

A Study on Looking at the Ways People Classifies their Finances and how this Impacts their Choices

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Abstract: *Financial resource classification plays a pivotal role in shaping individuals' financial behaviours, influencing their spending, saving, and investment decisions. This study explores how people categorize their financial resources—specifically into savings, discretionary spending, and investments—and examines the impact of these classifications on financial decision-making. By analysing socio-economic status, cultural backgrounds, personality traits, and behavioural finance theories, the study highlights key factors that shape financial habits. The research aims to enhance financial literacy by identifying cognitive biases and misconceptions that hinder effective money management. The insights gained can inform financial education programs and strategies to promote sound financial decision-making and long-term financial stability.*

Keywords: Financial management, Behaviour, Saving, Investment, Decision Making