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Mutual Fund



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FINANCIAL EDUCATION

Women's Impact on Finance:

A Changing Narrative



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Women in the Work Force

In recent years, there has been a notable shift in the role of women in various spheres, particularly in the workforce and financial decision-making. This transformation reflects broader societal changes, as women increasingly assert their independence and influence in shaping economic landscapes. From rising workforce participation rates to a growing presence in financial markets, women are actively redefining traditional norms and contributing significantly to economic growth and development. This report explores the evolving roles of women in the workforce and financial sector, examining key trends, challenges, and opportunities shaping their journey towards empowerment and financial independence.



What's the Current Status of Women in the Workforce?



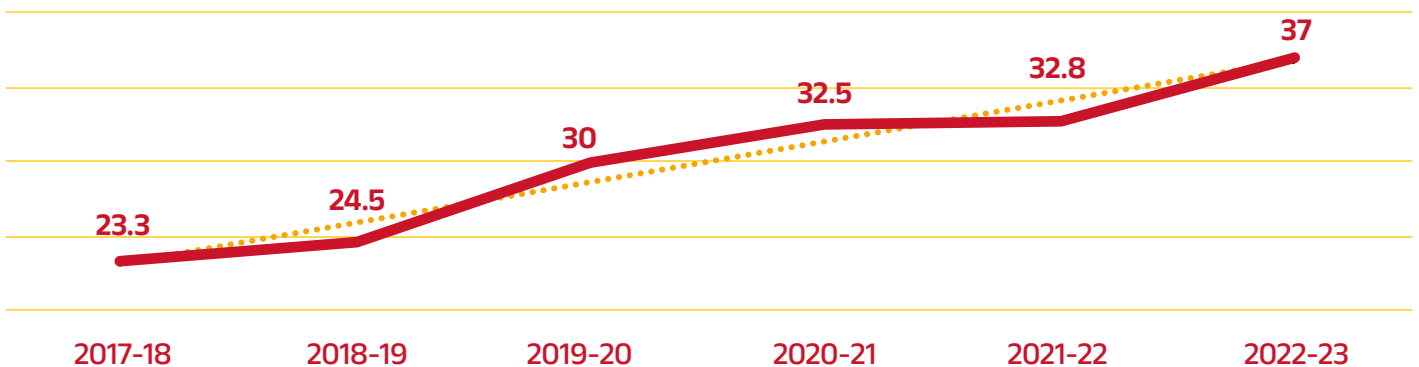
When we talk about women joining the workforce, it's not just about getting a job—it's about empowerment, growth, and shattering barriers. Women bring a whole range of perspectives, skills, and talents that fuel innovation and drive progress.

According to the [most recent data from the October 2022-2023 Periodic Labour Force Survey](#), there's been a remarkable uptick in women's participation in the labour force. Back in 2017-18, the participation rate was at 23.3%, but now, it's soared to an impressive 37% in 2022-23.

This surge reflects a positive trend, with the current participation rate standing at 41.5%, a significant leap from just 24.6% five years earlier. Let's take a closer look at the graph illustrating the rate at which women aged 15 years and older are joining the workforce under usual circumstances.

This survey unveils a consistent rise in the percentage of women entering the workforce, signaling the government's dedication to promoting women's economic engagement

Female Labour Force Participation Rate (%)



Source: [Ministry of Statistics & Programme Implementation](#)

Note: The labour force participation rate includes both the principal activity status (PS) and subsidiary economic activity status (SS), accounting for both primary and secondary work engagements. The years mentioned, such as 2022-23, refer to the period spanning from July 2022 to June 2023, and similarly for 2021-22, 2020-21, 2019-20, 2018-19, and 2017-18.

and enhancing the quality of their employment. Through legislative actions and policy initiatives such as extending maternity leave and ensuring safe work environments, the government aims to foster a supportive atmosphere for women in the workforce. Initiatives like the Aatmanirbhar Bharat package and the Pradhan Mantri Mudra Yojana (PMMY) are also instrumental in creating job opportunities and promoting self-employment among women nationwide. By collaborating across various sectors, the government strives to bolster female workforce participation and empower women economically.



What Needs to Change for Women in the Workforce?

While significant strides have been made in women's workforce participation, sustained policy interventions are essential to sustain this positive trajectory. Closing gender gaps in education and increasing women's representation in higher education are crucial objectives, as they equip women with the skills necessary for higher-paying jobs. Furthermore, creating job prospects in sectors where women traditionally dominate, like childcare, nursing, education, and garment-related industries, is vital. Tailored training programs for these sectors can encourage more women to join the workforce.

For instance, initiatives offering scholarships or financial aid for girls pursuing higher education can help bridge the education gender gap. Similarly, government schemes subsidising vocational training in fields such as healthcare or education can pave the way for women to secure employment in these domains. Additionally, investing in the expansion of childcare facilities and incentivising companies to provide flexible work arrangements can further facilitate women's entry and retention in the workforce.



Women Leading the Way in Financial Decision-Making

Where Are Women Heading as Financial Decision-Makers?

Imagine having the power to steer your financial ship without needing anyone else's compass. That's the essence of Financial Decision-Making Autonomy. It's all about being the captain of your financial destiny, making choices on investments, savings, and budgeting without relying on outside advice or influence.

According to a [report published by CRISIL](#), in the current landscape, 47% of women make financial decisions independently, reflecting an ongoing transformative era of financial independence. This signifies a growing trend towards women asserting control over their financial affairs.

Today, women increasingly take control of their financial independence, reshaping societal norms and defying traditional roles. This transformation is facilitating their financial security and stability. Women make independent financial decisions with improved access to resources and opportunities, aided by employment opportunities, credit access, and property rights. However, conversations surrounding this shift are necessary as many men may still need to embrace changing mindsets entirely.

While progress is evident, rural areas lag due to reliance on male support. Initiatives promoting gender equality and financial education are crucial for advancing women's autonomy, reflecting the nation's potential economic growth. The increasing female labour force participation rate highlights women's pivotal role in reshaping India's economic landscape, signalling a promising future of female leadership and financial empowerment.

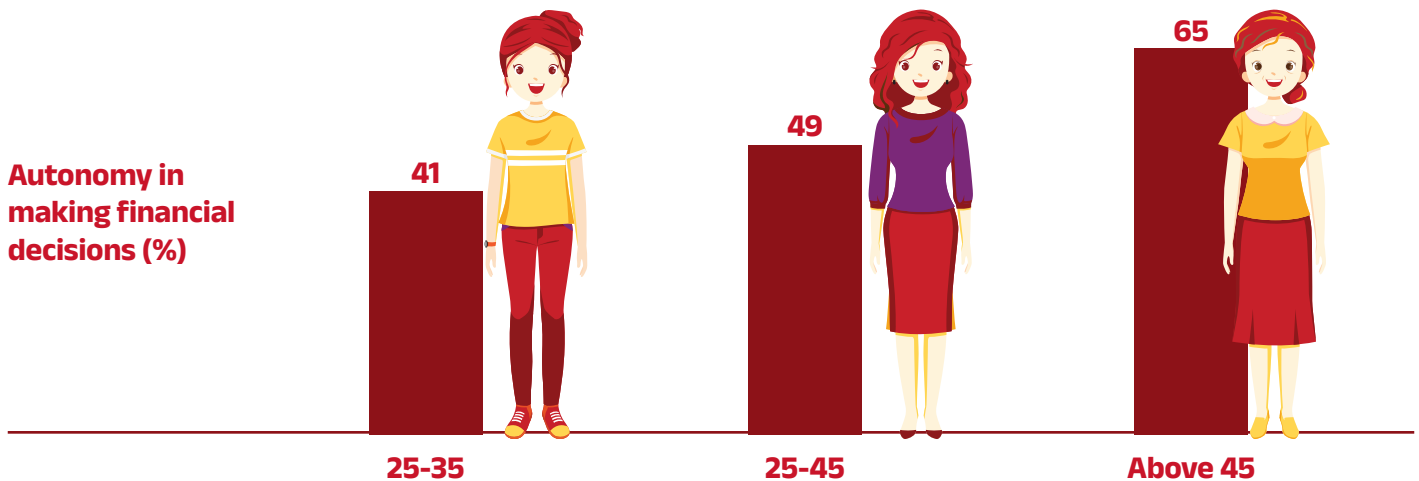
However, this decision-making trends among women seems to be influenced by various factors such as age, affluence, regional context, and family and employment situations.

Factor 1: Age

As women age, they tend to take more control over their financial decisions.

Let's take a look at the stats.

When women hit 45 and above, about 65% of them are calling the shots with their money. That's a big jump! It shows that as they gain more experience and knowledge about financial stuff, they feel more confident managing their own finances.



[Source: Women and Finance report by DBS Bank India and CRISIL released on January 2024.](#)

Factor 2: Employment Status

When women start working, they often start taking more control over their money matters. Getting that paycheck brings a sense of independence and responsibility. Besides, working women are all in when it comes to budgeting, saving, and planning for the future. It's like they're taking charge of their financial ship.

But here's something interesting: the type of job they have also makes a difference. Self-employed women seem to have more say in their financial decisions compared to those with a regular job.

Based on CRISIL's 'Women and Finance' survey published in January 2024, 55% of self-employed women and 39% of salaried women prefer to make their own financial decisions. This preference may stem from the increased autonomy that comes with being your own boss.

Factor 3: Affluence

As women's financial standing increases, so does their autonomy in decision-making. A notable trend observed, as per the survey conducted by DBS and CRISIL, is that 58% of affluent women are independent in their financial decision-making, in contrast to 38% among semi-affluent women. This variance can be ascribed to several factors, one being the higher level of financial literacy prevalent among affluent women.

With greater wealth often comes increased access to resources, including educational materials, professional advice, and financial tools. Affluent women are more likely to have exposure to financial education and resources that equip them with the knowledge and confidence to make informed decisions about their finances. Additionally, access to financial advisors and other professionals can empower affluent women to take charge of their financial affairs with greater autonomy.

Thus, the influence of affluence on financial decision-making autonomy underscores the importance of financial literacy and access to resources in shaping women's financial independence and empowerment.





Women Navigating Savings and Investments

How Do Women in India Handle Their Money?

When it comes to managing money, many women in India prefer to play it safe. They like to keep their hard-earned cash in secure spots like the traditional savings instruments. According to the [CRISIL DBS Bank India report](#), 'Women and Finance,' this makes up a big chunk of their investments. Interestingly, the report also shows that money habits vary depending on where women work, their marital status, and where they live.

Women with regular jobs tend to save more compared to those who are self-employed. About 54% of employed women save more than 30% of their income. When it comes to where they keep their money, there's a split: around 57% of employed women prefer bank accounts, while roughly 49% of self-employed women do the same, as highlighted in the CRISIL DBS Bank - 'Women and Finance' report published in January 2024.

Here's an interesting twist—the report also reveals that around 21% of women with regular jobs lean towards investments in real estate and gold, while nearly a third of self-employed women prefer the same. It seems like self-employed women have a thing for tangible assets and securing their businesses.

The presence of dependents also greatly influences how women manage their money. Around 43% of married women with dependents take a cautious approach, investing 10-29% of their income, while 25% of married women without dependents put more than half of their earnings into safe options like fixed deposits and savings accounts. This is confirmed by the report.

How Are Women Shaping the Mutual Fund Landscape?

Interestingly, more women are now dipping their toes into mutual funds, showing they're getting more comfortable with making financial decisions. Plus, age plays a role—while younger women are exploring things like mutual funds, older ones are also getting in on the action, using their experience to plan for the future.

While the mutual fund industry's growth, with assets crossing the Rs 50 lakh crore mark, women's presence in this sector is also on the upswing. Industry data from AMFI reveals that while the proportion of women folios has remained stable over the past six years, their share in industry assets has surged from 15% in March 2017 to nearly 21% by December 2023.

Period Shares of Women

	Folios	AUM
Mar-17	21.00%	15.20%
Mar-20	21.80%	17.30%
Dec-22	20.60%	19.80%
Mar-23	20.60%	20.10%
Dec-23	20.80%	20.90%

Source: AMFI, CRISIL MI&A Research

How Do Different Age Groups Approach Mutual Fund Investments?

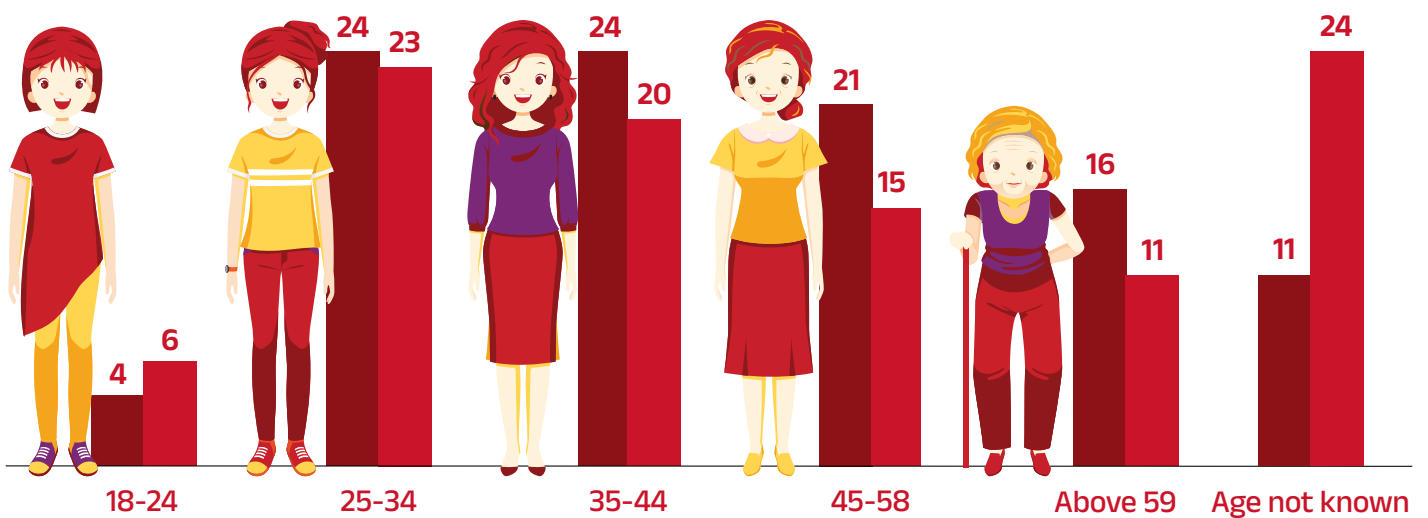
When examining the allocation of financial resources among different age groups, it becomes evident that younger women are increasingly embracing riskier yet potentially rewarding investment avenues. Conversely, older women, drawing from their wealth of experience, are more inclined towards safer investment options while also exploring opportunities for wealth preservation and growth.

According to the report shared by AMFI, nearly half, around 50%, belong to the 25-44 year age group, indicating a strong inclination among young and middle-aged women

towards modern capital market instruments. This contrasts with the broader investor base, where this age group represents approximately 45%. In contrast, women aged 45-58 and above 59 years constitute 21% and 16% of the investor base, respectively, compared to 15% and 11% for the overall set.

Age Profile of Mutual Fund Investors

(in %) ■ Woman ■ Overall Individual investor



Source: AMFI and CRISIL Research, December 2023.

This suggests that older women, drawing from their investment experience, diversify into instruments like mutual funds for their financial planning needs. This trend underscores the evolving investment behaviour among women across different age groups, with younger women increasingly embracing investment opportunities in the capital market.

As access to information and technology becomes more convenient, we're observing a growing trend among women investors choosing to invest directly in the mutual fund industry through direct plans. However, most still opt for the regular plan when investing in mutual funds. This suggests a gradual shift towards self-directed investment strategies among women, empowered by more accessible access to financial resources and online platforms.

While women's participation in mutual funds has risen noticeably, the market has yet to fully tap into its potential. Enhancing access to tailored mutual fund advice is believed to significantly increase the breadth and depth of mutual fund penetration.

What Are Women's Financial Goals at Different Life Stages?

Let's take a peek into women's financial goals, shall we? Regarding short-term goals, about 20% of women aim to support their families, showing just how important family is to them. Then there's the ambition to start or grow their own businesses, with 14% of women keen on this. Now, shifting gears to the long term, things change with age. For instance, younger women between 25 and 35 are all about buying homes, while those in the 36 to 45 age group focus more on their kids' education. And as women hit the 45-plus milestone, their attention turns to health and wellness. It's fascinating how these priorities evolve with age, reflecting different stages of life.

However, marital status also seems to shape financial priorities. Married women often focus on children's education and healthcare, reflecting their family-oriented mindset. On the other hand, unmarried women tend to lean towards personal aspirations like planning weddings and vacations. But here's an interesting twist—whether they're married or not, both groups still value owning a home and building wealth. It shows that certain financial goals are universal, no matter your relationship status.



What Insights Does Women's Mutual Fund SIP Data Offer?

Well, the holding period data of women investors in Systematic Investment Plans (SIPs) highlights the importance of ongoing support and guidance.

According to the [AMFI report](#), a considerable number of women investors, about 43% in T30 cities and 47% in B30 cities, choose to hold SIPs for less than one year through direct plans. This pattern is similarly observed in regular plans. The data, illustrated in the table below, highlights a prevalent inclination among women towards shorter-term investment strategies when utilising systematic investment plans.

Holding Period	Direct		Regular	
	T30	B30	T30	B30
> 5 years	5%	3%	17%	17%
> 4 years up to 5 years	4%	3%	6%	6%
> 3 years up to 4 years	6%	5%	6%	6%
> 2 years up to 3 years	20%	19%	16%	16%
> 1 year up to 2 years	23%	23%	21%	21%
Less than < 1 year	43%	47%	33%	35%

Source: AMFI and CRISIL Research, December 2023.

It also shows that women tend to stick with regular SIPs for longer durations, with 17% in both T30 (Top 30) and B30 (Beyond 30) cities holding for over five years. In contrast, only 3-5% opt for direct plans for similar durations in these regions.

This indicates that women value the stability and consistency provided by regular SIPs, emphasising the need for continuous support and guidance to maintain long-term investment discipline.



What Are the Key Considerations to Keep in Mind When Investing in Mutual Funds?

It's essential to remember that mutual funds are versatile investment tools that can align with various financial goals, whether they're long-term, medium-term, or short-term. Tailoring your investment strategy to match your specific goals is typically the most effective approach.

Additionally, during periods of market volatility, it's essential to remain calm and avoid making hasty decisions based on fear. Seeking guidance from financial professionals can provide valuable support and help you navigate through market downturns, ultimately aiding in staying invested for the long term.



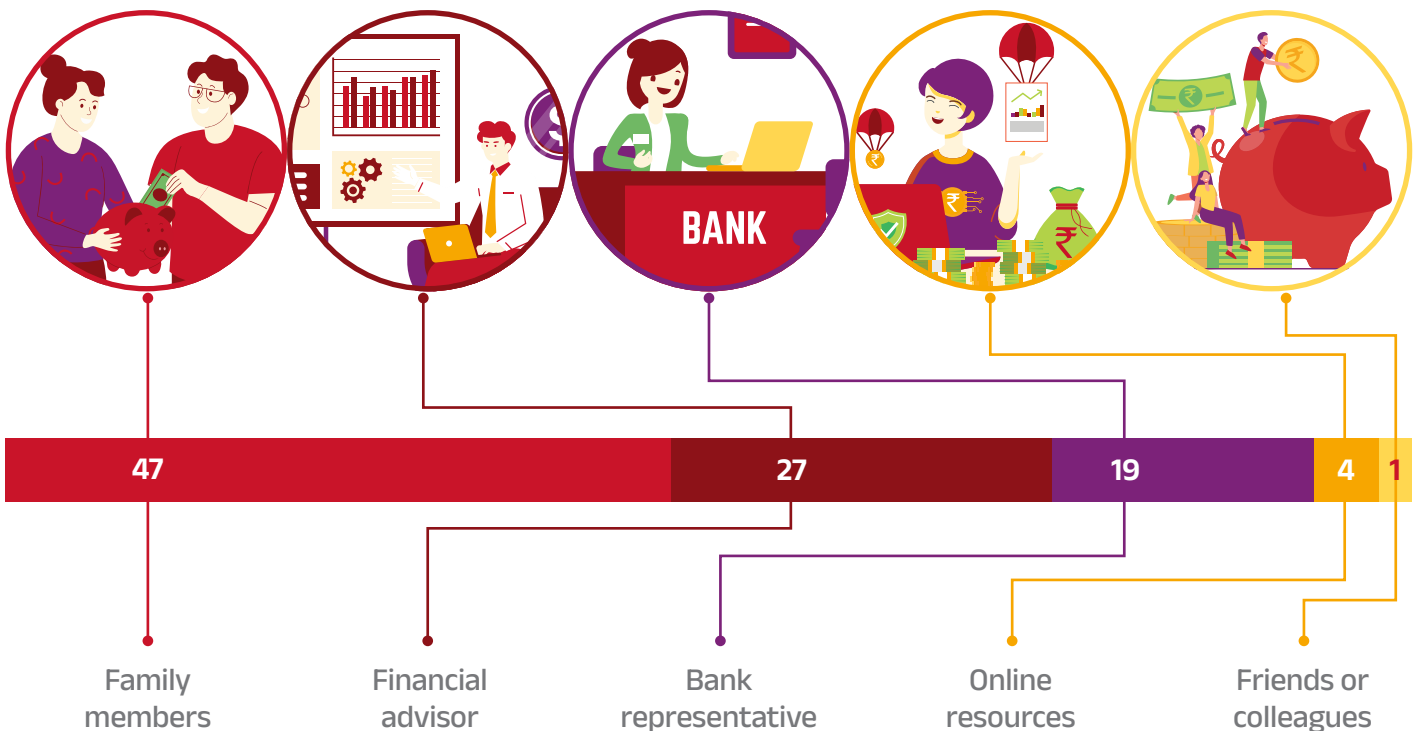
Who Do Women Turn to for Financial Advice?

The January 2024 report by CRISIL and DBS Bank India reveals that when women seek financial advice, they mostly turn to their families, with 47% relying on their relatives for guidance. This preference highlights the trust and shared experiences within family circles.

However, 27% opt for a more professional approach, seeking advice from financial advisors or chartered accountants.

Information sources preferred by women

(in %)



Source: CRISIL & DBS Bank report – Women and Finance as on January 2024

How are Women Empowering Financial Services as Active Mutual Fund Distributors?

The rise of female financial advisors signifies a deeper understanding of the unique needs and challenges women face in financial planning. According to a [report published by AMFI](#) in March 2024, the number of active women distributors grew to nearly 21,000 by December 2023, increasing their influence in the financial services sector. The same report notes that these women manage around Rs 1.7 lakh crore in assets under management (AUM), acting as more than just advisors—they are catalysts empowering

women to take control of their financial futures. Their expertise, empathy, and shared experiences make them well-equipped to navigate the distinct financial landscapes women encounter, driving positive change and fostering greater financial independence among their peers.



What Are the Key Takeaways From This Report?

Therefore, we conclude this report with the following key insights:

1. **Workforce Participation:** Women's workforce participation has risen significantly, reaching 37.0% in 2022-23 from 23.3% in 2017-18, indicating positive trends and government support.
2. **Empowerment and Policy Interventions:** Sustained policy interventions are crucial to support women's economic engagement, including initiatives like extended maternity leave and safe work environments.
3. **Financial Independence:** A growing number of women, around 47%, are making financial decisions independently, marking a shift towards financial empowerment.
4. **Factors Shaping Decision-Making:** Age, employment status, and affluence influence women's financial autonomy, with older and self-employed women demonstrating higher levels of independence.
5. **Investment Preferences:** Women's investment choices vary based on age, marital status, and employment, with a notable rise in mutual fund investments.
6. **Financial Goals:** Women's financial goals evolve with age and marital status, with a focus on homeownership and wealth-building across all life stages.
7. **Need for Support:** Holding period data for women investors highlights the importance of the much-needed guidance and support, emphasising tailored investment strategies and seeking professional advice during market volatility.



Conclusion

In conclusion, the current status of women in the workforce reflects a positive trend, with increasing participation rates and growing empowerment. However, to sustain and enhance this progress, efforts are needed to address remaining challenges such as gender gaps in education and employment opportunities. Women's roles in financial decision-making are also evolving, highlighting the importance of financial literacy and supportive policies. As women navigate savings, investments, and mutual funds, tailored strategies and ongoing support are crucial. The rise of female financial advisors further underscores the importance of representation and empathy in the financial services sector, empowering women to make informed decisions. Overall, while significant strides have been made, continued efforts are necessary to create a more equitable and prosperous future for all.



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म्यूचुअल फंड निवेश बाजार जोखिम के अधी है, योजि संबंधी सभी दस्तावेजों को सावधिी से पढ़ें।