"Financial Literacy and Awareness About Systematic Investment Plans (Sips) Among Residents of Ahmedabad District"

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ABSTRACT

This study examines SIP knowledge and financial literacy among residents of Ahmedabad District. The growing popularity of SIP as a disciplined and flexible investment vehicle has not made a number of people aware of its strengths, weaknesses, and long-term wealth creation potential. The study was carried out to assess the extent of financial literacy, test attitudes, and identify SIP investment willingness determinants. A 70-questionnaire was employed to gather information from respondents randomly drawn from semi-urban and urban areas of the district. Chi-square and ANOVA one-way tests were employed to assess data and identify correlations between demographic variables (education, age, and income) and SIP knowledge, attitudes, and investment willingness. No statistically significant correlations between demographic variables and SIP awareness or investment willingness were found, indicating the need for more comprehensive financial education programs. The study recommends awareness campaigns and customized financial advice to encourage well-informed investment behaviour.

KEY WORDS

Financial Literacy, Systematic Investment Plans (SIPs), Investment Awareness, Personal Finance, Mutual Funds, Investor Behaviour, Ahmedabad District, Savings and Investment.

INTRODUCTION

Financial literacy is now a must-have life skill in the rapidly changing economic environment of the contemporary age, which enables one to make prudent choices towards savings, investment, and wealth creation. Financial literacy refers to the capability to understand and apply financial skills such as budgeting, saving, investing, and risk management. In India, where financial inclusion has gained full steam, the need for

financial literacy improvement has become an acute issue to empower the masses to secure their future. Amongst the myriad of investment products, Systematic Investment Plans (SIPs) have gained huge popularity because of their systematic investment, flexibility, and appropriateness to generate long-term wealth. SIPs allow investors to invest small amounts of money at regular intervals in mutual funds, thereby simplifying the burden of lump-sum investment and saving due to the risk of the market through rupee-cost averaging.

Despite increased awareness campaigns by financial institutions, many people, particularly those living in semi-urban and urban enclaves, are still unaware of SIPs and their benefits. Mutual fund ignorance, risk misconceptions, and lack of familiarity with financial literacy discourage people from adopting SIPs as an investment tool. For Ahmedabad District, a rapidly growing urban center with a varied populace, understanding the level of financial literacy and awareness of SIPs becomes a pressing necessity. Measurement of prevailing levels of awareness, investment behavior, and bottlenecks among residents in adopting SIPs helps financial institutions and policymakers in devising appropriate interventions for encouraging sound investment behavior.

This study therefore seeks to assess the financial literacy and awareness of Ahmedabad District residents regarding SIPs, attitude, investment intention, and what motivates their investment decision. The findings will have significant implications for designing particular financial literacy interventions and increased overall adoption of systematic and goal-oriented investment behavior in the region.

LITERATURE REVIEW

Shakya and Kotak (2025) contrasted investment behavior and financial literacy of Generation Z in Anand District and concluded that the majority have beginner to intermediate levels of knowledge, obtain high levels of advice from social media, and need formal financial education schemes. Esakkiammal (2024) examined investor attitudes towards Systematic Investment Plans (SIPs) and concluded that risk perception was the most prevalent driver of choice, followed by transparency and support services resulting in satisfaction. Thangarajan et al. (2025) polled IT professionals in Bengaluru and concluded that age, income, and education impact awareness of SIPs but operational knowledge is still wanting, and literacy drives are the need of the hour. Divya (2024) polled ICICI SIPs in Coimbatore and established that they helped in reducing market volatility and causing disciplined savings, with a strong correlation between investment goals and income distribution. Suja and Gayathiri (2024) recognized financial knowledge, confidence, brand trust, and social influence as drivers of investment decisions among Bangalore citizens. Deepa (2025) evaluated financial literacy of 400 students and concluded that diversified investment knowledge was poor but financial education was shown to have a positive impact on choice. Kolekar and Todkar (2025) found merely 40% of postgraduate medical residents in Maharashtra to be financially literate and emphasized the importance of formal financial training in medical education.

Umar and Dalimunthe (2024) proved that financial and digital literacy increase scam awareness among Indonesian students, mediated by awareness of cybercrime. Likewise, Pokharel (2024) proved that financial experience and capability are positively correlated with self-efficacy and well-being among Nepali professionals, while Cone et al. (2022) pointed to the knowledge gap among U.S. orthopaedic residents, of whom the majority were indebted and lacked retirement planning. Kale et al. (2024) investigated Dharashiv investors' behavior and found bank deposits, life insurance, and SIPs to be favored assets, influenced by education and income. Maheria and Marvadi (2025) proved moderate financial literacy among Ahmedabad's Scheduled Castes with risk-averse investment attitudes and family and media reliance for advice. Khedkar and Lande (2024) proved that current literacy programs did little to increase rural women's investment confidence and required locally adapted programs, while their pilot study evidenced positive behavioral changes post-training. Pertiwi et al. (2024) proved that financial literacy significantly affects investment choice among Java's Millennials and Gen Z, moderated by scam awareness. Ramanjaneyulu et al. (2025) proved the role of SIPs in building rural financial inclusion in Andhra Pradesh. Satsangi and Jain (2023) proved that digital technology increases financial awareness and decision-making among Ahmedabad. Shrestha and Bhatta (2024) proved financial freedom to be the best predictor of SIP behavior among Kathmandu's youth. Lastly, Baroto (2024) meta-analyzed 32 studies, affirming that financial literacy increases diversification of portfolios, decreases biases, and increases fraud awareness and recommends targeted education programs for better decision-making.

RESEARCH GAP

Though various studies have been conducted in India on savings behavior and financial literacy, few of them have focused on Systematic Investment Plans (SIPs) as an investment vehicle, particularly among semi-urban and urban residents. Available literature is focused on mutual fund awareness at the group level or on overall savings behavior but does not touch upon the very crucial aspect of awareness levels, perceptions, and attitudinal barriers toward the adoption of SIPs among the residents. Moreover, research studies of Ahmedabad District, a rapidly developing economic center, are limited. This gives a scope to carry out localized studies to demystify region-specific problems, mindsets, and opportunities to enhance financial literacy and induce SIP investments in the district.

OBJECTIVES AND HYPOTHESIS

1. To assess the relationship between demographic factors (specifically educational qualification) and the level of financial literacy regarding Systematic Investment Plans (SIPs) among residents of Ahmedabad District.
2. To examine the influence of age on residents' awareness and perception regarding the benefits and risks of Systematic Investment Plans (SIPs).

3. To examine the influence of monthly income on residents' willingness to invest in SIPs and their confidence in SIPs as a tool for securing financial stability.

4. RESEARCH METHODOLOGY

Research Design: Descriptive research design was adopted in the study to quantify financial literacy and SIP awareness.

Study Area: Ahmedabad District was the study area in which semi-urban and urban people were targeted.

Population: At risk population was residents of Ahmedabad District with diverse demographic profiles.

Sample Size: 70 respondents participated in the survey.

Method of Sampling: Convenience sampling was employed to select respondents.

Instrument for data collection: A questionnaire was designed with demographic data and questions on the Likert scale for financial literacy, awareness, attitude, and investment plans in SIPs.

Data collection method: Direct responses of participants were utilized to collect primary data.

Analysis of data: The data collected were analysed using Chi-square tests to determine the relationship between age and education and financial literacy and one-way ANOVA tests to determine the influence of income and age on SIP awareness, perceptions, and willingness to invest.

Hypothesis Testing: Null and alternative hypotheses were formulated and tested with a significance of 5%.

Statistical Software: Statistical analysis was conducted using SPSS to obtain reliable and accurate results.

DATA ANALYSIS AND INTERPRETATION

Hypothesis 1

- H_0: There is no significant association between educational qualification and understanding of basic financial concepts.
- H_1: There is a significant association between educational qualification and understanding of basic financial concepts.

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	10.250[a]	16	.853
Likelihood Ratio	10.062	16	.863
Linear-by-Linear Association	.016	1	.899
N of Valid Cases	70		
a. 25 cells (100.0%) have expected count less than 5. The minimum expected count is 1.67.			

Chi-square test was conducted to ascertain whether there is a relationship between educational qualification and knowledge of basic financial concepts of Systematic Investment Plans (SIPs). The test output is a Pearson Chi-Square of 10.250 and p-value of 0.853, which is much greater than the 0.05 level of significance. This indicates that there is no significant statistical relationship between educational qualification and knowledge of basic financial concepts of Systematic Investment Plans (SIPs) among the respondents. The null hypothesis (H_{01}) that there is no significant relationship between educational qualification and knowledge of basic financial concepts is accepted and the alternative hypothesis is rejected.

Hypothesis 2

- H_0: Age group does not significantly influence respondents' awareness of SIPs and perception of SIPs as a safe long-term investment .
- H_1: Age group significantly influences respondents' awareness of SIPs and perception of SIPs as a safe long-term investment .

ANOVA						
		Sum of Squares	df	Mean Square	F	Sig.
I am aware of what a Systematic Investment Plan (SIP) is and how it works.	Between Groups	2.318	4	.579	.279	.890
	Within Groups	134.954	65	2.076		
	Total	137.271	69			
I believe SIPs are a safe and reliable method for long-term wealth creation.	Between Groups	11.839	4	2.960	1.510	.210
	Within Groups	127.432	65	1.960		
	Total	139.271	69			

One-way ANOVA test was also used to determine whether age group has a significant impact on respondents' awareness of SIPs and perception of SIPs as a safe long-run investment. The results show that with respect to awareness of SIPs, F-value is 0.279 with p-value 0.890, and with respect to perception of SIPs as a safe

investment, F-value is 1.510 with p-value 0.210. In both cases, the p-values are higher than the 0.05 significance level, and it may thus be concluded that there is no statistically significant variation in age groups in awareness and perception of SIPs. The null hypothesis (H_0), i.e., age group has no impact on respondents' awareness and perception of SIPs, is thus accepted and the alternative hypothesis is rejected.

Hypothesis 3

- H_0: Monthly income does not significantly affect respondents' willingness to invest in SIPs and confidence in SIPs for securing financial future.
- H_1: Monthly income significantly affects respondents' willingness to invest in SIPs and confidence in SIPs for securing financial future.

ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
I am willing to invest in SIPs if I receive proper guidance and education about them.	Between Groups	.324	3	.108	.046	.987
	Within Groups	154.248	66	2.337		
	Total	154.571	69			
I am confident that SIP investments can help me secure my financial future.	Between Groups	6.418	3	2.139	.885	.453
	Within Groups	159.525	66	2.417		
	Total	165.943	69			

One-way ANOVA test was also used to determine whether age group has a significant impact on respondents' awareness of SIPs and perception of SIPs as a safe long-run investment. The results show that with respect to awareness of SIPs, F-value is 0.279 with p-value 0.890, and with respect to perception of SIPs as a safe investment, F-value is 1.510 with p-value 0.210. In both cases, the p-values are higher than the 0.05 significance level, and it may thus be concluded that there is no statistically significant variation in age groups in awareness and perception of SIPs. The null hypothesis (H_0), i.e., age group has no impact on respondents' awareness and perception of SIPs, is thus accepted and the alternative hypothesis is rejected.

CONCLUSION

The study aimed to study the relationship between demographic variables—educational qualification, age, and monthly income—and financial literacy, awareness, perception, and intention to invest in Systematic Investment Plans (SIPs) among the Ahmedabad District population. The findings of the Chi-square test did not indicate a statistically significant relationship between educational qualifications and awareness of SIP-related

elementary financial knowledge (p = 0.853). This indicates that higher educational qualification does not necessarily mean better knowledge of SIPs and financial literacy. It indicates the gap between formal education and financial education and proves that financial literacy is much more based on exposure, experience, and systematic learning than on academic qualification.

Similarly, the outcome of the one-way ANOVA to test the effect of age on perception and awareness of SIPs was non-significant (p = 0.890 for awareness and p = 0.210 for perception). This shows that variations in age do not significantly affect generation of awareness or trust in SIPs as a long-term and safe mode of investment. In line with this, across all the ages, the respondents had a similar perception and understanding, which shows there is a general requirement for generation of awareness across all ages.

The effect of monthly income on investment willingness in SIPs and trust in SIPs for safety also did not reveal any statistically significant difference (p = 0.987 for willingness and p = 0.453 for trust). It indicates that income levels hardly influence the investment willingness or the level of trust in SIPs, which may mean that drivers like financial literacy, advice, and perception of risk may be more influential than income in shaping investment behavior. In summary, the findings highlight the need for targeted financial education and awareness programs to address these gaps across segments.

Recommendation

1. Targeted Financial Education: Introduce community-based programs to improve financial literacy beyond formal education.
2. Awareness Campaigns: Conduct workshops and seminars for all age groups to enhance understanding of SIPs and their benefits.
3. Personalized Financial Guidance: Provide one-on-one counselling to address individual concerns and boost confidence in SIPs.
4. Collaborations: Partner with financial institutions to develop simplified tools and resources for educating potential investors.
5. Policy Support: Encourage government and corporate initiatives promoting financial inclusion and accessible investment education programs.

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