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Research Article

A STUDY ON PERSONAL FINANCE OF GULF RETURNEES WITH SPECIAL REFERENCE TO ALANALLUR GRAMAPANCHAYTH, PALAKKAD (DT)

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ABSTRACT

Personal finance is the science of earning, spending, saving and investing of money based on objectives and maximizing the wealth of the family with a view to generate adequate returns, achieving financial freedom and ensuring the happiness of the family. Personal finance deals with the lifelong financial aspect of the family. It involves the way in which a person gets his income and the way in which he spends it or saves it for future use. It also includes the amount and pattern of savings and investments, management of assets, liabilities, ancestral properties and consumer durables. Thus, on the one side, personal finance demands a thorough evaluation of the available resources of the family by all the means, and on the other side the most beneficial utilization and protection of the same to maximize the earning capacity and welfare of the family.

INTRODUCTION

Personal finance is the financial management which an individual or a family unit performs to budget, save, and spend monetary resources over time, taking into account various financial risks and future life events. When planning personal finances, the individual would consider the suitability to his or her needs of a range of banking products (checking, savings accounts, credit cards and consumer loans) or investment private equity, (stock market, bonds, mutual funds) and insurance (life insurance, health insurance, disability insurance) products or participation and monitoring of and- or employer-sponsored retirement plans, social security benefits, and income tax management.

Personal Financial Planning Process

The key component of personal finance is financial planning, which is a dynamic process that requires regular monitoring and re-evaluation. In general, it involves five steps.

1. ***Assessment***: A person's financial situation is assessed by compiling simplified versions of financial statements including balance sheets and income statements. A personal balance sheet lists the values of personal assets (e.g., car, house, clothes, stocks, bank account), along with personal liabilities (e.g., credit card debt, bank loan, mortgage). A personal income statement lists personal income and expenses.
2. ***Goal setting***: Having multiple goals is common, including a mix of short- and long-term goals. For example, a long-term goal would be to "retire at age 65 with a personal net worth of $1, 000, 000," while a short-term goal would be to "save up for a new computer in the next month." Setting financial goals helps to direct financial planning. Goal setting is done with an objective to meet specific financial requirements.
3. ***Plan creation***: The financial plan details how to accomplish the goals. It could include, for example, reducing unnecessary expenses, increasing the employment income, or investing in the stock market.
4. ***Execution***: Execution of a financial plan often requires discipline and perseverance. Many people obtain assistance from professionals such as accountants, financial planners, investment advisers, and lawyers.
5. ***Monitoring and reassessment***: As time passes, the financial plan is monitored for possible adjustments or reassessments.

Typical goals that most adults and young adults have are paying off credit card/student loan/housing/car loan debt,

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