

Aligning the Enterprise Risk Management Framework to the Personal Financial-Planning Domain

Vinay Kumar Dutta

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Abstract

Individuals face many risks during different phases of their financial life cycle. These risks in turn have major financial implications on their wealth creation, wealth preservation and wealth distribution aspirations. Traditionally risk taking is viewed negatively in relation to personal financial planning domain. In fact, most of the studies linking risk management to personal financial planning focus specifically on insurable risks. In contrast, enterprise risk management takes portfolio view of risks right from the personal level to the organisation level. However, the existing literature on enterprise risk management is seen as an essential feature of corporate world. Even risk management experts acknowledge that there is not much literature available that explicitly addresses the issue of aligning enterprise risk management framework to the whole spectrum of personal financial planning. In this backdrop, it seems logical to develop an in depth study on aligning enterprise risk framework to personal financial planning domain. Accordingly, this conceptual paper, avoiding mathematical jargon, aims at extensively examining the extent to which enterprise risk management can be aligned to personal financial planning domain.