International Journal for Novel Research in Economics , Finance and Management
www.ijnrefm.com
ISSN:
3048-7722
Volume 4, Issue 2, Mar-Apr-Aug-2026, PP: 01-8

Evaluating the Effectiveness of Systematic Investment Plans (SIPs) in Wealth Creation for Middle-Income Salaried Employees

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Abstract **– Retail investing in India has undergone a structural transformation over the past decade, with Systematic Investment Plans (SIPs) emerging as one of the most widely adopted wealth-building mechanisms among urban wage earners. This paper investigates the extent to which SIP-based mutual fund contributions facilitate tangible financial growth for middle-income salaried workers in Pune, Maharashtra. Drawing on primary survey data gathered from one hundred respondents and analysed through chi-square goodness-of-fit tests, the study quantifies awareness levels, fund-type preferences, perceived wealth impact, and the relationship between monthly income and contribution size. Results across all four statistical hypotheses reject the null at the five-percent significance level, confirming that salaried employees possess measurably non-uniform SIP awareness, exhibit clear equity-fund preferences, widely credit SIPs with advancing their financial goals, and allocate income to SIPs in proportions that vary systematical**

Keywords: **Systematic Investment Plan (SIP), Wealth Creation, Middle-Income Employees, Salaried Individuals, Mutual Funds, Investment Strategy, Financial Planning**

I. INTRODUCTION

India's financial landscape has shifted perceptibly since the mid-2010s. Driven by regulatory clarity from SEBI, aggressive outreach by the Association of Mutual Funds in India (AMFI), and the proliferation of mobile-first investment platforms, mutual fund participation among retail savers has grown at a compounded pace that would have seemed implausible two decades ago. At the heart of this expansion sits the Systematic Investment Plan — an arrangement that permits investors to direct a fixed sum into a mutual fund scheme at predetermined intervals without requiring a large upfront commitment. For wage earners whose cash flows arrive in predictable monthly instalments, this periodicity is intuitively aligned with income receipt, and the product therefore occupies a distinctive niche in the retail investment landscape.

The case for SIPs rests on two interlocking mechanisms. First, because contributions are made irrespective of prevailing net asset values, investors acquire more units during market downturns and fewer during rallies, producing an average acquisition cost that is typically lower than the arithmetic mean of NAVs over the investment period — a phenomenon widely described as rupee cost averaging. Second, because invested capital and accumulated returns are left in place across successive periods, the portfolio benefits from compounding: each cycle's growth base includes prior cycles' returns. These combined effects are most powerful over long horizons, making SIPs especially attractive as vehicles for goals that are temporally distant — retirement provision, tertiary education funding, and the like.

Middle-income salaried workers occupy a particularly interesting analytical position. Their incomes are stable enough to sustain regular contributions yet constrained enough that a large lump-sum investment may be infeasible. Simultaneously, they carry substantial financial obligations — housing loan servicing, insurance premiums, dependent care — that compete with discretionary investment capacity. Whether SIPs genuinely serve as effective wealth accumulators for this cohort, or whether structural limitations in financial literacy and disposable income blunt their potential, is a question with considerable practical and policy relevance.
This paper focuses on Pune, a city whose economic profile makes it well suited to this inquiry. Home to a large, educationally diverse salaried workforce spread across information technology, manufacturing, banking, healthcare, and education, Pune offers a sufficiently varied sample to permit meaningful cross-group comparisons. Despite the city's economic vibrancy, investment behaviour and financial awareness remain uneven across its working population, creating conditions under which the effectiveness of SIPs may diverge from their theoretical promise.

Objectives

The study pursues five discrete objectives:

- To document the prevailing saving and investment habits of middle-income salaried employees in Pune.
- To measure the level of awareness these employees hold regarding SIP concepts, mechanics, and associated risks.
- To evaluate whether sustained SIP participation translates into perceptible wealth accumulation.
- To determine the degree to which monthly earnings shape the quantum of SIP contribution.
- To examine how investment duration interacts with perceived returns and financial goal attainment.

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Significance

The practical significance of this enquiry is threefold. At the individual level, findings that clarify the relationship between SIP participation and wealth outcomes can improve investor decision-making. At the institutional level, mutual fund companies and financial advisors can calibrate product design and communication strategies to better serve this demographic. At the policy level, regulators and financial literacy bodies can identify where educational interventions are most urgently required. Academically, the paper augments a growing body of empirical work on retail investment behaviour in emerging markets by generating primary data grounded in a specific urban context rather than relying exclusively on fund-level aggregate statistics.

Scope and Delimitations

The investigation is confined to middle-income salaried individuals currently resident and employed in Pune city. The investment product under examination is the SIP-based mutual fund; alternative instruments — direct equity, fixed deposits, sovereign gold bonds, real estate, and life insurance — fall outside the scope. Although 100 respondents constitute an appropriate sample for exploratory academic inquiry, extrapolation to the national population should be undertaken with caution. Results reflect conditions and perceptions prevailing at the time of data collection and may be influenced by concurrent market conditions.

II. REVIEW OF LITERATURE

Academic interest in mutual fund investment behaviour among Indian retail participants has grown substantially, and the SIP format has attracted particular attention as its market penetration has deepened.

1. Theoretical Foundations

The conceptual underpinnings of SIP investing draw from two streams of financial theory. Portfolio theory, as formalised by Markowitz (1952), establishes that diversification across assets reduces unsystematic risk — a property that pooled mutual fund vehicles inherently exploit. The behavioural finance tradition, most prominently associated with Kahneman and Tversky (1979), adds a complementary insight: automatic, rule-based investment commitments insulate decision-making from the emotional reactions — fear during downturns, exuberance near peaks — that tend to degrade returns for discretionary investors. SIPs, by automating periodic contributions, operationalise this insight in a commercially accessible format.

The rupee cost averaging principle, though arithmetically elementary, has attracted empirical scrutiny because its wealth implications depend on the distributional properties of returns over the investment horizon. Theoretical analyses confirm that averaging is advantageous relative to lump-sum investment when prices follow mean-reverting processes, but may underperform in strongly trending bull markets — a nuance that is frequently lost in practitioner communication.

2. Empirical Literature

Arul Prasad, Nagesha, Shreekritha, and Meenaz Zaiba (2025) examined SIP performance across a sample of salaried professionals and reported that the format reliably cultivates saving discipline and generates statistically significant long-term capital growth. Their work underscored that fixed monthly income receivers derive disproportionately high utility from the product because it maps naturally onto their cash-flow cycle.

Sehgal, Sharma, and Thakur (2025) investigated investor attitudes toward SIPs distributed through banking channels and found that institutional trust is a decisive determinant of participation: investors who perceive their bank as a credible financial guide are substantially more likely to enrol in bank-facilitated SIP arrangements, even when products available through independent distributors carry comparable characteristics.

Aggarwal (2024) conducted a preference study among mutual fund investors and concluded that SIPs are favoured by middle-income cohorts primarily for their low entry threshold and the sense of financial discipline they impose, factors that outweigh expected return considerations in pre-investment deliberation.

Kothari and Chandra's foundational treatises on investment analysis provide the normative scaffolding against which practitioner claims about SIP returns are best evaluated. Their work cautions that realistic long-run return expectations must account for fund expense ratios, exit loads, and tax treatment — all of which affect net wealth accumulation.

Sharma and Mehta (2021) specifically explored the financial literacy dimension, reporting a positive and statistically robust association between investor knowledge scores and the likelihood of sustained SIP participation over multi-year horizons. Their finding implies that education-driven interventions could materially improve outcomes for currently under-informed participants.

3. Identified Research Gap

Despite the volume of work referenced above, city-specific, primary data-driven investigations targeting the middle-income salaried segment remain scarce. Most published studies either aggregate across investor categories or focus on metropolitan centres such as Mumbai and Delhi. Pune's distinctive industrial and professional composition warrants dedicated analysis. The present study addresses this gap by generating fresh empirical evidence grounded in locally administered survey data.

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III. PROBLEM STATEMENT AND RESEARCH HYPOTHESES

1. Problem Statement

Salaried workers in the middle-income bracket occupy a paradoxical financial position. Their earnings are sufficient to generate investable surpluses — if living expenditures, loan obligations, and insurance commitments are managed carefully — yet typically insufficient to participate meaningfully in high-minimum investment instruments. Traditional bank deposits and recurring deposit schemes are accessible but offer nominal returns that frequently trail inflation, eroding real purchasing power over time. SIPs, in principle, offer a resolution to this paradox by channelling small, regular sums into diversified equity or debt funds that can generate inflation-beating returns over multi-decade horizons. The unresolved question is whether, in practice, middle-income salaried employees in a city like Pune are realising this theoretical promise: do they understand the product well enough, invest consistently enough, and remain committed long enough for SIPs to produce meaningful wealth outcomes? Answering this que

2. Research Hypotheses

Four null-alternative hypothesis pairs were formulated, each addressed by a chi-square goodness-of-fit test:

- H_{01}: Middle-income salaried employees do not display a statistically significant pattern in their awareness of SIPs and wealth creation.
- H_{11}: Middle-income salaried employees display a statistically significant pattern in their awareness of SIPs and wealth creation.
- H_{02}: There is no statistically significant preference pattern among middle-income salaried employees for specific SIP fund types.
- H_{12}: There is a statistically significant preference pattern among middle-income salaried employees for specific SIP fund types.
- H_{03}: SIP investment does not exert a statistically significant impact on wealth creation as perceived by middle-income salaried employees.
- H_{13}: SIP investment exerts a statistically significant impact on wealth creation as perceived by middle-income salaried employees.
- H_{04}: No statistically significant relationship exists between monthly income level and the proportion of income directed to SIPs.
- H_{14}: A statistically significant relationship exists between monthly income level and the proportion of income directed to SIPs.

IV. RESEARCH METHODOLOGY

1. Research Design

The study employs a combined descriptive-analytical framework. The descriptive component profiles respondent demographics, investment habits, and awareness levels, generating a richly textured portrait of the target population. The analytical component tests the four hypotheses using inferential statistics, enabling conclusions that extend beyond description toward causal attribution and relationship testing.

2. Study Area

Pune, Maharashtra, was selected as the field location on the basis of its occupational diversity. The city hosts substantial employment in software and IT services, manufacturing, financial services, healthcare, and higher education — a breadth that facilitates the recruitment of respondents across multiple professional backgrounds while maintaining the shared characteristic of salaried employment.

3. Data Sources

Two complementary data sources inform the analysis. Primary data, constituting the backbone of the empirical analysis, were gathered directly through a structured questionnaire administered to respondents between January and March of the survey year. Secondary data — drawn from AMFI reports, SEBI circulars, RBI publications, peer-reviewed journals, and standard investment management textbooks — provided the contextual and theoretical framework within which primary findings are interpreted.

4. Population and Sampling

The target population comprises middle-income salaried employees who reside and work in Pune and who have direct or indirect exposure to SIP investments. Given time and resource constraints, a convenience sample of 100 respondents was recruited through online survey instruments, face-to-face interviews, and printed questionnaire distribution. While this approach is acknowledged to limit strict probabilistic representativeness, it yields practically accessible data that is consistent with accepted norms for exploratory academic research in this domain.

5. Instrument Design

The questionnaire was organised into six thematic sections. Section A captured personal and demographic data including age cohort, gender, marital status, educational attainment, and sector of employment. Section B elicited income and savings behaviour, including monthly income bracket and the proportion of income routinely saved. Section C addressed SIP participation specifics: enrolment status, monthly contribution quantum, duration of investment, and fund category chosen. Section D explored the sources through which respondents acquired SIP-related knowledge and their self-assessed awareness level. Section E examined satisfaction with returns, perceptions of wealth generation, and intentions regarding future investment continuation. Section F documented the obstacles respondents encountered and

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solicited suggestions for product or service improvement. All questions employed closed-ended formats — multiple-choice items and five-point Likert-type scales — to facilitate systematic tabulation and statistical

6. Statistical Tools

Descriptive analysis was conducted using frequency distributions, percentage calculations, and central tendency measures. Hypothesis testing was performed using the Chi-Square Goodness-of-Fit statistic, defined as:

$$X^2 = \Sigma [(O - E)^2 / E]$$

where O represents the observed response frequency in each category and E represents the expected frequency under the assumption of equal distribution (E = 100 ÷ 5 = 20 per category for all four tests). The significance threshold was set at $\alpha = 0.05$, corresponding to a critical χ^2 value of 9.488 at four degrees of freedom. This non-parametric approach is appropriate because all four dependent variables are measured on categorical or ordinal scales.

V. DATA ANALYSIS AND RESULTS

1. Descriptive Profile of Respondents

The sample skews toward younger working adults: approximately half (50.5%) fall in the 25–35 age bracket, with a further 21% under 25 and 22.9% in the 36–45 range. Female respondents (54%) marginally outnumbered males (50%), reflecting the growing presence of women in Pune's formal workforce. Married individuals constituted 60.8% of the sample, while the remainder were single. Educationally, graduates dominated (42.3%), followed by those holding professional degrees (29.8%) and postgraduates (24%). Respondents from banking and financial services formed the single largest occupational cluster (36.2%), with IT, manufacturing, and service sectors contributing the balance.

In terms of earnings, the modal income range was ₹30,000–₹50,000 per month (41.9%), with 37.1% earning below ₹30,000. Most respondents saved modestly: 62.9% directed less than ten percent of monthly income to savings, and only 10.5% saved above thirty percent. Retirement provision (36.2%), children's educational costs (33.3%), and general future security (24.8%) were the three primary articulated motives for saving and investing. These figures collectively depict a population that is financially engaged but materially constrained — precisely the demographic for whom SIPs are theoretically most suitable.

The SIP participation rate was exceptionally high at 97.1%, indicating near-universal adoption within the sample. The majority of participants (approximately two-thirds) had invested for fewer than three years, suggesting that the cohort represents a wave of relatively recent entrants rather than long-tenure investors. Monthly contributions clustered in the ₹5,000–₹10,000 range. Equity funds were preferred by 51% of respondents, modestly ahead of debt instruments (44.2%), and the modal investment horizon was three to five years. Information about SIPs reached respondents primarily through personal networks and digital media. Satisfaction outcomes were strongly positive: 53.3% reported satisfaction and 31.4% reported high satisfaction with returns. Critically, 80% of respondents affirmed that SIPs were effective accumulators of wealth, and 72.8% intended to sustain their contributions.

2. Hypothesis Testing

All four tests employed a common methodological framework: five response categories, a sample of 100, an expected frequency of 20 per category under H_0, and a critical χ^2 value of 9.488 (df = 4, $\alpha = 0.05$).

Hypothesis 1 — SIP Awareness Pattern

Respondents rated their awareness on a five-point scale from Very Low to Very High. The observed distribution — Very High: 10; High: 30; Moderate: 36; Low: 16; Very Low: 8 — departs substantially from the uniform expectation.

Awareness Level Observed (O) Expected (E) O − E (O−E)² (O−E)²/E

- 1 Very High1020−10 100 5.00
- 2 High 302010100 5.00
- 3 Moderate 362016256 12.80
- 4 Low 1620−4 160.80
- 5 Very Low 8 20−12 144 7.20
- TOTAL 100 100 ——30.80

Table 1: Chi-Square Computation — SIP Awareness

#	Awareness Level	Observed (O)	Expected (E)	O − E	(O−E)²	(O−E)²/E
1	Very High	10	20	−10	100	5.00
2	High	30	20	10	100	5.00
3	Moderate	36	20	16	256	12.80
4	Low	16	20	−4	16	0.80
5	Very Low	8	20	−12	144	7.20
	TOTAL	100	100	—	—	30.80

The computed χ^2 statistic of 30.80 comfortably exceeds the critical value of 9.488, necessitating rejection of H_{01}. Responses concentrate at the Moderate (36%) and High (30%) levels, indicating that while most employees have attained a functional understanding of SIPs, genuine depth of knowledge — reflected in the Very High category — characterises only one in ten respondents. The significant

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ISSN:
3048-7722
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deviation from uniformity confirms that awareness is not randomly distributed; structural factors — sector of employment, educational attainment, and information access — plausibly drive the observed clustering.

Hypothesis 2 — Fund Type Preference

Respondents nominated their most-used or most-preferred SIP category. The distribution — Equity Funds: 35; Debt Funds: 14; Hybrid Funds: 22; ELSS: 20; Index Funds: 9 — reflects a pronounced tilt toward growth-oriented instruments.

Fund Category Observed (O) Expected (E) O − E (O−E)² (O−E)²/E

- 1 Equity Funds 352015225 11.25
- 2 Debt Funds 1420−6 361.80
- 3 Hybrid Funds 22202 4 0.20
- 4 ELSS (Tax Saving) 20200 0 0.00
- 5 Index Funds 9 20−11 121 6.05
- TOTAL 100 100 ——19.30

Table 2: Chi-Square Computation — Fund Type Preference

#	Fund Category	Observed (O)	Expected (E)	O − E	(O−E)²	(O−E)²/E
1	Equity Funds	35	20	15	225	11.25
2	Debt Funds	14	20	−6	36	1.80
3	Hybrid Funds	22	20	2	4	0.20
4	ELSS (Tax Saving)	20	20	0	0	0.00
5	Index Funds	9	20	−11	121	6.05
	TOTAL	100	100	—	—	19.30

With a calculated value of 19.30 against the critical threshold of 9.488, H_{02} is rejected. Equity funds attract the largest share (35%), followed by hybrid vehicles (22%) and ELSS products (20%). The relative unpopularity of index funds (9%) is consistent with the finding that awareness remains predominantly moderate: passive index investing requires a firmer grasp of benchmarking concepts than actively managed equity funds, whose marketing narratives are more accessible to retail audiences.

Hypothesis 3 — Perceived Impact on Wealth Creation

Respondents indicated their agreement that SIP investments had materially advanced their long-term financial goals, using a five-point Likert scale from Strongly Disagree to Strongly Agree.

Response Observed (O) Expected (E) O − E (O−E)² (O−E)²/E

- 1 Strongly Agree 402020400 20.00
- 2 Agree 28208 643.20
- 3 Neutral 1820−2 4 0.20
- 4 Disagree 9 20−11 121 6.05
- 5 Strongly Disagree 5 20−15 225 11.25
- TOTAL 100 100 ——40.70

Table 3: Chi-Square Computation — Perceived Wealth Impact

#	Response	Observed (O)	Expected (E)	O − E	(O−E)²	(O−E)²/E
1	Strongly Agree	40	20	20	400	20.00
2	Agree	28	20	8	64	3.20
3	Neutral	18	20	−2	4	0.20
4	Disagree	9	20	−11	121	6.05
5	Strongly Disagree	5	20	−15	225	11.25
	TOTAL	100	100	—	—	40.70

The test statistic of 40.70 — the highest among all four tests — decisively rejects H_{03}. Sixty-eight percent of respondents affirm that SIPs have contributed meaningfully to their wealth trajectory, with 40% choosing the strongest agreement option. Only 14% expressed any degree of disagreement. This polarisation toward the agreement end of the scale constitutes robust evidence that, within this sample, SIP participation is widely perceived to produce tangible financial advancement.

Hypothesis 4 — Income Level and Contribution Proportion

Respondents reported what share of their monthly income they channel into SIPs, using five proportional brackets from below five percent to above thirty percent.

Contribution Bracket Observed (O) Expected (E) O − E (O−E)² (O−E)²/E

- 1 Less than 5% 1220−8 643.20
- 2 5–10% 382018324 16.20
- 3 11–20% 302010100 5.00
- 4 21–30% 1420−6 361.80
- 5 More than 30%6 20−14 196 9.80
  TOTAL 100 100 ——36.00

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Table 4: Chi-Square Computation — Income and Contribution Proportion

#	Contribution Bracket	Observed (O)	Expected (E)	O − E	$(O-E)^2$	$(O-E)^2/E$
1	Less than 5%	12	20	−8	64	3.20
2	5–10%	38	20	18	324	16.20
3	11–20%	30	20	10	100	5.00
4	21–30%	14	20	−6	36	1.80
5	More than 30%	6	20	−14	196	9.80
	TOTAL	100	100	—	—	36.00

The computed statistic of 36.00 far exceeds the critical value, rejecting H_{04}. Responses cluster strongly in the five-to-ten percent bracket (38%) with a secondary concentration at eleven-to-twenty percent (30%). Very few respondents commit more than thirty percent of income to SIPs (6%), reflecting the competing financial demands that characterise the middle-income budget. The non-uniform distribution is consistent with the hypothesis that earnings capacity shapes contribution behaviour in predictable, statistically demonstrable ways.

3. Summary of Statistical Results

Hyp. Test Subject χ^2 Calculated χ^2 Critical df Decision

- H1 SIP Awareness Pattern 30.80 9.488 4 Reject H_0
- H2 Fund Type Preference 19.30 9.488 4 Reject H_0
- H3 Perceived Wealth Impact 40.70 9.488 4 Reject H_0
- H4 Income–Contribution Relationship 36.00 9.488 4 Reject H_0

Table 5: Consolidated Hypothesis Test Results ($\alpha = 0.05$, df = 4, Critical Value = 9.488)

Hyp.	Test Subject	χ^2 Calculated	χ^2 Critical	df	Decision
H1	SIP Awareness Pattern	30.80	9.488	4	Reject H_0
H2	Fund Type Preference	19.30	9.488	4	Reject H_0
H3	Perceived Wealth Impact	40.70	9.488	4	Reject H_0
H4	Income–Contribution Relationship	36.00	9.488	4	Reject H_0

VI. DISCUSSION

The convergent findings from descriptive profiling and inferential testing yield a coherent and interpretable picture of SIP participation among Pune's middle-income salaried population.

1. Awareness: Broad but Shallow

The rejection of H_{01}, combined with the concentration of responses at the Moderate and High awareness levels, points to a population that has been adequately exposed to the SIP concept but has not yet developed the analytical sophistication to navigate fund selection, risk calibration, and return expectation independently. The fact that personal networks and social media — rather than qualified financial advisors — constitute the primary knowledge channels helps explain this pattern. Peer-based information diffusion tends to propagate simplified and often incomplete investment narratives, producing confident but underinformed investors. This finding aligns with Sharma and Mehta (2021), who similarly observed that self-assessed awareness frequently overstates demonstrable financial knowledge.

2. Preference for Equity: Return-Seeking under Constrained Literacy

The significant equity fund preference revealed by the rejection of H_{02} may initially appear inconsistent with the moderate awareness levels observed — equity investing, after all, demands understanding of market risk that deeper product knowledge would entail. The resolution lies in the nature of mutual fund marketing: equity SIPs, particularly large-cap and multi-cap offerings, are extensively advertised through television, digital platforms, and bank branches, making them the de facto default choice for investors who have not yet developed the analytical framework to compare fund categories rigorously. Index funds, which require comprehension of passive management philosophy and benchmark behaviour, attract only nine percent of respondents, consistent with a population whose financial literacy is functional rather than sophisticated.

3. Strong Perceived Effectiveness

The most striking statistical result — a chi-square value of 40.70 for the wealth creation perception hypothesis — reflects a near-consensus view that SIPs are delivering on their core promise. Eighty percent of the sample endorsed this view, and 68% did so with strong or moderate conviction. Several interpretive caveats apply. First, investment horizons in the sample are predominantly short: most participants have invested for under three

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ISSN:
3048-7722
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years, a period over which the full compounding benefit is not yet visible. The strong endorsement therefore likely reflects satisfaction with the investment experience (discipline, convenience, moderate positive returns) rather than documented achievement of long-term wealth targets. Second, SIP participation during a period of broadly rising equity markets may inflate perceptions of effectiveness. Notwithstanding these caveats, the finding is consistent with — and reinforces — the hypothesis that SIPs are generating genuine utility for this demographic.

4. Income-Contribution Dynamics

The rejection of H_{04} establishes that contribution proportions are not randomly distributed across the income spectrum — they cluster in the five-to-twenty percent range in a manner that reflects both willingness and capacity to invest. The virtual absence of respondents committing more than thirty percent of income is consistent with the budget pressures documented in the descriptive analysis: loan repayments, household expenditure, and insurance premiums pre-empt a large share of gross earnings. The practical implication is that modest increases in disposable income — through salary growth, debt retirement, or household cost rationalisation — could translate directly into expanded SIP contributions, generating a compounding-enhanced wealth acceleration effect over time.

Key Findings

The following principal findings emerge from the combined descriptive and inferential analysis:

- The sample is dominated by young adults (25–35 years) employed across diverse professional sectors, with banking and finance workers most prominently represented.
- SIP adoption within the sample is near-universal (97.1%), confirming that systematic investment has moved from a niche product to a mainstream financial tool for urban salaried workers.
- Most respondents invest between ₹5,000 and ₹10,000 monthly and prefer equity-oriented fund categories, reflecting a moderate risk appetite and a growth-focused investment philosophy.
- SIP awareness is statistically non-uniform ($\chi^2 = 30.80$, $p < 0.05$), concentrated at moderate-to-high levels, indicating broad familiarity with the product concept but limited depth of financial understanding.
- Fund type preferences are statistically significant ($\chi^2 = 19.30$, $p < 0.05$), with equity funds and hybrid instruments collectively commanding over half the stated preferences.
- Perceived wealth creation impact is the most statistically powerful finding ($\chi^2 = 40.70$, $p < 0.05$): 80% of respondents affirm that SIP investments have advanced their long-term financial goals, and over 84% report satisfaction with returns.
- Income-contribution proportions are statistically non-uniform ($\chi^2 = 36.00$, $p < 0.05$), clustering in the five-to-twenty percent range and confirming the expected income-investment relationship.
- Primary information sources — peer networks and digital media — generate broad awareness but inadequate depth, suggesting that the quality rather than the quantity of financial education represents the more binding constraint.
- Market volatility and fund performance uncertainty are the most frequently cited deterrents to sustained or expanded SIP participation.
- 72.8% of respondents intend to continue SIP contributions, signalling strong product retention and confirming the hypothesis that SIPs are perceived as a reliable, long-term financial planning instrument.

VII. CONCLUSION AND RECOMMENDATIONS

1. Conclusion

This investigation set out to determine whether SIP-based mutual fund investing constitutes a statistically meaningful and practically effective vehicle for wealth accumulation among middle-income salaried employees in Pune. The evidence gathered — from 100 respondents, analysed through four chi-square tests each yielding rejection of the respective null hypothesis — supports an affirmative answer to this question. Salaried employees are not randomly distributed with respect to SIP awareness, fund preferences, wealth creation perceptions, or contribution behaviour; rather, each dimension displays patterned, statistically significant variation that is consistent with SIPs playing a genuine and important role in the financial lives of this cohort.

At the same time, the study surfaces a tension between the breadth and depth of financial literacy. High participation rates coexist with moderate awareness levels; strong satisfaction coexists with limited investment horizons and information acquired primarily through informal channels. This tension suggests that the gains already achieved through SIP adoption could be substantially amplified if accompanied by more rigorous investor education.

2. Recommendations

For Employers and Human Resource Departments

Incorporating structured financial wellness programmes into employee benefit frameworks — including workshops on SIP mechanics, fund selection, risk management, and long-term compounding — would address the awareness depth gap identified in this study. Employers in sectors such as manufacturing and IT, where financial sector exposure is lower, stand to deliver the greatest marginal benefit.

For Mutual Fund Distributors and Financial Advisors

Communication strategies should evolve beyond product marketing toward genuine financial education. Goal-mapping conversations — linking SIP contributions explicitly to retirement timelines, education funding

horizons, or home purchase targets — reinforce the behaviour of consistency that maximises SIP returns. Index fund literacy deserves particular attention given the product's severe underrepresentation in the sample.

For Policymakers and Regulatory Bodies

SEBI and AMFI should continue to invest in financial literacy campaigns, with content tailored specifically to the constraints and goals of middle-income salaried workers. Simplified disclosure formats, vernacular-language materials, and employer-channel partnerships could extend reach and improve comprehension simultaneously.

For Individual Investors

Those currently contributing in the five-to-ten percent bracket should be encouraged — through advisor guidance or digital nudges — to adopt progressive step-up SIP arrangements that automatically increase contribution amounts annually in line with salary growth, thereby leveraging career progression to accelerate wealth accumulation.

3. Directions for Future Research

Several avenues merit further investigation. A longitudinal design tracking the same investors over five or more years would permit direct measurement of actual wealth outcomes rather than perceived effectiveness. Cross-city comparisons — contrasting Pune with tier-two cities or rural districts — would illuminate the extent to which findings are specific to Pune's economic profile. An experimental or quasi-experimental study testing the impact of targeted financial literacy interventions on SIP contribution depth and consistency would provide actionable evidence for programme designers. Finally, a study incorporating objective portfolio return data alongside subjective satisfaction measures would permit calibration of perceived and actual wealth creation, identifying any systematic optimism bias in self-reported outcomes.

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