

# Financial Planning and Advisory: Study the Effects of Financial Literacy on Individual Financial Decision-Making

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**Abstract:** *This study explores the impact of financial literacy on individual financial decision-making. Financial literacy, defined as the ability to understand and effectively use various financial skills, including personal financial management, budgeting, and investing, is crucial for making informed financial decisions. The research examines how financial literacy influences key financial behaviors such as saving, investing, and managing debt. Through a comprehensive review of existing literature and analysis of survey data, the study finds that individuals with higher financial literacy are more likely to make sound financial decisions, leading to improved financial well-being and stability. The findings suggest that enhancing financial literacy through targeted educational programs can significantly benefit individuals by empowering them to make better financial choices, ultimately contributing to broader economic stability. This study underscores the importance of financial education as a tool for promoting financial health and reducing economic disparities.*

**Keywords:** Financial Literacy, Financial Decision-Making, Personal Financial Management, Budgeting, Investing, Debt Management, Financial Well-Being, Economic Stability, Financial Education, Savings Behavior, Investment Behavior, Risk Management, Financial Outcomes, Financial Health