



Women's Guide to Achieving Financial Wellness

Let's start with you answering the following questions:

- Do you tend to get stressed or nervous when you think about your retirement plans?
- Does thinking about your financial future cause anxiety?
- Are you worried about your short-term financial goals and obligations?

Most people answer yes to at least one of these questions. Women are more likely to respond a majority of them in the positive. That means an absence of financial wellness. Women need financial fitness to have financial independence and empowerment.

What is Financial Wellness?

Financial wellness refers to overall financial wealth and the absence of money-related stress. While it is essential for everyone, it is crucial for women. Financial stress impacts many aspects of a person's life, including mental health, mood, relationships and even productivity.

Being financially well isn't just about numbers. It isn't just about paying bills on time, saving and investing for the future or goals. When you control your day-to-day finances and have a plan in place, you can spend your time and energy on things that matter to you.

You cannot just earn your way to being financially well. People tend to spend more when they make more, and their lifestyle inflation compounds over time. Just because you can afford more now doesn't mean you can be aware of the financial ups and downs coming your way.

That is why you need a financial plan for different reasons. You can say you are financially healthy when the various buckets of your goals have support and can withstand a financial hit.

Why is Financial Wellness Important for Women?

As a woman, you have so much more to plan for – you likely earn less, live longer, and have lesser financial knowledge than men. You are also more likely to take time off to support children and for caregiving to elders in the family. That results in less financial freedom.

Another reason why women need financial wellness is that the expenses of women also tend to be higher, especially in the later years of life. Women tend to live longer. Women hold fewer properties and mortgages when compared to men. So, to have a secure future and a good retirement, you need to start working on it from a young age.

How Can You Achieve Financial Wellness?

The gender inclusion of women is one of the most debated topics of the 21st century. The United Nations' Sustainable Development Goals includes them. Industries and corporations have started to make their workspace pro-women and have begun to bridge the gap between women and men's payscale.

Yet, in India, only 33% of women take financial decisions by themselves compared to 64% of their male counterparts. It's fair to assume that fewer women are taking care of their financial planning and overall financial wellbeing.

To be financially well, here are some steps that you can take as a woman:

1. Become Financially Literate

Many of these problems can be solved by learning the basics of money management principles. There's a relationship between financial literacy and women empowerment. There are several resources for financial literacy, and many of these are free. Aditya Birla Sunlife Asset Management Company has a specific financial literacy program for women that is freely available.

2. Define Your Financial Goals

The next step is to define your goals. Make a list of short-term and long-term goals along with income and expenditure expectations. That will help you have a better vision of where you are headed.

3. Start Budgeting

Financial wellness necessitates the creation of a budget. Understand how money works in your household, track it, manage it and try to cut expenses. Once you have a budget in place, you will know where your money is going and how much you have at your disposal. Getting your finances organized and planning out your spending, saving and investing is one of the first steps to financial success.

4. Get Started with Saving and Investing

Once you have the necessary knowledge and your goals under your belt, the next step is just to dive right into it. Start saving. Understand what your money is doing for you. When you put this in the context of your long-term goals, you will understand that putting money in the bank will not give you enough interest to achieve your goals. You need an investment plan. Start exploring team member provident funds, public provident funds, systematic investment plans, mutual funds, stocks, bonds and real estate. Also, look at health and life insurance.

5. Create a Financial Plan

To become financially healthy, you need to start making a financial plan like a diet plan. An essential aspect of this is planning your retirement. That should be the cornerstone of your long-term financial goals. Due to lack of proper planning, women are more likely to encounter poverty in old age and be forced to rely on government programs for living expenses. That is why savings are

essential—and then using that savings to invest in growing over time and providing you with the financial comforts you need and deserve during retirement.

Takeaways

- Financial wellness is a lack of stress about money and solid financial health.
- Women need to pay close attention to financial wellness because of their different needs.
- Financial literacy is the cornerstone of financial wellness.
- Without a long-term financial plan, there is no way to achieve financial wellness.