



# Financial Literacy and Systematic Investment Plan Adoption among Women Investors in India: Evidence from Delhi-NCR

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## ARTICLE DETAILS

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## ABSTRACT

This study examines the effect of financial literacy on Systematic Investment Plan adoption among women investors in India. It further investigates whether investment awareness and investment confidence influence SIP adoption and whether SIP adoption contributes to women's financial empowerment. The study uses a quantitative, cross-sectional survey design. Data will be collected from women respondents in Delhi-NCR through a structured questionnaire. The proposed model will be analysed using SPSS and Partial Least Squares Structural Equation Modelling. The study will report descriptive statistics, reliability, convergent validity, discriminant validity, common method bias, collinearity, structural path coefficients, explanatory power, effect size, and predictive relevance. PLS-SEM is appropriate because it supports prediction-oriented modelling with latent constructs and path relationships. The empirical findings will be reported after data collection and analysis. The study is expected to clarify whether financial literacy, investment awareness, and investment confidence significantly explain SIP adoption among women investors and whether SIP adoption strengthens perceived financial empowerment. This study contributes to financial literacy, behavioural finance, and women's financial empowerment literature by examining SIP adoption as a specific, disciplined, market-linked investment behaviour. It addresses the gap between financial knowledge and actual investment participation among women investors.



## Introduction

Women's participation in formal financial markets is increasingly recognised as an important dimension of financial inclusion, household resilience, and economic empowerment. In India, Systematic Investment Plans have become a widely used route for retail investors because they allow regular investment in mutual fund schemes without requiring a large lump-sum commitment. AMFI describes SIP as a mutual fund investment method through which investors can invest a fixed amount periodically, and SIP instalments may begin from small monthly amounts.

The growth of SIPs has been significant in the Indian mutual fund industry. AMFI's March 2025 monthly note reported that SIP assets reached ₹13.35 lakh crore by the end of March 2025 and represented 20.31% of overall mutual fund industry AUM. Women's participation has also increased. AMFI-CRISIL Factbook 2024 reported that women accounted for one in every four mutual fund investors as of March 2024, reflecting the growing role of women in formal investment participation.

Despite this growth, women investors may continue to face barriers such as limited financial knowledge, low investment confidence, risk concerns, dependence on informal advice, and insufficient awareness of market-linked financial products. Financial literacy is therefore important because it helps individuals understand concepts such as risk, return, inflation, diversification, compounding, and long-term planning. The OECD/INFE financial literacy toolkit measures financial literacy along with financial inclusion, resilience, and financial well-being, showing that financial literacy is not only knowledge-based but also behavioural and attitudinal.

Prior research shows that financial literacy influences financial market participation. Lusardi and Mitchell argue that financial knowledge is a form of human capital that affects saving,



borrowing, retirement planning, and investment decisions. Van Rooij, Lusardi, and Alessie also found that lower financial literacy is associated with lower participation in stock-market-related investments.

The present study examines the influence of financial literacy on SIP adoption among women investors in Delhi-NCR. The uploaded proposal identifies the research problem as the gap between women's financial knowledge and their actual use of SIP investment opportunities. It also identifies financial literacy, SIP awareness, investment confidence, SIP adoption, and financial empowerment as key study areas.

## **2. Research Gap and Contribution**

Existing studies have examined financial literacy, investment behaviour, savings preferences, and mutual fund awareness. However, limited empirical research has specifically examined how financial literacy influences SIP adoption among women investors in India. Many studies focus on general investment behaviour or traditional savings avenues, while SIP adoption represents a more specific investment behaviour involving regularity, market exposure, risk understanding, and long-term financial discipline.

This study addresses three gaps. First, it examines SIP adoption rather than general saving or broad investment intention. Second, it incorporates investment awareness and investment confidence as behavioural factors that may explain why financial knowledge may or may not translate into actual adoption. Third, it links SIP adoption with financial empowerment, thereby examining whether disciplined investment participation contributes to women's perceived financial independence and long-term financial control.



### **3. Literature Review and Hypothesis Development**

#### **3.1 Financial literacy and investment behaviour**

Financial literacy refers to the knowledge, skills, attitudes, and behaviours required to make informed financial decisions. The OECD/INFE toolkit provides a structured approach for measuring financial literacy, financial inclusion, financial resilience, and financial well-being.

In the investment context, financially literate individuals are better positioned to evaluate risk-return trade-offs, understand diversification, compare investment products, and plan for long-term goals. Lusardi and Mitchell emphasise that financial literacy has economic significance because it influences financial decision-making and individual welfare. For women investors, financial literacy may be particularly important because investment decisions are often shaped by household roles, social norms, financial dependency, and confidence in handling market-linked products.

#### **3.2 SIP adoption among women investors**

SIP adoption refers to the actual or intended use of systematic investment plans as a regular mutual fund investment method. SIPs are relevant for women investors because they allow smaller periodic investments, encourage disciplined investing, and support long-term wealth creation. AMFI's data on SIP asset growth shows that SIPs have become a major component of retail mutual fund participation in India.

However, SIP adoption is not automatic. Women investors must understand how SIPs work, what market-linked returns mean, how risk varies across mutual fund categories, and why long-term continuation matters. Therefore, SIP adoption is influenced by cognitive factors such as financial literacy and investment awareness, as well as behavioural factors such as investment confidence.



### **3.3 Financial literacy and SIP adoption**

Financial literacy can improve women's ability to understand mutual funds, compounding, diversification, rupee-cost averaging, market volatility, and long-term investment planning. Financially literate women may be more likely to compare SIPs with traditional instruments such as fixed deposits, recurring deposits, gold, and savings accounts. Therefore, financial literacy is expected to positively influence SIP adoption.

**H1:** Financial literacy has a significant positive effect on SIP adoption among women investors.

### **3.4 Investment awareness and SIP adoption**

Investment awareness refers to knowledge of available investment products, SIP procedures, mutual fund options, expected benefits, risks, documentation, and investment platforms. A woman may possess general financial knowledge but may still not adopt SIPs if she lacks product-specific awareness. Therefore, investment awareness is expected to positively influence SIP adoption.

**H2:** Investment awareness has a significant positive effect on SIP adoption among women investors.

### **3.5 Investment confidence and SIP adoption**

Investment confidence refers to a woman's perceived ability to evaluate, select, begin, and continue investment decisions. The Theory of Planned Behavior explains that behaviour is influenced by intention, attitude, subjective norms, and perceived behavioural control. In this study, investment confidence represents a form of perceived behavioural control. Women who feel confident about investment decisions may be more likely to adopt and continue SIP investments.



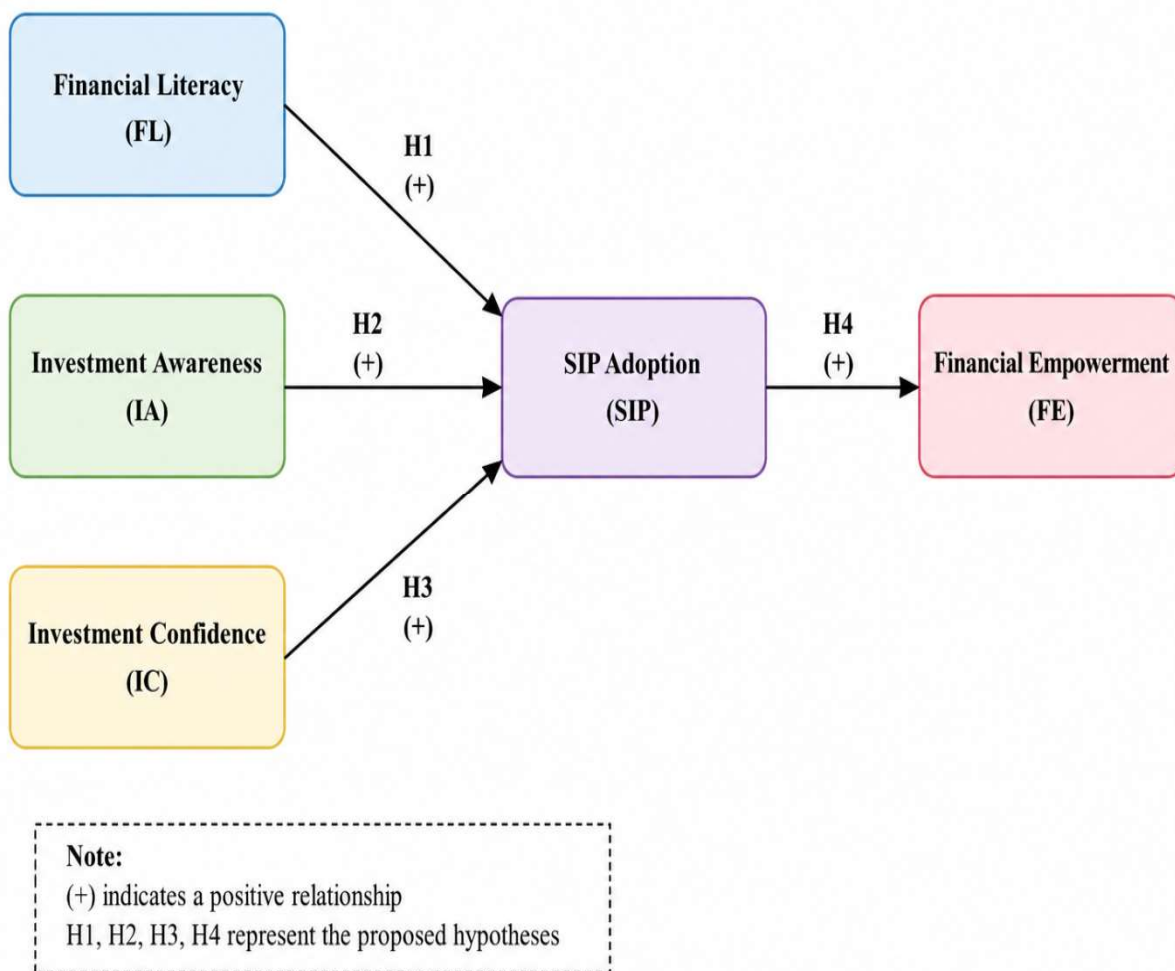
**H3:** Investment confidence has a significant positive effect on SIP adoption among women investors.

### **3.6 SIP adoption and financial empowerment**

Financial empowerment refers to women's perceived ability to make independent financial decisions, plan for future needs, reduce dependency, and participate in long-term financial planning. SIP adoption may contribute to empowerment by encouraging disciplined investing, improving engagement with formal financial markets, and supporting goal-based wealth creation.

**H4:** SIP adoption has a significant positive effect on financial empowerment among women investors.

## **4. Conceptual Framework**



**Figure 1. Proposed conceptual framework**



**Table 1. Hypotheses of the study**

| Hypothesis | Proposed relationship                | Expected direction |
|------------|--------------------------------------|--------------------|
| H1         | Financial literacy → SIP adoption    | Positive           |
| H2         | Investment awareness → SIP adoption  | Positive           |
| H3         | Investment confidence → SIP adoption | Positive           |
| H4         | SIP adoption → financial empowerment | Positive           |

## **5. Research Methodology**

### **5.1 Research design**

The study adopts a quantitative, cross-sectional, explanatory research design. A structured questionnaire will be used to collect data from women respondents in Delhi-NCR. This design is appropriate because the study aims to test hypothesised relationships among latent constructs.

### **5.2 Population**

The target population consists of women in Delhi-NCR who have basic awareness of saving or investment products. The original proposal includes both working and non-working women respondents and focuses on women who have basic awareness or involvement in financial activities such as savings and investments.



### **5.3 Sampling technique and sample size**

The study will use purposive sampling because the research requires respondents who can answer questions on financial literacy, investment awareness, investment confidence, and SIP adoption. However, for better empirical strength, the sample size should be increased from the originally proposed 100–150 respondents to approximately **250–300 respondents**. This larger sample will improve statistical power, model stability, and subgroup analysis.

The final sample size should be justified through power analysis and PLS-SEM requirements. Recent PLS-SEM guidance recommends systematic assessment of measurement and structural models, including reliability, validity, collinearity, path coefficients, explanatory power, and predictive relevance.

### **5.4 Inclusion and exclusion criteria**

#### **Inclusion criteria:**

Women aged 18 years and above; residents of Delhi-NCR; respondents with basic awareness of saving or investment products; working and non-working women.

#### **Exclusion criteria:**

Respondents below 18 years of age; respondents outside Delhi-NCR; incomplete questionnaire responses; duplicate responses.

### **5.5 Data collection method**

Primary data will be collected through a structured questionnaire. Secondary data will be collected from academic journal articles, AMFI reports, OECD/INFE documentation, and relevant institutional sources.



## 5.6 Measurement of variables

All perceptual items will be measured using a five-point Likert scale, where 1 = strongly disagree and 5 = strongly agree. Financial literacy will include both subjective and objective items to reduce self-reporting bias.

**Table 2. Operationalisation of constructs**

| Construct             | Definition                                                                                                      | Sample items                                                                                                                     |
|-----------------------|-----------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------|
| Financial literacy    | Knowledge of financial concepts such as risk, return, inflation, diversification, compounding, and mutual funds | I understand the relationship between risk and return. / I understand how compounding helps in long-term wealth creation.        |
| Investment awareness  | Awareness of SIP features, benefits, risks, procedures, and platforms                                           | I am aware that SIPs allow regular investment in mutual funds. / I know that SIP returns are market-linked and not guaranteed.   |
| Investment confidence | Perceived ability to make and manage investment decisions                                                       | I feel confident selecting an investment product. / I can continue investing despite short-term market fluctuations.             |
| SIP adoption          | Actual or intended adoption of SIP investment                                                                   | I currently invest through SIPs. / I intend to start or continue SIP investment in the future.                                   |
| Financial empowerment | Perceived independence and control over financial planning                                                      | Investment decisions help me feel financially independent. / Regular investment helps me plan better for future financial needs. |



## 5.7 Control variables

The study will include age, education, marital status, employment status, monthly income, family financial support, prior investment experience, and current SIP investor status as control variables.

## 6. Data Analysis Strategy

The data will be analysed using SPSS and SmartPLS. SPSS will be used for data screening, descriptive statistics, reliability analysis, and exploratory factor analysis. SmartPLS will be used for measurement model and structural model assessment. PLS-SEM is suitable because the study examines predictive relationships among latent constructs.

Figure 2. Data Analysis Workflow

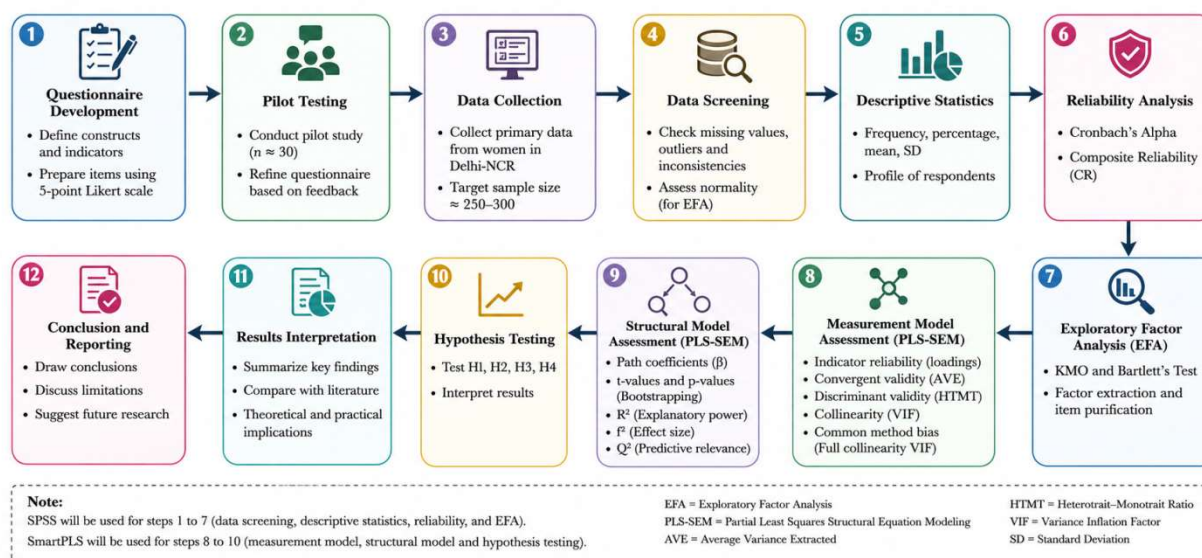


Figure 2. Data analysis workflow

**Table 3. Statistical tests and reporting criteria**

| Analysis stage        | Test/statistic                          | Purpose                              | Recommended criterion       |
|-----------------------|-----------------------------------------|--------------------------------------|-----------------------------|
| Data screening        | Missing values, outliers, normality     | To clean the dataset                 | Report treatment method     |
| Reliability           | Cronbach's alpha, Composite Reliability | To assess internal consistency       | $\geq 0.70$                 |
| Indicator reliability | Outer loadings                          | To assess item strength              | $\geq 0.70$ preferred       |
| Convergent validity   | Average Variance Extracted              | To assess shared variance            | $\geq 0.50$                 |
| Discriminant validity | HTMT                                    | To confirm construct distinctiveness | $< 0.85$ or $< 0.90$        |
| Collinearity          | VIF                                     | To detect multicollinearity          | $< 3.3$ preferred           |
| Common method bias    | Full collinearity VIF                   | To assess same-source bias           | $VIF \leq 3.3$              |
| Structural model      | $\beta$ , t-value, p-value              | To test hypotheses                   | $p < 0.05$                  |
| Explanatory power     | $R^2$                                   | To assess explained variance         | Report and interpret        |
| Effect size           | $f^2$                                   | To assess predictor contribution     | Report small, medium, large |
| Predictive relevance  | $Q^2$ / PLSpredict                      | To assess predictive accuracy        | $Q^2 > 0$ preferred         |

HTMT should be reported because it is widely recommended for assessing discriminant validity in variance-based SEM. Since the study uses a single questionnaire, common method bias should be assessed; Kock's full collinearity approach uses VIF values to detect potential common method bias in PLS-SEM.



## 7. Ethical Considerations

Participation will be voluntary. Respondents will be informed about the purpose of the study before completing the questionnaire. No personally identifiable sensitive financial information will be collected. Data will be used only for academic research. Respondents will have the right to withdraw at any stage before submitting the questionnaire. Confidentiality and anonymity will be maintained.

## 8. Results

This section will be completed after data collection and analysis. The following tables should be used for final reporting.

**Table 4. Demographic profile of respondents**

| Variable          | Category             | Frequency      | Percentage     |
|-------------------|----------------------|----------------|----------------|
| Age               | 18–25                | To be inserted | To be inserted |
|                   | 26–35                | To be inserted | To be inserted |
|                   | 36–45                | To be inserted | To be inserted |
|                   | Above 45             | To be inserted | To be inserted |
| Employment status | Working              | To be inserted | To be inserted |
|                   | Non-working          | To be inserted | To be inserted |
| Monthly income    | Below ₹25,000        | To be inserted | To be inserted |
|                   | ₹25,001–₹50,000      | To be inserted | To be inserted |
|                   | Above ₹50,000        | To be inserted | To be inserted |
| SIP status        | Current SIP investor | To be inserted | To be inserted |
|                   | Non-SIP investor     | To be inserted | To be inserted |

**Table 5. Reliability and convergent validity**

| <b>Construct</b>      | <b>Items retained</b> | <b>Cronbach's alpha</b> | <b>Composite reliability</b> | <b>AVE</b>     | <b>Decision</b>   |
|-----------------------|-----------------------|-------------------------|------------------------------|----------------|-------------------|
| Financial literacy    | To be inserted        | To be inserted          | To be inserted               | To be inserted | Accepted/Rejected |
| Investment awareness  | To be inserted        | To be inserted          | To be inserted               | To be inserted | Accepted/Rejected |
| Investment confidence | To be inserted        | To be inserted          | To be inserted               | To be inserted | Accepted/Rejected |
| SIP adoption          | To be inserted        | To be inserted          | To be inserted               | To be inserted | Accepted/Rejected |
| Financial empowerment | To be inserted        | To be inserted          | To be inserted               | To be inserted | Accepted/Rejected |

**Table 6. HTMT discriminant validity**

| <b>Construct</b>      | <b>FL</b>      | <b>IA</b>      | <b>IC</b>      | <b>SIP</b>     | <b>FE</b> |
|-----------------------|----------------|----------------|----------------|----------------|-----------|
| Financial literacy    | —              |                |                |                |           |
| Investment awareness  | To be inserted | —              |                |                |           |
| Investment confidence | To be inserted | To be inserted | —              |                |           |
| SIP adoption          | To be inserted | To be inserted | To be inserted | —              |           |
| Financial empowerment | To be inserted | To be inserted | To be inserted | To be inserted | —         |



**Table 7. Hypothesis testing**

| Hypothesis | Path                                 | $\beta$        | t-value        | p-value        | Decision                |
|------------|--------------------------------------|----------------|----------------|----------------|-------------------------|
| H1         | Financial literacy → SIP adoption    | To be inserted | To be inserted | To be inserted | Supported/Not supported |
| H2         | Investment awareness → SIP adoption  | To be inserted | To be inserted | To be inserted | Supported/Not supported |
| H3         | Investment confidence → SIP adoption | To be inserted | To be inserted | To be inserted | Supported/Not supported |
| H4         | SIP adoption → financial empowerment | To be inserted | To be inserted | To be inserted | Supported/Not supported |

## 9. Discussion

The discussion will be finalised after empirical results are obtained. If H1 is supported, the findings will indicate that women with stronger financial literacy are more likely to adopt SIPs. This would support prior research showing that financial literacy affects financial market participation and investment decisions.

If H2 is supported, the study will show that SIP-specific awareness is essential for adoption. This would imply that general financial knowledge must be supported by practical product-level awareness, including knowledge of mutual fund categories, risk levels, investment platforms, and documentation.



If H3 is supported, the findings will highlight the behavioural importance of investment confidence. This would suggest that financial literacy programmes should not only provide information but also increase women's confidence to make independent investment decisions.

If H4 is supported, the findings will indicate that SIP adoption may contribute to women's financial empowerment by improving long-term financial planning, financial independence, and participation in formal investment markets.

### **10. Theoretical Implications**

This study contributes to theory in three ways. First, it extends financial literacy research by examining a specific investment behaviour: SIP adoption. Second, it integrates behavioural constructs such as investment awareness and investment confidence into a financial literacy framework. Third, it links SIP adoption with financial empowerment, thereby connecting investment behaviour with women's economic agency.

### **11. Practical Implications**

The study has practical relevance for asset management companies, financial advisors, regulators, educators, and policymakers. Mutual fund companies may design women-focused SIP awareness programmes explaining compounding, diversification, market-linked returns, risk management, and long-term investment discipline. Financial literacy initiatives should include practical demonstrations on how to start, monitor, and continue SIPs.

For policymakers, the findings may help design targeted financial inclusion programmes for women. For women investors, the study highlights the importance of financial knowledge, confidence, and disciplined long-term investing.



## 12. Limitations and Future Research

The study is limited to women respondents from Delhi-NCR, which may restrict generalisability to other regions of India. The use of purposive sampling may introduce selection bias. Future studies may use probability sampling, larger multi-city samples, rural–urban comparisons, and longitudinal data. Future research may also examine mediation and moderation effects, such as whether investment confidence mediates the relationship between financial literacy and SIP adoption, or whether income, education, and employment status moderate the relationship.

## 13. Conclusion

This study proposes a refined empirical model to examine the influence of financial literacy on SIP adoption among women investors in India. By integrating financial literacy, investment awareness, investment confidence, SIP adoption, and financial empowerment, the study provides a structured framework for understanding how women move from financial knowledge to formal investment participation. The research is timely because women's participation in mutual fund investment is increasing, yet barriers related to awareness, confidence, and financial decision-making remain important. After empirical data collection and analysis, the study can provide useful evidence for financial literacy programmes, women-focused investment education, and inclusive wealth creation.

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