Financial Hurdles Women Face Today & How To Overcome Them

India was traditionally what is called a patriarchal society, and for centuries, women were suppressed and oppressed by male members of society. They were often considered weaker than men, and this traditionally meant that Indian women were not free to express their thoughts or opinions on a wide range of topics.

Women were often thought to be best suited for household work and were often denied access to higher education. It has always been the Indian woman's responsibility to care for the extended family, even if she wanted to work or have a career. In fact, earning money outside of the home used to be frowned upon.

This often left women feeling disempowered and, in some cases, lacking confidence in some aspects of their lives. One area that was often impacted was financial literacy and confidence about matters related to money, a responsibility that was often exclusively assumed by men.

There have been many positive developments in India's efforts to empower women, with the government launching several programs aimed at improving women's health, education, and economic opportunities. Some of the initiatives that have contributed to our growth are programs like the Scheme for Adolescent Girls, launched in 2014 and aimed at empowering girls from 11-18, and Sukanya Samriddhi Yojana, launched in 2015, which is an investment scheme that encourages parents to build a fund for the future education of their female child.

Despite the progress that has been made in recent years, there are still many challenges that women in India face today. In fact, India recently received a value of 0.490 on the 2022 Gender Inequality Index, which is released by the World Economic Forum each year. The current score is a remarkable improvement compared to the South Asian region's average value of 0.508.

Many believe that the improved score is a result of the government's commitment to promoting gender equality through inclusive growth, social protection, and gender-responsive development policies. These combined initiatives have led to an improvement in the status of women in Indian society.

However, women's participation in the labour force still remains low, and there is still a significant pay gap between men and women. It is also interesting to note that India's score of 0.490 represents a slight decrease from 2021, so we have some work to do to ensure that we continue to better our score.

According to a September 2022 UNESCO study, the male literacy rate stands at 84.7%, while the female literacy rate is 70.3% comparatively. When it comes to education, government campaigns, like the Beti Bacho Beti Padhao campaign, which was launched in 2015 and aims to generate awareness and improve the efficiency of welfare services for girls, and a number of other scholarship schemes aimed at girls, have helped to close the gender education gap, but when it comes to enrolment in higher education, the gap continues.

The more education one has, the more opportunities one has, so it is imperative that women continue to make education a priority. By taking advantage of our many schemes and other programs, women can continue to increase their literacy and access higher levels of education thus providing them with more opportunities to better their future.

Although we may still struggle to close the gap with respect to education, the good news is that the life expectancy of women continues to exceed that of men. Right now, based on the 2022 estimates from the Report of the Office of the Registrar General of India, female life expectancy is 2.7 years longer than men.

Living longer, combined with the fact that women continue to make less than men, does, however, contribute to our challenges in saving sufficient amounts for retirement. This makes retirement planning more important than ever. Following are some of my tips to help you better prepare for retirement:

- Start saving for your retirement early. Basically, as soon as you have income, you should maximize your contributions to your retirement savings.
- Invest in equities because, over the long term, history has proven that equities outperform other asset classes.
- Remember that when you are younger, assume more risk in your portfolio because you have age on your side. This typically means that you can hold a higher percentage of equities in your portfolio. So not only should you invest in equities, but you should hold a high percentage of equities, particularly when you are younger.
- Ensure you have insurance to protect your family in the event of your untimely passing. Typically, you can get insurance much cheaper the younger you commit to a plan.
- Also get health insurance so that your health is taken care of in the case of a medical emergency. You don't want your retirement savings to be impacted due to a health issue, after all.
- Make sure you account for inflation and invest accordingly because you don't want inflation to eat away at your retirement savings.
- Review and revise your financial plan and asset allocation to ensure that it reflects your age.

- Lastly, avoid debt as you get close to retirement. If you have any left, you should clear it up as quickly as you can.

If you haven't done so already, you should consider the following:

- You should invest your retirement savings in PPF or EPF. EPF, or Employees' Provident Fund, is a government-established savings scheme for employees of the organized sector. PPF, which is short for the Public Provident Fund, on the other hand, is a government-supported savings scheme that is open to everyone. Both the EPF and PPF are government-backed savings instruments.
- Consider Kisan Vikas Patra, which is a certificate scheme from the Indian post office. It doubles a one-time investment in a period of approximately ten years (120 months).
- A National Savings Certificate is a fixed-income investment scheme backed by the Government of India. The savings bond is suitable for small and medium-income investors to save tax while earning returns. This is a secure and low-risk product.
- Consider investing in mutual funds. In your younger years, you should consider equity mutual funds because of the higher long-term returns of equities. Mutual funds are run by teams of professionals who are experts at what they do.
- Also consider post office savings accounts, which are like a savings account with a bank, except that it is held with a post office and has some preferential treatment.

It's really important to do your research when it comes to understanding and maximizing your retirement options. You have to plan early in order to enjoy a secure and stable retirement. With just a little planning and financial discipline, you can attain financial independence and live the life you desire during your retirement years.

Indian women continue to lack confidence when it comes to financial matters. In a recent podcast, we talked about how women are, in fact, amazing investors and that, over the long term, we outperform men. It's important to continue to build our knowledge and, subsequently, our confidence. We need to focus on better understanding the world of finance and opening up with family and friends about the different investment and retirement strategies they might use.

Ensure you have a long-term plan, revisit it regularly and make smart investments.

With a sound financial plan, you can prepare for the many eventualities that will come your way and for those that you might not even think of right now. You can also help your loved ones and children achieve their goals and aspirations. So don't wait any further; start planning, saving, and investing for your future now.

An Investor Education and Awareness Initiative of Aditya Birla Sun Life Mutual Fund.

All investors have to go through a one-time KYC (Know Your Customer) process. Investors to invest only with SEBI registered Mutual Funds. For further information on KYC, list of SEBI registered Mutual Funds and redressal of complaints including details about SEBI SCORES portal, visit link: bit.ly/Birla KYC for further details.

Mutual Fund investments are subject to market risks, read all scheme related documents carefully.