

# A Study on Impact of Financial Planning on Maximizing Wealth of the Investors in Bajaj Allianz Life Insurance

POOJA G

MBA FINAL YEAR, School Of  
Management Studies, Sathyabama  
Institute of Science and Technology  
Chennai, Tamil Nādu, India  
[poojup54@gmail.com](mailto:poojup54@gmail.com)

DR.M JOHN PAUL

ASSOCIATE PROFESSOR,  
MBA, School of Management Studies,  
Sathyabama Institute of Science and  
Technology  
Chennai, Tamil Nadu, India

*Abstract*—This study investigates the impact of financial planning on maximizing investor wealth in Bajaj Allianz Life Insurance, exploring how informed investment decisions and strategic financial planning can help investors achieve their financial goals. The relationship between financial planning and investor wealth is examined, providing insights into the importance of financial planning for investors in Bajaj Allianz Life Insurance, and shedding light on the role of financial planning in maximizing investor returns. By analysing the effects of financial planning on investment outcomes, this research aims to contribute to a better understanding of how investors can make informed decisions and achieve their financial objectives.

*Keywords*— **Financial planning, wealth maximization, investors wealth**

## I. INTRODUCTION

Financial planning is a crucial aspect of personal finance that enables individuals to manage their financial resources effectively, achieve their financial goals, and secure their financial future. In today's complex and dynamic financial landscape, financial planning has become increasingly important for investors seeking to maximize their wealth. Bajaj Allianz Life Insurance Company, one of India's leading private life insurers, offers a range of financial products and services designed to help investors achieve their financial objectives. However, despite the growing importance of financial planning, there is a lack of empirical research on its impact on investor wealth in the context of Bajaj Allianz Life Insurance Company

## II. REVIEW OF LITERATURE

**Yao and Hanna (2005):** "Financial Planning and Wealth" - Households that engaged in financial planning had higher levels of wealth and net worth.

**Hanna and Lindamood (2004):** "The Effects of Financial Planning on Wealth" - Financial planning was positively related to investor wealth and financial satisfaction

**Keller and Siegel (2005):** "Wisdom of the Ages: A Survey of Financial Planning Practices" - Financial planning was positively related to investor financial literacy and investment knowledge

**Dalbar (2013):** "Quantitative Analysis of Investor Behavior"

Investors who worked with a financial advisor had higher returns and lower volatility.

**Vanguard (2014):** "The Value of Advice" - Financial planning was positively related to investor wealth and financial satisfaction

## III. RESEARCH OBJECTIVES

1. To examine the relationship between financial planning and wealth maximization among investors.
2. To evaluate the role of financial planning in achieving long term financial goals and objectives among investors.
3. To examine the relationship between financial planning and wealth creation in different asset classes.
4. To investigate the role of financial planning in retirement planning.

## IV. RESEARCH METHODOLOGY

### A. RESEARCH DESIGN

This research uses Descriptive research design.

This study employs a descriptive research design to investigate the impact of financial planning on maximizing investor wealth in Bajaj Allianz Life Insurance Company, using a sample of investors and collecting primary data through a structured questionnaire.

### B. SAMPLING DESIGN

1. Population: All investors in Bajaj Allianz life insurance .
2. Sample Size: A total of 108 investors. The sample size is appropriate for generalizable insights, given the target population.
3. Sampling Technique:

This study uses Convenience Sampling

Convenience Sampling can be used to target respondents who are readily available and willing to participate.

4. Source of Data:

There is two type of data that is being adopted for this project. They are primary data and secondary data.

Primary data:

Primary data are those which are collected for the first time and they happen to be original in nature. Primary data are collected through questionnaire.

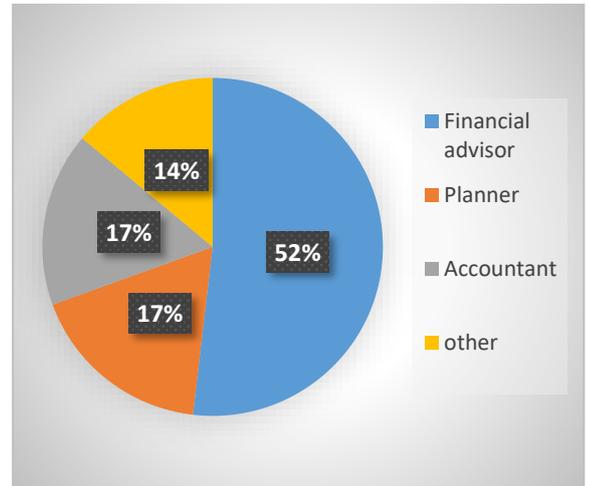
Secondary data:

Secondary data is a data which is already existed data like magazines, journals, books and so on.

## V. DATA ANALYSIS AND INTERPRETATION

Figure 1

Financial planning guidance comes under

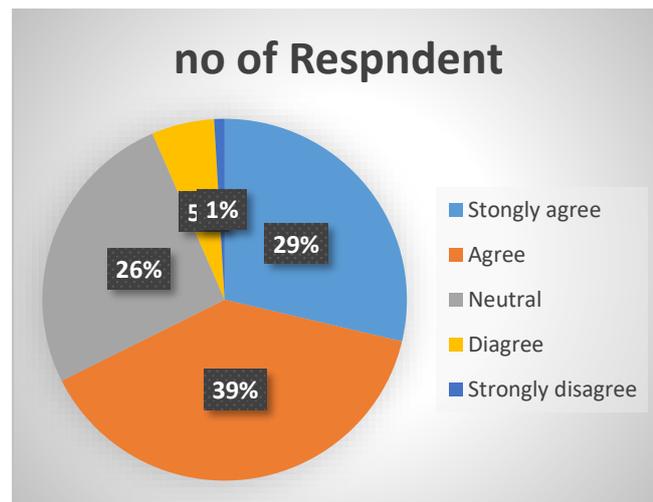


### I. Interpretation

Majority of (52%) of the respondents are choose Financial advisor.

Figure 2

Financial planning is essential for wealth

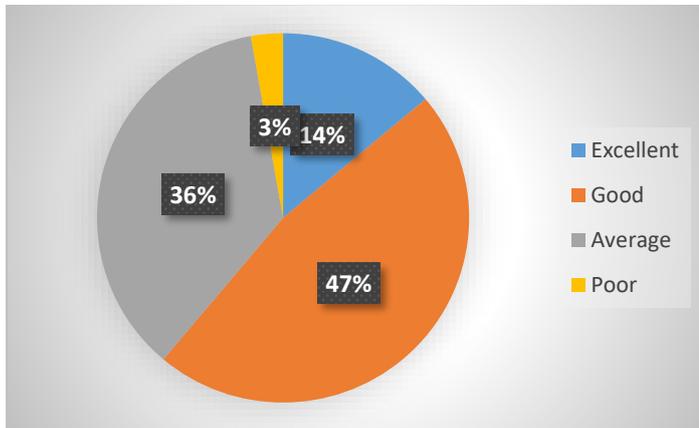


### II. Interpretation

Majority of (29%) of the respondents are choose under strongly agree.

Figure 3

Rate your financial knowledge level

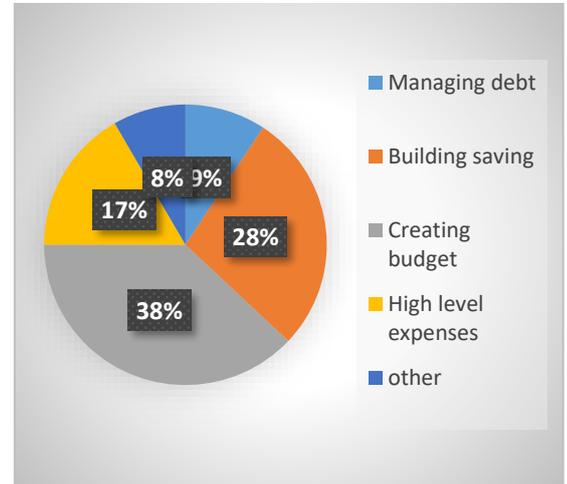


**III. Interpretation**

Majority of (47%) of the respondents choose are Good.

Figure 5

Financial planning challenges

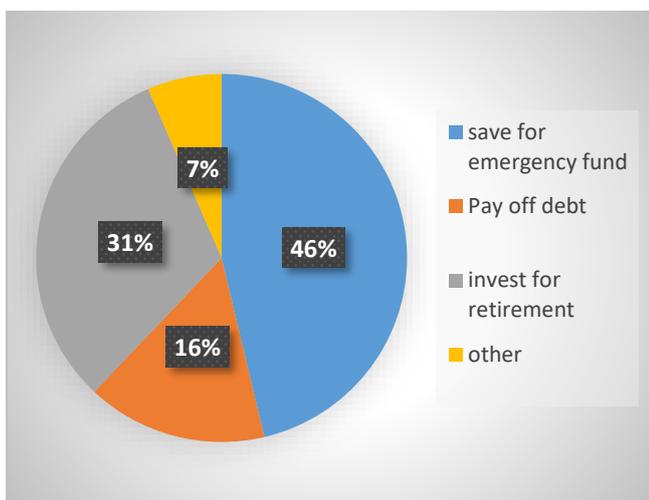


**V. INTERPRETATION**

Majority (38%) of the respondents are choose creating budget.

Figure 4

Short term financial goals

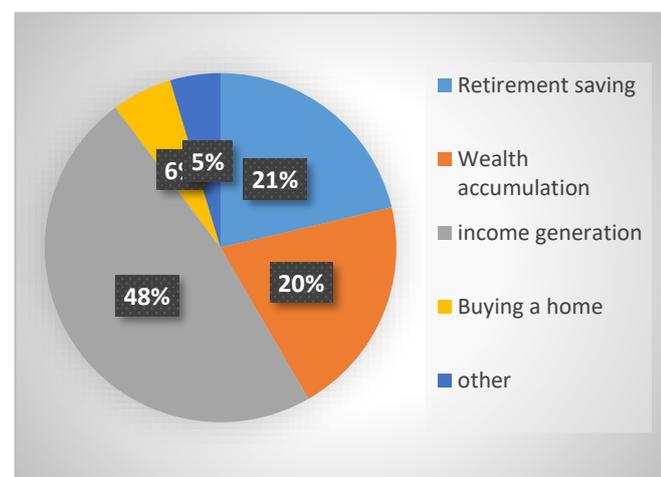


**IV. INTERPRETATION**

Majority (46%) of the respondents are confirm that save for emergency

Figure 6

Investment horizon

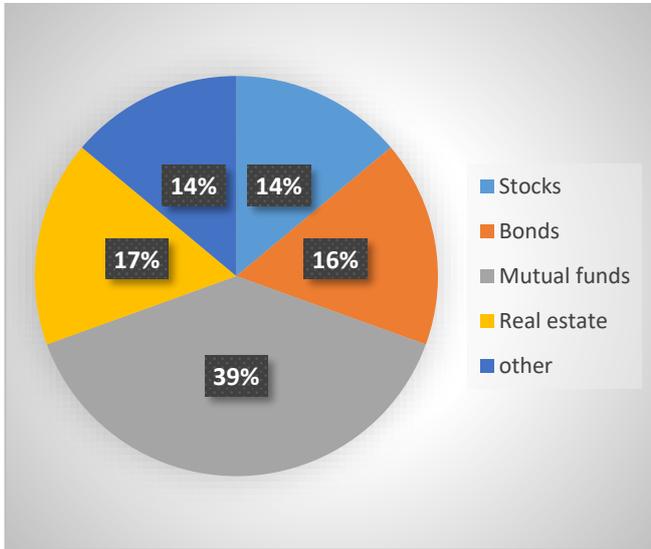


**VI. INTERPRETATION**

Majority (48%) of respondent are choose income generation.

Figure 7

Types of investment in currently held

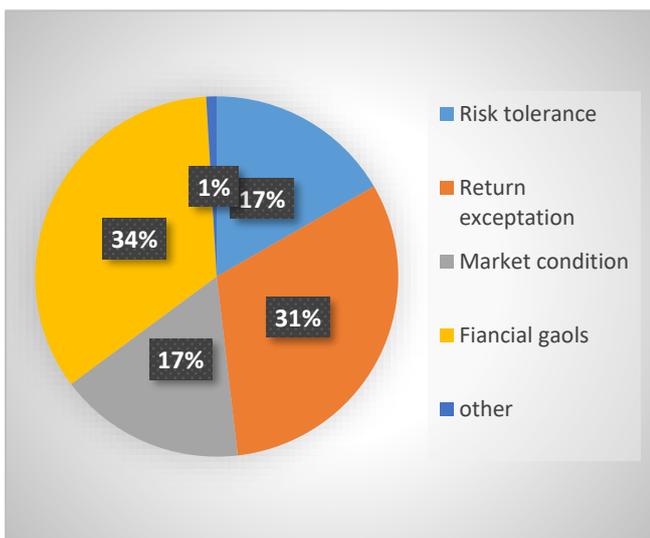


**VII. INTERPRETATION**

Majority (39%) of the respondents choose are Mutual funds

Figure 8

Influences on investment choices

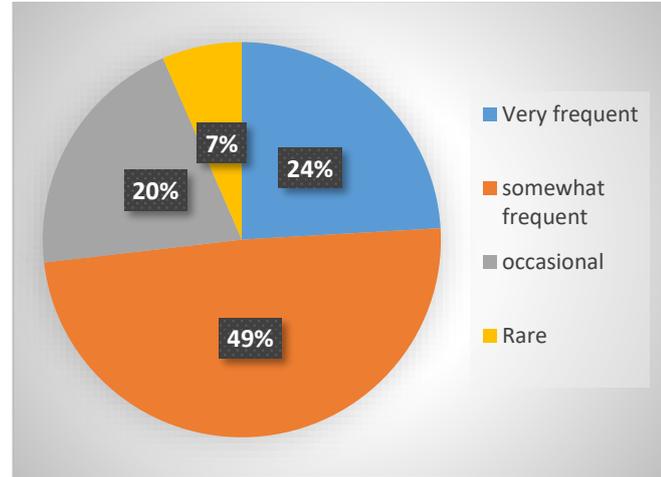


**VIII. INTERPRETATION**

Majority (34%) of the respondents are choose financial goals.

Figure 9

Frequency of investment decision

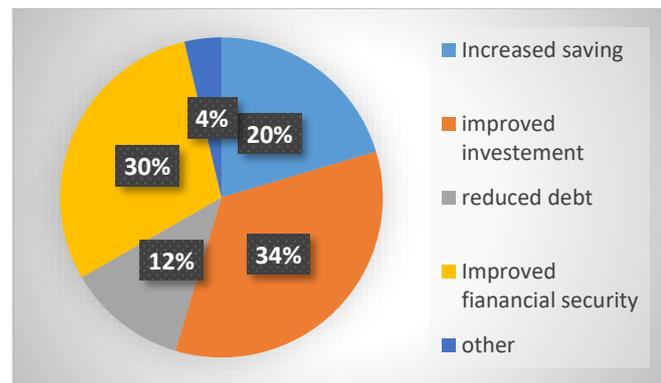


**IX. INTERPRETATION**

Majority (24%) of the respondents are choose somewhat frequent.

Figure 10

Financial planning tools or services



**X. INTERPRETATION**

Majority (34%) of respondent are choose improves investment.

Figure 11

**REGRESSION ANALYSIS**

(H<sub>0</sub>): There is no significant relationship between financial knowledge level and confidence in the current financial plan.

(H<sub>1</sub>): There is a significant relationship between financial knowledge level and confidence in the current financial plan.

Dependent variable: Financial knowledge level

Independent variable: Confidence in the current financial plan

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	15.139	1	15.139	25.832	.000 <sup>b</sup>
	Residual	61.534	105	.586		
	Total	76.673	106			

a. Dependent Variable: Confidence in current financial plan

b. Predictors: (Constant), financial Knowledge level

**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error			
1	(Constant)	1.093	.242		4.523	.000
	financial Knowledge level	.515	.101	.444	5.083	.000

a. Dependent Variable: Confidence in current financial plan

**INTERPRETATION**

- The **p-value** (significant value) is **0.001**.

- Since  $p < 0.05$ , we reject the null hypothesis that financial knowledge has no effect on confidence. we accept the alternate hypothesis.
- There is a **significant association** between knowledge level and confidence in current financial plan

**ONE WAY ANOVA ANALYSIS**

(H<sub>0</sub>): There is no significant difference in the mean confidence ratings in the current financial plan across different age groups.

(H<sub>1</sub>): There is a significant difference in the mean confidence ratings in the current financial plan across different age groups.

Dependent variable: Confidence ratings in the

current financial plan

Independent variable: Age group

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	1.780	3	.593	.792	.501
Within Groups	77.887	104	.749		
Total	79.667	107			

**Rate your confidence in your current financial plan**

Age	N	
4	7	2.00
2	41	2.17
1	47	2.36
3	13	2.46
Sig.		.187

Means for groups in homogeneous subsets are displayed.

a. Uses Harmonic Mean Sample Size = 15.069.

b. The group sizes are unequal. The harmonic mean of the group sizes is used. Type I error levels are not guaranteed.

- Investors should continuously monitor their portfolios and adjust their strategies as needed.

## INTERPRETATION

- The **p-value** (significant value) is **0.05**
- Since  $p < 0.05$ , we fail to reject the null hypothesis that financial knowledge has no effect on confidence. So, we accept the alternate hypothesis.
- There is a no statistically significant difference in confidence levels in current financial plans among the age groups

## FINDINGS

- Majority (46%) of the respondents are confirm that save for emergency.
- Majority (38%) of the respondents are choose creating budget.
- Majority (34%) of respondent are choose improves investment.
- Majority (39%) of the respondents choose are Mutual funds
- Majority of (52%) of the respondents are choose Financial advisor

## SUGGESTION

- Investors should consider tax implications when making investment decisions
- The company can provide educational resources to investors to improve their financial literacy and planning skills.
- Investors should regularly review their portfolios to ensure alignment with their financial goals.
- Investors should adopt a long-term perspective when investing to maximize wealth.

## CONCLUSION

The study on the impact of financial planning on maximizing wealth of investors in Bajaj Allianz Life Insurance Company reveals that financial planning plays a pivotal role in enhancing the wealth of investors. The findings indicate that investors who engage in financial planning with Bajaj Allianz Life Insurance Company tend to have higher wealth levels, better investment portfolios, and greater financial security. The study highlights the importance of customized financial planning, regular portfolio reviews, and tax-efficient investment strategies in maximizing wealth.

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