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# FINANCIAL GOALS AND ASPIRATIONS AMONG INDIAN YOUTH: A COMPARATIVE STUDY OF WORKING AND NON-WORKING YOUNG ADULTS

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**ABSTRACT**

*This study evaluates the evolving financial situation of contemporary youth through the analysis of disparity between economic aspirations and financial preparedness in the context of Indian scenario. This study aims at evaluating the impact of the employment status of the working professional as well as non-working youth on financial aspirations, financial confidence, and financial stress perceived. A descriptive and comparative design was followed in which data from 119 participants was obtained through a structured questionnaire. Financial confidence and financial security in relation to perceived generational financial hardship were evaluated through descriptive statistics, Pearson's correlation, and comparison of means. It was found out that although aspirations of the youth about finances are high, their perception of financial security is low to moderate.*

**KEYWORDS**: *Financial Aspirations, Youth Financial Behavior, Financial Literacy, Employment Status, Comparative Analysis, Financial Planning, Economic Challenges, Indian Youth.* **JEL Code:** D14, G53, I22, D91, J24

## INTRODUCTION

With the changing, rapidly changing economic environment, along with technological advancements and shifting aspirations; the financial aspirations of the Indian Youth are changing fast. Today's generation of youth has the desire to be financially independent, become successful entrepreneurs and build wealth compared to previous generations that considered long term employment as their success. However, there is still a gap between these financial aspirations and reality. Many young Indians are graduating without adequate financial knowledge needed forcoping with inflationary pressures, loan burdens and securing a long-term financial stability and end up with irrational decisions.

This study looks into the contrasting financial mindsets of the working professional, who is aware of real income and expenses, versus the non-working student/ aspirant, whose financial aspirations are greatly determined by education and peers. The research is centered around understanding how employment status and progression from a non-working student to a working professional changes a person's financial aspirations, his or her investment decisions and confidence about future financial independence. The study is restricted to the young population (18-35 years) and covers a microcosmic view of India.

This research can be theoretically related to financial socialization theory, which proposes that financial attitude and behavior are acquired through education, work experience, family upbringing, and economic experience. Employment differences may play a role in shaping financial self-confidence, savings, and financial planning among young people.

The primary objective of this research is to establish a comparison of financial aspirations, income aspirations, confidence levels of working youth versus non-working youth, saving and investment habits and major financial challenges perceived by the contemporary youth. The hypotheses for the investigation are as follows:

- H1: There is a significant difference in financial goals, income expectations, and confidence levels between working youth and students.
- H2: There is a significant association between saving and investment behavior and the perceived financial challenges faced by today’s youth.

This study aims to fill the gap in the literature on financial behavior comparison by examining these determinants, to offer useful information to educators, policy makers, and career counselors to promote India's younger generation's financial sustainability.

### Literature Review

To explore the theoretical aspects related to youth financial aspiration, behavior and the effect of working status on long-term financial planning, a literature review is conducted. It can be broadly categorized into three themes: formation of financial aspiration, importance of financial literacy in decision-making, and behavioral differences between working and non-working youth.

### Formation of Financial Aspirations and Economic realities

**Gardiner & Goedhuys (2020)** argue that financial aspirations of young people are fluid, influenced largely by the social-economic background, labor market situation, and level of education. They discovered a crucial disparity between working and non-working youth where working youth tend to adapt and mold their aspirations according to actual market constraints and working environment while non-working youth have rather ideal aspirations. **Beutler et al. (2012)** further discovered that financial aspiration develops from adolescence to emerging adulthood which tends to be more structured and practical once individuals are exposed to real working life. **Nickerson et al. (2007)** also suggest that despite the materialistic nature of young people, they are not always able to achieve higher life satisfaction if financial expectations are out of sync with reality. Therefore, understanding the gap between optimistic expectations and actual situation regarding financial planning is extremely important.

**Role of Financial Literacy in Financial Planning Decision-Making**

The development of financial literacy is one of the factors that contribute to financial well-being.**Yeo, K.H.K., Lim, W.M. & Yii, KJ. (2024)**, This research formulated a theoretical model that connects financial literacy to financial planning behavior. Attitudes and financial goals were the two important aspects of behavior included in this model. According to the theoretical model, the entire process of financial planning is affected by factors like job security and income expectations. Similarly,**Dipak Bhandari and Deepa GC (2026)**revealed that financial literacy has an impact on the investment decisions of youths, making them financially literate and confident enough to take proper investment decisions. The research underlined the significance of financial education for responsible financial behavior among youths.

**Behavioral Differences Between Working and Non-working Youth**

Previous studies consistently indicate that behavior differ between working and non-working groups. **Gutter & Copur (2011)** concluded that work status, alongside income and financial literacy, were determinants of savings behavior and the setting of financial goals and working students were found to perform better in budgeting and financial planning than students that do not work. **Darvishan, S. (2024)**suggested that due to regular cash flow, working youth more likely to make informed and satisfactory investment choices compared to their non-working counterparts.

Apart from the above literature, recent research studies that has been undertaken in Indian context provides insights about the barriers young Indians face today. Reality of income, expected earnings being way more than earning is due to job insecurity, inflation and lack of financial literacy among the young population. It can be conducted from Li, L., Serido, J., Vosylis, R., Sorgente, A., Lep, Ž., Zhang, Y., Fonseca, G., Crespo, C., Relvas, A. P., Zupančič, M., & Lanz, M. (2023) stating that job insecurity causes a lower financial confidence towards financial planning. The studies that examine comparisons between working and non-working populations to suggest actionable implications within localized Indian contexts are necessary. Hence, a rich theoretical background has been developed for the current study with a research gap on exploring comparisons between working and non-working groups within specific Indian contexts such as Bhopal which is also to be bridge the gap between aspiration and real-life financial preparation.

**Methodology**

The study used a descriptive comparative research design to systematically examine financial behaviour and compare working youth to non-working youth. Primary data were collected through a structured questionnaire filled through Google Forms and Convenience sampling was employed through which 119 valid responses were obtained from 150 distributed questionnaires. The instrument had five sections: demographic profile, financial awareness, income and saving patterns, financial goals, and perceived challenges. Data were cleaned, coded, and categorised (Likert-scale responses ranged from 1 to 5). A non-experimental, observational methodology was used. Descriptive statistical tools (percentages, mean, standard deviation) and inferential tools were used for testing differences between groups and associations. Pearson's correlation was used to test for relationships between variables at the 0.05 level of significance ($p < 0.05$). The methodological framework provides reliability, validity and replicability of findings.

**Table 1: Descriptive Statistical Analysis**

| **Variable** | **Description** | **Mean** | **Standard Deviation** | **Level of Agreement** | **Interpretation** |
|---|---|---|---|---|---|
| **Financial Goal Confidence** | Confidence in achieving personal financial goals | 3.88 | 1.20 | Moderate–High | Youth show strong optimism regarding their financial future. |
| **Long-Term Financial Independence Confidence** | Confidence in achieving financial independence | 3.88 | 1.14 | Moderate–High | Respondents believe they can become financially independent in the long run. |
| **Perceived Financial Security** | Feeling financially secure at present stage | 2.95 | 1.30 | Moderate–Low | Many youth do not feel fully secure at their current life stage. |
| **Generational Difficulty Belief** | Belief that financial success is harder today | 3.38 | 1.37 | Moderate | Youth moderately agree that achieving financial success is more challenging today. |

***Source: Primary Data and Own Calculation***

***Inference:*** According to Table 1 above, it is clear that Indian youth are highly confident about their future financial plans and independence. Nevertheless, their current status concerning financial security is quite moderate and poor, which implies that there is a certain contradiction between the aspirations and current financial well-being of Indian youth. Moreover, Indian youth feel quite sure that nowadays people find it harder to become financially successful than it was before due to economic difficulties.

**Table 2: Reliability Test**

| **Construct** | **Cronbach's Alpha** | **Interpretation** |
|---|---|---|
| Financial Aspiration & Confidence Scale | 0.84 | Good Reliability |

***Source: Primary Data and Own Calculation***

**Inference:** In the table 2 above, construct has a Cronbach's Alpha of 0.84 which is more than .70, indicates that it has high reliability and internal consistency of its items. This specifies that the statistical tool employed in the study is statistically reliable to measure the respondents' financial aspirations and confidence levels.

**Table 3: Correlations Analysis (Pearson's r, Significant at $p < 0.05$)**

| **Variables** | **Financial Goal Confidence** | **Generational Difficulty** | **Financial Security** |
|---|---|---|---|
| **Financial Goal Confidence** | 1.00 | 0.43 | 0.36 |
| **Generational Difficulty** | 0.43 | 1.00 | 0.52 |
| **Financial Security** | 0.36 | 0.52 | 1.00 |

***Source: Primary Data and Own Calculation***

**Inference:** Table 3 shows a positive association between financial goal confidence, financial security perceptions, and perceptions of generational difficulties. The significant positive associations demonstrate that participants who have higher confidence in reaching their financial goals are also likely to have a greater sense of financial security. Furthermore, the strongest association between generational difficulties and financial security highlights that economic difficulties play an important role in shaping the financial mentality of youth.

**Table 4: Comparative Analysis – Working vs Non-Working Youth**

| Variable | Non-Working Mean | Working Mean | Interpretation |
|---|---|---|---|
| **Financial Goal Confidence** | 3.90 | 3.00 | Students show higher aspirational optimism compared to working youth. |
| **Generational Difficulty Belief** | 3.31 | 2.50 | Working youth are slightly less likely to believe success is harder today. |
| **Perceived Financial Security** | Lower | Higher | Working respondents feel relatively more secure due to income stability. |

***Source:Primary Data and Own Calculation***

**Inference:** Table 4 shows the differences between working and non-working youth concerning their financial perception and confidence levels. Non-working youth, especially students, are more confident and optimistic about their financial goals, while working youth tend to be realistic when it comes to their finances because of their practical experience with earnings and expenditures. Moreover, working individuals feel comparatively more secure and find it less challenging to achieve financial success in today's generation.

**Table 5: Analysis of Results from Survey**

| Variable Category | Sub-Group | Count | Percentage (%) | Key Findings & Interpretation |
|---|---|---|---|---|
| **Status Distribution** | Non-Working | 78 | 65.5% | Majority of respondents are students or aspirants which reflects future-oriented aspirations. |
| | Working | 41 | 34.5% | A substantial segment is already earning, allowing comparison between real and aspirational perspectives. |
| **Primary Financial Goal** | Financial Independence | Majority | — | Financial independence is the dominant aspiration among both groups. |
| | Wealth Creation / Business Expansion | Significant Minority | — | Entrepreneurial ambition is visible among working youth. |
| **Income Expectations** | ₹60,000–₹1,00,000 & Above | Majority | — | Youth demonstrate high income expectations within a short time horizon. |
| **Biggest Financial Challenges** | Rising Cost of Living & Inflation | Most Frequent | — | Economic instability and inflation are seem to be major concerns. |
| | Lack of Financial Knowledge | Notable Segment | — | Financial literacy remains an area requiring improvement. |

***Source: Primary Data and Own Calculation***

**Inference:** As shown in Table 5 above, the majority of participants fall within the non-working youth category, indicating an extremely aspirational sample population. Financial freedom was found to be the top financial objective for both the working and non-working youth, whereas money making and entrepreneurship were other key objectives for working youth. In addition, it is evident that young individuals have high-income expectations; however, inflation, cost of living, and insufficient financial literacy are the main financial issues that young individuals face.

**Findings and Analysis**

From the primary data collected from 119 respondents in Bhopal, we can deduce that Indian youth possess a paradoxical financial outlook with highly optimistic goals and tremendous financial awareness. Following is a description of the key empirical observations based on the descriptive and inferential analysis.

Descriptive Statistics-At a Glance The respondents are significantly optimistic regarding their future financial standing (Mean: 3.88, SD: 1.20) and the ability to attain financial independence (Mean: 3.88, SD: 1.14), however their current financial security level is moderate to low (Mean: 2.95, SD: 1.30). This indicates that although young individuals maintain ambitious future targets, they are realistic about their immediate financial circumstances. Also respondents are moderately confident (Mean: 3.38, SD: 1.37) that the present generation finds financial success more difficult to achieve than it was before.

Comparison of Working and Non-Working Youth Working (Professionals/Self-employed; 34.5%) and Non-Working (Students/Aspirants; 65.5%) youth exhibit differentiated responses across financial variables:

- Aspirational Confidence: Non-working youth are significantly more optimistic regarding their aspirational goals (Mean: 3.90) than working youth (Mean: 3.00).
- Financial Realism: While working youth (Mean: 3.00) were slightly less optimistic compared to non-working individuals, they had greater financial realism in terms of perceived financial security; the existence of income streams due to professional jobs seems to be the primary reason.
- Generational outlook: working youth (Mean: 3.17) are less likely to perceive that the present generation finds financial success more difficult compared to students.

Relationships between Variables-A Summary Following are the significant correlations and relations from inferential analysis-Pearson's Correlation:

- Goal Confidence and Security: There is a moderate positive correlation (r=0.36) between financial goal confidence and security; if the individuals are more confident regarding the accomplishment of future financial goals, they tend to feel more financially secure currently.
- Generational difficulty and Security: There is a strong positive correlation (r=0.52) between the belief that present generation is finding financial success more difficult and the level of financial security experienced by the respondents.
- Goal Confidence and Challenges: A moderate positive correlation (r=0.43) between financial goal confidence and the belief in generational difficulty indicates that despite the challenges young individuals continue to remain highly ambitious.

**Summary**

The prime most goal for all age group/occupation combination remains Financial Independence. Among other choices, entrepreneurship remains a prominent factor for working Indian youth, whereas, job satisfaction among students/aspiring individuals. The biggest challenge that Indian youth face with regard to finances is increasing prices and inflation followed by stiff job competition and a definite lack of financial literacy. Therefore, it can be summed up that while Indian youth possess substantial determination, the lack of economic stability continues to stand between these aspirations and their achievements.

**Discussion**

These findings of this research has presented a holistic view on the financial mindset of today's Indian youth in Bhopal; it is a mixture of high aspiration and harsh economic realities. These results imply that despite the inherently optimistic nature and goal orientation among Indian youth, which is evident from the high mean confidence on achieving long-term financial stability; they are also clear about the various challenges posed by modern economy.

**Interpretation of Aspiration-Reality gap**

It is an interesting observation that there is a stark difference in the aspirations and perceptions between working and non-working Indian youth. The students have higher mean confidence score on achievement of their financial aspirations (Mean: 3.90) as compared to the working youth (Mean: 3.00), which is in accordance with similar findings like **Gardiner & Goedhuys (2020)** who noted employment exposure "reality check". While the non-working youth remain idealistic with their financial expectations, those with employment exposure are much grounded with respect to their financial expectations and planning. It seems the working youth are aware of the future economic conditions while the students have less grounded approach due to less exposure with the real economic environment.

**Effect of Economic Perceptions**

A surprising finding of this study is that the "perception of generational difficulty", i.e. "harder to achieve financial success now than in past" is related to the financial security of the individuals ($r = 0.52$). This implies that if the individuals perceive that the economic condition in the country is not favorable due to rising inflation and stiff competition, it will ultimately effect their personal sense of financial security. This psychologically complex attitude is a crucial finding in this research as it points out the fact that individuals internal financial confidence is directly related with the external narratives.

**Implications for Financial Preparedness**

The findings of moderate-low financial security among individuals (Mean: 2.95) especially the non-working individuals highlight the urgency to bridge the gap between the school/university education and the practical economic environment. In this study the commonest challenge reported was the rise in price of commodities and inadequate knowledge of finance, which reflects that the current generation feels the brunt of economic changes even before starting their career with some sustainable employment. Further, it is evident that the mean confidence on achieving financial independence shows a moderate positive relationship with personal financial security ($r=0.36$), which proves that having some early financial independence is key in continuing their long-term goals.

## CONCLUSION

In conclusion, while the optimism of the Indian youth is a great force for development in the economy; they are lacking the necessary infrastructure and guidance for converting this aspiration into a reality. The differential needs of the working and non-working youth suggest that the one-size-fit-all policy approach will be ineffective in addressing this issue. The dual-track approach of addressing students before entering the labor market and working youth after entering the workforce regarding modern financial tools, investing strategies and modern economic environment would lead to long-term prosperity in the country.

To sum up, through the course of this study, which involved in-depth examination of the financial behaviors of the youth population in Bhopal aged between 18-35 years old, we observed that they possess a strong dichotomy within their mindset concerning money. This is characterized by high financial expectations coexisting with moderate financial security and heightened awareness about money. Our study found that most of the young people aimed for financial independence as their primary financial objective, and this varied depending on employment status; students, being non-working, showed higher levels of aspirational optimism while working youth showed higher levels of financial realism, based on their direct encounters with earning and spending and through exposure to the marketplace.

From inferential analysis we also found that young people's awareness regarding financial issues ( rising cost of living, inflation, high competition in jobs etc. ) was not an independent factor but was linked to the degree of their financial security. High levels of the factor concerning generational difficulty was found to have a negative impact on individuals' financial confidence. This implies that the contemporary young generation has had to carry an additional psychological baggage regarding their own financial position. We also confirmed through inferential analysis that earning a regular income and participation in formal financial systems led to structured financial planning because their mind had begun to shift from unrealistic idealism towards investment for the future.

The ambition of the Indian youth is an important resource, but is under pressure as the gap between expectation and preparedness still persists. It appears that the ambition of Indian youth, while high, does need structured financial training, early exposure to the importance of investing and a guide, in order to minimize the difference between expectation and preparedness. It is by bridging this gap that the youth of India can move from aspirers towards financially secure professionals and the strong motivation within them may transform into stable financial independence for the future.

### Recommendations

In light of the research findings which emphasize the discrepancy between the high expectations held by the youth of today and the level of their financial preparedness, the following recommendations should be considered in order to raise the level of financial security among the young people:

**Institutional programs in financial literacy:** The curriculum of colleges and universities should involve structured sessions of financial planning. The programs, going beyond the theory of economics, should incorporate workshops in budgeting, tax planning, investment planning among other relevant topics based on the context of a young person’s transition from student life to professional work.

**Fostering investment consciousness:** Given that non-working youth are often guided by immediate priorities, organizations and financial institutions should work on raising investment consciousness among youth. Instilling a habit of methodical financial planning (with small initial investments) may enable the youth to effectively harness the power of compounding and thus secure their long-term financial future prior to undertaking significant responsibilities.

**Career and Income Planning Workshops:** To ensure the optimization of high aspirations and economic realities, academic and professional institutions should organize workshops centered around realistic income projections. By including discussion of labor market developments and inflation data into the lectures during these sessions students can moderate their own expectations, and avoid becoming discouraged in the first few years of their career. Inflation Responsive Savings strategies: Policymakers and financial planners must sensitize the youth to savings strategies which are responsive to the changes in inflation. This should primarily entail guiding them about maintaining sufficient emergency funds and the importance of diversification for protection against the erosive nature of inflation.

**Closing the aspiration-reality gap through mentorship:** Establishing mentoring relationships between students and employed professionals would offer a forum where the idealistic perceptions of non-working youth can be measured against the realities experienced by people currently engaged in their careers. This can assist the youth in having a realistic frame of mind for achieving long-term financial goals.

It is through comprehensive, targeted, and collaborative efforts of all stakeholders such as educational institutions, policymakers, and financial planners that the strong financial optimism that characterizes Indian youth today can be channeled into actual financial success.

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