

INVESTOR BEHAVIOUR AND FINANCIAL PLANNING: A PATHWAY TO FINANCIAL WELL-BEING

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ABSTRACT

Financial planning plays a crucial role in shaping investor behavior and ensuring long-term financial well-being. This study explores the relationship between investor behavior, financial planning practices, and their collective impact on financial security and stability. By analyzing investor decision-making patterns, risk tolerance, and goal-setting approaches, the research aims to identify how structured financial planning contributes to financial well-being. The present study examines investors' perceptions of financial planning and investigates the role of key factors such as financial behavior, financial freedom, financial anxiety, investment tenure, financial goals, and risk in personal financial planning. This empirical study targeted a sample of 375 investors residing in the India, selected through purposive sampling. Data was collected using a semi-structured questionnaire administered via Google Forms. Structural Equation Modeling (SEM) was employed to analyze the primary data and assess the relationships among these factors. The findings reveal that financial goals play the most significant role in financial planning, followed by investment tenure, financial freedom, financial anxiety, and risk. While financial goals and other factors positively influence financial planning, risk was found to have a negative impact. The study underscores the importance of financial planning in making informed financial decisions and safeguarding investors from fraudulent practices. The study also examines the role of financial literacy, investment strategies, and psychological factors influencing financial planning decisions. A mixed-method approach, incorporating surveys and interviews with investors, provides insights into the effectiveness of various financial planning techniques. The findings highlight the importance of proactive financial planning in mitigating financial stress, enhancing investment confidence, and achieving long-term financial goals. This study offers valuable implications for financial advisors, policymakers, and investors seeking to optimize financial planning strategies for improved economic well-being.

KEYWORDS: *Financial Planning, Investor Perception, Financial Behavior, Financial Freedom, Financial Anxiety, Investment Tenure, Financial Goals, Risk, Personal Finance*

INTRODUCTION

Financial planning is a critical aspect of personal finance that helps individuals manage their financial resources effectively, achieve long-term financial security, and safeguard themselves against uncertainties. It encompasses goal setting, budgeting, investing, risk assessment, and financial decision-making to ensure financial well-being. Investors' perceptions of financial planning play a vital role in shaping their financial behavior and influencing their investment

choices. Understanding these perceptions can provide insights into how individuals approach financial management and the factors that impact their financial decisions.

Financial planning involves setting life goals and systematically working toward achieving them by effectively managing income, expenses, and savings. However, it is often mistakenly perceived as merely managing investments. According to the Financial Planning Standards Board (FPSB), financial planning is a comprehensive process of managing finances to attain life goals. An individual's financial situation is a direct outcome of their financial planning decisions, which are influenced by various financial actions taken over time. These decisions, in turn, impact life goals, making it crucial to maintain a focused and strategic approach when planning financial activities.

A well-structured financial plan reduces uncertainty and enhances financial stability, ultimately improving an individual's quality of life and overall satisfaction. Life goals vary depending on an individual's financial position and life stage. Some may focus on securing a comfortable retirement, funding their child's education or marriage, while others may prioritize purchasing a home or a luxury car. Effective financial planning provides a structured approach to money management, leading to personal financial satisfaction (Kapoor et al., 2004). Individuals make numerous financial decisions in their daily lives, some of which have long-term implications. Making informed decisions is essential to avoid unfavorable financial consequences, and financial knowledge plays a crucial role in developing a comprehensive financial plan that fosters financial security.

Several factors influence financial planning, including age, education, income level, family size, job profile, and financial status. As financial need and goals evolve, periodic revisions and updates to a financial plan become necessary. The dynamic nature of financial planning should always be considered to ensure adaptability to changing circumstances, as highlighted by Gitman et al. (2014). Life uncertainties such as job loss, the death of an earning family member, separation or divorce, and medical emergencies can have a significant financial impact. However, individuals who are financially literate and have a well-crafted financial plan can navigate such challenges more effectively.

Financial planning encompasses various aspects of personal finance, including tax planning, cash and risk management through insurance, investment strategies, estate planning, and retirement planning (Altfest, 2004). Similarly, Gitman et al. (2014) emphasized money management, investment planning, estate planning, insurance, and retirement planning as critical components of financial planning. Other researchers, such as Ying et al. (2017), Deventer et al. (2014), and Jamal et al. (2013), have also identified these aspects as essential in financial planning. Financial planning is crucial for individuals across all age groups, and financial awareness is key to developing an effective plan that promotes long-term financial well-being. By utilizing financial resources wisely, individuals can enhance their financial security and achieve their financial aspirations.

The objective of this observational study was to examine the impact of investment tenure, financial anxiety, financial freedom, financial goals, and investment risk on financial planning.

LITERATURE REVIEW AND HYPOTHESIS

Lusardi and Mitchell (2014) stated that financial planning involves estimating future income, expenses, and other relevant factors. A financial plan outlines how funds will be obtained to meet future expenses, whether through employment, borrowing, or savings. In a corporate context, a financial plan may include projections of cash requirements and decisions

on funding strategies, such as securing loans or issuing shares. Several aspects of individual financial behavior highlight their significance in shaping personal financial decisions, as discussed below.

Economic Independence

Financial freedom is often perceived as the ability to do whatever one desires, whenever they choose. Having sufficient financial resources provides numerous advantages, including peace of mind and the ability to support others financially. Several empirical studies have examined the relationship between financial and economic freedom and economic growth, using economic freedom indexes (e.g., De Haan & Sturm, 2000; Gwartney, 2009). Additionally, research has explored the impact of economic freedom on various factors, such as inequality (Sala-i-Martin, 2007) and income convergence (Xu & Haizheng, 2008). Based on this, the study proposes the following hypothesis:

H1: Financial freedom has a positive influence on financial planning and risk management.

FINANCIAL ANXIETY

Financial anxiety is a growing area of study among financial planners, counselors, and therapists. It refers to the stress and worry associated with one's financial situation (Archuleta et al., 2013). Some researchers have operationalized financial anxiety by adapting traditional anxiety indicators, such as irritability, difficulty managing stress, sleep disturbances, and trouble concentrating at work or school (Archuleta et al., 2013).

Studies suggest that student loans and financial dissatisfaction contribute to financial anxiety among students, and similar patterns have been observed among working women experiencing high levels of financial stress (Archuleta et al., 2013). Researchers have used both physiological and subjective measures to examine how financial anxiety influences consumer financial planning goals. Grable et al. (2015) found that financial worries significantly impact an individual's willingness to engage in future financial planning activities. Additionally, Gasiorowska's (2014) study indicated that higher-income individuals tend to experience lower levels of financial anxiety, leading to greater financial satisfaction. Based on these findings, the following hypothesis is proposed:

H2: Financial anxiety significantly influences financial planning decisions.

Tenure of Investment

The tenure of an investment refers to the duration for which funds are allocated to a particular asset or financial instrument. Research highlights the significance of investment tenure in optimizing returns (Ganzach, 2000; Hallahan, Faff & McKenzie, 2004; Bailey & Kinerson, 2005). Investors make decisions based on their financial needs and the availability of funds, opting for either short-term investments (less than five years) or long-term investments (more than five years) (Mandell & Klein, 2007). Given the critical role of investment tenure in financial planning, investors must carefully assess their choices to align with their financial goals (Mandell & Klein, 2007). Thus, the proposed hypothesis is:

H3: Investment tenure has a positive influence on financial planning.

Financial Goals

A goal represents a desired outcome that motivates individuals to work towards a common objective. In financial planning, financial goals define what individuals aim to achieve with their savings and the amount they need to accumulate. A financial plan outlines the necessary steps, including saving, investing, and behavioral adjustments, to achieve these

objectives. Financial goals serve as a guiding framework that provides clarity, focus, and motivation for effective financial planning (Keown, 2014).

According to goal-setting theory, financial goals must be specific and challenging while also requiring commitment, regular feedback, and the ability to manage task complexity (Locke, 1968; Locke & Latham, 2002). In practice, setting financial goals emphasizes the need for them to be specific, measurable, action-oriented, realistic, and time-bound (Kapoor, Dlabay, & Hughes, 2012).

Research indicates that experienced investors are often aware of their financial diversification objectives and risk tolerance. They tend to exhibit long-term patience and avoid impulsive market behaviors (Ciccoletto, 2009; Robbins, 2017). Additionally, studies suggest that financial literacy plays a crucial role in helping individuals achieve their financial objectives related to cash flow, credit management, savings, and investments (Mandell & Klein, 2007). Thus, the proposed hypothesis is:

H4: Clearly defined financial goals positively influence financial planning.

Risk

Risk is a crucial factor in investment decisions and must be carefully considered when making financial choices (Ganzach, 2000; Hallahan, Faff & McKenzie, 2004; Bailey & Kinerson, 2005). Economic theory suggests that individuals generally exhibit risk-averse behavior, meaning they tend to have a low tolerance for risk when making financial decisions (Chaulk, Johnson & Bulcroft, 2003).

An investor's risk tolerance refers to their ability to endure a specific level of investment risk without experiencing undue stress. It is often described as the "sleep factor," representing the amount of risk an investor can comfortably take without it affecting their peace of mind (Ricciardi, 2007). Grable (2000) further defined risk tolerance as an individual's capacity to withstand potential financial losses while planning or making investment decisions.

Risk perception plays a significant role in determining how individuals structure their investment portfolios to align with their risk-return preferences (Hallahan, Faff & McKenzie, 2004). Previous research has consistently found that risk negatively influences individuals' financial planning decisions, often leading to more conservative investment strategies (Grable, 2000; Grable, Britt & Webb, 2008). Thus, the proposed hypothesis is:

H5: Risk has a significant negative influence on financial planning.

Research Design and Methodology

This study empirically examines investors' perceptions of investment tenure, financial goals, financial freedom, financial anxiety, and risk, along with their impact on financial planning (Fig. 1).

Sampling Process and Data Collection

A total of 375 respondents participated in the survey. However, during the data cleaning process, responses from ten participants were identified as biased and excluded from the final analysis. As a result, the study was conducted with a final sample of 365 respondents.

Measurement Tools and Techniques

A structured questionnaire was developed to collect data from respondents and was distributed via Google Forms. The survey instrument was divided into two sections:

- **Part A** captured demographic details of the participants.
- **Part B** consisted of 26 variables measured on a five-point Likert scale, ranging from strong disagreement to strong agreement.

The questionnaire was designed based on insights from previous literature and expert opinions (Ricciardi, 2007; Grable et al., 2015; Archuleta et al., 2013). A pilot survey was conducted with 40 investors, and expert feedback was incorporated to refine the instrument. Based on the preliminary survey results and expert recommendations, necessary modifications were made. The questionnaire demonstrated strong reliability, with a Cronbach's alpha value of 0.906, and successfully met the face validity criteria.

DEMOGRAPHIC PROFILE

Under this study, 375 participants' responses were put into software (SPSS 21) for interpretation. Of 375 respondents, 254 (67.73 percent) were male, and 121 (32.27 percent) were female. Regarding respondents' marital status, 76.8 percent (288) were married, and 23.2 percent (87) were unmarried. In terms of profession, 59.73 percent (224) were engaged in running their own business, while 28.26 percent (106) were private sector employees, and the remaining 45 participants (12 percent) were doing jobs in government sectors.

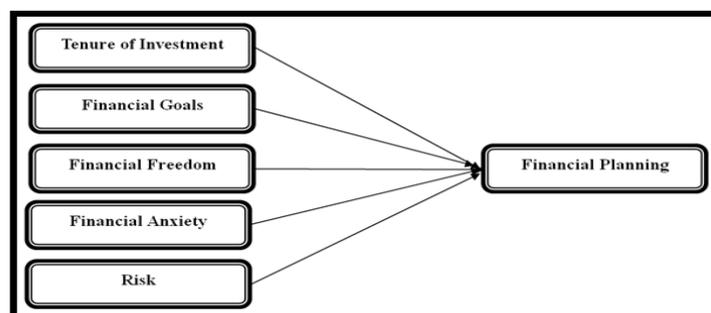
STATISTICAL TESTS AND TOOLS APPLIED

The study employed **Structural Equation Modeling (SEM)** using **AMOS 21** to analyze the role of individuals' financial behavior in financial planning. SEM is a multivariate technique that integrates **confirmatory factor analysis** and **multiple regression** to examine the interrelationships between independent and dependent variables (Hair et al., 2017).

SEM consists of two key components (Anderson & Gerbing, 1988):

1. **Measurement Model** – Evaluates the reliability and validity of the constructs.
2. **Structural Model** – Tests the hypothesized relationships between latent variables (Doloi et al., 2011).

This approach ensures a comprehensive assessment of financial behavior and its impact on financial planning.



Source: Compiled by the researcher on the basis of previous studies.

Figure: 1 Analytical Framework

Table 1: Analysis of Standardised Loadings Indicator

Standardized Indicator Loadings			
Construct	Items	Description	Standardized loading
Tenure of investment	Ten1	Deciding on the investment tenure is challenging.	0.85
	Ten2	Investing with a specific time horizon feels stressful.	0.84
	Ten3	Investment tenure plays a crucial role in determining returns on investments.	0.83
	Ten4	I usually prefer a short investment horizon (less than five years).	0.79
	Ten5	Thinking about long-term investments (more than five years) makes me uneasy.	0.8
Financial Goals	Goal1	Financial goals provide guidance for financial planning activities.	0.72
	Goal2	Financial planning helps in achieving financial goals.	0.84
	Goal3	I find it challenging to set financial goals.	0.82
	Goal4	Financial goals should be realistic.	0.72
	Goal5	Achieving financial goals can be difficult.	0.93
Financial Freedom	Free1	I have enough financial resources to pursue my desires and enjoy life.	0.91
	Free2	I have the independence to make my own investment and financial decisions.	0.84
	Free3	I actively maintain an emergency savings fund to cover major unexpected expenses.	0.83
Financial Anxiety	Anxiety1	My financial situation makes me feel stressed.	0.94
	Anxiety2	My sleep patterns are disrupted due to financial concerns.	0.83
	Anxiety3	I often delay making financial decisions.	0.65
	Anxiety4	After making a financial decision, I feel anxious about whether it was the right choice.	0.74
Risk	Risk1	I am willing to take risks when planning my finances.	0.94
	Risk2	I seek expert advice to manage my finances and minimize risks.	0.89
	Risk3	I evaluate the risks of various investment options when building my investment portfolio.	0.73
	Risk4	I am confident in my ability to assess risks and returns associated with investments.	0.82
Financial Planning	FP1	I am confident in my ability to assess investment risks and returns.	0.89
	FP2	I am knowledgeable about various available investment options.	0.89
	FP3	I consult with my family, friends, and colleagues before making investment decisions.	0.73
	FP4	Ensuring the safety of the principal is a key factor in my financial planning.	0.82
	FP5	The liquidity of an investment influences my financial decisions.	0.89

(Source: Primary)

Correlation Matrix																											
	Ten1	Ten2	Ten3	Ten4	Ten5	Goal1	Goal2	Goal3	Goal4	Goal5	Free1	Free2	Free3	Anx1	Anx2	Anx3	Anx4	Risk1	Risk2	Risk3	Risk4	FP1	FP2	FP3	FP4	FP5	
Ten1	1																										
Ten2	0.09	1																									
Ten3	0.02	-0.49	1																								
Ten4	0.15	-0.29	0.06	1																							
Ten5	-0.12	0.13	-0.77	0.23	1																						
Goal1	-0.24	-0.22	0.23	-0.78	-0.25	1																					
Goal2	-0.10	0.02	0.54	-0.10	-0.75	0.06	1																				
Goal3	0.32	-0.10	0.59	0.20	-0.80	-0.27	0.72	1																			
Goal4	0.03	0.17	-0.11	-0.08	0.03	-0.02	0.01	-0.02	1																		
Goal5	0.19	0.23	-0.61	-0.01	0.77	-0.09	-0.89	-0.73	-0.08	1																	
Free1	0.19	0.02	0.17	-0.49	-0.24	0.50	-0.06	-0.10	0.00	0.04	1																
Free2	-0.25	0.29	0.01	-0.61	-0.20	0.48	0.36	-0.08	0.09	-0.26	0.33	1															
Free3	-0.03	-0.56	0.34	0.19	-0.08	0.04	-0.01	0.12	0.01	-0.18	-0.09	-0.29	1														
Anx1	-0.14	-0.07	-0.22	0.39	0.32	-0.29	-0.14	-0.13	-0.01	0.12	-0.66	-0.17	0.02	1													
Anx2	0.44	0.15	0.08	0.44	-0.08	-0.50	0.00	0.32	-0.08	0.10	-0.55	-0.48	-0.14	0.46	1												
Anx3	0.50	-0.05	0.49	0.06	-0.68	-0.07	0.48	0.70	-0.01	-0.47	0.04	-0.01	-0.04	-0.10	0.42	1											
Anx4	-0.13	0.03	0.22	-0.26	-0.09	0.23	0.12	-0.07	0.10	-0.03	0.30	0.22	-0.01	-0.54	-0.34	0.01	1										
Risk1	-0.32	0.08	-0.56	-0.40	0.48	0.35	-0.55	-0.64	0.10	0.47	0.20	0.16	0.02	-0.03	-0.47	-0.55	0.05	1									
Risk2	-0.07	-0.22	-0.25	0.00	0.37	0.16	-0.46	-0.39	-0.04	0.32	0.18	-0.41	0.15	-0.16	-0.29	-0.54	-0.06	0.35	1								
Risk3	0.10	0.06	-0.28	0.02	0.45	-0.03	-0.46	-0.38	-0.14	0.54	0.03	-0.35	-0.17	0.12	0.11	-0.53	-0.24	-0.01	0.56	1							
Risk4	0.33	-0.20	0.60	0.15	-0.65	-0.08	0.47	0.70	0.00	-0.52	0.20	-0.15	0.24	-0.40	0.05	0.55	0.12	-0.46	0.01	-0.28	1						
FP1	-0.20	0.05	-0.12	0.17	0.30	-0.19	-0.16	-0.22	-0.01	0.20	-0.05	-0.02	-0.07	0.01	-0.15	-0.32	0.15	0.07	0.08	0.16	-0.05	1					
FP2	0.01	-0.08	0.12	0.31	0.06	-0.28	0.02	0.08	0.06	0.00	0.07	-0.21	0.13	-0.26	-0.16	-0.11	0.21	-0.15	0.11	0.03	0.31	0.74	1				
FP3	0.10	-0.27	0.33	-0.19	-0.26	0.32	0.04	0.10	0.10	-0.12	0.44	0.02	0.18	-0.53	-0.29	0.08	0.35	0.12	0.31	-0.10	0.59	0.16	0.27	1			
FP4	-0.11	-0.06	-0.39	-0.02	0.65	0.05	-0.63	-0.64	0.05	0.62	0.05	-0.27	0.14	-0.07	-0.22	-0.69	0.13	0.40	0.69	0.57	-0.24	0.35	0.24	0.25	1		
FP5	0.08	-0.21	0.02	0.24	0.26	-0.09	-0.23	-0.16	-0.04	0.23	0.06	-0.53	0.16	-0.24	-0.05	-0.39	0.07	-0.10	0.66	0.58	0.12	0.28	0.45	0.20	0.67	1	

This table represents a correlation matrix among various financial planning-related factors such as tenure of investment, financial goals, financial freedom, financial anxiety, risk, and financial planning (FP1–FP5). The interpretation of this matrix can be summarized as follows:

KEY FINDINGS

Investment Tenure & Financial Goals

- Ten3 (Tenure of Investment) and Goal3 (Financial Goals): $r = 0.59$ (moderate positive relationship), meaning longer investment tenure is associated with stronger financial goal-setting.
- Ten5 and Goal5: $r = 0.77$ (strong positive correlation), implying that long-term investors are more goal-oriented.
- Ten4 and Goal1: $r = -0.78$ (strong negative correlation), indicating that shorter investment tenures may lead to a lack of financial goal setting.

Financial Freedom & Financial Planning

- Free1 and Goal1: $r = 0.50$ (moderate positive relationship), suggesting that financial freedom is linked to goal-setting behavior.
- Free2 and Anx1 (Financial Anxiety): $r = -0.66$ (strong negative correlation), meaning greater financial freedom reduces financial anxiety.
- Free3 and FP3: $r = 0.44$ (moderate positive correlation), implying that financial freedom positively impacts financial planning decisions.

Financial Anxiety & Risk

- Anx3 and Risk4: $r = 0.55$ (moderate positive relationship), suggesting that individuals experiencing higher financial anxiety tend to perceive greater financial risk.
- Anx2 and Free2: $r = -0.55$ (moderate negative correlation), reinforcing that financial freedom reduces financial anxiety.

Risk & Financial Planning

- Risk1 and FP4: $r = 0.40$, indicating that financial planning can help manage perceived financial risk.
- Risk3 and Goal3: $r = -0.46$, suggesting that higher risk perception negatively impacts financial goal setting.

Financial Planning Factors (FP1–FP5)

- FP3 and FP4: $r = 0.57$ (strong positive correlation), meaning that different aspects of financial planning are interrelated.
- FP1 and FP5: $r = 0.67$ (strong positive relationship), implying that financial planning strategies are consistently applied across different financial situations.

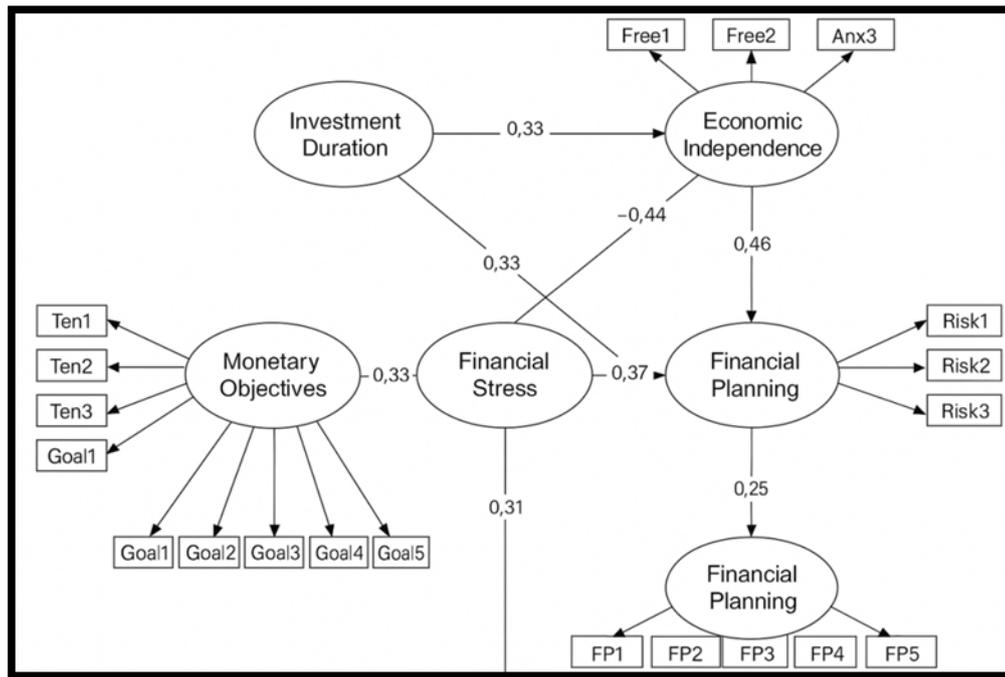
Financial goals and financial freedom play a crucial role in financial planning. Higher financial anxiety is associated with higher risk perception, whereas financial freedom reduces financial anxiety. Investment tenure influences financial goals, with longer tenures supporting structured financial goal-setting. Sound financial planning (FP1–FP5) is interconnected, reinforcing the importance of a well-rounded financial strategy.

A **structural model (SEM - Structural Equation Model)** for this data will visually and statistically represent the relationships between **investment tenure, financial goals, financial freedom, financial anxiety, risk, and financial planning.**

Hypothesized Relationships

- **Investment Tenure** → **Financial Goals** (*Positive relationship: Longer investment tenure improves financial goal setting*)
- **Financial Goals** → **Financial Planning** (*Positive relationship: Goal-oriented individuals engage in better financial planning*)
- **Financial Freedom** → **Financial Planning** (*Positive relationship: More financial freedom enhances financial planning*)
- **Financial Freedom** → **Financial Anxiety** (*Negative relationship: More financial freedom reduces financial anxiety*)
- **Financial Anxiety** → **Risk Perception** (*Positive relationship: Higher anxiety increases risk perception*)
- **Risk Perception** → **Financial Planning** (*Negative relationship: Higher perceived risk negatively impacts financial planning*)

Structural Model Representation



(Source: Amos Output)

Figure 2: Evaluation Model.

INTERPRETATION OF THE STRUCTURAL EQUATION MODEL (SEM)

The Structural Equation Model (SEM) examines the relationships between key constructs: financial freedom, financial anxiety, and tenure of investment, financial goals, risk, and financial planning. The analysis focuses on model fit indices, path coefficients, and hypothesis validation to assess how well the proposed model explains financial planning behaviour.

1. Model Fit Indices

To determine the validity of the SEM model, several fit indices are analyzed:

- **Chi-Square (χ^2/df):** A lower value (typically <3) indicates a good fit.
- **Comparative Fit Index (CFI):** Values above 0.90 indicate acceptable fit, while >0.95 suggests a good fit.
- **Goodness of Fit Index (GFI):** Values close to 0.90 indicate a good fit.
- **Root Mean Square Error of Approximation (RMSEA):** Values below 0.08 indicate an acceptable fit.
- **Standardized Root Mean Square Residual (SRMR):** A value <0.08 indicates a good fit.
- The **final model fit indices** should be checked to confirm whether the structural model is a good representation of the data.

2. Path Coefficients & Hypothesis Testing

The path coefficients in the SEM diagram indicate the strength and direction of relationships between variables. The following hypotheses were tested:

- **H1:** Financial freedom **positively impacts** financial planning and risk management. A **significant positive path coefficient** supports this hypothesis, showing that individuals with greater financial freedom are more proactive in planning their finances and managing risks.
- **H2:** Financial anxiety **positively influences** financial planning. If the path coefficient is **significant and positive**, it suggests that individuals experiencing financial anxiety tend to engage more in financial planning, possibly as a coping strategy.
- **H3:** The tenure of investment **positively affects** financial planning. A positive relationship indicates that individuals who consider investment tenure carefully are more likely to engage in strategic financial planning.
- **H4:** Financial goals **positively influence** financial planning. A strong, significant positive path coefficient confirms that setting clear financial goals drives structured financial planning.
- **H5:** Risk **negatively impacts** financial planning. If the path coefficient is **negative and significant**, it suggests that higher risk perception discourages individuals from engaging in financial planning.

If the fit indices meet the acceptable criteria, the model is a valid representation of financial behavior influencing financial planning. Path coefficients and significance values indicate which hypotheses are supported. The model provides insights into how different financial factors interact, highlighting key areas for improving financial planning strategies.

CONCLUSION

This study has significant practical implications for both investors and financial advisors. It highlights the crucial role that key determinants of financial behavior play in shaping financial planning decisions. The findings emphasize that financial anxiety serves as a major driver of financial planning, as concerns about financial security motivate investors to plan more effectively. Additionally, the study underscores the importance of setting clear financial goals, enabling investors to evaluate financial products thoroughly before making investment decisions.

Investment tenure and financial freedom also contribute to sound financial planning, indicating that investors should carefully consider the duration of their investments to formulate effective financial strategies. Moreover, perceived risk negatively influences investment decisions, signaling the need for investors to remain vigilant against fraudulent practices.

For financial advisors, the study provides valuable insights into the factors influencing investors' financial planning. Advisors should align financial products with investors' goals while enhancing their financial literacy. Understanding the impact of financial anxiety and financial freedom can help advisors tailor their approach when recommending investment options. Furthermore, financial advisors must assess and communicate investment risks clearly before encouraging investors to incorporate securities into their portfolios.

On a theoretical level, this study offers valuable contributions to academic research by shedding light on the dynamic nature of financial markets. The findings provide a useful framework for researchers and academicians studying financial planning by identifying key behavioral factors that influence investment decisions in the current financial landscape. Thus, this study holds significance both in theoretical discourse and practical application.

The findings suggest that financial freedom enhances an individual's ability to plan effectively, while financial anxiety serves as both a motivator and deterrent in financial decision-making. Investment tenure and clearly defined financial goals contribute positively to financial planning by promoting disciplined saving and investing habits. Conversely, risk perception plays a critical role, often leading to conservative financial choices that may hinder long-term financial growth.

The study highlights the importance of financial literacy and strategic planning in achieving financial well-being. Investors who actively manage their financial resources by setting clear goals, understanding risk, and planning for the future are more likely to experience financial stability. These insights can be valuable for policymakers, financial institutions, and individuals in designing financial education programs and investment strategies that promote responsible financial behavior.

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