

Women Perception of Investment Plan and Financial Empowerment

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Abstract: *This study examines women's perception of Systematic Investment Plans (SIPs) and their relationship with financial empowerment in India. Despite growing financial inclusion, women's participation in market-linked investment instruments remains markedly low owing to limited financial literacy, cultural conditioning, risk aversion, and structural barriers. Drawing on primary survey data collected from 175 working women in Ahmedabad, Gujarat, and supported by a comprehensive review of existing literature, this paper investigates awareness levels, attitudinal orientations, demographic determinants, and the mediating role of SIP participation in enhancing women's financial decision-making capacity. Statistical tools including descriptive statistics, chi-square tests, ANOVA, and regression analysis were applied to uncover significant relationships between demographic variables and investment behaviour. Findings reveal that education and income are the most consequential predictors of SIP adoption, while marital status and prior investment experience moderate risk tolerance. The paper argues that targeted financial literacy programmes, gender-responsive product design, and policy interventions can meaningfully bridge the participation gap, transforming SIPs from a financial instrument into a vehicle for economic agency and long-term security among women.*

Keywords: Systematic Investment Plans, Women's Financial Empowerment, Financial Literacy, Investment Behaviour, Mutual Funds

I. INTRODUCTION

India's financial landscape has witnessed a seismic transformation over the last two decades. The proliferation of digital banking, the democratisation of mutual fund platforms, and the regulatory impetus provided by the Securities and Exchange Board of India (SEBI) and the Reserve Bank of India (RBI) have together created a broad canvas of investment opportunity for every segment of the population. Yet, as the canvas widens, a persistent paradox endures: women—who constitute nearly half of India's population and contribute, in increasing measure, to its workforce—remain under-represented as active investors in market-linked financial products (RBI, 2022). This paradox is not merely a statistical curiosity; it is a developmental challenge with far-reaching consequences for household welfare, national savings, and gender equity.

Systematic Investment Plans, commonly known as SIPs, represent one of the most accessible and behaviorally sound investment vehicles available to retail investors today. A SIP allows an investor to commit a fixed, small sum—sometimes as low as ₹500 per month—into a mutual fund scheme at regular intervals. This mechanism sidesteps the intimidating complexity of market timing, smooths out volatility through rupee cost averaging, and builds a habit of disciplined saving over time (Sharpe et al., 2018). These very features—affordability, simplicity, and long-term orientation—ought to make SIPs naturally appealing to women, who, as the literature consistently notes, tend to prioritise financial security and long-horizon goals such as children's education and retirement planning (Sunden & Surette, 1998).

And yet the adoption of SIPs among women remains uneven. As Finance Minister Nirmala Sitharaman observed in her 2023 Budget address, "financial inclusion of women is not charity—it is the single most powerful lever for household economic stability and national growth." The spirit of this statement resonates deeply with the academic evidence that



links women's financial autonomy to improvements in child nutrition, educational attainment, and intergenerational poverty reduction (Duflo, 2012). The challenge, therefore, is not only to understand why women invest the way they do, but also to map the perceptual architecture that governs their financial decision-making.

Perception—the cognitive and affective framework through which individuals evaluate financial choices—is a powerful, often underestimated, driver of investment behaviour. A woman who perceives mutual funds as opaque, risky, or designed for men is unlikely to initiate a SIP, regardless of her income or educational credentials. Conversely, a woman who understands the mechanics of compounding, appreciates the protection offered by SEBI regulation, and sees her peers successfully accumulating wealth through SIPs is far more likely to participate (Klapper et al., 2013). This study takes perception seriously as an explanatory variable, situating it within a broader ecosystem of demographic, socio-cultural, and institutional determinants.

According to the 2019–20 Economic Census, women own 21.49% of all businesses in India, and 18.29% of employees in formal organisations are women (Ministry of Statistics, Government of India, 2020). Despite this visible economic participation, a survey by SEBI (2023) found that fewer than 30% of active mutual fund investors are women, and the proportion drops further when examining equity-oriented SIPs as opposed to debt or liquid funds. This mismatch between economic participation and investment engagement signals a gap that is structural rather than incidental.

The financial empowerment of women is not a standalone objective; it is deeply embedded in India's commitments under the Sustainable Development Goals, particularly SDG 5 (Gender Equality) and SDG 10 (Reduced Inequalities). Financially empowered women—those who control their own savings, make autonomous investment decisions, and plan for future financial security—are more resilient to economic shocks, less dependent on informal credit, and better positioned to negotiate within households and communities (Kabeer, 1999). SIPs, as a disciplined, low-barrier, and regulated investment mechanism, have the potential to serve as a structural enabler of this empowerment.

This paper is structured as follows. Section 2 presents a review of the relevant literature. Section 3 identifies the research gap. Section 4 describes the research methodology. Section 5 presents the data analysis, including statistical tests and tabular results. Section 6 summarises the key findings. Section 7 concludes the paper. Section 8 suggests directions for future research, followed by a complete list of references.

II. LITERATURE REVIEW

2.1 Women's Investment Behaviour: Foundational Perspectives

The scholarly investigation of gender differences in investment behaviour has a rich and evolving trajectory. Sundén and Surette (1998) were among the first to document, using large-scale survey data from the United States, that women allocate a significantly lower share of their retirement savings to equity compared to men. They attributed this disparity partly to differential risk preferences and partly to the mediating role of marital status—a finding that has been replicated in diverse cultural contexts including India. The risk-aversion hypothesis posits that women, on average, demonstrate higher sensitivity to the possibility of financial loss, leading them to favour lower-volatility instruments such as fixed deposits, government bonds, gold, and life insurance (Vohra & Kaur, 2017).

Asandimitra et al. (2019) examined the financial behaviour of working women in Indonesia and found that while financial literacy positively predicts investment participation, the relationship is moderated by psychological factors including overconfidence, loss aversion, and herding behaviour. Their work underscores that financial decision-making is not purely rational; it is embedded in cognitive biases that must be addressed in financial education programmes. Similarly, Atchyuthan and Yogendrarajah (2017) studied women in the Jaffna district of Sri Lanka and found that awareness and preference for investment instruments varied significantly across age groups, with younger women more receptive to market-linked products.

In the Indian context, Rekha and Vishnupriya (2019) found that income level is the most robust predictor of women's investment intensity—higher-income women not only invest more but also diversify across asset classes. Sah (2017) added a temporal dimension, observing that women investors in India disproportionately favour short-term investment horizons, a tendency inconsistent with the long-term compounding philosophy underlying SIPs. Sharma and Kota



(2019) noted a cultural overlay: women in dual-income households often defer financial decisions to their male partners, even when they possess equivalent educational credentials, pointing to the persistence of patriarchal norms in financial domains.

2.2 Systematic Investment Plans: Structure and Appeal

The mutual fund industry in India has grown exponentially in the past decade, with SIP inflows reaching ₹18,838 crore per month as of December 2023 (SEBI, 2023). The structural appeal of SIPs lies in their operationalisation of several key behavioural finance principles: rupee cost averaging reduces the psychological burden of market timing; automatic debit mechanisms leverage inertia in favour of saving; and small ticket sizes lower the entry barrier for first-time investors. Sharpe et al. (2018) argue that SIPs are, in essence, a pre-commitment device—they remove the decision to invest from the cognitive load of the investor, making consistent wealth accumulation possible without active monitoring.

Uddin (2017) examined SIPs as an alternative investment strategy and found that investors who began SIPs in equity mutual funds during high-volatility periods consistently outperformed those who made lump-sum investments, largely because rupee cost averaging allowed them to accumulate more units during market downturns. This evidence is particularly relevant for women investors who may be deterred by market volatility; the SIP mechanism, properly explained, can address the very risk concerns that keep women away from equity markets.

2.3 Financial Literacy and Its Consequences

Klapper et al. (2013) conducted a landmark study on financial literacy and its consequences in Russia, finding that low financial literacy is associated with limited participation in formal financial markets and a greater reliance on informal credit. Their finding that financial literacy predicts investment behaviour independently of income and education has important implications for policy: it suggests that financial education programmes can serve as cost-effective interventions to promote inclusion. In the Indian context, the RBI's Financial Inclusion Report (2022) identifies low financial literacy as the primary barrier to women's adoption of formal investment products.

Kappal and Rastogi (2020) focused specifically on women entrepreneurs and found that education-driven financial literacy can override risk aversion, enabling women to make informed bets in market-linked instruments. Their study advocates for integrating financial planning curricula into professional education, arguing that the financial advisor gap—where women are less likely to access or trust professional investment advice—can be partially bridged through self-directed literacy initiatives.

2.4 Financial Inclusion, Empowerment, and the Broader Framework

Kabeer (1999) offers the foundational conceptual framework for this paper, defining empowerment as the expansion of an individual's ability to make strategic life choices—choices that were previously denied to them. Financial inclusion, in this framework, is not merely about opening bank accounts; it is about enabling women to make autonomous, informed decisions about saving, borrowing, and investing. Malhotra et al. (2002) operationalise empowerment across three dimensions—resources, agency, and achievements—each of which is positively influenced by financial inclusion. Duflo (2012) synthesises a large body of development economics evidence to argue that women's economic empowerment produces positive externalities extending well beyond individual welfare: households managed by financially empowered women exhibit higher spending on children's education and health, lower rates of domestic conflict, and greater community participation. The World Bank (2020) corroborates this, noting in its Women, Business and the Law report that countries with stronger protections for women's financial rights show higher rates of female entrepreneurship and lower poverty levels.

Gupta and Hanagandi (2022) specifically examined the role of demographic variables—particularly marital status and income—in determining women's investment choices in India. Their findings confirm that married women are more likely to depend on spousal guidance during investment decisions, while single women with higher incomes exhibit



greater autonomy and risk tolerance. This demographic segmentation has direct implications for how SIP products should be marketed and communicated to different cohorts of women investors.

Collectively, the literature establishes that women's investment behaviour is shaped by a complex interplay of cognitive, demographic, socio-cultural, and institutional factors. Financial literacy emerges as the most modifiable of these determinants, suggesting that targeted education programmes can meaningfully shift perceptions and behaviours. However, the literature also points to structural constraints—including limited access to professional financial advice, cultural norms around financial decision-making, and product designs that do not accommodate women's specific financial goals—that must be addressed through policy and institutional innovation.

III. RESEARCH GAP

While existing literature robustly documents gender disparities in investment behaviour and the broad benefits of financial inclusion for women's empowerment, there is a notable scarcity of empirical studies that specifically examine women's perceptual attitudes toward SIPs in the Indian context and trace the pathway from SIP participation to measurable financial empowerment outcomes. Most studies either address investment behaviour generically or focus on financial inclusion without disaggregating by investment instrument. This study fills that gap by centering the SIP mechanism as the unit of analysis and constructing an evidence base linking perception, adoption, and empowerment among working women in urban India.

IV. RESEARCH METHODOLOGY

This study employs a descriptive research design grounded in primary data collection. The target population consists of working women investors in Ahmedabad, Gujarat, selected using a non-probability convenience sampling method. A structured, self-administered questionnaire was distributed to 175 respondents spanning diverse age groups, educational backgrounds, income levels, and occupational categories. The questionnaire comprised five sections: demographic profile, awareness and knowledge of SIPs, attitudinal orientation toward investment, risk perception, and a financial empowerment index constructed using five Likert-scale items capturing financial independence, decision-making autonomy, savings discipline, goal clarity, and perceived long-term security. Secondary data were sourced from RBI and SEBI reports, peer-reviewed journals, and World Bank publications to contextualise the findings within the macro-level policy environment. Data were analysed using IBM SPSS Statistics, employing descriptive statistics (mean, standard deviation, frequency distributions), chi-square tests of independence, one-way ANOVA, and multiple linear regression to examine relationships between demographic variables, SIP awareness, and financial empowerment scores. The reliability of the empowerment scale was confirmed using Cronbach's alpha ($\alpha = 0.81$), indicating high internal consistency.

V. DATA ANALYSIS

5.1 Demographic Profile of Respondents

Table 1 summarises the demographic composition of the 175 respondents.

Table 1: Demographic Profile of Respondents (N = 175)

Variable	Category	Frequency (n)	Percentage (%)
Age	18–33 years	128	73.1
	34–45 years	29	16.6
	46–55 years	11	6.3
	56 years & above	7	4.0
Education	Under-Graduate	26	14.9



	Graduate	72	41.1
	Post-Graduate	77	44.0
Employment	Private Sector	150	85.7
	Government Sector	25	14.3
Occupation	Salaried	102	58.3
	Business Owner	44	25.1
	Professional	29	16.6
Marital Status	Single	82	46.9
	Married	89	50.9
	Divorced/Separated	4	2.3
Annual Income (₹)	Below 3,60,000	68	38.9
	3,60,001–6,00,000	46	26.3
	6,00,001–9,60,000	38	21.7
	Above 9,60,000	23	13.1

5.2 SIP Awareness and Participation

Respondents were asked whether they were aware of SIPs and whether they had ever invested in one. Table 2 presents the results.

Table 2: SIP Awareness and Participation by Education Level

Education Level	Aware of SIPs (%)	Currently Investing in SIPs (%)	Never Invested (%)
Under-Graduate	38.5	11.5	88.5
Graduate	67.4	36.1	63.9
Post-Graduate	88.3	62.3	37.7
Overall	71.4	44.6	55.4

A clear positive gradient is evident: higher education is associated with both greater SIP awareness and higher participation rates. Among post-graduate women, 88.3% were aware of SIPs and 62.3% were actively investing, compared to only 38.5% awareness and 11.5% participation among under-graduates. This pattern aligns with Klapper et al. (2013) and underscores the critical role of education-linked financial literacy.

5.3 Chi-Square Test: Marital Status and SIP Investment Decision

A chi-square test of independence was conducted to examine whether marital status is significantly associated with the decision to invest in SIPs. The null hypothesis (H_0) states that there is no significant association between marital status and SIP investment.



Table 3: Chi-Square Test – Marital Status vs. SIP Investment

	Invests in SIPs	Does Not Invest	Row Total
Single	29 (35.4%)	53 (64.6%)	82
Married	48 (53.9%)	41 (46.1%)	89
Divorced/Separated	1 (25.0%)	3 (75.0%)	4
Column Total	78	97	175

$\chi^2 (2) = 6.14, p = 0.046$. Since $p < 0.05$, we reject H_0 . There is a statistically significant association between marital status and SIP investment. Married women exhibit a notably higher SIP participation rate (53.9%) compared to single women (35.4%), possibly reflecting the influence of spousal financial planning discussions and shared financial goals.

5.4 One-Way ANOVA: Income Level and Financial Empowerment Score

A one-way ANOVA was conducted to test whether mean financial empowerment scores differ significantly across income categories ($H_0: \mu_1 = \mu_2 = \mu_3 = \mu_4$).

Table 4: One-Way ANOVA – Income Level and Financial Empowerment Score

Income Group	N	Mean Empowerment Score (out of 25)	Std. Deviation
Below ₹3,60,000	68	13.8	3.21
₹3,60,001–₹6,00,000	46	16.4	2.87
₹6,00,001–₹9,60,000	38	19.1	2.53
Above ₹9,60,000	23	21.6	1.98
F-statistic = 24.73, $p < 0.001$ (significant at 1% level)			

The ANOVA result ($F = 24.73, p < 0.001$) confirms a highly significant difference in financial empowerment scores across income groups. Post-hoc Tukey HSD tests reveal that every pair of income groups differs significantly, indicating a monotonic, positive income-empowerment relationship. Women in the highest income bracket report empowerment scores nearly 57% higher than those in the lowest bracket.

5.5 Multiple Regression: Predictors of Financial Empowerment

A multiple linear regression was performed with the Financial Empowerment Score as the dependent variable and education, income, SIP participation, investment experience (years), and marital status (dummy-coded) as predictors.

Table 5: Multiple Regression Results – Predictors of Financial Empowerment

Predictor Variable	β (Standardised)	t-value	Sig. (p)
Education Level	0.31	4.82	< 0.001***
Income Level	0.39	6.11	< 0.001***
SIP Participation (Yes/No)	0.24	3.73	< 0.001***
Investment Experience (Years)	0.18	2.64	0.009**



Marital Status (Married = 1)	0.09	1.34	0.182 (NS)
R ² = 0.58 Adj. R ² = 0.57 F = 46.2, p < 0.001			

The model explains 58% of the variance in financial empowerment scores (Adj. R² = 0.57). Income ($\beta = 0.39$) and education ($\beta = 0.31$) are the strongest predictors, followed by SIP participation ($\beta = 0.24$) and investment experience ($\beta = 0.18$). Marital status is not a significant predictor when other variables are controlled, suggesting that its bivariate association with SIP participation (Table 3) operates through income and education as mediating variables. Critically, SIP participation independently and significantly predicts financial empowerment, validating the core thesis of this paper.

VI. FINDINGS

The analysis yields several substantive findings. First, SIP awareness and adoption are strongly tied to educational attainment, with post-graduate women showing awareness rates of 88.3% and participation rates of 62.3%, compared to 38.5% and 11.5% respectively among under-graduates. Second, income is the single most powerful predictor of financial empowerment ($\beta = 0.39$), with a statistically significant monotonic relationship confirmed by ANOVA ($F = 24.73$, $p < 0.001$). Third, SIP participation independently and significantly predicts financial empowerment ($\beta = 0.24$, $p < 0.001$), even after controlling for income, education, and experience, confirming that SIPs serve as a structural mechanism of empowerment beyond mere wealth accumulation. Fourth, married women exhibit significantly higher SIP participation ($\chi^2 = 6.14$, $p = 0.046$), likely reflecting shared financial planning norms within households, though marital status loses significance in the multivariate model, suggesting this effect is mediated by income and education. Fifth, the primary barriers to SIP adoption among non-participating women are low financial literacy (cited by 61.3% of non-investors), fear of market risk (54.7%), and absence of financial advisory support (47.4%), pointing to targeted, addressable intervention levers.

VII. CONCLUSION

This paper set out to investigate whether and how women's perceptions of Systematic Investment Plans connect to their broader financial empowerment in the Indian context. The evidence assembled here—drawn from a survey of 175 working women in Ahmedabad and analysed through a battery of statistical tools—offers an unambiguous answer: SIP participation is not merely a financial behaviour; it is an empowerment event. Women who invest in SIPs demonstrate significantly higher scores on a validated financial empowerment index, and this relationship holds even when income and education are controlled. This finding carries a powerful policy implication: expanding SIP adoption among women can be a cost-effective lever for advancing financial empowerment at scale, particularly when combined with targeted financial literacy interventions. As Finance Minister Nirmala Sitharaman has repeatedly articulated, India's ambition of becoming a developed economy by 2047—Viksit Bharat—cannot be realised without the full, informed economic participation of its women. The data in this study confirm that SIPs, with their structure of affordability, discipline, and compounding, are well-suited to serve as the entry point for that participation. However, the study equally reveals that perception barriers—rooted in inadequate financial literacy, cultural risk aversion, and the absence of trusted advisory channels—continue to prevent a majority of women from crossing the threshold into market-linked investing. Addressing these barriers requires a multi-actor effort: SEBI and AMFI must intensify their investor education campaigns with gender-sensitive content; financial institutions must train advisors to engage women clients with patience and clarity; employers must integrate financial wellness programmes into their human resource strategies; and policymakers must consider incentive structures that specifically reward women's first SIP investments. The academic contribution of this paper lies in its integration of perception, demographic determinants, and empowerment outcomes into a single analytical framework, filling a gap in the literature on women's financial behaviour in emerging



markets. The findings are consistent with and extend the work of Duflo (2012), Kabeer (1999), and Klapper et al. (2013), while grounding these global insights in the specific social and institutional context of urban India. Ultimately, the message of this research is both empirical and aspirational: when women invest, not only do their portfolios grow—their agency, confidence, and economic voice grow with them.

VIII. FUTURE RESEARCH DIRECTIONS

Future research should extend this study's geographical scope beyond Ahmedabad to include Tier-2 and Tier-3 cities, where financial infrastructure is less developed and cultural barriers may be more pronounced. Longitudinal designs would allow researchers to trace the causal pathway from SIP initiation to empowerment outcomes over time, addressing the cross-sectional limitation of the present study. Additionally, qualitative approaches such as in-depth interviews could illuminate the lived perceptions and decision-making processes of women investors in ways that quantitative surveys cannot, yielding richer insights for product design and financial advisory practice.

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