

## UNDERSTANDING FINANCIAL DECISION-MAKING AMONG FRESH GRADUATES IN AMRAVATI'S WORKFORCE

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### ABSTRACTS

This research explores the financial decision-making of fresh graduates in Amravati, a city experiencing rapid urban growth. With rising employment and disposable income, understanding the financial management of young professionals is essential for promoting financial literacy. The study aims to identify factors affecting budgeting, saving, investing, and spending habits among recent graduates. A descriptive and quantitative approach was used, surveying 40 graduates within a year of graduation from various sectors, selected through simple random sampling. Data was collected via a structured questionnaire with closed and Likert-scale questions on income management. Analysis involved descriptive statistics and chi-square tests using SPSS. Findings show that while many graduates are aware of budgeting and saving, fewer engage in long-term planning or investment. Key influencing factors include peer behavior, family background, income level, and financial education. The study recommends incorporating financial literacy programs into academic curricula and workplace onboarding to promote responsible financial behavior

**Keywords:** Financial Decision-Making, Financial Literacy, Investment Behaviour.

### 1. INTRODUCTION

In today's rapidly evolving economic landscape, financial decision-making has become a critical life skill, especially for young individuals transitioning from academic life to professional environments. Fresh graduates represent a segment of the workforce that is financially active yet often inexperienced in managing money effectively. Their — decisions regarding saving, budgeting, investing, and spending play a vital role not only in their personal financial well-being but also in the broader economy. Understanding the factors that influence financial decisions among this group is therefore essential for policymakers, educators, and financial institutions.

**Financial decision-making** can be defined as “the process of choosing among alternatives related to managing personal financial resources in order to achieve financial goals” (Xiao, 2008). These decisions are influenced by a mix of psychological, social, economic, and educational factors. For fresh graduates, the transition into the workforce brings new responsibilities—such as managing salaries, handling debt, and considering investments—often without adequate financial literacy or planning skills (Lusardi & Mitchell, 2014).

Amravati, a growing city in Maharashtra, has seen an increasing number of educational institutions and employment opportunities, making it an important hub for young professionals. Despite this growth, there is limited research on how fresh graduates in such tier-2 cities make financial decisions. This study aims to fill that gap by examining their financial behaviour, identifying influencing factors, and highlighting the need for structured financial education at early career stages.

### 2. REVIEW OF LITERATURE

#### 1. Financial Decision-Making and Young Adults

**Lusardi, A., & Mitchell, O. S. (2014).** The economic importance of financial literacy: Theory and evidence. Financial decision-making among young adults, particularly fresh graduates, has become a critical area of study due to its implications on long-term financial well-being. Research indicates that financial literacy, attitudes toward money, and financial knowledge significantly impact how young people make financial decisions. Fresh graduates, often entering the workforce with limited experience in managing personal finances, face challenges that shape their decision-making processes.

#### 2. Cultural Influences on Financial Decision-Making

**Agarwal, S. (2009).** “Financial decision-making among young adults in India. International Journal of Consumer Studies.” In collectivist societies like India, cultural norms significantly influence financial decision-making. Fresh graduates often prioritize family responsibilities and adhere to conservative financial practices, such as avoiding debt and saving. Cultural values of financial conservatism shape their financial behaviours, impacting their ability to make independent financial decisions.

### 3. Role of Financial Education in Decision-Making

**Fox, J., Bartholomae, S., & Lee, J. (2005).** "Building the case for financial education. Journal of Consumer Affairs". Studies show that financial education enhances financial decision-making among young adults. Graduates with access to financial education programs are more likely to manage their finances effectively, engage in long-term planning, and make informed decisions. Lack of formal financial education can hinder sound decision-making and contribute to poor financial outcomes.

#### 1) Objectives of the Study:

- 1) To explore the financial decision-making patterns among fresh graduates in Amravati's workforce.
- 2) To identify the key factors influencing the financial decisions of fresh graduates in the region.
- 3) To examine the role of financial literacy in shaping the financial decisions of fresh graduates.

#### 6) Research Methodology:

- 1) **Sample Design:** Fresh graduates employed in Amravati's workforce.
- 2) **Sample Universe:** Graduates from various fields of study within Amravati; **Sampling Technique:** simple random sampling.
- 3) **Sample Size:** 40 fresh graduates.

### 3. DATA ANALYSIS AND INTERPRETATION

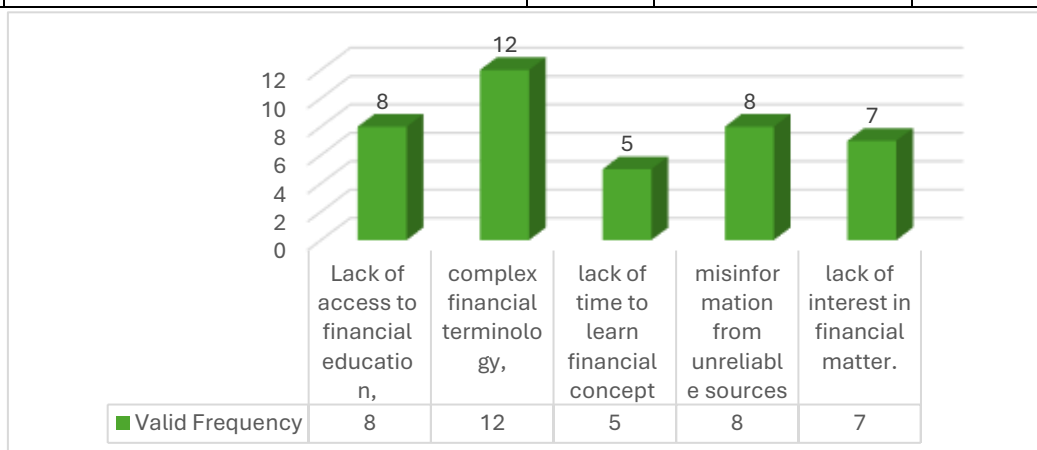
The challenges faced by fresh graduates in improving their financial knowledge are varied. A significant barrier is the **lack of access to financial education**, limiting exposure to essential financial concepts. **Complex financial terminology** often deters individuals from diving deeper into financial matters. Additionally, many face a **lack of time** to dedicate to learning due to busy schedules. **Misinformation from unreliable sources** further complicates their understanding, while a **lack of interest** in financial matters prevents many from engaging in further learning.

7.1) what challenges do you face in improving your financial knowledge?

- 1) Lack of access to financial education,
- 2) complex financial terminology,
- 3) lack of time to learn financial concept
- 4) misinformation from unreliable sources,
- 5) lack of interest in financial matter.

**Table No: 3. 1** - what challenges do you face in improving your financial knowledge?

what challenges do you face in improving your financial knowledge?				
		Percent	Valid Frequency	Cumulative Percent
valid	Lack of access to financial education,	20.00%	8	20.00%
	complex financial terminology,	30.00%	12	50.00%
	lack of time to learn financial concept	12.50%	5	62.50%
	misinformation from unreliable sources	20.00%	8	82.50%
	lack of interest in financial matter.	17.50%	7	100.00%
	Total		40	



**Graph No:3.1** what challenges do you face in improving your financial knowledge?

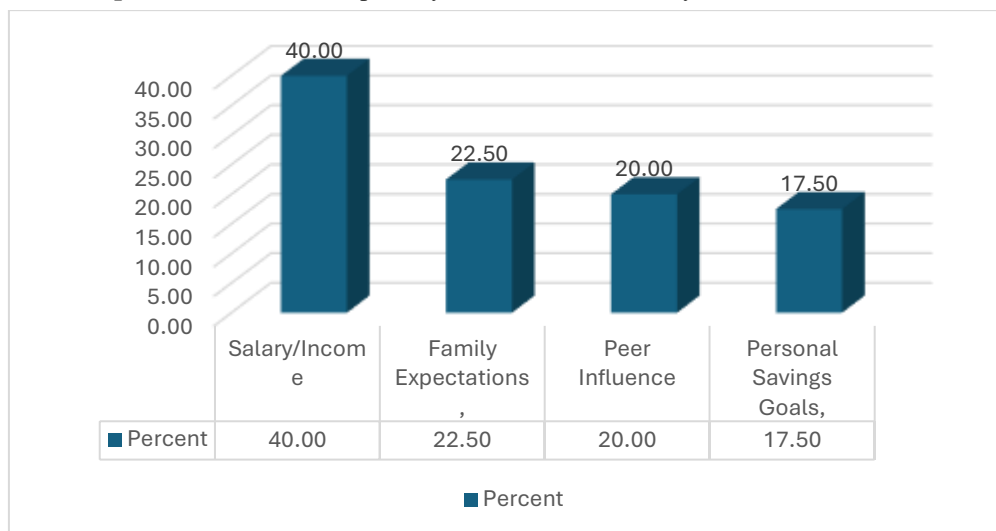
### 3.1 What is the primary factor that influences your financial decisions?

The question "What is the primary factor that influences your financial decisions?" aims to identify the key driver behind an individual's financial choices. Respondents can choose from factors such as salary/income, which reflects the financial resources available, family expectations, which may influence decisions based on traditional or cultural norms, peer influence, which can sway spending habits, personal savings goals, financial education, and other unspecified factors. Understanding these influences helps in analysing how fresh graduates approach financial management and decision-making in their early careers.

**Table No:3.2** What is the primary factor that influences your financial decisions?

What is the primary factor that influences your financial decisions?				
		Percent	Valid Frequency	Cumulative Percent
valid	Salary/Income	40.00	16	40.00
	Family Expectations,	22.50	9	62.50
	Peer Influence	20.00	8	82.50
	Personal Savings Goals,	17.50	7	100.00
	Total	100	40	

**Graph No:3.3** What is the primary factor that influences your financial decisions?



The table No 7.2 presents the primary factors influencing financial decisions among fresh graduates. The highest percentage (40%) of respondents cited **Salary/Income** as the main factor, indicating financial resources play a significant role. **Family Expectations** followed at 22.5%, suggesting cultural or familial influence. **Peer Influence** and **Personal Savings Goals** were mentioned by 20% and 17.5% of respondents, respectively, highlighting the role of social circles and personal financial objectives. In total, 40 respondents participated, with all factors cumulatively accounting for 100%.

## 4. KEY FINDING

The table presents the challenges faced by individuals in improving their financial knowledge, as part of your data analysis on "Financial Decision-Making Patterns Among Fresh Graduates Entering the Workforce in Amravati." The challenges are:

- 1. Complex Financial Terminology (30%):** The most significant challenge, with 12 respondents indicating difficulty in understanding financial terms.
- 2. Lack of Access to Financial Education (20%):** An equal number of respondents face a lack of access to relevant educational resources, hindering their financial knowledge.
- 3. Misinformation from Unreliable Sources (20%):** A similar percentage of individuals struggle with misinformation, which impacts their ability to make informed decisions.
- 4. Lack of Interest in Financial Matters (17.5%):** Some respondents express disinterest in financial topics, further delaying learning.

5. **Lack of Time to Learn Financial Concepts (12.5%)**: Time constraints were a challenge for some, limiting their capacity to study financial topics.

8) **Implications of the Data:**

Implications of the Data for Your Study:

1. **Educational Gaps**: A significant portion of respondents face challenges due to lack of access to financial education, indicating a need for targeted financial literacy programs.
2. **Complexity of Financial Terminology**: Graduates struggle to comprehend financial jargon, highlighting the importance of simplifying financial concepts in educational materials.
3. **Time Constraints**: The lack of time to learn financial concepts suggests the necessity for flexible learning options tailored to busy schedules.
4. **Misinformation**: The prevalence of misinformation stresses the need for credible financial sources.
5. **Disinterest**: Lack of interest emphasizes the need for engaging content that motivates young professionals to take financial education seriously.

5. **CONCLUSION**

In conclusion, this study on financial decision-making patterns among fresh graduates in Amravati reveals key challenges in improving financial literacy, such as limited access to financial education, complex terminology, misinformation, and time constraints. While most graduates show awareness of budgeting and saving, there is a lack of engagement in long-term financial planning and investment. Cultural and socio-economic factors, including family influence and income levels, play a significant role in shaping financial behaviours. The findings highlight the need for targeted financial education programs, both in academic institutions and workplace onboarding, to improve financial literacy and foster responsible financial behaviour among young professionals in Amravati.

6. **REFERENCES**

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