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Impact of Goal-Based Financial Planning on Investment Decisions of Investors in India: Evidence from a Wealth Distribution Internship at NJ Wealth

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Abstract

Mutual funds and SIPs are easier to buy in India than ever, but many people still invest without knowing what the money is for. This paper looks at what changes when an investment is tied to a specific life goal: how investors pick products, whether they keep investing regularly, and whether they stay with the plan. The study comes from a two-month internship at NJ Wealth, a financial product distribution network, from 18 May to 18 July 2026. I worked with four kinds of evidence: a telecalling record of 849 prospects, 103 face-to-face field visits, the onboarding of 47 clients on the NJ E-Wealth platform, and two goal-linked SIP case studies. I also designed a 100-response questionnaire, but its responses are simulated, so I use it only to show the instrument and not as evidence.

Telecalling gave 24 leads from 849 contacts (2.83%). Field visits gave 31 interested clients from 103 (30.1%). People who sat down and mapped their family goals were far less hesitant than people reached by a cold call. The case studies show that the same type of product can suit different clients once their goal, time horizon and risk profile are taken into account. I conclude that goal-based planning is a sound route to more disciplined and better-matched investing. The internship data are descriptive, though, so they cannot prove that planning causes better decisions.

Keywords: goal-based financial planning, investment decisions, mutual funds, SIP, investor behaviour, financial advisors, India

1. Introduction

Most people invest for a reason: a child's education, a home, retirement, a wedding in the family. But the way they invest often has little to do with that reason. They buy what a friend made money on, what looked good last year, or what a distributor recommended. Goal-based financial planning turns this around. It starts with the goal, works out how much is needed and by when, checks how much risk the investor can live with, and only then chooses products.

This paper looks at that idea in the Indian context. It is based on my internship at NJ Wealth, a financial product distribution network that is part of the NJ Group, headquartered in Surat with a pan-India branch network. NJ Wealth works on a business-to-business-to-consumer model. It supplies products and technology to independent distributors and advisors, who then serve investors. During the internship I called prospects, visited them in person, helped with digital onboarding, and watched how advisors profile clients and match mutual funds and SIPs to their goals.

1.1 Research objectives

The study set out to:

1. Understand why goal-based financial planning matters and how investors' goals and needs are identified.
2. Examine how goals, risk tolerance and investment horizon influence investment behaviour.
3. Show how mutual funds and SIPs are selected for a given goal through scheme research and comparison.



4. Assess the role of financial advisors and planning tools, in particular the Family Need Utility (FNU) used at NJ Wealth.

5. Understand how follow-ups, goal mapping and regular reviews support disciplined, long-term investing.

1.2 Scope and contribution

The study covers goal setting, product preference, risk tolerance, SIP adoption and the role of professional guidance, mainly for investors reached through mutual funds, SIPs, insurance and similar products. Its contribution is practical. It records how goal-based conversations actually work on the ground, compares two outreach channels side by side, and turns the experience into recommendations a distribution firm can use. Taxation, family influence and macroeconomic conditions are touched on only lightly.

2. Literature Review and Conceptual Framework

Four bodies of work shape this study, and each explains a different part of how an investor ends up choosing a product.

Portfolio theory. Markowitz (1952) showed that an investment should be judged by how it behaves alongside the rest of a portfolio, not by its return alone. Diversification can lower risk without giving up expected return. This is the thinking behind pairing a multi-cap fund with a flexi-cap or small-cap fund, as in the case studies below.

Life-cycle theory. Modigliani and Brumberg (1954) argued that people plan their saving and spending across a lifetime. A young investor can usually go for growth, while someone close to retirement or a big expense tends to protect capital. Age, income, family responsibilities and time horizon all affect what is suitable.

Behavioural finance. Kahneman and Tversky (1979), through prospect theory, found that people feel losses more strongly than equal gains and do not always decide rationally under risk. In markets this shows up as following trends, panic selling, favouring short-term returns and switching too often. Linking money to a named goal gives investors something to hold on to when markets fall.

Financial literacy. Lusardi and Mitchell (2014) show that financial knowledge is closely tied to better financial decisions and long-term behaviour. Investors who understand risk, inflation and diversification are better placed to stick to a plan.

Goal-based approaches bring these ideas together. Chhabra (2005) proposed allocating wealth according to a person's circumstances, objectives and different kinds of risk, instead of placing the investor at one point on a single risk-return line. Deguest et al. (2015) built a framework for goals-based wealth management that connects an investor's goals to suitable risk and return, and judges a strategy by its chance of reaching each goal.

2.1 Research gap

Most of this literature looks at one factor at a time: literacy, risk tolerance or bias. Less is known about how goal-based planning, as one complete process, affects the choices individual Indian investors actually make, including product preference, SIP adoption and staying invested. This study adds practitioner-level evidence on that question.

2.2 Conceptual framework

The framework follows the order in which an advisor works with a client:

1. Goal identification: retirement, education, home purchase or wealth creation.

2. Risk assessment and time horizon.

3. Asset allocation and product selection.

4. Regular, disciplined investing, for example through a goal-linked SIP.

5. Periodic review, which feeds back into the goal and the plan.



The working idea is that investors who move through these steps decide with more information and invest more consistently than those who start from a product.

3. Research Methodology

3.1 Design

The study is descriptive and exploratory. It combines participant observation during the internship with simple counts and percentages, plus two worked case studies. Because I was part of the outreach team myself, the design favours understanding in depth over statistical generalisation.

3.2 Data sources

Source	Type	What it provides
Telecalling log, 849 prospects	Primary	Response status of every call attempt over two months
Field visits, 103 prospects	Primary	Interest shown after face-to-face meetings with goal mapping
NJ E-Wealth onboarding, 47 clients	Primary	Account type chosen (Demat or mutual fund)
Two client profiles	Primary, anonymised	Goal, horizon, income, risk profile and SIP recommendation
Structured questionnaire, 100 responses	Simulated	Illustration of the instrument only (see Section 4.5)
NJ Wealth, AMFI, fund-house factsheets, ET Money	Secondary	Scheme data: AUM, expense ratio, benchmark, trailing returns

3.3 Activities and process

The internship moved through seven stages: understanding the organisation and its products; understanding investor needs; client outreach by phone and in person; goal identification; financial planning around amount, horizon and risk; follow-up; and analysis. For planning, I used the Family Need Utility (FNU) tool to map a client's goals, and I demonstrated a goal calculator in meetings.

3.4 Analysis and ethics

I analysed the data through frequencies, percentages and simple SIP future-value calculations. Client details were anonymised, I recorded only what prospects chose to share, and no personal contact data appear in this paper.

4. Results and Analysis

4.1 Telecalling outreach

Over two months I and the team called 849 prospects. Most calls ended early: 68.79% declined or already had an advisor, and another 24.73% could not be reached. Only 14 prospects (1.65%) became direct leads.

Response status	Contacts	Share (%)	Remark
Declined investment	584	68.79	Declined, or already had an advisor
Unreachable / call pending	210	24.73	Scheduled for a second attempt
Invalid contact details	21	2.47	Outdated or out-of-service numbers
Existing NJ Wealth associates	20	2.36	Already in the NJ network

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Response status	Contacts	Share (%)	Remark
Potential leads	14	1.65	Moved to the leads pipeline
Total	**849**	**100.00**	

4.2 Telecalling compared with field visits

Channel	Prospects approached	Interested / leads	Rate (%)
Telecalling	849	24 (14 direct + 10 from the pipeline)	2.83
Field visits	103	31	30.1
Combined	952	55	5.78

Field visits were about ten times as productive per prospect. From what I saw, the reason is trust. When you sit across from an investor and map their family goals on a calculator, the suspicion that cold calls run into mostly disappears. One caution: the people I visited were probably warmer to begin with, so this shows a strong association and not a clean test of which channel is better.

4.3 Follow-up and digital onboarding

Twenty-four active leads were followed up over several rounds, and 47 clients were registered or processed on the NJ E-Wealth platform. Of these, 36 (76.60%) opened Demat accounts, 10 (21.28%) opened mutual fund accounts and one (2.13%) was unspecified. Demat accounts dominated, which suggests many of these clients came in through direct market participation first, with mutual fund SIPs as a smaller entry point.

4.4 Goal-linked SIP case studies

Two anonymised client profiles show how a goal, horizon and risk profile turn into fund choices. Future values use the standard SIP formula with monthly compounding and an assumed annual return. They are projections, not guarantees. The schemes' recent one-year returns (2.55% to 5.81%) were well below the assumed rates, which is a reminder that long-horizon assumptions can look generous after a weak year.

	Client A	Client B
Age and occupation	28, government employee	45, business owner
Monthly income	₹50,000	₹1,20,000
Goal and horizon	Buying a home, 10 years	Child's marriage, 12 years
Risk profile	Moderate	Aggressive
Monthly SIP	₹15,000	₹18,000
Fund 1	ICICI Prudential Multi Cap, ₹7,500 a month at 12% assumed: ₹17,25,290	Nippon India Small Cap, ₹9,000 a month at 14.91% assumed: ₹35,63,094
Fund 2	HDFC Flexi Cap, ₹7,500 a month at 11.5% assumed: ₹16,75,524	ICICI Prudential Multi Cap, ₹9,000 a month at 12% assumed: ₹28,71,554
Amount invested	₹18,00,000	₹25,92,000



	Client A	Client B
Projected corpus	₹34,00,814	₹64,34,648

Client A has a steady income and a moderate appetite for risk, so I paired two diversified equity funds. Client B has a longer horizon and a higher tolerance for risk, so a small-cap fund, with more growth potential and more volatility, was balanced with a multi-cap fund. The same product category carried different levels of risk for the two clients because their goals and horizons differed.

4.5 Questionnaire (illustrative only)

I designed a twelve-question instrument covering age, main goal, how clearly goals are defined, preferred product, the deciding factor, how the investment amount is set, the effect of time horizon, reaction to a market fall, review frequency, the biggest obstacle, the importance of an advisor, and views on goal-based planning. The 100 responses attached to it are simulated, as the source chart itself states, so they cannot support any claim about real investors. I report them only to show how the analysis would look: the most common answers were wealth creation as the main goal (46%), weighing both risk and duration when choosing investments (49%), and limited income or savings as the biggest obstacle (40%). The natural next step is to run the same instrument with real respondents.

5. Discussion

Three patterns stand out from the internship evidence.

Trust comes before planning. Cold calling reached many people but converted few, mostly because strangers did not want to talk about money. Field meetings, where goals were worked out together, converted far better. This fits the behavioural view that investment decisions depend on comfort and confidence as much as on numbers.

A goal changes the question. Without a goal, the question is which fund has done best. With one, the question becomes what this investor needs, by when, and with how much risk. The case studies show the second question leading to different choices from the same menu of products, in line with Chhabra (2005) and Deguest et al. (2015).

Planning does not end at purchase. Advisors at NJ Wealth followed up leads over several rounds and reviewed portfolios over time. This matches the life-cycle idea that needs change, so a plan has to be revisited.

The study cannot show that goal-based planning causes better investment decisions. There was no comparison group of investors without goals, and the real data describe outreach and onboarding, not long-run investor outcomes. What the evidence does support is narrower: goal-led conversations build trust faster, and they give advisors a clearer basis for matching products to clients.

6. Recommendations

For distribution firms like NJ Wealth, the internship points to five practical steps.

1. **Make the goal the first step in every client conversation.** Record the goal, its priority, the corpus needed, the horizon and the risk tolerance before any product is discussed.

2. **Link SIPs to named goals.** A retirement SIP, a child-education SIP or a home SIP gives the investor a reason to keep going when markets fall.

3. **Use field meetings and digital goal calculators together.** Cold calls can open the door, but the goal-mapping meeting is where trust is built.

4. **Review portfolios on a schedule.** Check changes in income, goals, risk tolerance and remaining time, and rebalance where needed.

5. **Invest in investor education.** Seminars, webinars and short plain-language content on SIPs, risk, diversification and compounding help clients stay invested through volatility.



Recommendation 3 rests on Section 4.2, which is suggestive but not conclusive. The firm should track conversion by channel over a longer period before shifting effort.

7. Limitations and Future Research

The findings should be read with these limits in mind:

- The study covers one firm over two months, so it cannot represent all Indian investors or all regions.
- Prospects were chosen for relevance, not at random, and the outreach channels were not compared under controlled conditions.
- The questionnaire responses are simulated and carry no evidential weight.
- Lead statuses were recorded by me, and informal conversations may be missing.
- NJ Wealth is privately held, so revenue, profit and market-share data were not available.
- SIP projections rest on assumed returns, and market conditions change.

Future work could survey a larger, genuine sample across cities, compare young and older, salaried and self-employed, and first-time and experienced investors, follow clients over several years to see whether goal-based plans improve discipline, and examine how robo-advisory tools and behavioural biases shape goal-based investing.

8. Conclusion

Goal-based financial planning gives investors a clear order for decisions: goal first, then amount, horizon and risk, then product. In this internship at NJ Wealth, goal-focused face-to-face meetings turned 30.1% of visited prospects into interested clients, against 2.83% for cold calling, and the case studies showed how the same planning process leads to different fund choices for different people. Whether such planning changes long-run investing behaviour still needs to be tested with real survey and longitudinal data. Even so, the practical case for starting with the goal is already strong.

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