**PERSONAL FINANCIAL PLANNER**

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**ABSTRACT :**

Personal financial planning is an essential tool for people over various age groups that assists people in planning their financial needs for now and later as years move on. The planning includes segregation of money into various activities that might include daily expenses, emergency expenses and savings. For an employee who plans to save for the future it becomes necessary to plan his daily expenditure, and select an appropriate investment strategy which will in turn decrease financial risk in later ages of retirement. Financial management professionals help in managing funds into controlled transactions which will later provide the investor a greater financial support and return over years. It is not always efficient and reliable to find professionals who provide financial solutions with sound knowledge on returns through the investment analyzing the risk involved, to make financial planning a more reliable and easy approach, using softwares are the better ways. Through a software or analytical based approach it is always possible to ensure that there are sufficient funds available for individuals at any stage of life.

Financial management tools help individuals cultivate a habit of budgeting their expenses and avoid unnecessary spending, also, they tend to prioritize tier spending patterns.

**INTRODUCTION :**

Now-a-days it's challenging for everyone to monitor their expenses and start saving money in the digital world.Many try to achieve financial goals but they are afraid of risk in investment.So, We decided to collect and analyzing financial data in order to create a collection of strategies that comprise an integrated plan to assist people in reaching their financial objectives. The approach is designed to help the individual identify their goals and then create a plan that integrates all factors of their financial life. The plan may include methods for dealing with particular aspects of personal finance, such as the budget, investments, taxes, insurance, retirement, or estate planning, but each strategy is carefully examined to determine how it will affect the person's other financial priorities.People seek for guidance of financial planners because of the complexity of the situation caused by the impact of financial decisions on other aspects of personal finance.In this process provide different alternatives to achieve their financial goals without affect their regular life.

**LITERATURE SURVEY :**

The literature discusses the relationship between current and perceived knowledge, with an emphasis on two scenarios. First, limited observed knowledge and extensive perceived expertise contribute to overconfidence. Second, broad observed knowledge and restricted perceived expertise result in underconfidence (Ramalho and Forte 2019), so under- and overconfidence are behavioral biases that can influence financial behavior. Pak and Chatterjee (2016) focused on both observed and perceived knowledge and measured financial literacy’s impact on savings (i.e., emergency and retirement) for the study’s entire sample and overconfidence group. The literature has also discussed financial literacy’s multidimensional role and analyzed the relationships between the three dimensions mentioned previously (see section C.1). For instance, the model proposed by Potrich, Vieira and Mendes-Da- -Silva (2016) and Ramalho and Forte (2019) incorporates current financial knowledge, perceived financial knowledge and financial attitude as antecedents of financial behavior. Potrich, Vieira and Mendes-Da-Silva (2016) compared three models with different relationships between the components of financial literacy, behavior, knowledge, and attitude and concluded that financial knowledge and attitude are correlated with and mutually predict financial behavior. Murendo and Mutsonziwa (2017) applied a multivariate approach to measuring financial literacy, including financial attitude, confidence, and knowledge.

When occupation is consid-]ered, self-employed people and farmers were significantly more likely to be willing to take risks than otherwise similar households with different occupations (Grable & Lytton, 1998). In a study that considered those who owned businesses and those who worked for someone else, Chen and DeVaney (2002) found that risk tolerance was positively related to net worth for owners, but there was no significant relationship between risk tolerance and net worth for those who worked for someone else. Morin and Suarez (1983) pointed out that the strength of the effect of age on risk tolerance depended on the investor’s wealth level. Married and single male respondents were more subjectively risk tolerant than otherwise similar female-headed households (Sung & Hanna, 1996).

Based on the previous studies, the following hypotheses are proposed.

H1 : The relationship between age and risk tolerance is positive. The effect is the same for both objective and subjective risk tolerance.

H2 : Household heads with more education are more risk tolerant than those with less education. The effect is the same for both objective and subjective risk tolerance

H3 : Compared to non-white household heads, white household heads are more risk tolerant. The effect is the same for both objective and subjective risk tolerance.

H4 : Compared to households headed by an individual who is married, those who are headed by single females are less risk tolerant. The effect will be the same for both objective and subjective risk tolerance.

H5 : Compared to household heads who are not working or retired, households headed by a person who is self-employed or working for someone else are more risk tolerant. The effect is the same for both objective and subjective risk tolerance.

H6 : Compared to household heads with no tolerance for risk, those who have an average or above average tolerance for risk are more objectively risk tolerant.

H7 : The relationship between income and net worth and risk tolerance is positive. The effect is the same for both objective and subjective risk tolerance.

**PROBLEM STATEMENT :**

People are confused about what to do with money and how to manage or achieve their financial goals. They lack knowledge on proper saving schemes. While people miss out on proper planning they tend to suffer if any unexpected loss of income occurs and this puts them into debt and unwanted financial pressure. They spend a lot of money on expenses and between the half of the month their debit card balance will be low. All this comes in because there is no concentration on money flow and lack of taking risks. A financial advisory software will get finance in order, support tax issues, plan for retirement, provide reviews on financial patterns, save time that is spent on organizing finance, it can also provide knowledge on investments and insurance planning. Through a proper financial planning people tend to achieve financial freedom, a better quality of life and peace of mind post retirement stage of life.

**OBJECTIVES :**

Financial planning involves collection of financial data and strategies to assist people on an integrated approach towards handling funds. The main objective of personal financial planner tools is to help people manage their finances even without any proper knowledge and strain. The tool provides a user-friendly platform where the user can learn about investments and choose plans and investment strategies which will help them in later stages of their life and provide them financial freedom. Our financial planning software provides the following services which include, budgeting, insurance planning, risk & asset allocation, retirement Planning, wealth management, child future planning, and loan/debt advisory services.

**REQUIRED TOOLS :**

We aim at building a dashboard for wealth management, and models that will study the current tax payment and risk taking ability based on the age, income, and other independent factors and suggest users the risk that they can take and also suggest them plans based on their earning ability. For implementing the above we use the following tools,

1. Python
2. PostgreSql
3. Streamlit

**TOOLS AND TECHNIQUES EMPLOYED**

**PYTHON :**

Python is commonly used for developing websites and software, task automation, data analysis, and data visualization.Python has been adopted by many non-programmers such as accountants and scientists, for a variety of everyday tasks, like organizing finances.

**POSTGRESQL :**

PostgreSQL is a relational database. It stores data points in rows, with columns as different data attributes. A table stores multiple related rows. The relational database is the most common type of database in use. It differentiates itself with a focus on integrations and extensibility. It works with a lot of other technologies and conforms to various database standards, which ensures it is extensible.

**STREAMLIT :**

Streamlit's architecture allows you to write apps the same way you write plain Python scripts. To unlock this, Streamlit apps have a unique data flow: any time something must be updated on the screen, Streamlit reruns your entire Python script from top to bottom.

**MODULES :**

Modules include user and admin modules, the user module can look into the following sub modules, whereas admin will be able to add changes to plans that are viewed by the end users. The user modules include,

1. Income and Outflow(Expense)
2. Assets and Liabilities
3. Goals and Anticipated expenses
4. Yearly needs and investment

**MODULES DESCRIPTION :**

**Inflow and Outflow :**

The user gives the basic information about him and his financial status. Cash Inflow describes all of the income that is brought through your activities-- any strategy to bring profits. Cash Outflow includes any debts, liabilities, and operating costs-- like expenses and funds you spend.

**Assets and Liabilities:**

The value of securities and funds held in checking or savings accounts, retirement account balances, trading accounts, and real estate are all instances of assets. Liabilities include any debts they may have, such as personal loans, credit cards, student loans, unpaid taxes, and mortgages.

**Goals and Anticipated expenses :**

A budget contributes to financial stability. A budget makes it easier to pay bills on time, build an emergency fund, and save for major purchases like a car or home by tracking expenses and sticking to a plan. Overall, a budget puts a person on better financial footing in the short and long term.

**Yearly needs and investment :**

Analysing users yearly expenses and needs through this we can come up with passive income and cash flow computation.

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