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Detail Study of Personal Financial Planning Profession: Certified Financial Planner CM Perspective

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Abstract

Financial discipline in everyone's life is most desirable phenomena for leading the life without many deviations from the regular life. Personal financial planning as a profession in India it is in an infant stage, there is greater need to familiarise the profession by way of providing financial education to all categories of investors. Investors having a lot of confusion about different kinds of Independent Financial Advisors. To protect the investors' from the hands of unqualified professionals, there is a strong need to provide guidance with righteous information regarding Securities and Exchange Board of India (SEBI) approved financial advisors. CERTIFIED FINANCIAL PLANNERCM or CFPCM Professionals are SEBI approved financial advisers; they will make comprehensive financial plans for individual investors to meet their life goals. CFPCM professionals have greater amount of specialised set of skills in personal financial planning domain. CFPCM Professionals are certified by Financial Planning Standards Board India (FPSBI). FPSBI is the authorised body that awards CFPCM Certification in India, through an agreement with FPSB Ltd US. CFPCM Certification is the global certification in the field of financial planning. The aim of the research paper is to provide complete information about CFPCM Professionals and how they will help the investors for their life goals. The researcher tries to examine the various internal and external factors influencing the perfect financial planning for individual investors. The research study was conducted by administering the structured questionnaire for interviewing 50 selected financial advisors. The responses gathered was analysed with the help of multiple linear regression model using SPSS. The results revealed that internal factors such as investment amount and expected return having high influence on preparing individual financial plans. The external factors safety and return on investment is having high influence on preparing individual financial plans.

Keywords: CERTIFIED FINANCIAL PLANNERCM Professionals, Financial Planning, Securities and Exchange Board of India, Financial Planning Standard Board India, Investment, and Investor.

Introduction

Financial Planning

There is not a single one of us who can take life for granted. Future is full of uncertainties, to meet the future uncertainties, certain financial planning is inevitable. Financial planning is an ongoing process throughout the life of an individual for attaining the fulfilment of aspirations. Financial planning is a process of managing finance of individuals to meet their life goals. Financial planning is road map to help the individual investors to reach their goal safely. Comprehensive financial planning is a complete financial planning of all needs of individuals it comprises the following components. FPSB India has categorized the Financial Planner Abilities into six Financial Planning Components 1.Financial Management 2.Asset Management 3.Risk Management 4.Tax Planning 5.Retirement Planning 6.Estate Planning (Financial Planner Competency Profile, n.d., p.7)

Process of standard financial planning requires the six steps approach 1. Establishing and defining the client planner relations 2. Gathering client data, including goals3.Analyzing and evaluating your financial status 4. Developing and presenting Financial Planning recommendations and/or alternatives 5. Implementing the Financial Planning recommendations 6. Monitoring the Financial Planning recommendations (Financial Planning Process,n.d.,para.2)

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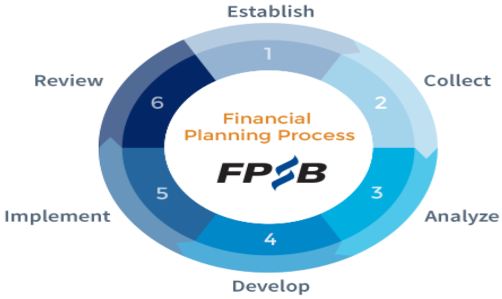
Process of Financial Planning



Source: https://www.fpsb.org/about-financial-planning/

Advantages of Financial Planning through Certified Financial Planner^{cm}

CFP^{CM} professional provides perfect direction and effective utilization of client's financial resources to reach the clients financial dreams. CFP^{CM} professional with their expertise knowledge in the field of financial planning it leads to minimization of risk component. Financial planning is relative process, it is different from case to case hence, CFP^{CM} professional are analyzing the individual financial goals and requirements stage wise and preparing a suitable plan with timely recommendations according to the market conditions.

Why Certified Financial Planner^{cm} Professionals only

Choosing a right Financial Planner is the most important step in the process of making financial decisions with a view to converting savings into right investments. CERTIFIED FINANCIAL PLANNER^{CM} professional are certified by FPSB India after fulfilling significant education and experience requirements. CFP^{CM} professional are continually update their abilities and abide by FPSB India Code of Ethics and Professional Responsibility (Code of Ethics) and Financial Planning Practice Standards (Practice Standards) (Why CFP^{CM}Certificants,n.d.,para2)

Qualification and Certification Requirements Specified under IA Regulations?

An individual registered as an investment adviser under IA regulations and partners and representatives of an investment adviser who are rendering investment advice on behalf of the investment adviser, as the case may be, shall fulfil with the minimum qualification and certification requirements as specified under regulation 7(1) and regulation 7(2) of IA Regulations at all times. With regard to certification requirement, the said persons are required to obtain NISM-Series-X-A: Investment Adviser (Level 1) as well as NISM-Series-X-B: Investment Adviser (Level 2) certification. (SECURITIES AND EXCHANGE BOARD OF INDIA (INVESTMENT ADVISERS) REGULATIONS, 2013,p.6).

List of NISM Accredited Certification Examinations for Investment Advisers

A) Chartered Wealth Manager (CWM) certified by American Academy of Financial Management India Pvt. Ltd. B) Certified Financial Planner (CFP^{CM}) certified by Financial Planning Standards Board India C) International Certificate in Wealth & Investment Management (India) Certification certified by Chartered Institute for Securities and Investment (Nism,n.d.,p.1)

How Certified Financial Planner^cm Professionals are Differ from other Financial Professionals

Course	Designation	Institute	Main Areas Covered
CA	Chartered Account	The Institute of Chartered Accountants of India (ICAI)	Accounting, taxation & auditing
CS	Company Secretary	The Institute of Company Secretaries of India (ICSI)	Company law
CWA	Cost Accountant	The Institute of Costs & Works Accountants of India (ICWAI)	Costing
CFP^CM	Certified Financial Planner	Financial Planning Standards Board (FPSB), India	Financial Planning - Insurance, Retirement, Investments & Taxation
CFA	Chartered Financial Analyst	Association for Investment Management & Research (AIMR)	Portfolio Management & Investment Analysis
CPA	Certified Public Accountant	American Institute of Certified Public Accounts (AICPA)	Accountancy & Taxation

Source: http://www.fpsbindia.org/Scripts/FinancialPlanning.aspx

Different Types of Independent Financial Advisors and their Limited Role in the Specific Area

Category	Products for sales and advice
Insurance agent	Insurance Policies
Mutual Fund distributor	Mutual Funds
Equity share broker/sub-broker	Share trading, IPOs
Income tax consultant	Tax Planning, Employee Benefits
Distributor/Advisor of multiple financial products & services	MFs, Insurance, Post Office schemes, share trading, tax etc

Source: http://www.fpsbindia.org/Scripts/FinancialPlanner.aspx

CFP^CM professionals are specialized to offer entire financial planning services in one stop nature. CFP^CM professionals with rigours update their abilities and abide by FPSB India Code of Ethics and Professional Responsibility (Code of Ethics) and Financial Planning Practice Standards (Practice Standards).

Review of Literature

a) Advantages of personal financial planning as a profession

Personal financial planning profession is increasingly becoming one of the most sought-after careers, as the working population around the globe continues to increase, and so does their ability to earn more. With the boom in working population, people increasingly need experts to handle their finances, and thus the career prospects for personal financial planning profession continue to brighten. Besides helping clients, the nature of profession also gives the financial advisors an opportunity of unlimited earning. The advisors can earn through three different ways, that is, via commissions, fees, or through a combination of both(IBF, 2017). Henceforth, the rapid pace of development of personal financial planning profession makes it a lucrative career.

The personal financial planning professional could either choose to work in a firm or be self-employed. The professional can begin operations by setting up SME, which is associated with low-startup costs and can be initiated after obtaining required degrees and creating the relevant clientele. Other advantages include modest regulatory costs in the segment and ease of obtaining the license and in a cost-effective manner. The nature of work allows the advisor to be a part of lifetime learning process with the ever-evolving product range and strategies, and a chance of interacting with the people regularly. Regular interactions with the clients allow the professionals to stay in touch with the changing needs of the clients, and propose solutions in accordance with the client needs. Personal financial planning profession career also gives the option of flexible working hours to the advisors along with the opportunity for high growth(AICPA, 2017).

b) Features of personal financial planning profession

Practicing personal financial planning profession requires more than the academic knowledge of finance, economics, and taxation to provide necessary benefits to the consumers (Raskie, 2017). The efficient addressal of the consumer's needs could only be facilitated through the incorporation of academic knowledge with service providing ability, intelligent counseling services, and thorough research as a part of the advice. As the per capita income of the Indian population continues to increase (GOI, 2015), the working professionals are becoming increasingly busy in their day to day profession, and hence the need for personal financial planning profession decision assistances is pressing. Further, personal financial planning professionals are also required to advise the people nearing retirement, the inclusion of women investors, and those from lower-income segment (LaPonsie, 2017).

Hence, it is seen that personal financial planning professionals are more than marketers; they consult people in cases of large cash receipts, inheritances, retirement planning, and creation of wealth for an individual's future generations. The study conducted by Iannicola and Parker, (2010) pointed that development of trust is essential for the conversion of the clients. If the professionals are able to generate trust and understanding of the products in the client, it can enhance the conversion of prospects into clients.

c) Need for personal financial planning profession as a profession in India, especially AP state

In a large and diverse country such as India, enhancing financial awareness amongst the people of the country requires more than relevant action from the regulatory authorities, financial institutions, and stock exchanges(Subha and Shanmugha, 2014). Several studies indicate that the financial literacy in India is low, as highlighted by Naidu(2017) in his study wherein he indicated that the literacy rate is further low among youngsters and women. A briefing paper by the European Parliament highlighted that financial literacy is the combination of knowledge, awareness, skill, behavior, and attitude and thus essential for taking intelligent financial decisions. These factors help an individual in making sound financial decisions and reach the position of financial wellbeing (European Parliament, 2015).

Therefore the country needs to be integrated with the network of financing options on a more personal level. Also, the changing earning pattern of the young Indian population, as revealed by changes in the per capita percentage growth in the national income of the country, suggests that people now have higher dispensable income. The per capita income growth rate increased from 5.4% in 2013-14 to 5.9% during the period 2014-15(GOI, 2015). With the increase in income arises the need for better investments so that the investors can profit from the increased income levels. Hence, personal financial planning profession as a profession in India is essential to bridge the gap between financial literacy rate and earning (Agarwal, 2015).

Personal financial planning profession career assumes special importance with respect to the state of AP, as per day income among the poor, medium, and rich households varies between $1.25 for the poor section to $2 per day for the rich household segment in the economy(Reddy and Bantilan, 2013). Also, personal advisors can be influential in enrolling all section of people in the financial system, especially when the regulatory authorities in India are aiming to include the marginalized and the poor in the financial system, by advocating the best products according to their needs (Subha and Shanmugha, 2014). The state presents the need for personal financial planning profession as highlighted by a study on the retail investors' perspective on capital market by Kumar(2010), conducted in Vishakhapatnam. The results showed that almost half of the retail investors do not consider tax benefits to be influential in undertaking investment decisions. The study further elaborated that 77.3% investors in the capital market considered it to be volatile, and 39.3% believe that the market has too much of price manipulation. The study further reveals that 99.3% of the population considers equity investment as their first priority, and 73.3% alternately follow it by investing in mutual funds, leaving out several profitable options such as tax saving investments. Thus, personal financial planning professionals can help assure the investors regarding the benefits of investment in the market and also suggest them with products that suit the client specific needs.

Objectives

a) To understand the Personal Financial Planning Profession in detail
b) To study the **CERTIFIED FINANCIAL PLANNER^{CM}** professionals perception towards factors influencing for perfect financial planning
c) To guide the investors to choose the best investment planner for their life goals

Research Methodology

The present research is exploratory in nature. For the purpose of the study, the primary data was collected by distributing the questionnaire to the Certified Financial Planner. The area of study was Visakhapatnam, Vijayawada and Thirupathi. The sample size of the study was 50.The sampling method was judgmental sampling. The data collection tool was structured questionnaire. The data analysis tools used in the study were multiple linear regression model using SPSS.

Model Specification

For analyzing the various internal factors influence on preparing individual financial plans the multiple linear regression model have been applied using SPSS. The regression model is represented as follows.

A - Internal Factors Effect on Preparation of Personal Financial Plans

$A = \beta0 + \beta1(A1)+ \beta2(A2)+ \beta3(A3)+ \beta4(A4)+ \beta5(A5)+ \beta6(A6)+ \beta7(A7)+ \beta8(A8)+ \beta9(A9)+ \beta10(A10)+e_{it}$

- **Dependent Variable**: Internal Factors Effect on Preparation of Personal Financial Plans (A)
- **Independent Variables:** Investment Amount (A1), Investment Product (A2), Investment Span(A3),Expected Return(A4),Risk Profile(A5),Age(A6),Health (A7),No of Dependent family members(A8),Life Span Expectation(A9),Awareness of Investment Avenues(A10)

Hypothesis

For analyzing the various internal factors influence on preparing individual financial plans the following null hypothesis have been framed.

H0 1: Internal factors have no significant impact on preparing individual financial plans

B - External Factors Effect on Preparation of Personal Financial Plans

$B = \beta0 + \beta1(B1)+ \beta2(B2)+ \beta3(B3)+)+ \beta4(B4)+ \beta5(B5)+ \beta6(B6)+ \beta7(B7)+ \beta8(B8)+ \beta9(B9)+ \beta10(A10)+ \beta11(B11)+ \beta12(B12)+ \beta13(B13)+ \beta14(B14)+ \beta15(B15)+e_{it}$

- **Dependent Variable:** External Factors Effect on Preparation of Personal Financial Plans(B)
- **Independent Variables:** Flexibility (B1), Safety (B2), Liquidity(B3), Marketability(B4), Returns on Investment (B5), Tax benefits (B6), Capital appreciation(B7),Transaction costs(B8), Growth rate of the country(B9), Global Challenges (B10), Political Status(B11), Interest Rates(B12), Inflation(B13), Source of Reliable Information(B14), Government Policy(B15).

Hypothesis

For analyzing the various external factors influence on preparing individual financial plans the following null hypothesis have been framed.

H02: External factors have no significant impact on preparing individual financial plans
Analysis of Data and Interpretation

Internal Factors

Table 1 The Mean Value and Standard Deviation of Internal factors

	N	Min	Max	Mean	Std. Deviation	Rank
Expected Return(A4)	50	1	3	2.76	0.51745	1
Risk Profile(A5)	50	1	3	2.74	0.56460	2
Age(A6)	50	1	3	2.74	0.63278	3
Investment Amount(A2)	50	1	3	1.86	0.60643	4
Investment Product(A2)	50	1	3	1.86	0.70015	5
Awareness of Investment Avenues(A10)	50	1	3	1.4	0.72843	6
No of Dependent family members(A8)	50	1	3	1.32	0.62073	7
Health (A7)	50	1	3	1.3	0.61445	8
Investment Span(A3)	50	1	3	1.3	0.61445	9
Life Span Expectation(A9)	50	1	3	1.24	0.59109	10

CERTIFIED FINANCIAL PLANNER^{CM} Professionals are believed that internal factors having high influence on preparing individual financial plans.As per the mean values it is clearly indicating that there is high influence of Expected Return, Risk Profile and Age on preparing individual financial plans. There is not much influence of Life Span Expectation, Investment span and Health on preparing individual financial plans.

Regression Analysis

From the table 2 it can be concluded that none of the factor have high correlation or presence of multicolinearity. The results from the correlation analysis indicate that preparation of individual financial plans negatively correlated with Investment Amount, Investment Product, Age, Health, and other factors like Investment Span, Expected Return, Risk Profile, No of Dependent family members, Life Span Expectation, awareness of Investment Avenues are positively correlated with preparation of individual financial plans.

Table 2 Correlation between Internal Factors

	A	A1	A2	A3	A4	A5	A6	A7	A8	A9	A10
A	1										
A1	-0.473	1									
A2	-0.006	-0.191	1								
A3	0.033	-0.268	-0.043	1							
A4	0.344	-0.174	-0.151	0.039	1						
A5	0.079	-0.049	0.061	0.053	-0.148	1					
A6	-0.121	-0.097	-0.038	-0.005	0.055	0.207	1				
A7	-0.099	0.06	0.005	-0.243	0.039	-0.124	-0.005	1			
A8	0.052	0.013	-0.083	0.011	0.053	-0.457	-0.303	0.118	1		
A9	0.041	-0.018	-0.065	0.135	0.125	0.068	0.17	-0.09	-0.047	1	
A10	0.111	-0.148	-0.048	-0.182	0.206	0.01	0.053	0.41	-0.018	0.057	1

Table 3 Multiple Linear Regression Model Summaries of Internal Factors

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.613a	0.376	0.216	0.44724	1.977

a. Predictors: (Constant), Awareness of Investment Avenues , Risk Profile, Investment Product, Life Span Expectation, Investment Span, Age, Expected Return, Investment Amount, Health , No of Dependent family members
b. Dependent Variable: Internal Factors

Table 4 ANOVA for Internal Factors

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	4.699	10	0.47	2.349	.028a
	Residual	7.801	39	0.2		
	Total	12.5	49			

a. Predictors: (Constant), Awareness of Investment Avenues , Risk Profile, Investment Product, Life Span Expectation, Investment Span, Age, Expected Return, Investment Amount, Health , No of Dependent family members
b. Dependent Variable: Internal Factors

The Regression Analysis results reveal that the following observations

- The adjusted R^2 value indicates that 21.6% (0.216) variability in the Preparation financial plan explained by the internal factors.
- The Durban Watson test value 1.977 which is between 1.5 and 2.5 and therefore the data is not auto correlated
- An F-test value is 2.349 and p value is less than 5% (0.028) for the data hence we can reject null hypothesis and accept the alternative hypothesis.

Table 5 Coefficients Internal Factors

		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	2.979	0.843		3.534	0.001
	Investment Amount (A1)	-0.402	0.118	-0.483	-3.411	0.002
	Investment Product (A2)	-0.052	0.096	-0.071	-0.536	0.595
	Investment Span(A3)	-0.124	0.114	-0.15	-1.081	0.286
	Expected Return (A4)	0.28	0.132	0.287	2.118	0.041
	Risk Profile (A5)	0.151	0.13	0.168	1.158	0.254
	Age (A6)	-0.166	0.109	-0.208	-1.522	0.136
	Health (A7)	-0.084	0.119	-0.102	-0.709	0.483
	No of Dependent family members (A8)	0.054	0.12	0.066	0.446	0.658
	Life Span Expectation (A9)	0.025	0.113	0.029	0.224	0.824
	Awareness of Investment Avenues (A 10)	0	0.102	0	0.003	0.997
a. Dependent Variable: Internal Factors						

H11: Internal Factors have Significant Impact on Preparing Individual Financial Plans

The regression analysis reveals that the following internal factors have significant influence on preparing financial plan Investment Amount (A1), Expected Return (A4).

The regression analysis reveals that the following internal factors have no significant influence on preparing financial plan.Investment Product (A2), Investment Span(A3), Risk Profile(A5),Age(A6),Health (A7),No of Dependent family members(A8),Life Span Expectation(A9),Awareness of Investment Avenues(A10)

As per the regression analysis results we can also formulate regression equation based on regression coefficients.

A =2.979 - 0.402(A1) - 0.052 (A2) - 0.124 (A3) – 0.28 (A4) + 0.151 (A5) - 0.166 (A6) - 0.084 (A7) + 0.054 (A8) + 0.025 (A9) + 0 (A10).

Certified Financial Planner^{cm} Professionals are believed that external factors having high influence on preparing individual financial plans.As per the mean values it is clearly indicating that there is high influence of **Returns on Investment, Interest Rates, Capital appreciation, Marketability, Flexibility on** preparing individual financial plans. There is not much influence of **Growth rate of the country, Inflation, Source of Reliable Information, Liquidity, Tax benefits.**

External Factors

Table 6: Analysis the Mean Value and Standard Deviation of External Factors

External Factors	N	Min	Max	Mean	Std. Deviation	Rank
Returns on Investment (B5)	50	1	3	2.8	0.53452	1
Interest Rates(B12)	50	1	3	2.78	0.58169	2
Capital appreciation(B7)	50	1	3	2.78	0.50669	3
Marketability(B4)	50	1	3	2.6	0.69985	4
Flexibility (B1)	50	1	3	2.52	0.78870	5
Transaction costs(B8)	50	1	3	2.06	0.37307	6
Government Policy(B15)	50	1	3	1.6	0.80812	7
Global Challenges (B10)	50	1	3	1.52	0.73512	8
Political Status(B11)	50	1	3	1.48	0.73512	9
Safety(B2)	50	1	3	1.32	0.65278	10
Tax benefits(B6)	50	1	3	1.28	0.57286	11
Liquidity(B3)	50	1	3	1.28	0.64015	12
Source of Reliable Information(B14)	50	1	3	1.26	0.59966	13
Inflation(B13)	50	1	3	1.2	0.53452	14
Growth rate of the country(B15)	50	1	3	1.18	0.48192	15

Table 7 Correlation between External Factors

	B	B1	B2	B3	B4	B5	B6	B7	B8	B9	B10	B11	B12	B13	B14	B15
B	1															
B1	0.054	1														
B2	-0.273	-0.013	1													
B3	0.127	-0.052	-0.17	1												
B4	0.059	0.052	-0.205	0.21	1											
B5	0.362	0.01	0.07	0.107	0.218	1										
B6	0.022	-0.148	0.138	0.06	-0.428	-0.147	1									
B7	-0.112	-0.219	0.094	-0.435	-0.138	-0.015	0.006	1								
B8	0.159	0.1	0.003	0.014	0.016	0.061	0.015	0.071	1							
B9	-0.132	0.071	-0.057	-0.167	0.036	-0.016	0.035	-0.085	0.166	1						
B10	-0.036	-0.124	0.114	0.031	-0.103	0.166	-0.014	-0.125	0.182	-0.039	1					
B11	0.177	-0.193	0.141	0.229	-0.016	0.145	0.11	-0.259	-0.182	0.039	0.171	1				
B12	0.14	0.032	-0.026	-0.105	0.08	-0.144	-0.179	-0.098	-0.032	-0.074	0.082	-0.034	1			
B13	0.155	-0.203	-0.187	0.191	0	0.143	0.347	0.015	-0.061	0.016	0.145	0.478	-0.12	1		
B14	-0.108	-0.205	-0.113	0.019	0.01	-0.089	0.259	0.058	0.203	0.047	0.196	0.22	-0.07	0.535	1	
B15	0.137	-0.179	0.209	0.142	-0.036	0.189	-0.062	-0.07	-0.054	-0.126	0.22	0.089	0.069	-0.05	0.008	1

From the table 7 it can be concluded that none of the factor have high correlation or presence of multicolinearity. The results from the correlation analysis indicate that preparation of individual financial plans negatively correlated with the factors of Flexibility, Capital appreciation, Growth rate of the Country, Global Challenges, Source of Reliable Information, and other factors like Safety, Liquidity, Marketability, Return on Investment, Tax Benefits, Transaction costs, Political Status, Interest Rates, Inflation, and Government Policy.

Table 8 Multiple Linear Regression Model Summaries of External factors

Model Summary					
Model	**R**	**R Square**	**Adjusted R Square**	**Std. Error of the Estimate**	**Durbin-Watson**
1	.693a	0.481	0.252	0.51132	2.327
a. Predictors: (Constant), Government Policy, Source of Reliable Information, Marketability, Interest Rates, Growth of the country, Capital appreciation, Transaction costs, Flexibility, Returns on Investment , Safety, Global Challenges , Political Status, Tax benefits, Liquidity, Inflation					
b. dependent variable :External factors					

Table 9 ANOVA for External Factors

Model		**Sum of Squares**	**df**	**Mean Square**	**F**	**Sig.**
1	Regression	8.231	15	0.549	2.099	.036a
	Residual	8.889	34	0.261		
	Total	17.12	49			

a. Predictors: (Constant), Government Policy, Source of Reliable Information, Marketability, Interest Rates, Growth of the country, Capital appreciation, Transaction costs, Flexibility, Returns on Investment , Safety, Global Challenges , Political Status, Tax benefits, Liquidity, Inflation
b. Dependent Variable: External Factors

Table 10 Coefficients for External Factors

		Unstandardized Coefficients		**Standardized Coefficients**		
Model		**B**	**Std. Error**	**Beta**	**t**	**Sig.**
	(Constant)	0.69	1.169		0.59	0.559
	Flexibility(B1)	0.048	0.105	0.064	0.46	0.649
	Safety(B2)	-0.395	0.132	-0.436	-2.996	0.005
	Liquidity(B3)	-0.122	0.146	-0.133	-0.838	0.408
	Marketability(B4)	-0.018	0.128	-0.021	-0.137	0.892
	Returns on Investment(B5)	0.393	0.157	0.355	2.499	0.017
	Tax benefits(B6)	0.208	0.166	0.201	1.25	0.22
	Capital appreciation(B7)	-0.058	0.187	-0.05	-0.311	0.757
	Transaction costs(B8)	0.532	0.223	0.336	2.388	0.023
	Growth of the country(B9)	-0.26	0.164	-0.212	-1.592	0.121
	Global Challenges(B10)	-0.141	0.113	-0.175	-1.244	0.222
	Political Status(B11)	0.247	0.132	0.308	1.872	0.07
	Interest Rates(B12)	0.197	0.134	0.194	1.465	0.152
	Inflation(B13)	0.084	0.211	0.076	0.4	0.692
	Source of Reliable Information(B14)	-0.276	0.161	-0.28	-1.72	0.094
	Government Policy(B15)	0.142	0.101	0.194	1.407	0.168
a. Dependent Variable: External Factors						

The Regression Analysis results reveal that the following observations

- The adjusted R^2 value indicates that 25.2% (0.252) variability in the Preparation financial plan explained by the External factors.
- The Durban Watson test value 2.327 which is between 1.5 and 2.5 and therefore the data is not auto correlated
- An F-test value is 2.099 and p value is less than 5% (0.036) for the data hence we can reject null hypothesis and accept the alternative hypothesis.

H12: External factors have significant impact on preparing individual financial plans

The regression analysis reveals that the following External factors have significant influence on preparing financial plan

- Safety (B2), Return on Investment (B5)
  The regression analysis reveals that the following External factors have no significant influence on preparing financial plan
- Flexibility(B1), Liquidity(B3), Marketability(B4), Tax benefits (B6), Capital appreciation (B7), Transaction costs(B8), Growth rate of the country(B9), Global Challenges (B10), Political Status(B11), Interest Rates(B12), Inflation(B13), Source of Reliable Information(B14), Government Policy(B15)

As per the regression analysis results we can also formulate regression equation based on regression coefficients.

B = 0.69 + 0.048(B1) - 0.395(B2) – 0.122 (B3) – 0.018(B4) + 0.393(B5) + 0.208(B6) – 0.058(B7) + 0.532(B8) – 0.26(B9) – 0.141(B10) + 0.247(B11) + 0.197(B12) + 0.084(B13) – 0.276(B14) +0.142(B15)

Conclusion and Suggestions

The present study is an attempt to reveal the factors that impact on preparation of individual financial plans. In the present study, the estimated regression model identified internal factors like Investment Amount (A1), Expected Return (A4) has significant impact on financial plans. The external factors like Safety (B2), Return on Investment (B5) also having a significant impact on individual financial plans preparation. The study recommends that various other factors like behavioral aspects, also taking into consider for further research to identify the residual impact on preparation of individual financial plans.

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ANNEXURE

Questionnaire

A Detail Study of Personal Financial Planning Profession: Certified Financial Planner^{CM} Perspective

Dear Investors,

I am working as an Asst. Professor of Commerce in Govt. Degree College Narsipatnam, Visakhapatnam Dist. I would like to study **PERSONAL FINANCIAL PLANNING PROFESSION: CERTIFIED FINANCIAL PLANNER^{CM}PERSPECTIVE**– AResearch Study for an academic purpose. I shall be obliged if you kindly provide the information on various questions in Questionnaire. It is assured that the information provided by you will be used only for academic research purpose and will be kept confidential. It is your kind co-operation that would help me to achieve the proper result in this research.

Thanking you.

G.Srinivasa Rao

PART - A (PROFILE)

1. NAME: PLACE: MOBILE NO:
2. GENDER: 1) Male 2) Female
3. AGE: 1) Below 30 years 2) 30 – 50 years 3) Above 50 years
4. HOW LONG HAVE YOU BEEN FINANCIAL PLANNER?
   1) Below 1 year 2) 1 – 5 Years 3) 5 – 10 years 4) above 10 years

PART – B CERTIFIED FINANCIAL PLANNER^{CM} PROFESSIONALS EXPECTATIONS FOR MAKING THE PROFESSION FAMILARISED TO CATER THE NEEDS OF THE ALL INVESTORS

1) -----------------------------------
2) ------------------------------------
3) ------------------------------------
4) ------------------------------------
5) ------------------------------------

PART - C (INFLUENCE OF INTERNAL FACTORS ON PREPARING FINANCIAL PLANS)

Sl. No	Factors	Influence Level		
		1	2	3
A	**Internal Factors Effect on Preparation of Personal Financial Plans**	1	2	3
A1	Investment Amount	1	2	3
A2	Investment Product	1	2	3
A3	Investment Span	1	2	3
A4	Expected Return	1	2	3
A5	Risk Profile	1	2	3
A6	Age	1	2	3
A7	Health	1	2	3
A8	No of Dependent family members	1	2	3
A9	Life Span Expectation	1	2	3
A10	Awareness of Investment Avenues	1	2	3

PART – D INFLUENCE OF EXTERNAL FACTORS ON PREPARING FINANCIAL PLANS

1-No influence 2-Some influence 3-Strong influence

S.L No	Factors	Influence Level		
		1	2	3
B	**External Factors Effect on Preparation of Personal Financial Plans**	1	2	3
B1	Flexibility	1	2	3
B2	Safety	1	2	3
B3	Liquidity	1	2	3
B4	Marketability	1	2	3
B5	Returns on Investment	1	2	3
B6	Tax benefits	1	2	3
B7	Capital appreciation	1	2	3
B8	Transaction costs	1	2	3
B9	Growth rate of the country	1	2	3
B10	Global Challenges	1	2	3
B11	Political Status	1	2	3
B12	Interest Rates	1	2	3
B13	Inflation	1	2	3
B14	Source of Reliable Information	1	2	3
B15	Government Policy	1	2	3