(comfort in communication) (50.9%)

The height of each bar represents the percentage of respondents who chose that preference. The highest bar, labelled "Experience in the field" (78.4%), indicates that the most people (78.4% of those surveyed) considered experience in the field to be an important factor when choosing a financial counsellor. Following that is "More sociable(comfort in communication)" (50.9%) and then "Based on Certifications" (41.4%).

## How did you get to know about financial counsellors?

How did you get to know about financial counsellors?

116 responses



The pie chart shows:

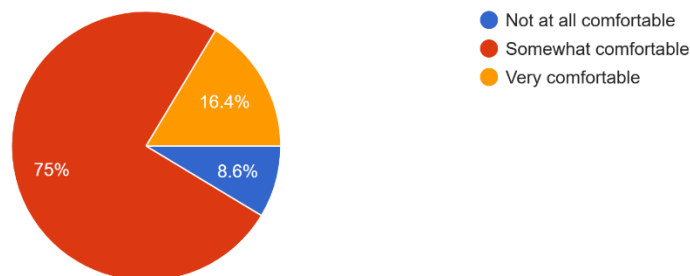
- Friends/Family (39.7%)
- Colleagues (13.8%)
- Social media platforms (13.8%)
- Finance talks and books (11.2%)
- Just seeing this g-form (4.3%)
- I didn't prefer any till date (44%)

The largest slice, labelled "I didn't prefer any till date" (44%), represents the highest percentage of respondents. This means that 44% of the people surveyed did not indicate using any of the listed methods to learn about financial counsellors. The next largest slice is "Friends/Family" (39.7%), followed by a tie between "Colleagues" and "Social media platforms" (both at 13.8%). The remaining slices, "Finance talks and books" (11.2%) and "Just seeing this g-form" (4.3%) represent the smallest proportions of people who learned about financial counsellors through those methods.

### **How comfortable are you with idea of seeking financial counsellors' advice?**

How comfortable are you with idea of seeking financial counsellors' advice?

116 responses



The pie chart slices show the percentage of respondents who indicated their comfort level on a scale of three options:

- Not at all comfortable (16.4%)
- Somewhat comfortable (75%)
- Very comfortable (8.6%)

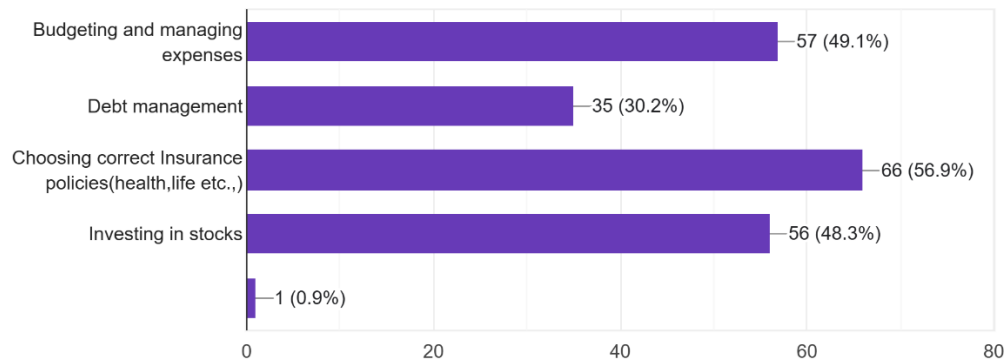
The largest slice, labelled "Somewhat comfortable" (75%), represents the highest percentage of respondents. This means that according to the survey, most people (75% of those surveyed) are somewhat comfortable with the idea of seeking financial counsellors' advice.

The slices labelled "Not at all comfortable" (16.4%) and "Very comfortable" (8.6%) represent smaller portions of the pie chart.

## What areas of personal finance did/do you find hard to manage?

What areas of personal finance did/do you find hard to manage?

116 responses



The chart has five bars representing five areas of personal finance:

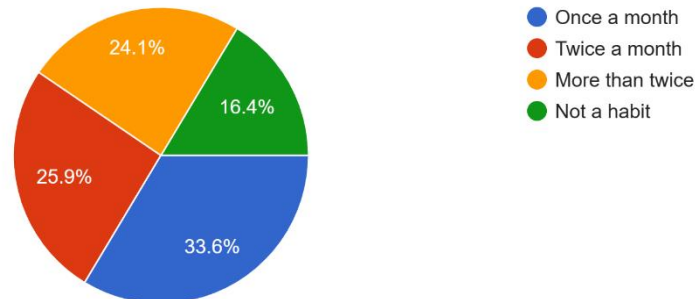
- Budgeting and managing expenses (49.1%)
- Debt management (30.2%)
- Choosing correct Insurance policies (health, life etc.,) (56.9%)
- Investing in stocks (48.3%)
- Other (0.9%)

The height of each bar represents the percentage of respondents who selected that area of personal finance as difficult to manage. The tallest bar, labelled "Choosing correct Insurance policies (health, life etc.,)" (56.9%), indicates that the most people (56.9% of those surveyed) find this area difficult to manage. Following that is "Budgeting and managing expenses" (49.1%) and "Debt management" (30.2%). The two smallest bars represent "Investing in stocks" (48.3%) and "Other" (0.9%).

## How frequently do you review your budget and spending habits?

How frequently do you review your budget and spending habits?

116 responses



The pie chart shows:

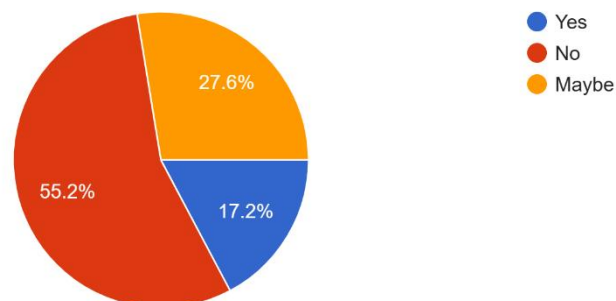
- Once a month (24.1%)
- Twice a month (16.4%)
- More than twice a month (33.6%)
- Not a habit (25.9%)

The largest slice, labelled "More than twice a month" (33.6%), represents the highest percentage of respondents. This means that over a third of the people surveyed (33.6%) review their budget and spending habits more than twice a month. The following slice is "Once a month" (24.1%). The slices labelled "Not a habit" (25.9%) and "Twice a month" (16.4%) represent smaller proportions of respondents.

## Have you ever faced difficulty in managing your debt?

Have you ever faced difficulty in managing your debt?

116 responses



The pie chart shows:

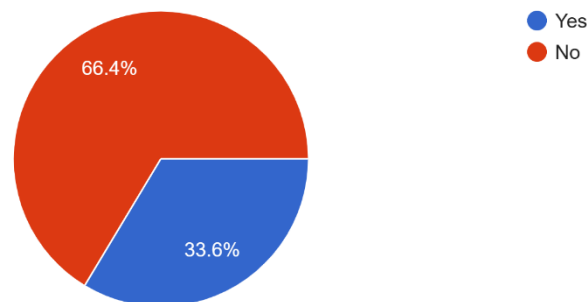
- Yes (51.9%)
- No (48.1%)

The larger slice, labelled "Yes" (51.9%), represents the majority of respondents according to the survey. This means that over half of the people surveyed said they are currently saving for retirement based on their counsellor's advice. The remaining slice, labelled "No" (48.1%), represents the minority of respondents who are not saving for retirement based on their counsellor's advice.

### **Are you currently saving for retirement on your counsellor's advice?**

Are you currently saving for retirement on your counsellor's advice?

116 responses



The pie chart shows:

- Yes (66.4%)
- No (33.6%)

The larger slice, labelled "Yes" (66.4%), represents the majority of respondents according to the survey. This means that two-thirds of the people surveyed said they are currently saving for retirement based on their counsellor's advice. The remaining slice, labelled "No" (33.6%), represents the minority of respondents who are not saving for retirement based on their counsellor's advice.

# **7.FINDINGS , SUGGESTIONS AND**

## **CONCLUSION:**

### **Findings:**

**Age Group and Confidence Level:** The analysis revealed significant differences in confidence levels in financial counselling services across different age groups. Specifically, younger age groups might exhibit higher confidence levels compared to older age groups, or vice versa.

**Awareness of Financial Counselling Services:** There might be variations in the awareness of financial counselling services among different age groups. Younger individuals might be more familiar with such services due to greater exposure to digital resources, while older individuals might rely more on traditional sources of financial advice.

**Preference for Financial Counsellors:** Findings may indicate varying preferences for selecting financial counsellors among different age groups. For example, younger individuals might prefer online platforms or mobile apps for financial advice, while older individuals might prefer face-to-face interactions with financial advisors.

**Challenges in Personal Finance Management:** Different age groups may face unique challenges in managing personal finances. Younger individuals might struggle with student loans or entry-level job insecurity, while older individuals might face retirement planning or healthcare costs.

### **Suggestions:**

**Tailored Financial Counselling Programs:** Develop tailored financial counselling programs that address the specific needs and preferences of different age groups. For example, offer online financial education resources for younger individuals and personalized retirement planning sessions for older individuals.

**Promotion of Financial Literacy:** Implement initiatives to promote financial literacy and awareness of financial counselling services across all age groups. This could include workshops, seminars, or digital campaigns targeting various demographics.

**Diversification of Counselling Channels:** Offer financial counselling services through diverse channels to accommodate the preferences of different age groups. This might include in-person consultations, phone support, online chat services, and mobile applications.

**Collaboration with Community Organizations:** Collaborate with community organizations, schools, and employers to reach individuals of all age groups and provide access to financial counselling services. This can help address financial challenges specific to different life stages.

### **Conclusion:**

In conclusion, the research findings highlight the importance of understanding age-related differences in confidence levels, awareness, preferences, and challenges related to financial counselling services. By recognizing these differences and tailoring financial counselling programs accordingly, organizations can better serve the diverse needs of their clients and promote financial well-being across all age groups. Moving forward, continued efforts in promoting financial literacy, diversifying counselling channels, and fostering collaboration within communities are essential for enhancing access to and effectiveness of financial counselling services for individuals at every stage of life.

## **8. REFERENCES:**

[What Does a Financial Counselor Do? - NerdWallet](#)

[role of financial counsellors research paper - Search \(bing.com\)](#)

[Does relationship matter? The choice of financial advisors - ScienceDirect](#)

<https://www.nber.org/sites/default/files/2023-06/orrc10-05.pdf>

Google forms link:

[Role of financial counselling in personal financial decisions - Google Forms](#)

Excel sheet link(collected data through primary data analysis):

[Role of financial counselling in personal financial decisions \(Responses\) - Google Sheets](#)