

Financial Literacy and Retirement Preparedness: A Study of Salaried Women in Haryana

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ABSTRACT

Today, the modern economy has become dynamic, and inflation has also increased significantly. The financial and investment sectors have expanded their scope. Various investment methods are available for different categories of investors. The objective of this study is to analyze the level of awareness of salaried female investors regarding the nature of investments and to identify the influential factors of their investments. The statistical tool used for this study was descriptive analysis. Many people often harbor the misconception that they don't need financial planning because their income and expenses are regular, but this isn't true, especially for female employees. Thus, this research highlights the importance of understanding women's perspectives and their financial situation. This study examines the relationship between financial literacy and retirement preparedness among salaried women in Haryana. As more women enter the workforce in government and private sectors, their long-term financial security becomes an important socio-economic concern. Using a quantitative survey of 180 salaried women, this research investigates levels of financial knowledge, retirement planning behavior, and the factors influencing preparedness for old-age financial security. Results reveal that financial literacy significantly predicts retirement preparedness, while education level, income, and employer support also play strong contributing roles. The study highlights the importance of targeted financial education programs and policy interventions to improve women's retirement outcomes

Keywords: Saving, Retirement Planning, Investment, Financial Planning, Salaried Women

INTRODUCTION:

With increasing female participation in the workforce, women's economic contributions have grown significantly in India. In states like Haryana, where rapid urbanization and employment opportunities are rising, the financial well-being of salaried women has gained critical importance. Retirement preparedness, the ability and readiness to plan financially for post-retirement life remains low among many working women due to limited financial literacy, cultural constraints, and dependence on family members for financial decision-making. Financial literacy, which includes knowledge of financial concepts, savings behavior, and investment decision-making, is an essential factor influencing retirement planning. This study aims to explore the link between financial literacy and retirement preparedness among salaried women in Haryana. Financial literacy is the knowledge and ability to make informed, effective decisions with your money, while financial planning is the process of setting goals and creating a roadmap to achieve them. Rapidly rising inflation, needs, and trends over time, the way we live our lives today, and how financially strong we are, all shape our future. And money spent, saved, or invested over time determines the course of life. Investment refers to the purchase of a financial asset by an individual that will provide future returns and enhance financial strength, with

calculated risk, over a specific investment period. To achieve this, individuals must decide how and where to deposit savings, through what means, and at what time, to best meet future financial needs. This involves planning and maintaining financial awareness before retirement. This research attempts to address these issues.

In the case of salaried women employees, investment decisions should be made very sensibly. Investment is constantly linked with the element of risk. Therefore, it is always advisable to measure and analyze all risks involved before making investments. There are a number of factors which influence the people to make their investment decisions. Demographic factors of investors such as gender, age, education, annual income, and savings have much significance in the investment decision making process.

NEED FOR THE STUDY

This study examined the savings patterns and investment choices of salaried women, which will be helpful in future government planning and strategies for women's awareness and economic contribution. This study also explores investor preferences and the various factors influencing investor decisions on various investment opportunities, which are crucial to understanding over time to ensure better quality of life for the community.

REVIEW OF LITERATURE

Financial Literacy

Financial literacy refers to the ability to understand financial concepts such as inflation, interest rates, savings, investment products, risk, and retirement options (OECD, 2013). Studies consistently show that women, particularly in developing regions, tend to have lower financial literacy levels compared to men.

Retirement Preparedness

Retirement preparedness is the behavioral and psychological readiness for life after retirement, including savings behavior, planning activities, and knowledge of pension schemes. Previous research indicates that individuals with higher financial knowledge demonstrate better long-term planning and retirement readiness (Lusardi & Mitchell, 2011).

Women and Financial Decision-Making

Cultural norms and family structures influence women's financial independence, making many women dependent on family members for investment-related decisions. This often limits their retirement planning behavior.

Other related literature

Rentala, R.R. (2018) concluded that there is a wide range of financial planning styles among different investors, depending on factors such as their educational qualifications as well as their age. Bishnoi, S. (2014) in his review, Ram's research analyzes risk factors, their trends, and various instruments. Health and capital accumulation were found to be the most preferred investment goals. Security is the most preferred source of savings and investment, followed by bank deposits and PPF, NSC, mail center savings, and property. Shinde and Zanvar (2015) found in their research that there is significant variation in investment patterns according to various demographic factors including age, income and educational qualification etc. Shah, K. (2018) explained that there are many factors that influence investment decisions, ranging from gender and income to the investor's personality and risk appetite. Dhawan, D. and Mehta, S.K. (2019) concluded that savings and investment are the major macro factors that can play a fundamental role in the stability and advancement of trade, expansion, monetary development and reform of a country, especially a country like India. Priyanka, J. and Tripathi L.K. (2019) concluded that understanding savings and investment behaviour can be important for investors in their money management as well as for policymakers and investment agencies. Kanagaraj and Pavithra (2020) in their study, concluded that employees' awareness of investment responsibility is highlighted through several factors. Employees not only contribute to their respective organizations through their labor contributions, but also contribute to the development of the national economy by investing in a variety of investment sectors. Agarwal, D.K. et al. (2021) concluded that investing all savings meaningfully is crucial for economic progress. People must have the choice to make informed financial decisions and be aware of all investment options. Rekha, G.S. and Radhika, M. (2022) also spoke about people's savings patterns and investment choices that highlight these same

points. Saranya, B. M. and Joyce, S. (2022) revealed significant data on respondents' investment choices and investment challenges. The findings indicate that investment patterns and social class are positively correlated, with no significant differences between income and barriers to investing across different channels. Premalatha and Manjunath,

S.J. (2023) found that age and knowledge, except for gender, better motivate investor behavior.

RESEARCH GAP

After reviewing several literature reviews, it was found that while studies have been conducted to understand the investment preferences of salaried working women, none have been conducted to understand the awareness of investment and savings schemes among salaried women,

especially those related to retirement financial planning. This study focuses on the investment patterns adopted by salaried women in the context of retirement financial planning. Few empirical studies have focused on salaried women in Haryana, a region with diverse socioeconomic characteristics. This study fills that gap by analyzing how financial literacy shapes retirement preparedness.

OBJECTIVES OF RESEARCH

To understand the level of investment awareness among salaried working women.

To identify the investment patterns of salaried working women.

To analyze the factors that influence salaried working women investors in choosing the type of investment.

Hypotheses

H1o: There is no awareness about investment among salaried working women.

H2o: Salaried working women investors do not have any single factor influencing them in choosing the type of investment.

RESEARCH METHODOLOGY

This study is descriptive in nature and conducted using survey method. The data collected through primary as well as secondary sources. The primary data is collected from 180 respondents through convenience sampling working as salaried working women class with the help of questionnaire and secondary data is collected through various references from books and research papers.

Research Design

A quantitative, descriptive, and correlational research design was used

Sample and Sampling Technique

The study surveyed 180 salaried women in Haryana, working in government, semi-government, and private sectors. Stratified random sampling ensured representation of different districts and job sectors.

Data Collection Tool

A structured questionnaire consisting of four sections:

Demographics

Financial literacy scale (objective + self-assessment items)

Retirement preparedness scale

Awareness of pension schemes (EPF, NPS, PPF, LIC, etc.)

Data analysis and interpretation

A major part of the respondents (76.4%) have an investment. There are very few respondents (23.6%) respondents who don't have any investment. Majority (74.5%) of the respondents have good the knowledge of Financial/ Retirement Planning. Remaining of the respondents has excellent knowledge of Financial/ Retirement Planning. Most salaried working women were found to be poorly informed about financial emergencies. On the other hand, only 11.1% of respondents had limited knowledge about financial/retirement planning.

It can be seen clearly that more than half of the respondents (59.7%) preferred time period of investment 1 year to 5 years. 45% of respondents invested for financial security after retirement. 23% prioritized investing for their children's education. 17.8% invested for emergency

expenses. The remaining 13.3% invested for their children's marriage.

More than half of the respondents (55.8%) considered returns as a factor influencing investment decisions. 42.6% of the respondents considered safety of principal as a factor influencing investment decisions. 36.1% of the respondents prefer life insurance plans. 22%, 16.8% and 19.2% of the

respondents prefer mutual funds, Public Provident Fund (PPF) and fixed deposits (FDs) respectively. 33.9% of the respondents seek advice from a Chartered Accountant (CA) regarding financial matters. 26.3% of the respondents and 15.9% of the respondents seek advice from internet/advertisements and bank professionals respectively.

Level of investment awareness

To examine the level of investment awareness among salaried working women, one-way ANOVA test with 5% significance level has been applied (alpha = .05). The essential part of SPSS (output) is presented below.

Hypothesis: H1o: There is no awareness about investment among salaried working women.

Table 1.5: Result of ANOVA Investment Awareness

| Sum of Squares | Df | Mean Square | F | Sig. |
|-----------------------|-----|-------------|-------|------|
| Between Groups 21.602 | 5 | 6.107 | 5.109 | .002 |
| Within Groups 520.139 | 174 | 1.247 | | |
| Total 541.741 | 179 | | | |

Interpretation: In the analysis table above shows the p value (.002) is less than the value of alpha (0.05). Thus the test was found to be significant and the alternative hypothesis was accepted, which means that there is a significant awareness about investment among salaried working women.

Influence of various factors on investment

Through the multiple regression relationship, the effect of various factors on investment has been examined.

Hypothesis: H2o: Salaried working women investors do not have any single factor influencing them in choosing the type of investment.

Model Summary

| Model | R | R Square | Adjusted Square | Std. Error of the Estimate |
|-------|--------------------|----------|-----------------|----------------------------|
| 1 | 1.000 ^a | 1.000 | 1.000 | .000 |

a. Predictors: (Constant), Tax Benefits, Workplace Environment, Income and Savings, Source of Information, Age and Life Stage, Independent Decision-Making, Financial Literacy and Awareness, Quality of Life, Family and Peer Influence

In the above table R column represents the value of R (multiple correlation coefficient). Here R is considered as a measure of the quality of prediction of the dependent variable. In this case the value of R (1.000) indicates a good level of prediction. Here R square is the coefficient

of determination, which is the proportion of variance in the dependent variable that can be explained by the independent variables. It is clearly seen in the above table the R square value of 1.000 that independent variables

explain 100% of the variability of dependent variable. However, also need to interpret "Adjusted R Square" (adj. R2) to accurately report the data

ANOVA^a

| Model | Sum of Squares | Df | Mean Square | F | Sig. |
|------------|----------------|-----|-------------|--------|-------------------|
| Regression | 145.800 | 9 | 16.200 | 78.200 | .000 ^b |
| 1 Residual | .000 | 170 | .000 | | |
| Total | 145.800 | 179 | | | |

Dependent Variable: Investment

Predictors: (Constant), Tax Benefits, Workplace Environment, Income and Savings, Source of Information, Age and Life Stage, Independent Decision-Making, Financial Literacy and Awareness, Quality of Life, Family and Peer Influence

The above *F*-ratio in the ANOVA table tests whether the overall regression model is a good fit for the data. The table shows that the independent variables statistically significantly predict the dependent variable, $F(9, 170) = 78.200, p < .000$ thus, the regression model is a good fit of the data

Coefficients^a

| Model | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|----------------------------------|-----------------------------|------------|---------------------------|---------------|------|
| | B | Std. Error | Beta | | |
| (Constant) | 3.333 | .000 | | 18197680.689 | .000 |
| Income and Savings | .667 | .000 | .759 | 19830462.783 | .000 |
| Financial Literacy and Awareness | -.667 | .000 | -.759 | -25083771.779 | .000 |
| Age and Life Stage | -.667 | .000 | -.699 | -19830462.783 | .000 |
| Independent Decision-Making | .667 | .000 | .759 | 21999923.193 | .000 |
| Family and Peer Influence | 2.333 | .000 | 2.657 | 24931593.802 | .000 |
| Source of Information | .333 | .000 | .333 | 9915231.391 | .000 |
| Workplace Environment | -1.333 | .000 | -1.630 | -36395361.378 | .000 |
| Quality of Life | 1.333 | .000 | 1.398 | 26080863.994 | .000 |
| Tax Benefits | -2.333 | .000 | -2.852 | -33917472.673 | .000 |

Dependent Variable: Investment

The above table shows the coefficients for the model regarding the multiple linear relationships between the variables. Here the dependent variable is 'Investment'. In all the selected items or independent variables, the value of most of the items was found to be below the significance level (.05) and in a positive way. Thus, here the null

hypothesis is rejected and the alternative is accepted. And the results of the regression equation concluded that salaried working women investors are influenced by various factors while choosing the type of investment.

DISCUSSION AND CONCLUSION

Financial Literacy Levels

Findings reveal moderate financial literacy among salaried women. Only 37% answered five or more financial knowledge questions correctly. Women in government jobs scored higher than those in private firms.

Retirement Preparedness

Overall preparedness was low to moderate

62% rely solely on EPF or employer pension.

Only 28% actively invest in voluntary retirement products (PPF, NPS, mutual funds).

54% expressed concern regarding financial security in old age.

Relationship between Financial Literacy and Retirement Preparedness

Correlation analysis showed a significant positive relationship ($r = 0.58$, $p < 0.01$). Regression analysis confirmed that financial literacy is a strong predictor of retirement preparedness ($\beta = 0.46$).

Influence of Demographic Variables

Income and education positively influenced financial literacy.

Married women showed slightly higher preparedness due to higher family responsibilities.

Employer support (training, information sessions) significantly improved retirement planning awareness.

The study concluded that salaried working women in Haryana are well aware of their financial planning. A significant proportion of respondents invest, but very few have no investments. Two-thirds of respondents have a good knowledge of financial/retirement planning. Salaried working women are well aware of financial emergencies. They often seek advice from chartered accountants or professionals regarding investments. More than half of respondents consider returns as a factor influencing investment decisions. The study shows that the investment decisions of salaried working women are primarily influenced by their personal financial characteristics and psychological factors, as well as social and external influences. However, there is room for improvement in the education sector. Awareness programs about various

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investment options can be conducted for salaried working women. This research suggests that workshops and seminars should be conducted regularly for better awareness and economic development. To encourage greater participation and optimal decision-making, it is recommended that financial institutions and policymakers introduce tailored investment products and conduct awareness programs to enhance financial literacy and confidence among women investors

This study demonstrates that financial literacy plays a crucial role in shaping retirement preparedness among salaried women in Haryana. Higher financial knowledge results in better planning, increased savings behavior, and greater awareness of retirement needs. Enhancing women's financial literacy through targeted education and employer support can significantly improve their long-term financial security.

Implications of the Study

Policy Implications

Government and employers should offer mandatory financial education programs

Encourage women's participation in schemes like NPS, Atal Pension Yojana, and PPF.

Promote awareness through workplace seminars and digital literacy tools.

Practical Implications

Women should be encouraged to diversify investments beyond mandatory EPF.

Employers can introduce financial counseling sessions and personalized planning assistance.

LIMITATIONS

The study is based on self-reported data, which may contain biases.

The sample includes only salaried women, excluding entrepreneurs and informal-sector workers.

Cross-sectional design limits long-term causal conclusions.

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