

IMPACT OF FINANCIAL EDUCATION ON SIP AWARENESS AMONG COLLEGE STUDENTS IN CHENNAI

Dr. Syed Abdul Hameed, Head, Associate Professor and Research Supervisor The New College, Chennai.

Ms. Rahila Parveen S, Research Scholar, Department of Corporate Secretaryship, The New College, Chennai

ABSTRACT

This study examines the impact of financial education on college students' understanding of Systematic Investment Plans (SIPs) in Chennai. With increasing emphasis on financial literacy for long-term financial well-being, the study explores how exposure to financial education influences students' knowledge, attitudes, and investment intentions toward SIPs. A structured questionnaire was administered to undergraduate and postgraduate students from selected colleges in Chennai, with a total of 100 respondents. The collected data were analysed using percentage analysis, chi-square test, and mean rank test to examine the relationship between financial education and SIP awareness, along with demographic factors. The findings reveal that higher exposure to financial education leads to greater awareness of SIPs and stronger investment intentions among students. The study highlights the importance of integrating financial literacy modules into higher education curricula to promote informed and responsible investment practices among young adults.

Keywords: *SIP, Perception, Savings, Financial goals, and Investments Plans*

Introduction:

In the present dynamic financial landscape, effective management of personal finance has become a necessary survival skill. With the increasing sophistication of financial products, it is necessary for individuals to possess sufficient financial knowledge to make intelligent investment choices. Out of numerous investment avenues, Systematic Investment Plans (SIPs) have emerged as a disciplined and hassle-free way of investing in mutual funds. SIPs foster systematic saving, encourage discipline in finances, and assist investors in attaining long-term financial objectives. But most young people, particularly students at tertiary institutions, are unaware of and uninformed about such investment options. Financial literacy fills this void with the aid of using growing students' know-how approximately cash matters, their funding awareness, and influencing their mindset in the direction of systematic savings. The present study seeks to investigate how financial education influences the awareness, understanding, and intent of college students in Chennai to invest through SIPs. The study attempts to emphasize the significance of early money management education to develop well-informed and accountable future investors. The Major characteristics of SIP are outlined below:

- It encourages systematic saving and good money habits.
- It enables the formation of wealth by using the power of compound interest.
- It reduces market risk by providing the advantage of rupee cost averaging.
- It is relatively priced and suitable for modest investors.
- It facilitates easy initiation, suspension, and modification of investments.
- It is simple and hassle-free investing process.
- It helps to achieve long-term financial goals.
- It provides tax benefits for investments in equity-linked savings plans (ELSS).

Need for the Study:

Early financial planning plays a vital role in today's constantly changing financial environment. Many college students may not be familiar with organized investment methods like systematic investment plans (SIPs), but they will soon become part of the workforce and have the potential to become investors in the future. A straightforward and organized method for making regular investments and gradually building wealth is through SIPs. However, young people struggle to form these investing habits because they lack exposure to investment ideas and financial knowledge. To assess whether financial education can effectively bridge the knowledge gap, enhance financial discipline, and encourage college students to engage in SIPs, this study is essential. The findings may assist in creating educational strategies that promote informed and responsible investment habits from a young age.

Scope of the Study:

This research is limited to undergraduate and postgraduate college students in Chennai. The research investigates the role of financial education on the awareness, comprehension, and willingness of these students to invest in Systematic Investment Plans (SIPs). The research is limited to SIPs in the context of mutual funds only and does not consider other investment products. The findings obtained through this research are anticipated to provide guidance to educators, policymakers, and financial institutions in creating efficient financial literacy programs and investment awareness campaigns for young investors.

Objectives of the study:

- To find out how aware college students in Chennai are about Systematic Investment Plans (SIPs).
- To study how financial education influences students’ understanding of SIPs.
- To identify the main sources from which students get information about SIPs.
- To suggest ways to improve SIP awareness through financial literacy programs in Chennai colleges

Limitations of the Study:

Due to time constraints and scheduling limitations, the study was restricted to a sample of 100 college students in Chennai. As a result, broader socioeconomic variables like income, family background, and actual investment behaviour could not be included. Therefore, the results mainly reflect students' perceptions, information sources, and the impact of financial education on SIP awareness rather than their actual investment activities.

Methodology of the Study:

The study uses a descriptive research design to analyse the impact of financial education on SIP awareness among college students in Chennai. Primary data were collected through a structured questionnaire and secondary data from books, journals, and online sources. A convenience sampling method was adopted with 100 respondents from selected colleges. The collected data were analyzed using percentage analysis, Fisher's Test and the Chi-square test to study the relationship between financial education and SIP awareness.

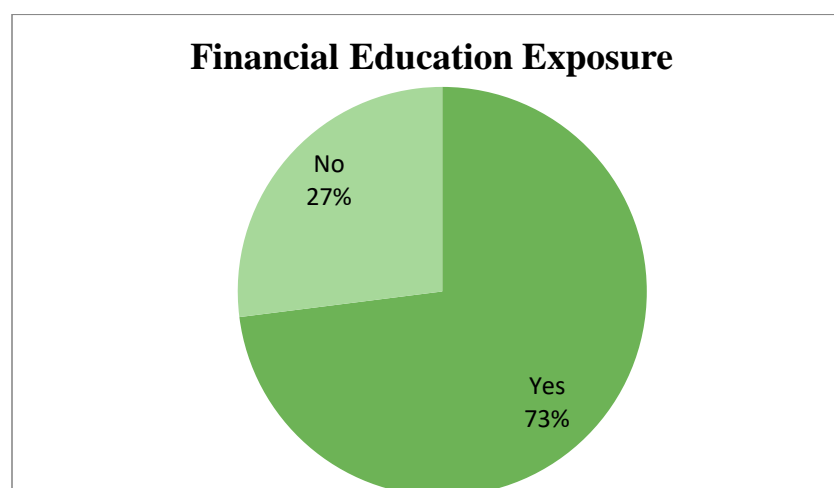
Analysis and Interpretation:

Table No.1 Financial Education Exposure Among College Students in Chennai

PARTICULARS	FREQUENCY	PERCENTAGE
Yes	73	73%
No	27	27%
Total	100	100%

Source: Primary Data

Chart – 1: Chart Showing the Financial Education Exposure Among College Students in Chennai



Interpretation:

The table shows that the 73% of the students have answered yes to the financial education, indicating a basic level of financial awareness among college students in Chennai. However, 27% of the students still lack financial knowledge.

Chi-Square Test conducted to know about financial education exposure among the college students in Chennai

- Null hypothesis (H₀): There is no significant association between gender and financial education exposure among college students in Chennai

Table No 2: Showing the association between gender of the respondents and financial education exposure among college students in Chennai

Gender	Financial Education Exposure		Total	Chi – Square Value	P Value	Inference
	Yes	No				
Male	65	8	73	69.689	0.000	Highly Significant at 1% Level
Female	0	27	27			
Total	65	35	100			

Interpretation:

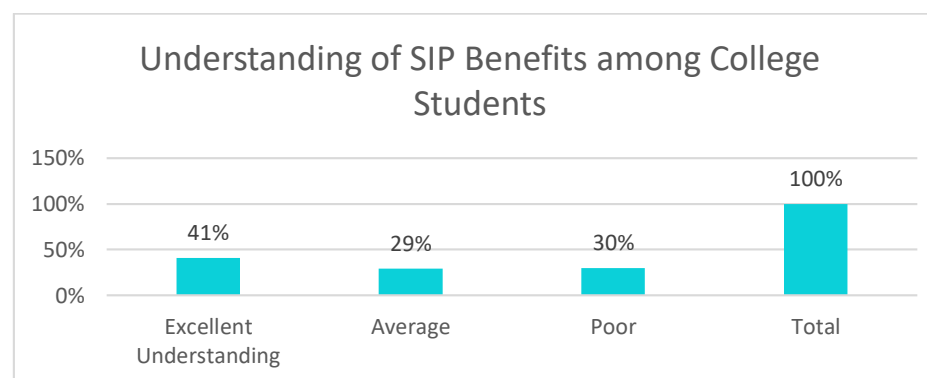
It is inferred that the p-value (0.000) is less than 0.01; therefore, the null hypothesis is rejected at the 1% level of significance. Thus, there is a significant association between gender and financial education exposure among college students.

Table No 3: Understanding of SIP benefits among college students in Chennai

Benefit Awareness	No of Respondents	Percentage
Excellent Understanding	41	41%
Average	29	29%
Poor	30	30%
Total	100	100%

Source: Primary data

Chart – 2: Chart Showing the Understanding of SIP benefits among college students in Chennai



Interpretation:

The table shows that 41% of college students in Chennai have an excellent understanding of SIP benefits, indicating good financial awareness. About 29% have an average level of understanding, suggesting moderate knowledge. However, 30% of students possess poor awareness, highlighting a significant gap. The results indicate that while many students have a satisfactory level of awareness, there is still a need to enhance financial education on SIPs.

Analysis of the mean rank towards modes of knowing SIP.

- Null Hypothesis: There is no significant difference in mean rank towards modes of knowing SIP

Table 4: Friedman’s Test for a significant difference in mean rank towards modes of knowing SIP

Modes of Knowing SIP	Mean Rank	No of Items	Chi – Square Value	P Value	Inference
Internet	1.34	100	265.248	0.000	Highly Significant @ 1 % Level
Magazine	4.43				
Television	4.17				
Friends & Family	2.43				
Words of Mouth	2.63				

Interpretation :

It shows that the P value of 0.000 is less than 0.01, and so the null hypothesis is rejected at 1% level of significance, hence it can be concluded that there is a significant difference in mean ranks regarding mode of knowing SIP among college students. Based on mean rank, internet which has scored a mean value of 1.34, is the most known mode to get information about SIP “ friends and family” have been the second most known mode to get information about SIP, having scored a mean value of 2.43. the third known source is word of

mouth with a mean value of 2.63. the students have given the last ranks of two sources like television scoring a mean value of 4.17 and magazines of 4.43 mean value.

Findings and Suggestion:

- The study reveals that 73% of college students in Chennai have received some form of financial education, while a considerable number still lack financial knowledge.
- The hypothesis testing reveals that the p-value (0.000) is less than 0.01, leading to the rejection of the null hypothesis. This confirms a significant association between gender and financial education exposure among students.
- 41% of students have excellent awareness of SIP benefits, 29% have moderate understanding, and 30% show poor awareness. This suggests that while many students are well-informed, a significant gap in SIP awareness remains.
- The analysis of information sources shows that the internet is the most preferred source for learning about SIPs (mean rank: 1.34), followed by friends and family (2.43) and word of mouth (2.63). Traditional media such as television (4.17) and magazines (4.43) are the least preferred sources.

This study recommends that colleges implement mandatory financial literacy programmes covering investment options and benefits to enhance SIP awareness among students in Chennai. Seminars, workshops, and guest lectures on SIPs and mutual funds should be regularly organized to enhance students' practical knowledge. Students should be encouraged to use mobile apps and digital tools to track and manage their investments as well. Establishing finance clubs and promoting peer-learning activities can further increase interest in financial planning. Integrating real-world case studies and simulations into the curriculum can improve understanding and decision-making skills. There is also a need to strengthen financial education through structured academic programs. Since the internet is the most preferred source, institutions should leverage digital platforms to deliver engaging financial content. Furthermore, targeted efforts should be made to address gender differences and ensure equal access to financial education for all students.

Conclusion: The study concluded that SIP awareness among Chennai students is positively impacted by financial education. Students with financial education show a higher awareness of SIPs and a better comprehension of their advantages, including long-term wealth creation and strict savings. Nevertheless, many students still lack adequate knowledge, and some do not fully comprehend SIP. This emphasizes the necessity of comprehensive, hands-on financial education programmes that incorporate interactive learning, workshops, and simulations with theory. Increasing students' financial literacy in this way enables them to make wise investment choices, cultivate disciplined investing practices, and successfully plan for their financial future.

References:

- Thakor Nidhi Shaileshbhai¹, Ujjwal Kumar², Dr. Ganesh Chavan³ (2015): International Journal of Innovative Research in Technology| IJIRT | Volume 11 Issue 11 | ISSN: 2349-6002.
- Dr. S.K. Khandelwal Investor's Awareness and Perception towards Mutual Funds Investment: An Exploratory Study June 2021 International Journal of Advanced Research 9(6):383-393
- Mr. Nitish Kumar, Ms. Sonam Rani (2025) A Study on the Awareness of Mutual Funds Among College Students: Understanding Knowledge Levels and Investment Perspectives. © 2025 IJCRT | Volume 13, Issue 3 March 2025 | ISSN: 2320-2882



Copyright & License:

© Authors retain the copyright of this article. This work is published under the Creative Commons Attribution 4.0 International License (CC BY 4.0), permitting unrestricted use, distribution, and reproduction in any medium, provided the original work is properly cited.