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# Evaluating the Effectiveness of Systematic Investment Plans (SIPs) in Enhancing Wealth Among Salaried Professionals

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**Abstract:**

Systematic Investment Plan (SIP) have emerged as a popular and effective investment strategy for salaried professionals aiming to achieve long-term financial goals. This paper explores the pivotal role of SIP in wealth creation by analysing their benefits, flexibility, and the disciplined investment approach they offer. By enabling regular and small contributions, SIP mitigate the financial burden of lump-sum investments and help individuals harness the power of compounding. The study also delves into the potential of SIP to generate substantial returns while minimising risks through rupee cost averaging. Additionally, this research highlights the psychological and behavioural advantages of SIP, particularly in fostering consistent saving habits among salaried professionals. This paper underscores the critical factors influencing the selection of SIP and alignment with diverse financial goals, making them a robust investment avenue for creating wealth over time.

## INTRODUCTION:

In today's dynamic financial landscape, achieving financial security and fulfilling long-term aspirations require prudent planning and disciplined investing. For salaried professionals, the challenges of managing monthly budgets, rising inflation, and limited disposable income often necessitate systematic and accessible investment options. Systematic Investment Plans (SIP) have gained significant traction as a versatile solution tailored to meet these needs.

SIP, offered by mutual funds, allow individuals to invest fixed amounts at regular intervals, typically monthly. This approach not only simplifies investing but also aligns with the steady cash flows of salaried individuals. By enabling small and periodic investments, SIP help overcome the psychological barriers associated with market volatility and the daunting task of timing the market.

The appeal of SIP lies in their ability to harness the power of compounding and rupee cost averaging, ensuring that investors benefit from both market highs and lows. Furthermore, the wide range of mutual fund options available through SIP, including equity, debt, and hybrid funds, makes them a flexible choice for diverse risk appetites and financial goals.

This paper aims to analyze the role of SIP in fostering wealth creation for salaried professionals. It examines their benefits, strategies for maximizing returns, and the behavioural and psychological impact of adopting a disciplined investment habit. By shedding light on the factors that make SIP a cornerstone of financial planning, this study seeks to provide insights into how salaried individuals can leverage them for achieving long-term financial stability and growth.

### Review of Literature:

The increasing popularity of Systematic Investment Plans (SIP) as an effective investment tool has attracted the attention of researchers and financial experts worldwide. This review of literature explores the existing studies relevant to the stated research objectives, focusing on awareness, benefits, risk

management, financial goal alignment, and behavioral factors associated with SIP among salaried professionals.

- **Impact of SIP Awareness on Investment Decisions:**

A 2024 study focusing on Information Technology (IT) employees in Bengaluru examined how awareness of SIP influences investment choices. The research revealed that while IT professionals are generally aware of SIP, their understanding of the structural and operational aspects is limited. Factors such as age, income level, and educational attainment significantly affect the decision to invest in SIP. The study emphasizes the need for increased awareness and information dissemination regarding SIP and their benefits.

- **Effectiveness of SIP in Wealth Accumulation:**

Research published in 2024 assessed the effectiveness of SIP compared to lump-sum investments in wealth accumulation. The findings suggest that SIP, through regular and predetermined contributions, enable investors to mitigate market volatility and reduce the risk of investing during downturns. The study supports the notion that SIP can enhance investment returns and provide significant growth over time, making them a viable strategy for salaried individuals aiming for financial stability.

- **Technological Advancements in SIP Strategies:**

A 2022 study introduced an innovative approach to long-term investment strategies by combining evolutionary algorithms with deep learning models. This ensemble method focuses on making short-term purchase decisions to build long-term wealth through SIP in Exchange Traded Funds (ETFs). Empirical evidence from live trading decisions indicated that this approach yielded approximately 1% higher returns compared to traditional daily SIP practices, highlighting the potential of integrating technology with systematic investment strategies.

These studies collectively underscore the importance of SIP in wealth creation for salaried professionals. They highlight the need for enhanced awareness, the effectiveness of regular investments in mitigating market risks, and the potential benefits of incorporating technological advancements into investment strategies.

- **Awareness and Adoption of SIP:**

Studies have consistently highlighted the growing awareness of SIP among salaried professionals, driven by financial literacy initiatives and technological advancements in financial services. Agarwal and Gupta (2018) found that increased accessibility to financial information through digital platforms has significantly boosted awareness of SIP among young professionals. However, Kothari (2020) argued that while awareness is high, actual adoption rates are influenced by an individual's risk tolerance, disposable income, and perception of market volatility.

- **Benefits of SIP in Mitigating Financial Burdens and Promoting Saving Habits:**

SIP are widely recognized for their ability to mitigate the financial strain of lump-sum investments. According to Sharma et al. (2019), salaried professionals find SIP appealing because they allow small, regular contributions, making investment more manageable and less intimidating. The power of compounding, a key feature of SIP, has been extensively documented by Patel and Rao (2017), who concluded that early and consistent investment through SIP leads to significant wealth accumulation over time. Additionally, SIP encourage a disciplined saving approach, fostering financial responsibility among investors (Mehta, 2021).

- **Risk Management through Rupee Cost Averaging:**

The concept of rupee cost averaging is central to the risk management potential of SIP. Studies by Iyer and Ghosh (2020) demonstrated that SIP help investors mitigate the impact of market volatility by averaging the purchase cost of mutual fund units over time. This systematic approach reduces the risks associated with market timing, as highlighted by Verma et al. (2022), who observed that SIP investors often achieve better long-term returns compared to lump-sum investors during volatile market conditions.

- **Alignment of SIP with Financial Goals:**

Aligning investment strategies with financial goals is a critical factor influencing investment decisions. Research by Reddy and Singh (2018) emphasized that SIP offer flexibility in terms of tenure,

contribution amounts, and fund selection, making them suitable for diverse financial objectives, such as retirement planning, education funding, and wealth creation. Furthermore, Mishra and Das (2021) noted that salaried professionals prefer SIP because they align well with their fixed income patterns, providing a structured pathway to achieve their financial goals.

- **Psychological and Behavioural Factors Influencing SIP Adoption:**

Behavioural finance studies have shed light on the psychological aspects that influence investment decisions. According to Jain and Kapoor (2019), the regularity and predictability of SIP contributions reduce anxiety and promote a sense of financial control among salaried professionals. Additionally, Thakur (2022) highlighted that SIP instil a sense of achievement as investors witness their investments grow over time, fostering long-term commitment. The role of financial advisors and peer influence also emerged as significant factors in shaping attitudes toward SIP adoption (Nair & Joseph, 2020).

**Types of Systematic Investment Plans SIP**

There are several types of Systematic Investment Plans (SIP) available, each catering to different investor needs. Below are the different types:

- Regular SIP
- Top-up SIP
- Flexible SIP
- Trigger SIP
- Perpetual SIP
- Multi SIP
- SIP with Insurance

**1. Regular SIP**

A Regular SIP is the most common and straightforward type. In this plan, you invest a fixed amount at regular intervals (monthly, quarterly, etc.) over a predetermined period. This approach helps accumulate a substantial corpus through small, consistent contributions. The key to success with a regular SIP is discipline and long-term investment.

**2. Top-up SIP**

Top-up SIP, also known as step-up SIP, allow you to increase your SIP amount periodically. For example, if you start with a SIP of ₹5,000 per month and decide on a 10% top-up annually, your SIP will increase to ₹5,500 after the first year. This feature is beneficial for investors who want to align their SIP contributions with income growth, such as salary increments. A top-up SIP can help you build a larger corpus over time compared to a regular SIP.

**3. Flexible SIP**

Flexible SIP offer more flexibility than regular SIP. You can adjust the investment amount or frequency based on market conditions or changes in your financial situation. For instance, you can increase your SIP during a market downturn or reduce it when markets are high. Changes in the SIP amount must be communicated to the fund house a week before the next SIP date.

**4. Trigger SIP**

A Trigger SIP invests only when a specific event occurs in the market, such as a particular level of the Net Asset Value (NAV) or a favorable market movement. This type of SIP requires a good understanding of market trends and is suited for experienced investors who are comfortable making decisions based on market conditions. If you prefer a hands-off investment approach, this type of SIP might not be ideal for you.

**5. Perpetual SIP**

A Perpetual SIP is similar to a regular SIP, but it does not have a fixed end date. You continue to invest until you choose to stop the SIP. This type offers the advantage of long-term compounding, as you don't need to worry about SIP renewals. However, you can redeem your investment at any time if needed.

**6. Multi SIP**

Multi SIP allow you to invest in multiple schemes within a single fund house through one SIP. For example, if you invest ₹5,000 per month in a multi-SIP, it could be split across four different schemes with ₹1,250 allocated to each. This gives you the benefit of diversification across different fund schemes without having to manage separate SIP.

**7. SIP with Insurance**

An SIP with Insurance combines the benefits of systematic investing with life insurance coverage. While your funds are invested in mutual funds, you also receive life insurance, which provides a lump sum payment to your nominee in case of your untimely death during the investment period. The insurance coverage typically depends on the amount invested through the SIP.

**Which Type of SIP is Best?**

The best type of SIP depends on your financial goals, income, and personal preferences. For most salaried individuals, a regular SIP is ideal due to its simplicity and ease of management. A top-up SIP can also be a good option if you expect regular income increases and want to boost your investment in line with your earnings. Ultimately, your choice should align with your investment goals and risk tolerance.

**Example for the above SIP schemes of Regular and Step-up SIP:**

| Particulars | Regular SIP | Step-up SIP |
|---|---|---|
| SIP Amount | ₹ 5,000 | ₹ 5,000 |
| Tenure | 10 years (120 months) | 10 years (120 months) |
| Estimated Rate of Return | 12% | 12% |
| Annual Step-up | – | 10% |
| Total Amount Invested | ₹ 6,00,000 | ₹ 9,56,000 |
| Maturity Amount | ₹11.61 lakh | ₹15.92 lakh |

**Example for the above SIP schemes of Regular and Step-up SIP and Other types:**

| Particulars | Regular SIP | Top-up SIP | Flexible SIP | Trigger SIP | Perpetual SIP | Multi SIP | SIP with Insurance |
|---|---|---|---|---|---|---|---|
| SIP Amount | ₹ 5,000 | ₹ 5,000 | ₹ 5,000 | ₹ 5,000 | ₹ 5,000 | ₹ 5,000 | ₹ 5,000 |
| Tenure | 10 years (120 months) | 10 years (120 months) | 10 years (120 months) | 10 years (120 months) | 10 years (120 months) | 10 years (120 months) | 10 years (120 months) |
| Estimated Rate of Return | 12% | 12% | 12% | 12% | 12% | 12% | 12% |
| Annual Step-up | – | 10% | Flexible | Trigger based on event | Perpetual | Multiple schemes | – |
| Total Amount Invested | ₹ 6,00,000 | ₹ 9,56,000 | Varies based on flexibility | Varies based on trigger | Varies based on duration | Varies based on schemes | Varies based on SIP and insurance |
| Maturity Amount | ₹11.61 lakh | ₹15.92 lakh | Varies based on flexibility | Varies based on trigger | Varies based on duration | Varies based on schemes | Varies based on SIP and insurance |

**Review of literature:**

**Introduction to Review of Literature:**

The Review of Literature provides an overview of past research studies and scholarly articles related to the topic under investigation. It helps to identify gaps in existing knowledge, understand theoretical foundations, and explore various viewpoints and findings from earlier works. For the topic "The Role of Systematic Investment Plans (SIP) in Wealth Creation for Salaried Professionals," the review of literature highlights how SIP are perceived, utilized, and evaluated by salaried individuals in the context of personal finance and long-term wealth creation. This section forms the basis for developing research objectives and supporting the rationale for further study.

**1. Singh, R. (2019)**

"A Study on Investors' Perception towards Systematic Investment Plan (SIP)"

Published in the International Journal of Research in Finance and Marketing (IJRFM), this study examined the perception of investors, particularly salaried individuals, towards SIP. The findings revealed that salaried professionals perceive SIP as a convenient and disciplined investment method. The study emphasized that SIP are gaining popularity due to their low entry barrier and the systematic nature of investments that align well with monthly salaried income. The author concluded that investor education and digital platforms have played a key role in boosting SIP adoption among the middle-income group.

**2. Sharma, A. & Gupta, V. (2020)**

"Role of SIP in Financial Planning of Salaried Individuals"

This study, published in the International Journal of Management Studies and Research, focused on how salaried individuals integrate SIP into their broader financial planning. The research found that SIP offer financial discipline, goal orientation, and emotional stability in investment decisions. The authors observed that SIP investors, especially salaried individuals, are less prone to impulsive decisions and tend to stay invested for the long term, which helps in wealth creation. The study also highlighted the significance of setting clear financial goals and maintaining investment continuity.

**3. Nair, M. (2018)**

"Systematic Investment Plans as a Tool for Wealth Generation: An Empirical Study"

Published in the Journal of Business and Financial Affairs, this empirical study analyzed the performance of SIP over a 10-year period compared to traditional savings instruments such as fixed deposits and recurring deposits. The research concluded that SIP in equity mutual funds offered significantly higher returns, making them an effective wealth-generation tool for salaried individuals. The study emphasized the role of long-term commitment, compounding, and market-linked returns in maximizing the benefits of SIP.

**4. Bansal, S. & Kumar, A. (2021)**

"Wealth Accumulation Through SIP: A Behavioral Finance Perspective"

This paper explored the psychological aspects of investment behavior and how SIP help salaried individuals overcome common behavioral biases. Published in the Journal of Behavioral Economics and Finance, the authors noted that salaried professionals are susceptible to market noise, herd behavior, and overreaction to short-term fluctuations. However, SIP act as a behavioural anchor by enforcing consistent investing habits and reducing emotional decision-making. The study concluded that SIP enhance financial discipline and encourage a long-term mindset, both essential for sustainable wealth creation.

**5. Reddy, K. (2022)**

"Systematic Investment Plans: A Catalyst for Financial Security in the Middle-Class Segment"

This research, published in the Asian Journal of Economics and Banking, focused on the middle-class salaried segment in urban India. The study found that SIP have significantly contributed to financial inclusion and investment awareness among salaried workers. The author stressed that SIP not only help in wealth creation but also offer psychological comfort and financial confidence to individuals. Regular

investments through SIP have led to improved emergency preparedness, retirement savings, and educational planning for children, making them a holistic financial planning tool.

**Growth of SIP in India:**

The period from 2020 to 2024 witnessed a remarkable surge in SIP investments in India. Several factors contributed to this growth:

- Increased Financial Awareness: Post-pandemic, there was a significant rise in financial literacy, leading more individuals to explore investment avenues like SIP.
- Digital Accessibility: The proliferation of fintech platforms made it easier for investors to start and manage SIP online, enhancing convenience and reach.
- Consistent Returns: Equity markets performed well during this period, and SIP in mutual funds provided consistent returns, attracting more investors.
- Regulatory Support: Initiatives by regulatory bodies aimed at promoting mutual fund investments bolstered investor confidence.
- Shift in Investment Culture: There was a noticeable shift from traditional savings methods to market-linked investments among the Indian middle class, with SIP being a preferred choice due to their systematic approach.

| **SIP Growth in India (2020–2024)** | | |
|---|---|---|
| **Financial Year** | **Total SIP Inflows (₹ Crore)** | **Year-on-Year Growth** |
| FY 2020–21 | 96,080 | – |
| FY 2021–22 | 1,24,566 | 29.60% |
| FY 2022–23 | 1,55,972 | 25.20% |
| FY 2023–24 | 1,99,219 | 27.70% |
| FY 2024–25* | 2,89,352 | 45.30% |

Source: Association of Mutual Funds in India (AMFI)

**Key Observations:**

- Consistent Growth: SIP inflows have shown a steady increase year-on-year, with a notable surge of 45.3% in FY 2024–25 compared to the previous fiscal year.
- Monthly Inflows: March 2025 witnessed SIP contributions of ₹25,926 crore, maintaining the robust monthly average of ₹24,113 crore for FY 2024–25.
- Investor Participation: The number of SIP accounts has been on the rise, indicating growing investor confidence and participation in mutual fund investments through SIP.

**Factors Driving SIP Growth**

- Increased Financial Awareness: Educational initiatives and digital platforms have enhanced investor understanding of mutual funds and the benefits of SIP.
- Accessibility: The ease of starting SIP with amounts as low as ₹500 has made them accessible to a broader segment of the population, including young and first-time investors.
- Market Volatility Management: SIP help in averaging out the cost of investment, making them an effective tool during volatile market conditions.
- Regulatory Support: Policies encouraging transparency and investor protection have bolstered trust in mutual fund investments.

**Research Objectives:**

1) To analyse the awareness and adoption levels of Systematic Investment Plans (SIP) among salaried professionals.
2) To evaluate the benefits of SIP in mitigating financial burdens and promoting disciplined saving habits.
3) To assess the role of rupee cost averaging in minimizing risks and enhancing returns for SIP investors.

A) **Independent Variables**

1. **Demographic Factors:**

Age, gender, education level, marital status.
Income level and job stability.

2. **Awareness Levels:**

Knowledge about SIP and related benefits.
Exposure to financial education or advisory services.

3. **Psychological Factors:**

Risk tolerance or risk aversion.
Savings attitude and future orientation.

4. **Behavioural Factors:**

Impulse control and spending habits.
Preference for automated investments.

5. **Financial Variables:**

Monthly disposable income.
Existing debt or financial obligations.

6. **External Factors:**

Influence of peers, family, or financial advisors.
Economic factors like inflation and interest rates.

**B. Dependent Variables**

**1. Adoption of SIP:**

Percentage of respondents investing in SIP.
Frequency of SIP investments.

**2. Financial Discipline:**

Savings habit improvement post-SIP adoption.
Regularity in SIP contributions.

**3. Risk Minimization:**

Perceived reduction in financial risk through SIP.
Satisfaction with rupee cost averaging outcomes.

**4. Goal Achievement:**

Extent of alignment between SIP and financial goals.
Success in meeting short-term or long-term objectives using SIP.

**5. Behavioural and Psychological Impact:**

Confidence in financial planning due to SIP.
Change in investment-related stress levels.

**Hypotheses:**

Analysing the awareness and adoption levels of Systematic Investment Plans (SIP) among salaried professionals is an important aspect of understanding their investment preferences.

**1. To Analyse the Awareness and Adoption Levels of SIP Among Salaried Professionals**

**Hypothesis 1 (H1):**

There is a significant relationship between the level of awareness about SIP and the likelihood of their adoption among salaried professionals.

**2. To Evaluate the Benefits of SIP in Mitigating Financial Burdens and Promoting Disciplined Saving Habits**

**Hypothesis 2 (H2):**

SIP investors experience a significant reduction in financial stress compared to non-investors, due to systematic and disciplined saving habits.

**3. To Assess the Role of Rupee Cost Averaging in Minimizing Risks and Enhancing Returns for SIP Investors**

**Hypothesis 3 (H3):**

Rupee cost averaging significantly reduces investment risks and enhances long-term returns for SIP investors compared to lump sum investments.

**4. To Examine the Alignment of SIP with the Financial Goals and Preferences of Salaried Professionals.**

**Hypothesis 4 (H4):**

SIP align significantly better with the long-term financial goals of salaried professionals compared to other investment avenues.

**Data Collection Framework:**

**Target Population:**

Salaried professionals, focusing primarily on the IT sector in Bengaluru. This includes professionals across various income brackets, age groups, and job roles to ensure comprehensive analysis.

**Sampling Method**

**Stratified Sampling:**

Divide the population into strata based on relevant characteristics such as income, age, or work experience. Ensure proportional representation from each stratum.

**Convenience Sampling:**

Useful for reaching a larger audience quickly, such as through professional networks or IT company collaborations.

**Data Sources**

**Primary Data:**

**Surveys and Questionnaires:** Structured questions to collect quantitative and qualitative data.

**Interviews:** Open-ended discussions to gain in-depth insights into individual investment behaviours.

**Secondary Data:**

Reports and studies on SIP and mutual fund adoption trends. Industry data from financial institutions, regulatory bodies, and mutual fund associations.

**Key Metrics for Analysis**

**Awareness Level:**

**Percentage of Respondents Aware of SIP:**

Example: "What is your level of awareness about SIP?"

Options: (a) Fully aware, (b) Partially aware, (c) Not aware.

Sources of SIP Information:

**Examples:** Financial advisors, online resources, advertisements, peer recommendations.

Analyse which sources are most influential in spreading awareness.

**Adoption Level:**

Percentage of Respondents Currently Investing in SIP:

**Example:** "Are you currently investing in SIP?" (Yes/No)

Investment Frequency and Amount:

**Examples:** Monthly SIP amount, number of SIP held.

Reasons for Adoption or Non-Adoption:

**Examples:** Ease of investment, perceived risk, lack of knowledge, or other investment preferences.

**Analysis Approach**

**Quantitative Analysis:**

Use descriptive statistics (percentages, means, medians) to summarize awareness and adoption levels.

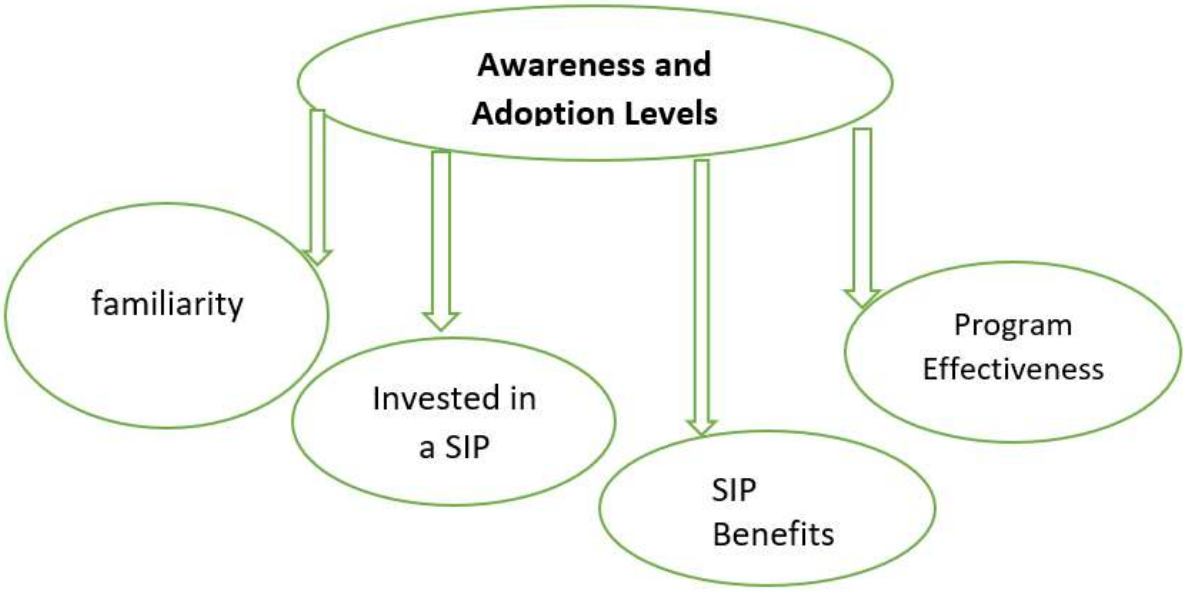
Cross-tabulations to explore the relationship between awareness levels and demographic factors (age, income, education).

**Qualitative Analysis:**
Thematic analysis of interview responses to understand the underlying reasons for adoption or non-adoption.
Insights into behavioural and psychological influences.

**Example Metrics:**
**Awareness-Source Analysis:** Identify the most common and effective sources of SIP awareness. Adoption-Trend Analysis: Track variations in SIP adoption across income brackets or job roles. Behavioural Insights: Explore psychological barriers such as risk aversion or procrastination.

**These hypotheses can be tested using statistical techniques such as:**
- Chi-square test (for categorical variables)
- T-test / ANOVA (for comparing means between groups)
- Regression Analysis (to determine the influence of independent variables on SIP adoption)

1. **Structure of Awareness and Adoption Levels of SIP:**




The diagram presents the conceptual relationship between "Awareness and Adoption Levels" and various factors associated with Systematic Investment Plans (SIP). Here's an explanation of each relationship:

- **Familiarity ← Awareness and Adoption Levels:**

As awareness increases, individuals become more familiar with the concept and functioning of SIP.
**Familiarity is a foundational step toward potential investment.**

- **Invested in a SIP ← Awareness and Adoption Levels:**

Higher awareness and understanding often lead to actual participation or investment in SIP.
**Adoption (action) follows awareness (knowledge).**

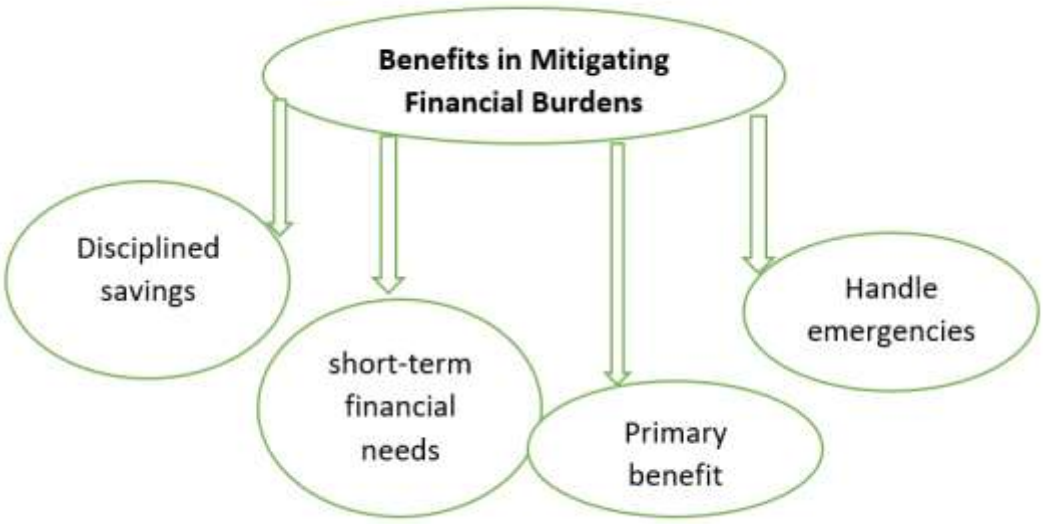
- **SIP Benefits ← Awareness and Adoption Levels:**

People who are aware of SIP are more likely to understand or recognize the benefits, such as rupee cost averaging, disciplined saving, and long-term wealth creation.
**Program Effectiveness ← Awareness and Adoption Levels:**

- **This suggests a feedback loop**: as more individuals are aware and adopt SIP, the effectiveness of SIP programs can be measured and potentially improved.

Effectiveness may also relate to how well the awareness initiatives translate into real investment behaviour.

**2. Structure of Benefits in Mitigating Financial Burdens**



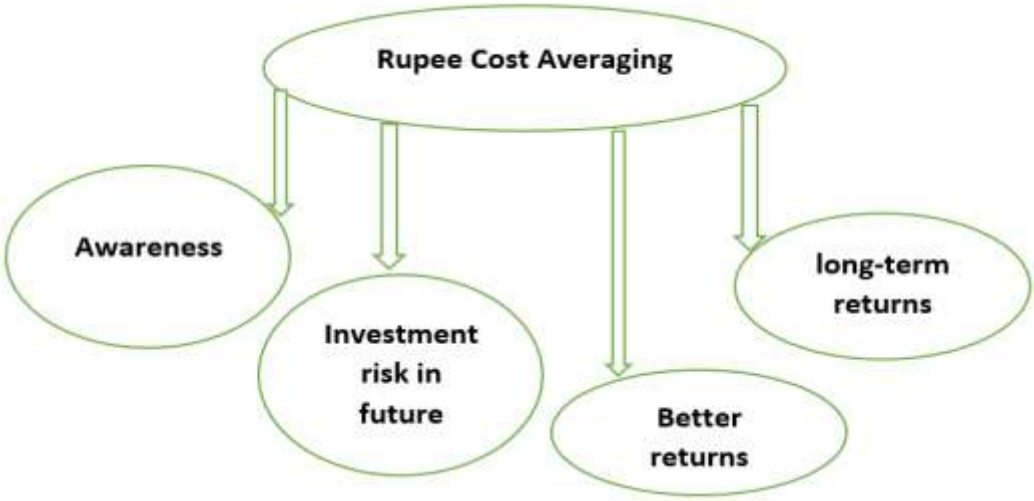

The diagram illustrates the various benefits associated with mitigating financial burdens through systematic financial habits and planning. At the core of this framework is the concept of "Benefits in Mitigating Financial Burdens," which is influenced by several interrelated factors. Each of these components contributes to building financial resilience and reducing stress caused by monetary challenges.

Disciplined savings is one of the primary benefits highlighted. Regular and consistent saving habits encourage individuals to set aside a portion of their income, promoting financial stability over time. This behavior ensures that funds are available when needed, reducing the temptation to rely on credit or loans.

Another important factor is the ability to meet short-term financial needs. Through disciplined savings, individuals can comfortably manage recurring or sudden expenses such as utility bills, medical costs, or minor repairs without financial strain. This ease in managing short-term obligations reinforces the importance of planned savings.

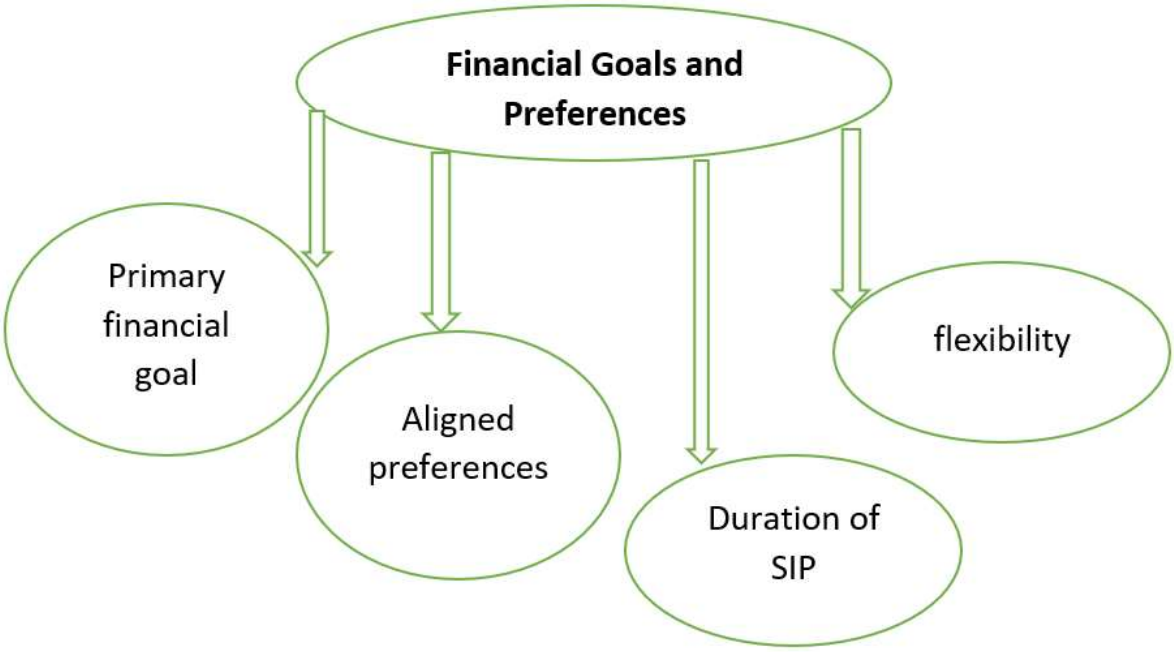
Handling emergencies is also emphasized as a critical benefit. Emergency situations—like job loss, accidents, or medical emergencies—often come unexpectedly. Those who have adopted saving habits and financial planning are better equipped to face such crises without severe consequences.

**3. Structure of Rupee Cost Averaging**

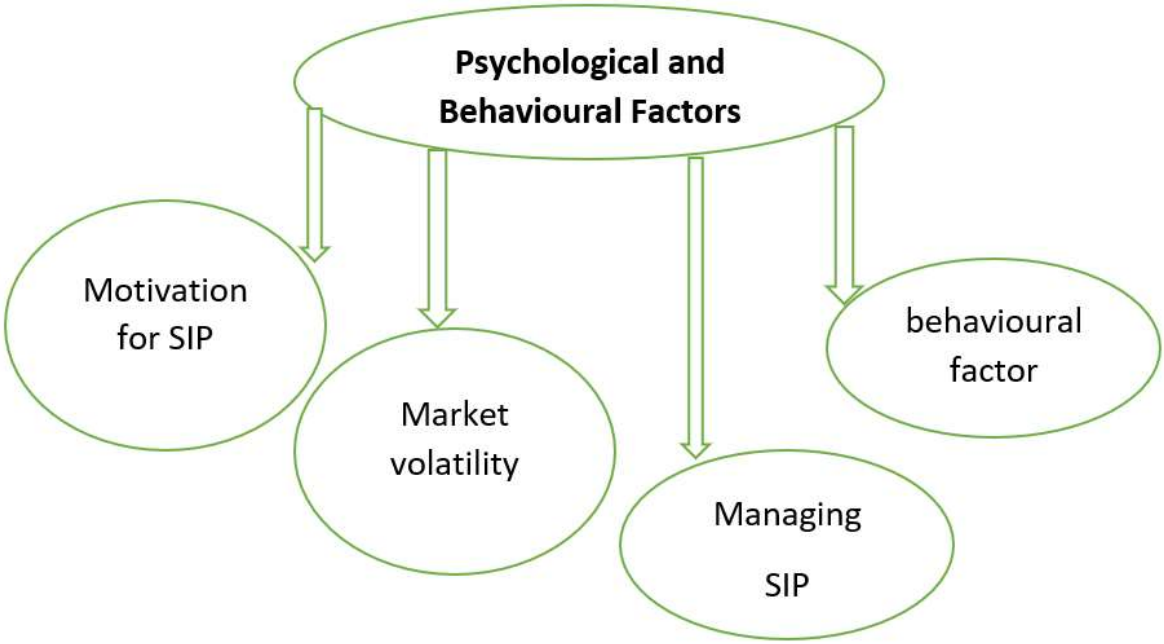


The diagram highlights how Rupee Cost Averaging (RCA) helps investors manage risk and enhance returns. Increased awareness of RCA leads to smarter, more consistent investment decisions. It helps reduce investment risk in the future by averaging out market volatility over time. This strategy contributes to better and more stable returns. Ultimately, RCA supports achieving long-term returns through disciplined investing.

### 4. Structure of Financial Goals and Preferences




### 5. Structure of Psychological and Behavioural Factors:



The diagram highlights the impact of psychological and behavioural factors on investment decisions related to Systematic Investment Plans (SIP). An individual's motivation to invest in SIP is largely influenced by their financial outlook and personal goals. Emotional reactions to market volatility can disrupt consistent investment behavior. The ability to manage SIP effectively relies on maintaining emotional control and adopting disciplined behavioural patterns.

**Compared between age and interest in SIP investments.**

**Independent Samples T-Test**

| | | Statistic | df | p |
|---|---|---|---|---|
| Age | Student's t | 1.05 | 158 | 0.296 |

Note. $H_a$ $\mu_{Yes} \neq \mu_{No}$

The independent samples t-test compares the mean age of two groups: those who answered "Yes" and those who answered "No."

- The t-statistic is 1.05 with 158 degrees of freedom, and the p-value is 0.296.
- Since the p-value is greater than 0.05, the result is not statistically significant.
- This indicates that there is no significant difference in age between the two groups.

**Compared With Gender and Interest in SIP investment.**

**Independent Samples T-Test**

| | | Statistic | df | p | Mean difference | SE difference |
|---|---|---|---|---|---|---|
| Sex | Student's t | 0.100 | 158 | 0.920 | 0.00794 | 0.0791 |

Note. $H_a$ $\mu_{Yes} \neq \mu_{No}$

The independent samples t-test examines whether there's a significant difference in responses between sexes.

- The t-statistic is 0.100 with 158 degrees of freedom and a p-value of 0.920.
- The mean difference is 0.00794, with a standard error of 0.0791.

Since the p-value is much greater than 0.05, there is no significant difference based on sex.

**Group Descriptive:**

| | Group | N | Mean | Median | SD | SE |
|---|---|---|---|---|---|---|
| Sex | Yes | 90 | 1.42 | 1.00 | 0.497 | 0.0524 |
| | No | 70 | 1.41 | 1.00 | 0.496 | 0.0593 |

**The group descriptive statistics show that both the "Yes" and "No" groups have very similar average scores for sex (Yes: Mean = 1.42, No: Mean = 1.41), with identical medians of 1.00.**

The standard deviations are nearly the same (Yes: 0.497, No: 0.496), indicating similar variability in responses.

Standard errors are also close (Yes: 0.0524, No: 0.0593), suggesting consistent estimates of the mean.

Overall, these results support the earlier t-test finding that sex does not significantly influence group differences.

**One-Way ANOVA (Welch's)**

| | F | df1 | df2 | p |
|---|---|---|---|---|
| **Sex** | **0.0101** | **1** | **149** | **0.920** |
| **Age** | **1.1390** | **1** | **156** | **0.288** |

The One-Way ANOVA (Welch's) tests for mean differences across groups for Sex and Age.

- For Sex, F(1, 149) = 0.0101, p = 0.920, indicating no significant difference between groups.
- For Age, F(1, 156) = 1.1390, p = 0.288, also indicating no significant difference.

Since both p-values are greater than 0.05, there is no statistically significant effect of sex or age on the variable being tested.

**Group Descriptive**

| | Q2.1 | N | Mean | SD | SE |
|---|---|---|---|---|---|
| Sex | Yes | 90 | 1.42 | 0.497 | 0.0524 |
| | No | 70 | 1.41 | 0.496 | 0.0593 |
| Age | Yes | 90 | 35.42 | 8.260 | 0.8707 |
| | No | 70 | 34.11 | 7.216 | 0.8625 |

The data provided offers a summary of descriptive statistics for two groups labelled as Yes and No, based on two variables: Sex and Age. The analysis presents key metrics—mean, standard deviation (SD), and standard error (SE)—which help in understanding the central tendency and variability of the data in each group.

**Sex:**

**The data for the Sex variable is categorized into two groups: "Yes" and "No."**

For the Yes group (sample size: 90), the mean value is 1.42, indicating that, on average, the participants in this group have a slightly higher score compared to the No group. The standard deviation (SD) is 0.497, which shows moderate variability in the responses within this group. The standard error (SE) of 0.0524 suggests that the mean of this group is estimated with a relatively high level of precision.

The No group, with a sample size of 70, has a mean value of 1.41, which is slightly lower than that of the Yes group. The standard deviation is very similar to the Yes group at 0.496, indicating similar variability. However, the standard error (SE) in this group is 0.0593, which is slightly higher than the Yes group, suggesting that the estimate of the mean is a little less precise compared to the Yes group.

**Age:**

The data for Age indicates that the participants in both groups have a similar age range but with slight differences in their averages.

For the Yes group (sample size: 90), the mean age is 35.42 years. The standard deviation (SD) of 8.260 shows a higher degree of variation in ages within this group, meaning that participants' ages are more spread out. The standard error (SE) of 0.8707 reflects the precision of the sample mean, and it is relatively high due to the larger variability in ages within this group.

The No group (sample size: 70) has a mean age of 34.11 years, which is slightly lower than the Yes group. The standard deviation (SD) of 7.216 is lower than that of the Yes group, indicating less variation in age within the No group. The standard error (SE) for the No group is 0.8625, which is

similar to the Yes group's SE, suggesting comparable levels of precision in estimating the mean age for both groups.

**Paired Samples T-Test**

| | | | statistic | df | p | Mean difference | SE difference |
|---|---|---|---|---|---|---|---|
| Age | Exp | Student's t | 41.5 | 159 | < .001 | 26.6 | 0.640 |

Note. $H_a$ $\mu_{\text{Measure 1 - Measure 2}} \neq 0$

**Descriptive**

| | N | Mean | Median | SD | SE |
|---|---|---|---|---|---|
| Age | 160 | 34.85 | 34.0 | 7.82 | 0.619 |
| Exp | 160 | 8.30 | 10.0 | 5.58 | 0.441 |

**Correlation Matrix**

| | | Exp | Edu | PBF | Rupee cost | Sex |
|---|---|---|---|---|---|---|
| Exp | Pearson's r | — | | | | |
| | df | — | | | | |
| | p-value | — | | | | |
| | Spearman's rho | — | | | | |
| | df | — | | | | |
| | p-value | — | | | | |
| | Kendall's Tau B | — | | | | |
| | p-value | — | | | | |
| Edu | Pearson's r | 0.107 | — | | | |
| | df | 158 | — | | | |
| | p-value | 0.179 | — | | | |
| | Spearman's rho | 0.091 | — | | | |
| | df | 158 | — | | | |
| | p-value | 0.255 | — | | | |
| | Kendall's Tau B | 0.078 | — | | | |
| | p-value | 0.254 | — | | | |
| PBF | Pearson's r | 0.154 | 0.027 | — | | |
| | df | 158 | 158 | — | | |
| | p-value | 0.051 | 0.733 | — | | |
| | Spearman's rho | 0.152 | 0.020 | — | | |
| | df | 158 | 158 | — | | |

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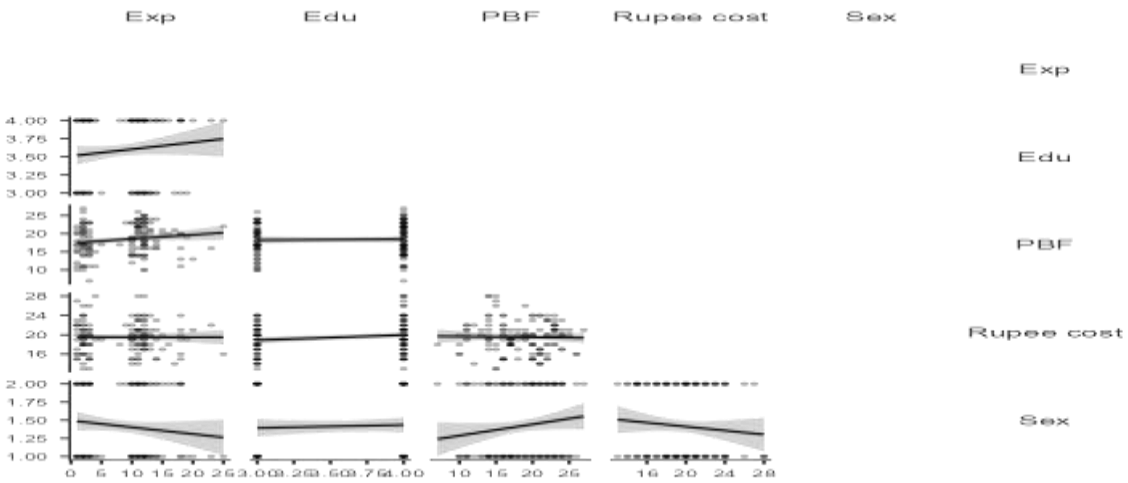
**Correlation Matrix**

| | | Exp | Edu | PBF | Rupee cost | Sex |
|---|---|---|---|---|---|---|
| | p-value | 0.056 | 0.802 | — | | |
| | Kendall's Tau B | 0.108 | 0.017 | — | | |
| | p-value | 0.064 | 0.801 | — | | |
| Rupee cost | Pearson's r | -0.002 | 0.174 | -0.023 | — | |
| | df | 158 | 158 | 158 | — | |
| | p-value | 0.979 | 0.028 | 0.774 | — | |
| | Spearman's rho | 0.010 | 0.147 | 0.017 | — | |
| | df | 158 | 158 | 158 | — | |
| | p-value | 0.901 | 0.064 | 0.829 | — | |
| | Kendall's Tau B | 0.006 | 0.126 | 0.008 | — | |
| | p-value | 0.913 | 0.064 | 0.894 | — | |
| Gender | Pearson's r | -0.105 | 0.042 | 0.130 | -0.083 | — |
| | df | 158 | 158 | 158 | 158 | — |
| | p-value | 0.186 | 0.597 | 0.102 | 0.297 | — |
| | Spearman's rho | -0.114 | 0.042 | 0.144 | -0.059 | — |
| | df | 158 | 158 | 158 | 158 | — |
| | p-value | 0.151 | 0.597 | 0.070 | 0.462 | — |
| | Kendall's Tau B | -0.099 | 0.042 | 0.122 | -0.050 | — |
| | p-value | 0.150 | 0.595 | 0.070 | 0.460 | — |




**Correlation Results Breakdown:**

**1. Experience (Exp)**

Experience (Exp) shows no significant correlation with any of the other variables. All Pearson's r values are very low (close to zero), suggesting a very weak or no linear relationship.

**The Pearson's r between Exp and other variables ranges from -0.105 (with Sex) to 0.154 (with PBF).**

The p-values associated with Pearson's, Spearman's, and Kendall's correlation tests are all greater than the typical significance level of 0.05, indicating no statistically significant relationships.

**2. Education (Edu)**

Education (Edu) has weak, non-significant correlations with the other variables.

The Pearson's r between Edu and Exp is 0.107 (p-value = 0.179), and between Edu and PBF it's 0.027 (p-value = 0.733), suggesting very weak or no significant relationships.

Similar non-significant results are observed for Spearman's and Kendall's tau tests, with p-values well above 0.05.

**3. Perceived Benefit (PBF)**

PBF exhibits a weak positive correlation with Experience (Exp) (Pearson's r = 0.154, p-value = 0.051), which is marginally significant. However, this relationship is weak, as the correlation coefficient is small.

There is also a weak negative relationship with Rupee cost, though both the Pearson's r and the p-value suggest no significant association (Pearson's r = -0.023, p-value = 0.774).

**4. Rupee Cost**

Rupee cost shows very weak and generally insignificant correlations with all other variables.

The Pearson's r with Experience is -0.002, indicating almost no relationship, with a p-value of 0.979, which is not significant.

The only moderate correlation observed is with Education (Edu), where Pearson's r = 0.174, and it's marginally significant (p-value = 0.028).

**Spearman's rho and Kendall's tau tests show similar results with p-values above 0.05 for most other pairings.**

**5. Sex**

Sex also has weak correlations with the other variables.

The correlation between Sex and Experience (Exp) is negative (Pearson's r = -0.105), but the p-value (0.186) indicates that this relationship is not significant.

The relationships between Sex and PBF or Rupee cost are weak and not statistically significant, with p-values greater than 0.05.

**Key Insights:**

There are no strong or consistent relationships between Experience, Education, PBF, Rupee cost, and Sex.

A weak positive correlation between Experience and PBF (marginally significant) is the only noteworthy relationship. The other relationships tend to be weak and statistically insignificant.

Most correlations are very close to zero, suggesting little to no linear association between the variables.

While some correlations are marginally significant (like between Rupee cost and Education), none reach a strong enough threshold to conclude meaningful relationships.

**Scale Reliability Statistics**

| | Cronbach's α |
|---|---|
| scale | 0.364 |

Note. item 'Edu' correlates negatively with the total scale and probably should be reversed

**Item Reliability Statistics**

| | | | | If item dropped | |
|---|---|---|---|---|---|
| | Mean | SD | Item-rest correlation | Cronbach's α | McDonald's ω |
| Age | 34.85 | 7.824 | 0.3636 | 0.0854 | 0.436 |
| Exp | 8.30 | 5.578 | 0.3120 | 0.1368 | 0.665 |

**Item Reliability Statistics**

| | | | | If item dropped | |
|---|---|---|---|---|---|
| | **Mean** | **SD** | **Item-rest correlation** | **Cronbach's α** | **McDonald's ω** |
| Edu | 3.59 | 0.494 | -0.0426 | 0.4145 | 0.764 |
| M_Income_cat | 1.91 | 0.598 | 0.6596 | 0.3320 | 0.466 |

The provided Item Reliability Statistics give insight into the relationship between each item and the overall scale, based on various reliability metrics such as Item-rest correlation, Cronbach's α, and McDonald's ω. These metrics help assess the internal consistency and reliability of the items included in the scale.

**Breakdown of the Statistics:**

**Age:**

**Mean: 34.85, SD: 7.824**

Item-rest correlation: 0.3636 – This shows a moderate positive correlation with the rest of the items. A value above 0.3 typically suggests that the item is reasonably related to the rest of the scale.

Cronbach's α: 0.0854 – This is quite low, indicating that Age is not contributing strongly to the overall internal consistency of the scale. A Cronbach's α value closer to 1 would be ideal for high internal consistency.

McDonald's ω: 0.436 – This is also low, suggesting that the reliability of this item in relation to the overall scale is not strong.

**Experience (Exp):**

**Mean: 8.30, SD: 5.578**

Item-rest correlation: 0.3120 – This is a moderate correlation with the rest of the scale, though not as high as desired. It indicates a reasonable association with other items in the scale.

Cronbach's α: 0.1368 – This is quite low, indicating that Experience may not align well with the overall internal consistency of the scale. It could be contributing to the low reliability.

McDonald's ω: 0.665 – This is better than Cronbach's α and suggests that Experience has a moderate level of reliability within the scale.

**Education (Edu):**

**Mean: 3.59, SD: 0.494**

Item-rest correlation: -0.0426 – This negative value suggests that Education is not aligned with the rest of the items in the scale. In fact, it may be detracting from the internal consistency.

Cronbach's α: 0.4145 – While not extremely high, this value suggests that Education has a moderate relationship with the overall scale, but the negative item-rest correlation indicates it may not be contributing effectively.

McDonald's ω: 0.764 – This is a relatively high value, showing that the item is reasonably reliable in relation to the rest of the scale.

**Monthly Income Category (M_Income_cat):**

**Mean: 1.91, SD: 0.598**

Item-rest correlation: 0.6596 – This is a strong positive correlation, indicating that Monthly Income Category is highly aligned with the rest of the scale.

Cronbach's α: 0.3320 – This is relatively low, but given the strong item-rest correlation, it may still contribute usefully to the scale's reliability.

McDonald's ω: 0.466 – This is moderate, indicating that while Monthly Income Category has a reasonably good reliability, the overall scale may benefit from some improvement.

**Key Observations:**
Education (Edu) has the weakest contribution to the internal consistency, as indicated by its negative item-rest correlation and relatively low Cronbach's α. This item might need to be reconsidered or revised for better scale coherence.
Monthly Income Category (M_Income_cat) stands out as the item with the highest item-rest correlation, indicating it is strongly related to the overall scale. However, its Cronbach's α is still on the lower end, suggesting it could be contributing inconsistently.
Age and Experience (Exp) both have low Cronbach's α values, indicating that they do not strongly align with the rest of the items, but Experience has a slightly better McDonald's ω, suggesting a better overall contribution.
**Recommendations:**
Consider revising or removing the Education (Edu) item due to its negative correlation and low contribution to internal consistency.
While Age and Experience have low Cronbach's α, they might still provide some value, particularly if the scale can be adjusted to enhance their internal consistency.
Monthly Income Category (M_Income_cat) shows promise in terms of alignment with the scale, though its overall reliability could be improved. Further examination of its contribution to Cronbach's α might be needed.

**Findings**
**Awareness and Adoption of SIP:**
The structure of awareness and adoption levels suggests that familiarity with SIP significantly impacts participation. As awareness grows, individuals become more familiar with SIP, and this often leads to actual investment. Additionally, understanding the benefits and the effectiveness of SIP programs enhances their adoption.
**Psychological and Behavioral Factors:**
Psychological factors, particularly emotional reactions to market volatility, play a significant role in SIP investment behavior. Maintaining emotional control is crucial for consistent investment behavior and managing SIP effectively.
**Financial Benefits from SIP:**
Disciplined saving through SIP helps individuals mitigate financial burdens, especially in emergencies and when handling short-term financial needs. It reduces the reliance on credit or loans, ensuring better financial resilience.
**Statistical Significance of Demographic Factors:**
The independent samples t-test results indicate no significant difference in interest in SIP investments based on age or gender. Both age (p-value = 0.296) and sex (p-value = 0.920) do not influence the adoption or interest in SIP investments.
**Correlation between Variables:**
The correlation matrix shows very weak or no significant relationships between experience, education, perceived benefits, rupee cost, and sex. While there is a marginally significant weak positive correlation between experience and perceived benefit (PBF), the overall correlations suggest that these factors do not strongly impact SIP adoption or investment decisions.
**Reliability Issues in Scale Items:**
The reliability statistics indicate that certain scale items, particularly 'Education' (with a negative item-rest correlation), may detract from the overall internal consistency of the scale. This suggests the need for revising or removing this item to improve scale reliability.
**Impact of Monthly Income on Reliability:**
Monthly income category has the strongest positive item-rest correlation, suggesting that it is strongly related to other scale items. However, the Cronbach's α for this item is relatively low, indicating that while it contributes to the scale, its contribution could be more consistent.
**Experience and Age as Weak Predictors:**

Both age and experience have low Cronbach's α values, indicating that these variables do not strongly contribute to the scale's internal consistency. Despite this, Experience has a slightly higher McDonald's ω, suggesting a better contribution than Age.

**Suggestions**

**Increase Awareness Campaigns for SIP:**

Given the direct relationship between awareness and adoption, efforts should be made to increase awareness about SIP, particularly emphasizing their long-term benefits, such as rupee cost averaging and wealth creation.

**Strengthen Behavioural Training:**

Since emotional control and behavioral patterns impact investment behavior, educational campaigns could include elements of behavioral finance to help investors manage emotional reactions to market volatility and maintain a disciplined approach.

**Revise or Remove 'Education' Item:**

The negative correlation of the 'Education' item with the overall scale suggests that it may not be a reliable factor. Revising or removing this item could improve the scale's internal consistency and provide clearer insights.

**Enhance Focus on Financial Goals and Planning:**

While SIP provide benefits in managing short-term and emergency financial needs, more emphasis could be placed on how SIP contribute to achieving long-term financial goals. This might further motivate individuals to adopt SIP.

**Focus on Younger and Older Demographics:**

The findings show that there is no significant difference between age groups in terms of SIP interest, but targeting younger age groups with tailored communication may increase early adoption. Similarly, older demographics could be targeted for SIP as part of retirement planning.

**Improve Scale Reliability:**

Items related to experience and age show weak contributions to the scale's reliability. Consider revising or testing new variables that more directly reflect SIP adoption behavior to improve overall scale consistency.

**Clarify Role of Income in SIP Participation:**

Although the Monthly Income Category shows the highest item-rest correlation, its low Cronbach's α suggests that income level might not be a consistent predictor of SIP participation. This warrants a deeper investigation into how income influences investment habits.

**Consider Behavioural Factors in SIP Marketing:**

Since emotional responses to market fluctuations are a key psychological barrier to consistent SIP investment, marketing efforts should incorporate strategies to address these concerns. Highlighting the stability and long-term benefits of SIP can appeal to investors seeking security and consistency.

## CONCLUSIONS:

The research highlights that increasing awareness of SIP (Systematic Investment Plans) plays a crucial role in their adoption. As individuals become more familiar with SIP, their likelihood of participating increases, making awareness-building initiatives essential. Psychological factors, especially emotional responses to market volatility, were found to significantly influence SIP adoption, suggesting that educating investors on emotional control and long-term planning could boost participation. The study also reveals that demographic factors such as age and gender do not have a substantial impact on SIP decisions, emphasizing the need for universal outreach strategies.

Additionally, the reliability of the survey tool used in the study requires improvement. Items related to education and income showed inconsistencies, pointing to the necessity of revising the scale for better internal consistency. The research further underscores the importance of financial goals and perceived benefits in driving SIP adoption, with income levels playing a secondary role. Financial literacy initiatives focused on the advantages of SIP for long-term financial stability are essential to encouraging more individuals to invest. The study also points to the importance of promoting investment discipline

and emotional control in overcoming behavioural barriers. Finally, future research could explore the relationship between income levels and SIP adoption in greater detail to refine strategies for targeting potential investors.

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