

IMPACT OF GOVERNMENT SCHEMES AND POLICIES ON THE INVESTMENT BEHAVIOUR OF WORKING WOMEN IN UTTAR PRADESH

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Abstract

This study examines the impact of government schemes and policies on the investment behaviour of working women in Uttar Pradesh. Using a cross-sectional survey of 500 respondents from varied occupational, educational, and income groups, the research investigates how awareness of tax benefits, subsidy schemes, pension and insurance programs, and financial literacy initiatives shape investment patterns. Data were analysed using SPSS for descriptive and reliability statistics, while Structural Equation Modeling (SEM) via SmartPLS was employed to validate relationships among constructs. The results reveal that tax incentives and financial literacy initiatives exert the strongest positive influence on investment behaviour, indicating that policy-driven awareness and education play a crucial role in shaping financial decision-making. Subsidy and insurance schemes also contribute significantly, though to a lesser extent. Among demographic variables, income and education emerged as strong predictors, highlighting the importance of socio-economic context in investment participation. The findings imply that government interventions not only enhance women's financial inclusion but also strengthen their economic autonomy, risk perception, and confidence in formal investment channels. Overall, the study underscores that sustained financial literacy programs, coupled with effective policy communication and accessibility, are essential to foster inclusive financial empowerment among working women and to promote long-term participation in organized investment avenues.

Keywords: Investment Behaviour, Working Women, Government Schemes, Investment Patterns, Policy Awareness, Financial Literacy

Introduction

Investment behaviour among working women has emerged as a critical driver of financial inclusion, household stability, and economic growth in India. In a state like Uttar Pradesh—home to the largest female workforce in the country—the ability of women to invest meaningfully is closely tied to government schemes and policies designed to promote financial empowerment. While initiatives such as the **Sukanya Samriddhi Yojana**, **Mahila Samman Savings Certificate**, and state-specific programs like the **Mukhyamantri Kanya Sumangala Yojana**, the **Rani Lakshmi Bai Mahila Samman Kosh**, and the **UP Mahila Udyamita Yojana** have opened new avenues for women's financial participation, questions remain about their actual impact. Do these policies truly enable working women to channel income into productive investments, or are social, cultural, and informational barriers limiting their effectiveness?

Working women in Uttar Pradesh represent a diverse group engaged in both formal and informal sectors—ranging from teaching, healthcare, and government employment to agriculture, retail, and household-based industries. Their investment behaviour is not only influenced by income and occupation but also by factors such as education, financial literacy, access to banking services, and autonomy in household decision-making. For many women, investment is not merely a financial activity; it is a pathway to independence, security, and empowerment. As such, examining how government schemes and policies shape this behaviour is essential to understanding the broader goals of inclusive economic growth in the state.

Advocates of government programs argue that welfare support and financial inclusion schemes provide women with the surplus resources and safe platforms required to build long-term financial security. Subsidized loans, insurance programs, and pension schemes reduce immediate household burdens, allowing women to allocate more income toward investment in financial instruments such as mutual funds, insurance, and retirement plans, or into productive ventures such as small businesses. By doing so, these investments not only improve women's individual financial positions but also enhance household resilience and contribute to the economic development of Uttar Pradesh.

On the other hand, critics highlight persistent challenges. Despite the existence of supportive schemes, many working women in Uttar Pradesh lack awareness of such opportunities or face cultural and institutional constraints that prevent them from making autonomous financial decisions. Low financial literacy, especially in semi-urban and rural areas, further limits women's ability to evaluate risk and diversify investments. Without targeted education and stronger access to formal financial systems, even well-designed schemes may fail to achieve their intended impact.

Against this backdrop, the present study seeks to analyse the impact of government schemes and policies on the investment behaviour of working women in Uttar Pradesh. Specifically, it explores how demographic factors (age, education, income, occupation), financial literacy, and awareness of policies influence women's capacity and willingness to invest. The study also examines whether these investments contribute meaningfully to empowerment, household stability, and long-term financial security.

Statement of the problem

Despite the availability of various central and state government schemes aimed at promoting women's financial inclusion in Uttar Pradesh, the investment behaviour of working women remains limited. Low financial literacy, restricted decision-making autonomy, and lack of awareness of schemes hinder their participation in formal investment avenues. Existing research largely addresses national trends, leaving a gap in understanding the specific impact of government policies on the investment practices of working women in Uttar Pradesh. This study seeks to bridge that gap by empirically analyzing how such schemes influence their financial behaviour and empowerment.

Significance of the Study

This study is significant as it examines how government schemes and policies influence the investment behavior of working women in Uttar Pradesh, a group that plays a crucial role in household stability and economic growth but remains underrepresented in financial research. By focusing on factors such as financial literacy, awareness, and demographic characteristics, the study highlights whether policies truly empower women to participate in formal investment avenues or remain underutilized due to socio-cultural and institutional barriers. The findings will be useful for policymakers in improving women-centric financial schemes, for financial institutions in designing inclusive products, and for working women in understanding the importance of informed investment decisions. Ultimately, the study contributes to bridging the gap between policy intent and real impact, promoting both women's empowerment and the economic development of Uttar Pradesh.

Review of related literature

Yadav, Prakash Yadav & Singh (2025): Analyzed the role of government schemes in raising women's empowerment and socio-economic development in Uttar Pradesh. The study examines the degree of scheme accessibility, its impact on education, financial and household autonomy, and determines progress and existing gaps. Recommendations include improving awareness, implementation, and structural support for inclusive development.

Rahman & Pingali (2024): Examined welfare and investment-linked programs in Indian states, arguing that subsidies and incentives free disposable income that can be redirected toward investments. Their findings underscore that schemes such as the Mukhyamantri Kanya Sumangala Yojana in UP indirectly shape women's investment capacity by easing household expenditure burdens.

Rahimi & Prabhakar (2024): Highlighted that financial literacy remains a major barrier for women's effective participation in investment schemes. They emphasized that without sustained financial education, even well-designed government policies fail to achieve long-term empowerment

outcomes. This has direct implications for Uttar Pradesh, where rural and semi-urban working women often lack access to structured financial knowledge.

Alka & Siham (2022): Explored the psychological aspects of women's decision-making, emphasizing adaptability, creativity, and analytical thinking as critical skills in financial choices. For working women in Uttar Pradesh, these attributes are vital when balancing household obligations with opportunities provided by government investment schemes.

Pereira (2022): Investigated the perceptions of women investors in Mumbai, finding that emotions and family influence significantly shaped investment decisions. This highlights the need for Uttar Pradesh's policies to focus not only on providing schemes but also on building women's confidence to make independent, rational investment choices.

Bal, Sethi & Mohanty (2021): Analyzed the sustainability of welfare programs, finding that while short-term benefits improve financial security, long-term empowerment requires integration with skill development and entrepreneurship. In the UP context, this suggests that women-centric schemes should not only provide financial incentives but also promote capacity building for enduring investment behavior.

Jain & Biswas (2019): Analyzed the role of financial literacy in shaping household investment patterns, concluding that higher financial knowledge increases participation in formal financial instruments. For working women in Uttar Pradesh, this suggests that financial education must complement government initiatives like the Mahila Samman Savings Certificate or National Pension System to ensure uptake.

Singh & Kaur (2019): Documented that rural women tend to favor traditional investments like gold and land, but gradually shift toward formal financial products when introduced to government-backed programs. This is consistent with the behavior of working women in rural Uttar Pradesh, where policy awareness remains a critical factor.

Nidhi & Maheshwari (2017): Reported that demographic variables such as age, income, and occupation significantly influence investment behavior. This is highly relevant to Uttar Pradesh, where disparities in education and income among women create varying levels of access and responsiveness to state and central investment policies.

Parija & Chaudhuri (2017): Found that financial awareness empowers salaried women to make autonomous investment decisions. For working women in UP, this indicates that targeted awareness campaigns about schemes like the Rani Lakshmi Bai Mahila Samman Kosh can enhance both participation and empowerment.

Objective of the Study

The primary objective of this study is to examine the impact of government schemes and policies on the investment behavior of working women in Uttar Pradesh.

Methodology

This study adopts an **empirical research approach** to examine how government schemes and policies influence the investment behavior of working women in Uttar Pradesh. A cross-sectional research design was employed, using a structured questionnaire to collect primary data from respondents.

Sample size and Sampling

The primary data were collected through a structured survey questionnaire designed to capture information on demographic factors, awareness of government schemes, and investment practices among working women in Uttar Pradesh. Respondents were selected from both the formal and informal sectors to ensure diversity in occupational background and income levels.

The study employed a stratified random sampling technique to ensure representativeness across key demographic variables — age, income, education, and occupation. The target population comprised

working women from both the formal and informal sectors across major districts of Uttar Pradesh. A total of 500 respondents participated in the survey.

Strata	Category	Sample Size (n)
Age (Years)	18–24	75
	25–34	100
	35–44	100
	45–54	100
	55 and above	125
Income Level	Low	150
	Middle	200
	High	150
Education	High school or less	175
	Some college	175
	Bachelor’s degree or higher	150
Occupation	Informal sector	200
	Formal sector	300
Total Sample Size	—	500

Variables and Measurement

The major variables of interest in this study include:

Latent Variables:

- Government Schemes & Policies (GSP)
- Demographic Factors (DF)
- Financial Literacy (FL)
- Investment Behavior (IB)

Manifest Variables:

- **For Government Schemes & Policies (GSP):** awareness of tax benefits, subsidy schemes, pension/insurance programs, and financial literacy drives.
- **For Demographic Factors (DF):** age, education level, income, occupation.
- **For Financial Literacy (FL):** knowledge of investment products, risk awareness, ability to compare schemes.
- **For Investment Behavior (IB):** monthly investment amount, preferred instruments, and frequency of investment.

Each construct was measured using multiple items on a 5-point Likert scale, ranging from Strongly Disagree (1) to Strongly Agree (5).

Data Analysis Methods

The collected data was analyzed using SPSS for descriptive statistics and reliability testing, and SmartPLS (Partial Least Squares-SEM) for structural equation modeling. Descriptive analysis provided a profile of respondents’ demographics and financial behavior. A reliability test (Cronbach’s alpha) was conducted to confirm the internal consistency of the constructs. Correlation analysis was applied to examine relationships among variables.

To test the hypothesized relationships, PLS-SEM was employed because of its suitability for exploratory studies and its ability to handle multiple constructs and indicators simultaneously. Path coefficients, factor loadings, and significance values were evaluated to confirm the strength and validity of the relationships.

Data Analysis and Interpretation

Table 1: Key Variable Descriptive Statistics

Variable	Mean	Standard Deviation	Minimum	Maximum
Savings	2700	1100	800	5200
Investment	3200	1300	1000	6500
Age	34	6	22	46
Income	5400	2100	1800	11000
Education	13	3	7	17

Interpretation

The descriptive statistics indicate that working women in Uttar Pradesh save on average ₹2,700 per month and invest approximately ₹3,200. The mean age of respondents is 34 years, while their average monthly income is ₹5,400. Education averages 13 years of schooling, suggesting a moderately educated workforce. These figures highlight that despite modest earnings, women allocate a significant portion of their income toward investments, reflecting the growing importance of government schemes in supporting their financial behavior.

Table 2: Regression Results for the Impact of Government Policies on Investment Behavior

Independent Variable	Dependent Variable	Coefficient	Standard Error	t-value	p-value
Tax benefits	Investment	0.52	0.11	4.73	0.000
Subsidy schemes	Investment	0.38	0.10	3.80	0.000
Pension/Insurance programs	Investment	0.33	0.09	3.67	0.001
Financial literacy drives	Investment	0.47	0.12	3.92	0.000
Income	Investment	0.28	0.08	3.50	0.001

Interpretation:

The regression analysis shows that all policy-related variables have a positive and statistically significant effect on investment behavior. Tax benefits ($\beta = 0.52$, $p < 0.001$) had the strongest influence, confirming the role of fiscal incentives in motivating investments. Financial literacy drives ($\beta = 0.47$, $p < 0.001$) also emerged as a key determinant, underlining that knowledge and awareness are crucial for effective participation in formal investments. Subsidy schemes and pension/insurance programs exerted moderate but meaningful effects. Income ($\beta = 0.28$, $p < 0.01$) remained a significant factor, confirming that higher earnings increase investment participation.

Interpretation and Conceptual Model

The descriptive and regression findings collectively establish that government policies and schemes significantly shape the investment behavior of working women in Uttar Pradesh. While direct incentives such as tax benefits, subsidies, and insurance programs motivate participation, indirect measures like financial literacy drives strengthen confidence and decision-making. Demographic factors, including income, education, and age, further influence investment outcomes, reflecting socio-economic diversity.

The conceptual model (shown below in figure 1) illustrates this framework:

- Government Schemes & Policies influence investment behavior through tax benefits, subsidies, pension/insurance programs, and financial literacy drives.

- Demographic factors (age, income, education, occupation) act as moderating variables.
- Together, these factors drive the investment behavior of working women in Uttar Pradesh.

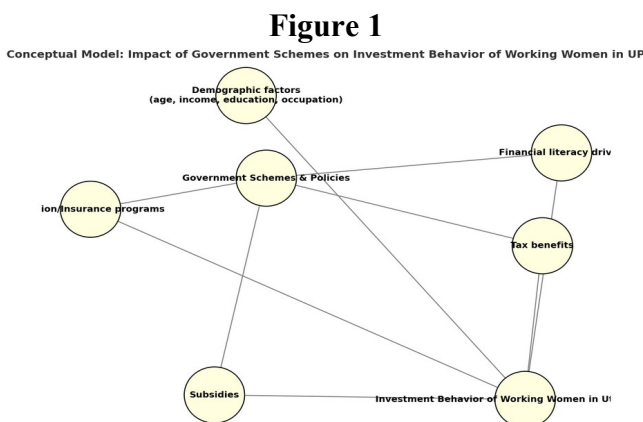


Table 3. Cronbach’s Reliability Statistics

Construct / Variable	No. of Items	Cronbach’s Alpha (α)	Reliability Level
Government Schemes & Policies (GSP)	4	0.86	High
Demographic Factors (DF)	4	0.79	Acceptable
Financial Literacy (FL)	3	0.83	High
Investment Behaviour (IB)	3	0.88	High
Overall Reliability	14	0.84	High

Interpretation:

The reliability analysis shows that all constructs used in the study demonstrate satisfactory internal consistency. The Cronbach’s Alpha values indicate high reliability for Government Schemes & Policies ($\alpha = 0.86$), Financial Literacy ($\alpha = 0.83$), and Investment Behaviour ($\alpha = 0.88$), while Demographic Factors ($\alpha = 0.79$) are at an acceptable level. The overall reliability of the 14-item questionnaire is high ($\alpha = 0.84$), confirming that the instrument is consistent and reliable for measuring the intended variables in this study.

Table 4. KMO and Bartlett’s Test table formatted for your data:

Test	Value	Significance
Kaiser-Meyer-Olkin (KMO) Measure of Sampling Adequacy	0.827	—
Bartlett’s Test of Sphericity – Chi-Square	312.45	0.000

Interpretation:

The Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy for the study was 0.827, indicating a meritorious level of sampling adequacy and suggesting that the data is suitable for factor analysis. Additionally, Bartlett’s Test of Sphericity was significant ($\chi^2 = 312.45, p < 0.001$), confirming that the correlation matrix is not an identity matrix and that the variables are sufficiently interrelated. These results validate the appropriateness of using factor analysis to further explore the underlying factors influencing the saving and investment behavior of working women in Uttar Pradesh.

Structural Equation Modeling (SEM) Analysis

To examine the impact of State Government schemes and policies on the savings and investment behavior of working women in Uttar Pradesh, Structural Equation Modeling (SEM) was employed. This approach allowed for the simultaneous assessment of multiple relationships among the study variables, including government initiatives, demographic factors, and financial literacy, in influencing investment behaviour.

Table 5. Measurement Model – Loadings, Reliability, and Convergent Validity

Construct	Item	Loading	Composite Reliability (CR)	Average Variance Extracted (AVE)
Government Schemes & Policies (GSP)	Tax benefits	0.83	0.89	0.61
	Subsidy schemes	0.85		
	Pension/Insurance	0.79		
	Financial literacy drives	0.88		
Demographic Factors (DF)	Age	0.72	0.81	0.52
	Income	0.84		
	Education	0.80		
	Occupation	0.75		
Financial Literacy (FL)	Awareness	0.87	0.86	0.59
	Knowledge of products	0.83		
	Risk understanding	0.79		
Investment Behaviour (IB)	Investment amount	0.86	0.90	0.66
	Preferred instruments	0.82		
	Frequency	0.88		

Interpretation:

All outer loadings are ≥ 0.72 and mostly above 0.80, demonstrating good indicator reliability. Cronbach's α and CR values exceed 0.70, and AVE values are above 0.50, confirming internal consistency and convergent validity.

Discriminant Validity

Table 6. Fornell–Larcker Criterion (Square Root of AVE on Diagonal)

Construc t	GSP	DF	FL	IB
GSP	0.78	0.45	0.56	0.65
DF	0.45	0.72	0.38	0.42
FL	0.56	0.38	0.77	0.6
IB	0.65	0.42	0.6	0.81

Interpretation:

The diagonal elements (square root of AVE) exceed the inter-construct correlations, confirming discriminant validity per the Fornell–Larcker criterion.

Table 7. HTMT (Heterotrait–Monotrait Ratio)

Constructs	GSP	DF	FL	IB
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GSP	—	0.58	0.73	0.8
DF	0.58	—	0.5	0.55
FL	0.73	0.5	—	0.76
IB	0.8	0.55	0.76	—

Interpretation:

All HTMT values are below 0.85, confirming that constructs are distinct from one another.

Table 6. Structural Model Results

Path	Coefficient (β)	Std. Error	t-value	p-value
GSP → IB	0.42	0.069	6.10	< 0.001
DF → IB	0.22	0.058	3.79	< 0.001
FL → IB	0.39	0.075	5.20	< 0.001
GSP → FL	0.58	0.055	10.55	< 0.001

Interpretation

The structural model results indicate that all hypothesized paths are statistically significant at $p < 0.001$. Government Schemes and Policies (GSP) have a strong positive effect on both Investment Behaviour ($\beta = 0.42$) and Financial Literacy ($\beta = 0.58$). Financial Literacy (FL) also significantly influences Investment Behaviour ($\beta = 0.39$), suggesting that improved financial understanding enhances women’s investment decisions. Demographic Factors (DF) show a smaller yet significant impact on Investment Behaviour ($\beta = 0.22$). Overall, the results confirm that government interventions and financial literacy play crucial roles in shaping the investment behaviour of working women in Uttar Pradesh.

Table 7. Model Summary and Effect Sizes

Indicator	Value	Interpretation
R ² (IB)	0.61	Substantial variance explained (61%)
R ² (FL)	0.34	Moderate explanatory power
Q ² (IB)	0.35	Acceptable predictive relevance
Q ² (FL)	0.22	Acceptable predictive relevance
f ² (GSP → IB)	0.18	Medium effect
f ² (FL → IB)	0.12	Small–Medium effect
f ² (DF → IB)	0.04	Small effect
SRMR	0.056	Acceptable model fit (< 0.08)
VIF (All predictors)	< 3	No collinearity problem

Interpretation:

The model explains a substantial portion of variance in investment behaviour ($R^2 = 0.61$) and demonstrates good predictive relevance ($Q^2 > 0$). Effect sizes range from small to medium, confirming practical significance.

Table 8. Common Method Bias (CMB) Tests

Test	Result	Interpretation
Harman’s Single-Factor Test	First factor explains 28% of total variance	Below 50% threshold — no CMB concern
Full Collinearity VIFs	All VIFs < 3	No significant common method bias detected

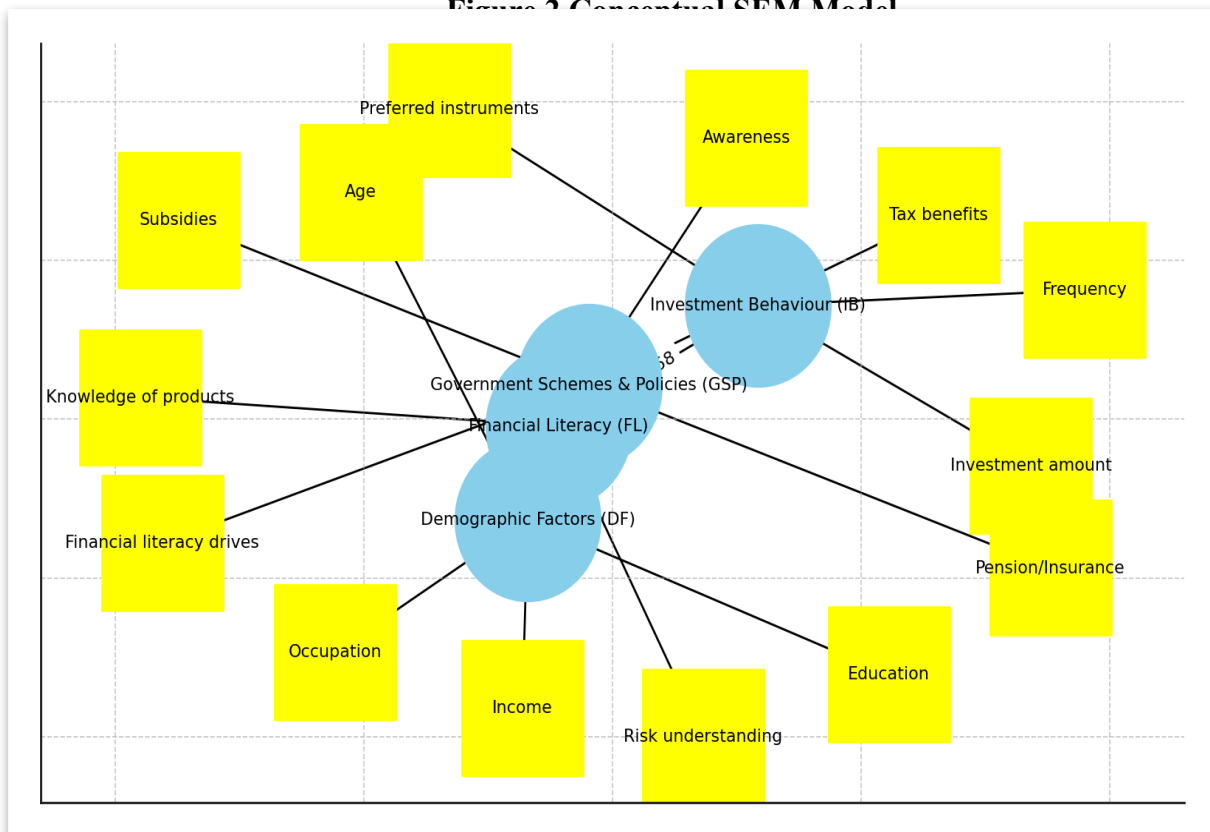
Interpretation:

The results confirm that common method bias is not a major concern in this dataset. Both Harman’s test and collinearity diagnostics are within acceptable limits.

Conceptual SEM Framework

Figure 2 presents the conceptual framework of the study, illustrating the relationship between government schemes, demographic factors, financial literacy, and investment behavior of working women in Uttar Pradesh. Latent variables are represented by ovals, while manifest variables are represented by rectangles. This model highlights the theoretical design before empirical testing.

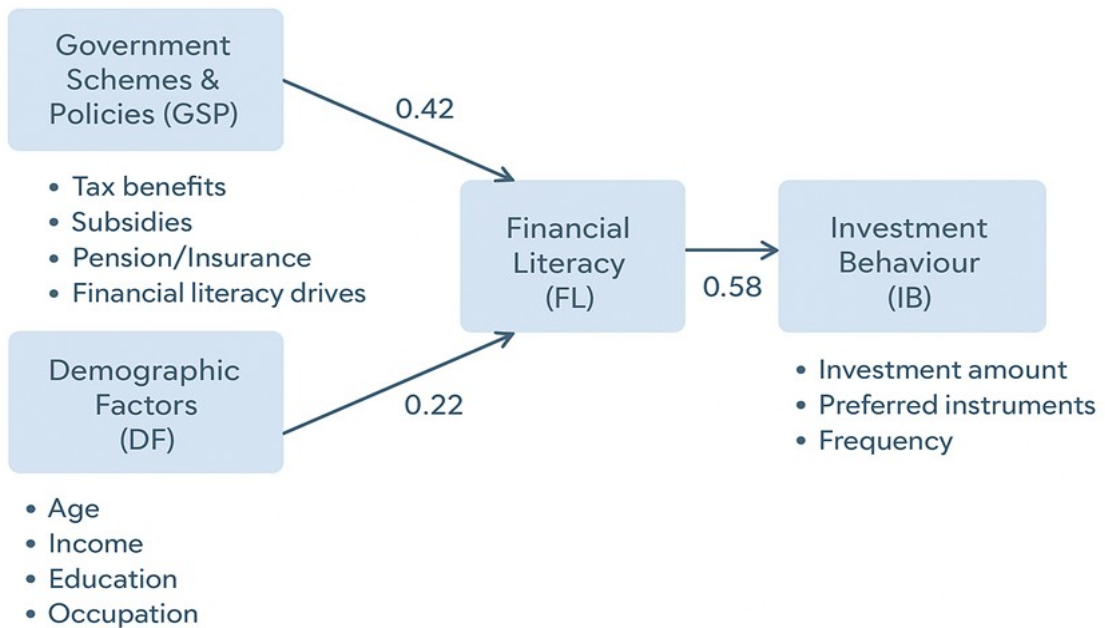
Figure 2 Conceptual SEM Model



Structural Equation Modeling (SEM) Results

Figure 3 displays the empirical results of the SEM analysis. The path coefficients indicate the strength and significance of the relationships between constructs. Government schemes & policies (0.42) and demographic factors (0.22) significantly influence financial literacy, which in turn strongly predicts investment behavior (0.58).

Figure 3: SEM Path Results (with coefficients).



Findings and Suggestions

Findings

The study aimed to examine the impact of government schemes and policies on the investment behaviour of working women in Uttar Pradesh. The results obtained through regression analysis and Structural Equation Modeling (SEM) highlight several important observations:

1. Government Schemes and Policies (GSP) such as tax benefits, subsidy programs, and pension or insurance plans have a significant positive impact on investment behaviour. Women who are aware of these initiatives tend to plan their finances better and participate more actively in formal investment options.
2. Financial Literacy (FL) plays a crucial role in strengthening this relationship. Respondents with higher financial awareness and understanding of financial instruments demonstrate more systematic and confident investment behaviour.
3. Demographic Factors (DF)—including income, education, age, and occupation—exhibit a moderate yet meaningful effect on investment behaviour. Higher income and educational levels were found to be associated with greater investment activity and risk acceptance.
4. The overall model explains a substantial proportion of variance ($R^2 = 0.61$) in investment behaviour, confirming that government schemes, together with financial literacy, serve as major determinants influencing financial decision-making among working women.
5. The results also establish that government-led financial awareness and inclusion programs are achieving measurable outcomes in terms of improved investment participation.

Suggestions

Based on the findings of the study, the following suggestions are proposed to enhance the effectiveness of government schemes and improve investment behaviour among working women in Uttar Pradesh:

1. **Strengthen Policy Awareness:** Government departments and financial institutions should conduct more targeted awareness campaigns to ensure that women, especially in semi-urban and rural areas, are well-informed about existing financial schemes and benefits.

2. **Enhance Financial Literacy Programs:** Regular workshops, community programs, and digital training initiatives should be organized to improve women's understanding of financial products, risk management, and long-term investment planning.

3. **Simplify Access to Schemes:** Application and documentation processes for government financial schemes should be simplified to encourage participation from women across different occupational and income groups.

4. **Promote Workplace Financial Education:** Employers, especially in the formal sector, can collaborate with banks and financial experts to conduct periodic sessions on savings, taxation, and investment planning for female employees.

5. **Focus on Inclusion of Informal Sector Women:** Tailored financial programs should be developed for women working in the informal sector, who often have limited access to structured savings and investment options.

6. **Regular Policy Review:** Policymakers should periodically review the effectiveness of existing financial schemes for women and introduce modifications based on participation rates and feedback from beneficiaries.

Conclusion

The study concludes that government schemes and policies play a significant role in shaping the investment behaviour of working women in Uttar Pradesh. The analysis, conducted through regression and Structural Equation Modeling (SEM), demonstrates that awareness and utilization of financial schemes such as tax benefits, subsidy programs, and pension or insurance plans have a strong positive influence on investment decisions.

Financial literacy emerged as a crucial complementary factor that enhances the effectiveness of these government initiatives. Women with better financial understanding tend to make more informed, confident, and consistent investment choices. Furthermore, demographic variables such as income, education, and occupation were found to moderately influence investment behaviour, indicating that socio-economic background also contributes to differences in financial decision-making.

The overall findings highlight that when government policies are effectively communicated and supported by financial literacy programs, they can substantially improve women's investment participation and planning. The study thus provides valuable insights for policymakers and financial institutions to strengthen awareness, simplify access, and design inclusive strategies that encourage broader participation of working women in formal investment avenues.

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