

Women's Guide to Mastering Finance at Every Life Stage



Every stage of a woman's life comes with its own set of financial decisions. From handling that first salary to planning for retirement, women are constantly making choices about money. Whether it's saving for a wedding, buying a home, or figuring out how to balance work and family expenses, these decisions are important and can feel overwhelming at times. But mastering these financial choices is key to building a secure future. How you manage your money not only affects you but also your family.

Let's explore how you can navigate these financial crossroads and make the best choices for each stage of your life.





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Chapter	Title	Page
1	The First Step to Mastering Your Finances - Financial Literacy	3
2	The Importance of Financial Planning	7
3	Kickstarting Your Career	10
4	Understanding The Different Types of Investments	12
5	Defining Your Financial Goals	16
6	Money Conversations to Have with Your Partner	18
7	The Happily-Ever-After for Your Finances	21
8	Planning Your Finances as You Grow Your Family	25
9	Being Retirement Ready	28
10	Securing Your Legacy	31



Chapter 1: The First Step to Mastering Your Finances - Financial Literacy

Every stage of a woman's life comes with its own set of financial decisions. From handling that first salary to planning for retirement, women are constantly making choices about money. Whether it's saving for a wedding, buying a home, or figuring out how to balance work and family expenses, these decisions are important and can feel overwhelming at times. But mastering these financial choices is key to building a secure future. How you manage your money not only affects you but also your family.

Let's explore how you can navigate these financial crossroads and make the best choices for each stage of your life.

Financial literacy offers numerous benefits, including:

- **Informed Decisions:** When you understand personal finance, you're more likely to make sound financial judgments.
- **Avoiding Impulse Spending:** Being financially literate helps you resist impulse buys and avoid unnecessary debt.
- **Saving for the Future:** With a solid grasp of financial concepts, you're more likely to save money and plan for future needs.
- **Managing Debt:** Financial literacy equips you to better understand and manage your debt effectively.
- **Building a Strong Retirement Plan:** You'll be better positioned to create a retirement plan that fits your needs.
- **Understanding Financial Markets:** Knowledge of financial markets helps you avoid costly mistakes.
- **Recognising Fraud:** Financial literacy makes it easier to spot and steer clear of financial scams.
- **Achieving Financial Stability:** With a clear understanding of personal finance, you can make educated decisions about debt, retirement, and investments, contributing to overall financial stability and security.

- **Reaching Your Goals:** Financial literacy helps you work towards and achieve your financial goals.
- **Reducing Stress:** Being financially informed can lower your financial stress and anxiety.

When it comes to managing your money, not knowing enough can really hurt you. Lack of financial knowledge can impact everything from how much you save to how much debt you take on and under what conditions. Before you even reach adulthood, or soon after, you'll face various financial decisions, like how to pay for college, manage a credit card, take out a car loan, boost your credit score, pay taxes, and start saving for retirement. Being financially literate makes these decisions less overwhelming and helps you make better choices. The more you understand about personal finance, the easier it becomes to tackle major financial decisions with confidence.



There is always something new to learn when it comes to personal finances, and there is no wrong time to improve your financial literacy. The more financially literate you become, the more it can help you take actions that ultimately bring you closer to a state of financial well-being. Indeed, the greater your financial literacy, the better your chance of managing money with greater ease and less stress. You will also potentially be more prepared for when life takes unexpected turns and may be able to more easily identify the financial opportunities that best suit your needs. Plus, being financially literate gives you a better chance at being able to recognise warning signs for predatory businesses or lenders. Making financial literacy a lifelong pursuit should be a priority as the world of personal finance is ever evolving and staying informed helps keep you on a path to financial well-being.



As women, it's especially important to normalise conversations about money and educate yourself about finance. Building a healthy relationship with money is key, and without financial literacy, you might find yourself stuck in cycles that limit your growth and affect future generations. If you don't boost your financial knowledge, you risk facing serious issues, like accumulating large amounts of credit card debt, defaulting on student loans, and struggling with income, taxes, and investments. Lack of financial literacy can lead to a lifetime of chronic stress. By increasing your financial education, you empower yourself to break these cycles and open up opportunities for growth and stability.

Another key reason why financial literacy is important is that a recent [report from the Economic Abuse and the Importance of Financial Literacy for Women](#) by Rights of Equality, published on March 26, 2023, found that improvements in women's financial literacy can significantly reduce the rates of violence against women perpetrated by their male partners. Indeed, financial insecurity is a main reason why women have trouble leaving abusive relationships and why they return to them. We have a high risk of falling into poverty because of divorce, and we also tend to outlive men, so our retirement funds need to last longer. In India, most women prioritise things like our family and paying off debt over saving for retirement.

The following are some ways to improve your financial literacy:

- Stay updated with the latest financial news and trends by subscribing to reputable financial sources, reading financial publications, and following reliable financial websites and blogs.
- Educate yourself about different investment options. It's crucial to understand the various types of investments, their risks and returns, and how they fit into your overall strategy. Take the time to research and learn about the pros and cons of each investment.
- Understand risk management, a key aspect of investing. Start by learning about diversification, asset allocation, and the trade-offs between risk and reward.
- Develop a well-structured financial plan with clear goals. Create a budget and a roadmap to achieve your objectives.

- Learn about tax planning. Effective tax planning can minimise your tax liabilities and optimise your investment returns. Get familiar with tax-advantaged accounts like retirement and education savings accounts, and keep up with changes in tax laws that might affect your investments.
- Be cautious of financial scams and skeptical of investment opportunities that promise high returns with little or no risk.
- Improve your financial literacy through continuous education. Invest in your knowledge by attending seminars, webinars, taking online courses, reading financial books and articles, and engaging with your financial community.
- Finally, regularly track your investments and review your portfolio to ensure you're on track and make any necessary adjustments.

With more women joining the workforce, financial literacy has become more crucial than ever. Without it, you might face challenges like debt, poor spending habits, and a lack of long-term financial planning. However, financial literacy is a powerful tool for independence, empowering you to handle emergencies and manage rising living costs and inflation.

In many Indian households, you're often responsible for daily expenses, so understanding how to use your money wisely puts you in a stronger position. Plus, since children are greatly influenced by their mothers, being financially literate sets a positive example for them. As women typically live longer than men, financial literacy also helps you manage your finances effectively over the long term.



Starting early will boost your confidence in making financial decisions and managing your money. By enhancing your financial knowledge now, you'll be better equipped to achieve your life and career goals. There's no better time than now to invest in your financial education!

So, what's the next step? It's about applying that financial knowledge effectively. This leads us to the next chapter: how to plan your finances.



Chapter 2: The Importance of Financial Planning

In recent times, you've seen women break stereotypes and achieve amazing things across various fields. Financial management, once a largely male-dominated area, is now a realm where many women are taking charge. A recent survey by CRISIL and DBS Bank India shows that about 47% of women make their own financial decisions, highlighting a growing trend towards financial independence. Notably, 65% of women over 45 manage their finances independently, compared to 41% of women aged 25-35.

As more women take control of their finances, financial planning becomes increasingly important. You might find yourself worrying about your financial future, but with the right knowledge, managing your money can be straightforward and incredibly beneficial in the long run.

What is Financial Planning?

Before getting into the nitty-gritties of how to plan your finances, it's important you understand what financial planning really is.

Financial planning is a blueprint for financial success that lays out your cash flows, savings and investments. In other words, it is a comprehensive plan of your present and future financial status that takes into account your incomes, expenses, investments, assets and liabilities so that you can achieve your short-term and long-term financial goals.

Financial Planning for Women

Financial planning for women can look a little different from what it is for a man. There are certain aspects such as motherhood and career breaks for reasons such as caregiving that are often unique to women. These aspects need to be factored into financial planning.

Here's how you can go about planning your finances as a woman:

- 1 Check Your Cash Flows:** Financial planning begins with understanding your cashflows. Keeping a tab on your active and passive income is easy. It's harder to keep track of your expenses. Start by creating a budget and monitoring where your money goes so you know how much you have for savings and investments.



- 2 Identify Your Goals:** The next step in financial planning is to estimate your short-term and long-term financial goals. You need to visualise what your life will look like and plan your finances accordingly. For instance, if you plan on starting a family and want to take a career break, you will need to take this into account. You can then save and invest accordingly.
- 3 Account for Life Expectancy and Inflation:** The average Indian lives for about 70 years. Women live ~2.7 years longer. In reality though, under the current healthcare system, you may live to even be a 100. You need to account for this time and include retirement planning into your financial planning. Another thing to keep in mind is inflation because a lakh today won't be of the same value 10 years from now. Your investments need to be in line with inflation.

- 4 .Follow the 50/30/20 Rule:** Financial experts have a thumb rule when it comes to using your money – use 50% of your income to meet essential needs, save and invest 30% and use the remaining 20% for leisure and hobbies. However, this rule is just a guideline because every individual's financial goals will differ and hence, financial plans too must be customised.
- 5 Have an Emergency Fund:** Having an emergency or contingency fund is an absolute must for financial planning. It is a resource that you can dip into without touching your long-term savings. As a general rule, you should have at least 6 months' worth of expenses to meet unexpected situations like a health issue, an accident or a job loss. It may also make sense to have a tiered emergency fund. For example, you could meet a part of your needs through a credit card, a part through bank deposits and a part through liquid mutual funds.
- 6 Taxation and Estate Planning:** Apart from these, a financial plan should also take into consideration the tax implications of your investments. This doesn't mean investing only in tax savers. It means planning your money in a way that has the least tax implication. It is also wise to begin estate planning, i.e. managing your family wealth, as soon as you can.

It's important to start learning about finance at a young age so you can begin applying that knowledge as soon as you start earning, if not before. So, once you start earning, how should you manage your finances? Let's explore.





Chapter 3: Kickstarting Your Career

Starting your career is an exciting milestone, and managing your finances wisely from the get-go is crucial. As you embark on this new journey, it's important to set a strong financial foundation.

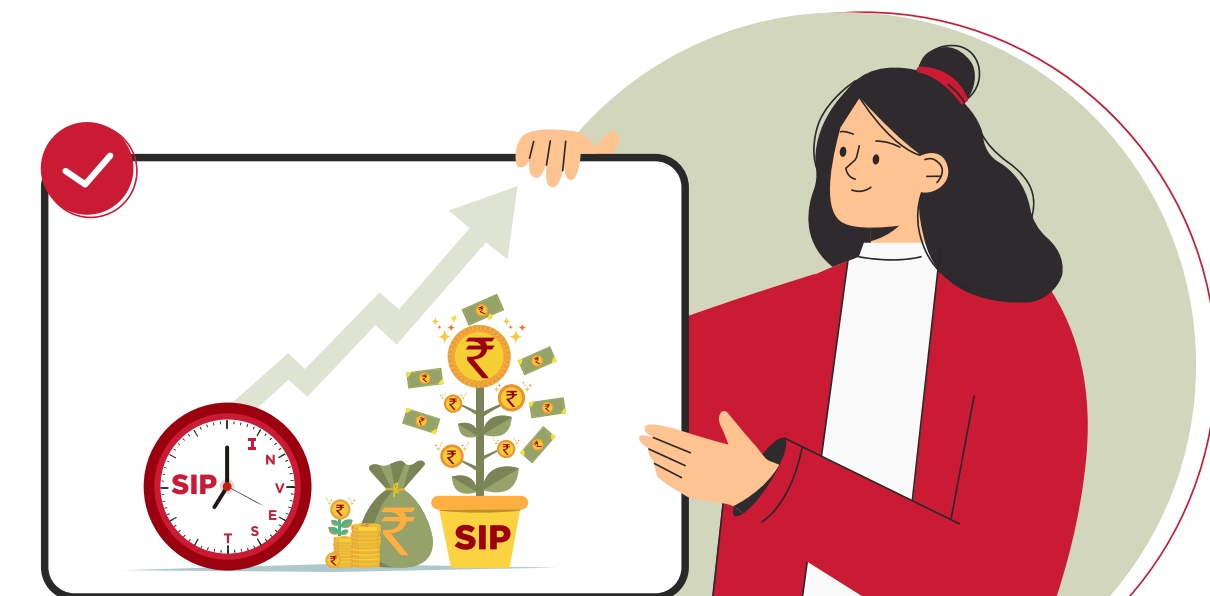
Here are some key tips to help you as you embark on your career and commit to a lifetime of financial awareness and management.



1 Avoid Debt: Falling into debt can happen more easily than you might think. With the ease of online applications, getting a credit card or personal loan can be tempting. However, it's not always necessary. What's crucial is being prepared and managing your finances wisely. Without relying on credit cards or high-interest loans, having an emergency fund provides a financial cushion that can keep you afloat in times of need. An emergency fund is essential because it helps you avoid accumulating more debt. It can cover unexpected expenses like medical bills, job loss, or urgent repairs to your home or car.

2 Save for Retirement: As you probably know, retirement planning is one of the most crucial financial goals for everyone. Even if retirement seems far off when you're just starting your career, it's vital to begin saving as soon as you start working. Retirement planning involves preparing today to achieve your goals and dreams for the future.

- 3 Establish a Credit History:** As you begin your career and start managing your finances, it's a great time to focus on building a strong credit history. Most people eventually seek the convenience of a credit card or need to borrow for major purchases like a car or house. To prepare for future credit needs, start by developing and sticking to a realistic budget, paying all bills and fines on time, and regularly depositing into your bank and savings accounts. You might also consider getting a low-balance starter credit card to help build your credit history.
- 4 Start Investing:** Teaching yourself about the importance of investing is crucial for preparing for your future, but it can be confusing and time-consuming, especially with a busy career. Automating your investment plan can simplify things and alleviate that feeling of being overwhelmed. A Systematic Investment Plan (SIP) is a convenient way to automate investing while reducing the stress of timing the market. SIPs allow you to invest a small amount at regular intervals—weekly, monthly, or quarterly—into a mutual fund of your choice. This approach lets you build your portfolio steadily, with professional money management handling the details. If you haven't set up a SIP yet, consider reaching out to your bank, advisor, or mutual fund company to get started.



Yes, you're never too young to start investing. While you're already familiar with SIPs, it's important to explore other investment options and understand where mutual funds fit in. Let's find out.

Chapter 4: Understanding The Different Types of Investments

Investments are an excellent tool for women to grow their savings and wealth and meet their short-term and long-term financial goals. If you are a working woman, you can apportion a part of your disposable income every month into investments. Doing this can help you save towards many goals like taking a vacation, higher education, buying a vehicle or simply saving some extra money for a rainy day.

Although, it is by no means necessary that you must be a working woman to invest. Even if you are a woman who stays at home to take care of her family, you can still invest in the markets to earn money to meet your own and your family's long-term financial goals. It's never too late to start investing. Some women who start late think they have missed the boat. But that's far from true. It's never too late to start investing in your financial future.



However, not all investments are made equal. Every form of investment may not be suitable for new investors. Some routes are far less cumbersome when starting your investment journey than others. You can enjoy a hassle-free investment journey by choosing an appropriate investment route. To do that, you need to be familiar with the different tools of investments. Just like a car can't operate without gas, assets can't function without their tools.

Types of Investment

Some women may not have the time to actively manage their financial portfolios, while others prefer to be hands-on with their investments. Since no two investment portfolios or strategies are the same, it's important to first determine how much time you can commit to managing your investments. Your available time will influence your investment options.

Depending on your investment goals and risk tolerance, here are some options to consider:

1 Equities or Stocks: Equities or stocks are part ownership in a publicly traded company. They can be traded on stock exchanges such as the Bombay Stock Exchange or the National Stock Exchange. When you purchase shares of a company, you own a small part of the company.

You can profit from investments in equities either through a rise in price or by receiving dividends. However, do note that equities are high-risk investments since volatile share prices. Share prices fluctuate because the underlying price of shares is linked to many factors such as the company's balance sheet, leadership, market news, etc. Higher the return expectation from a company, the higher the risk. If you invest in stocks, you may risk losing your money.

Investment in this asset class is not for everyone. It requires high vigilance and active rebalancing that can take some time. However, if you do your research, you can also benefit from equity investments. These are ideal for women who have the time to research and understand the stock market.



2 Fixed Income Investments or Bonds: Fixed income instruments or bonds are financial instruments that pay investors a regular return in the form of fixed interest payments until the investment matures. At maturity, the principal is repaid. They are essentially debt instruments in which the issuer company borrows money from the lender, i.e. the bondholder. In return, the company must pay interest on the principal amount.

Government and corporate bonds are the most common types of fixed income products. Governments borrow money for their projects and infrastructural requirements. Companies may borrow funds for expansion and growth. In most cases, governments and companies go in for bonds because the money they require is larger than what can be issued by banks. Hence, these entities issue bonds in the public markets.

There are various types of bonds available for purchase. Some of these include government bonds such as sovereign gold bonds, corporate bonds such as secured and unsecured bonds, tax-saving bonds such as capital gains bonds, bank and financial institution bonds such as the RBI bonds, etc. These are considered relatively less risky than equities.



3 Cash and Cash Equivalents: Cash and cash equivalents are highly-secure financial assets that come with the added advantage of liquidity. They can be converted into cash easily for various requirements. Examples include high-interest savings accounts, short-term guaranteed investment certificates and debt instruments with less than a year of maturity. These are ideal investments for those looking for easy access to cash.

How to Invest in These Avenues?

An excellent way to diversify your portfolio and invest in all these asset classes is to invest in a mutual fund. A mutual fund is an investment vehicle that pools money from various investors and uses the funds to invest in the stock market and debt instruments. Mutual funds can be actively or passively managed funds.



You can buy units of mutual funds according to the amount of capital at your disposal. You can purchase mutual fund units in the physical form through a Statement of Account from an Asset Management Company or you can invest in mutual funds through a Demat Account. However, having a demat account is not necessary.

You can buy mutual fund units based on the amount of capital you have available. You can purchase these units directly from an Asset Management Company (AMC) in physical form through a Statement of Account, or you can invest via a Demat Account. However, having a Demat Account is not a requirement.

So, how do you start investing? Do you just pick a number and go for it? That doesn't sound quite right, does it? And it isn't. There are a few key steps you need to take before you begin investing. Let's explore these steps in the next chapter.

Chapter 5: Defining Your Financial Goals

You want to give yourself the best of everything—whether it's enjoying a comfortable lifestyle, pursuing continued education, or achieving personal goals. To turn these aspirations into reality, early planning and prudent savings are essential. But the foundation of this process is setting clear and actionable financial goals.

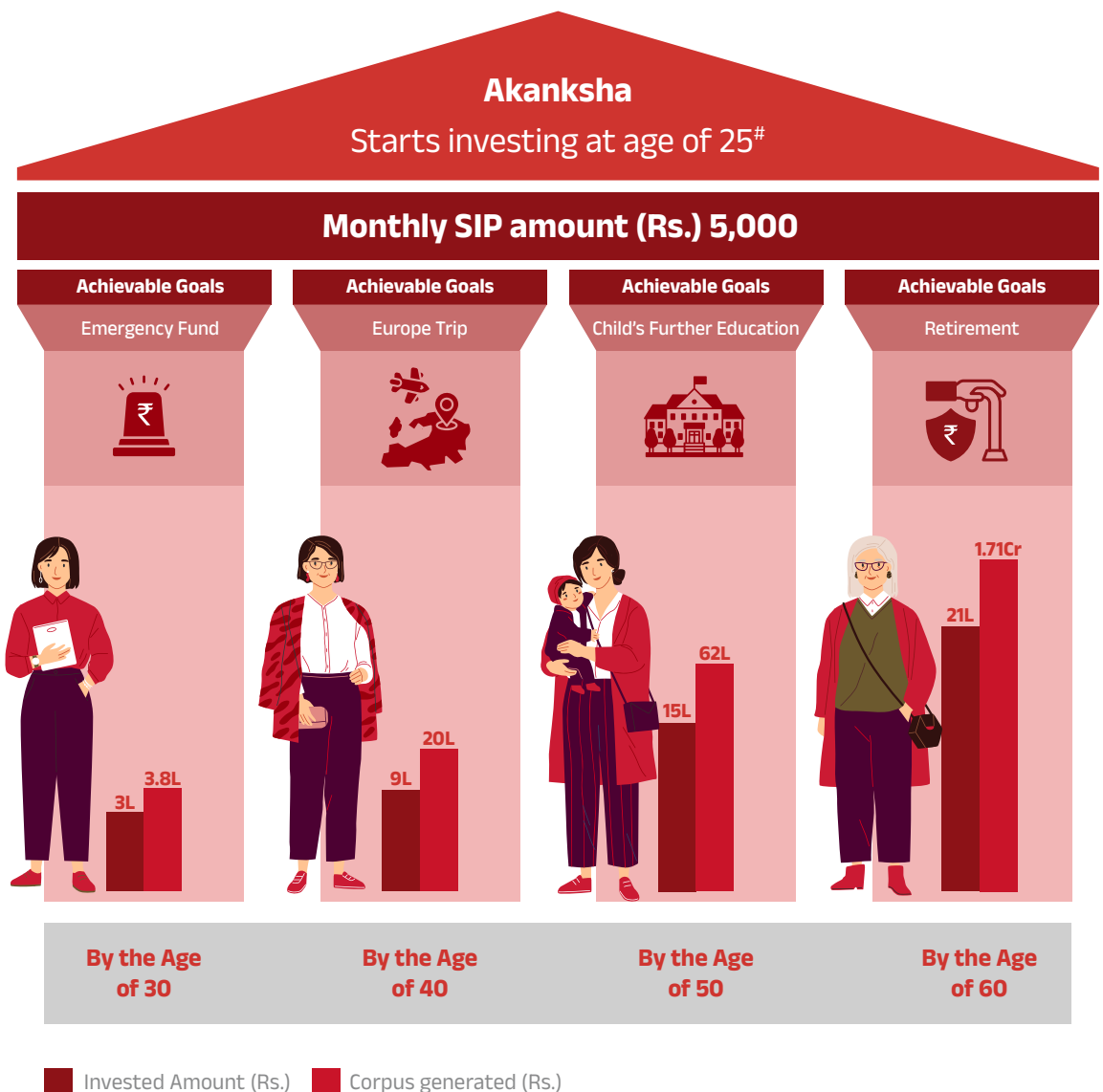
- **Higher Education:** Whether it's a degree, professional certification, or even a course abroad, education can open many doors. According to an [Indian Express report from August 2023](#), education inflation in India is rising by nearly 12% compared to a 6% increase in the overall cost price index. This means that a course costing Rs 10 lakhs today could cost over Rs 54 lakhs in 15 years.

To prepare for these costs, you can:

- **Select a course and create a budget:** Include tuition fees, living expenses, and any additional costs.
 - **Explore financial aid options:** Scholarships, grants, and loans can help bridge the gap.
 - **Invest for the long term:** Consider mutual funds to grow your savings. Mutual funds pool money from various investors and invest it in a range of assets like stocks and bonds. This diversification can help manage risk and potentially offer higher returns than simply saving cash.
- **Vacation:** Everyone deserves a dream vacation, and you shouldn't be left out. Saving for this goal, which is often a medium-term one, requires balancing aggressive and conservative investing. Start early! The power of compound interest increases significantly over time. The sooner you begin saving and investing, the closer you'll be to making your vacation dreams come true.



- **Emergency Fund:** Being prepared for emergencies is crucial. Building a contingency fund is essential for financial security. Investing in debt funds, particularly liquid funds, can help. Mutual funds focused on growth can also help your savings stay ahead of inflation, keeping your financial cushion robust.
- **Retirement:** Don't forget to include retirement in your priorities. As you've learned in the previous chapters, retirement planning isn't something to be ignored. It should be part of your financial strategy from day one.



[#]It is to be noted that if you redeem the corpus amount for any of the listed goal, the SIP amount for the subsequent goal(s) will change accordingly in order to reach the mentioned corpus amount. For instance, if Akanksha decides to go for the Europe by redeeming her investment, she would have to recalculate his SIP amount for the subsequent goal(s) in order to reach the mentioned corpus amount.

Chapter 6: Money Conversations to Have With Your Partner

When it comes to love, everyone is hung up on finding the perfect person – perfect compatibility emotionally, intellectually and spiritually. An essential aspect that many people tend to ignore is financial compatibility.

Once the honeymoon period of your relationship is over, money can become a major stressor in a relationship. Arguments such as "Why can't you split the bill with me?" or "Have you taken any financial responsibility in this relationship?" can sour bonds. In the beginning, you may think that these things don't matter. You can always work out financial hiccups, right?



In reality, money matters can put a strain on the best relationships. No matter how independent and financially sufficient of a woman you think you are, you need to bring up the conversation of money with your partner.

Why does money matter?

Our older generations didn't have many conversations about money. Usually, most households were single-income, with women managing the home front and men bringing in the cash. Who called the shots didn't matter much; somehow, things seemed to work out.

Our world today is very different. The 21st-century woman is independent in every regard. Relationships are a partnership of two equals. When two individuals come together for a partnership, their family backgrounds and how they deal with money may differ significantly.

To have a smooth-sailing relationship, it is vital to discuss money. An honest conversation about your finances can ensure both you and your partner are on the same page, working towards similar goals. Just as you would align your life goals, you should also work towards aligning your financial goals.

Discussing finances with a partner can give you a transparent view of how they are placed money-wise and how your ideas will fit into the picture. For instance, you don't want to find out that your spouse has a lot of debt AFTER you are married. This is a conversation to have when you are in the early stages of your relationship.

Managing money expectations during different stages of a relationship

When you begin dating a person, you are excited to learn about different aspects of their lives. You pay careful attention to their likes and dislikes, eating preferences, the kind of movies they like to watch and so on.

At the same time, it is also essential to know their money habits. Ask yourself questions such as do they offer to split the bill on a date, do you go to places or enjoy activities that you can both afford, and are they considerate of your financial situation?



While dating, the two partners may be in different stages of life. You may be in college, and your partner may already be on their second job. It could also be the other way around. The important factor is that you may not have equal spending abilities.

In such cases, how does your partner handle the situation? This can be an important determinant of what your financial future will look like together. A person you can share your dating history with should also be the person you can discuss your financial situation with. Having open and transparent communication about money matters can help clear the air and set the expectations for what is to come in the future.

Asking the right questions

When discussing finances with your partner, the key is to ask the right questions and find solutions to them. For instance, here are some ideas on what issues to discuss:

- How do you define financial success?
- What are your long-term goals?
- What do you wish you could have done differently in the case of your finances?
- How much are we aspiring to earn in this span of time?
- How much are we trying to save?
- How much are we going to invest, and
- What is our spending threshold no matter what happens?

Doing this exercise will ensure that you protect your relationship and your money. It can help minimise conflict in the long run. Be mindful of your partner's needs and try to devise solutions that are acceptable to both of you.



Also, it would help to ensure you are not financially abused. If you can't trust your partner with your money or they tend to hide money matters from you, it's time to pull out the big guns and have a serious talk. If you make a big purchase by pooling in money, such as buying a house, don't shy away from insisting that both of your names are on the agreement.

Financial conversations are not romantic, but they are an essential part of long-term relationships. It takes your vulnerable side to have the conversation, but it can set you up for a safe and secure future. It's better to find out about your partner's financial habits when dating than to accept the consequences after you are married. Either way, don't let money ruin your relationships. Instead, solve it smartly right from the beginning.

Now that your relationship has evolved into marriage, it marks another important milestone that deserves careful attention.

Chapter 7: The Happily-Ever-After For Your Finances

The long-term relationship between you and your spouse holds great significance in your life and society at large. At an individual level, you understand how this relationship influences collective behaviour and attitudes. A strong marital relationship is built on trust, support, and shared responsibilities. Money often becomes a recurring topic in your relationship. It's crucial for setting the foundation of your married life, but the most important aspect is how you and your spouse manage that money together.

- 1 Starting the Discussion:** Depending on your current financial situation, bringing up this topic may be difficult and may require some tactful planning as your spouse may feel they are being attacked and will retreat towards being defensive.

Small efforts over time, consistently demonstrating that you are showing interest and want to help will drop any roadblocks and allow the lines of communication to open. Take a slow start, really slow. Avoid direct financial conversation and move to it slowly by planting seeds. The goal is to work together to earn and decide a purposeful outlet and spending, which is the key to a happy relationship. It eliminates arguments over money and will really springboard both of you to an amazing life.



2 Combine Forces: Is it necessary to have a joint account once you're married? After marriage, you have three main options for managing your money: separate bank accounts, joint accounts, or a combination of both.

All have their own advantages and disadvantages. Having separate accounts means that both of you will have more autonomy over your own money. You will not have to give an account to the other person on what you spend and where you do it. In the event of separation as well, it will be easy to handle the financial aspect.

However, individual accounts can be a problem if you tend to be an overspender. You may end up spending without any accountability.

A joint account is easier to split expenses and be accountable for your spending. You can also build trust and transparency in your relationship by having a joint account and working towards joint goals. However, little things like planning a surprise for your partner can become a problem if you have a joint account only.

Combining the two can be an optimal solution. Taking it a step further, having two separate bank accounts and two joint accounts – one for routine expenses and another for shared goals – can make the whole process even smoother. It gives you the best of both worlds.

3 Getting Started: While getting on the same page, the fastest and easiest way to begin is through budgeting together. Identify what's coming in, what's going out, how much you can save (or decrease expenses) and prioritise goals for those savings, together.



Consider budget date nights with your spouse. Pick a relaxing environment, whether a restaurant or in your home after the kids have gone to bed and try to have some fun and budgeting. You should start with your dreams and goals, and talk about the future. Upcoming events should be discussed with your spouse i.e., marriage anniversary. Where do you both want to see yourselves individually and as a couple or as a family? Where do you want to see yourself in one year, five years, or ten years? You should have individual worksheets to work on separately and write down everything you think for you as an individual and as a family and then compare notes.

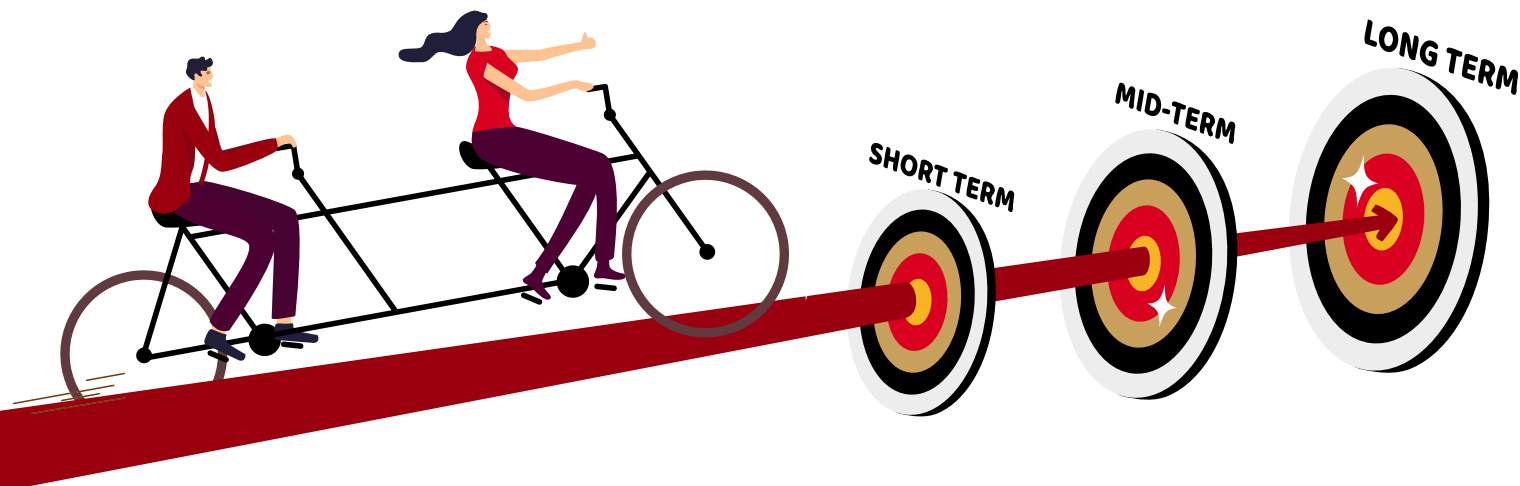
An individual example might be i.e., I want to get to that certain place in my career or I want to buy XYZ in 5 years for myself. Dream big but also be realistic. Also, the most important thing to note is what you value the most. Is getting out of debt more important than going on vacation? You have to know about your spouse's money tendencies, whether he is a spender or a saver while being intentional about where the money is going to go.

But start lightly. Perhaps start the talk with having fun and talking about knowing accomplishing goals and dreams of your spouse. First make plans, devise the ways to make them happen and lastly, discuss obstacles in the way. The conversations about money should be open and honest. If a baggage of other problems is carried with you, it will undermine the entire process.

Pride and ego tend to be a major barricade in a relationship that should be put aside in budget meetings. It helps make each other trustworthy, enabling them to share their financial problems and find their solutions. By setting aside your pride, you will both learn to sacrifice and fight for each other's dreams and start treating them as your own. By doing this, you both make your relationship stronger while showing how much you care for them.

Common savings goals should be set for both short- and long-term. These goals could be customised and prioritised. Each spouse should have their own personal budget as well, which feeds into the overall household budget. This could be for personal or common needs. But in the beginning, keep it simple, and get it done versus putting your energy and focus on the process itself.

Making yourself transparent and revealing bad money habits with your spouse will help eliminate financial problems down the road. Most of the problems are kept secret, so we are unable to find a solution. Whenever discussing financial issues, never show possessiveness, and you should say our money.



When Things Not Going According to Plan

In the absence of effective communication, no matter how much you try, all the budget meetings and dates are fruitless. You both can look back and check on the progress you made thus far, on a periodic basis, and attempt at staying positive.

Whenever you get through hard times while making your way through your goals, don't get disappointed and discouraged, it's a part of the overall process and you just have to stay focused. If you feel discouraged, pull that financial goals' list back out and recall you started this in the first place, do this together. While looking over the progress you made, check whether it is on the pace to reach the goal. If you find it satisfactory, then it is marvelous. Otherwise, encourage each other to take steps to get yourself adjusted. Even if you are eager and want to hold more financial meetings or conversations, don't! Avoid the eagerness, stick to your plan and process and try to be slow. But when you do have that meeting, don't show up for the conversation like a family meeting with a calculator and a spreadsheet. The other aspect for a budget meeting is the time. It should not be a stressful or negative event.



If you want to realise the goals in your life, you will not get there by accident. You need to be passionate, hard-working and intentional about it. Together, if you are on the same page of the same book, your goals definitely have a much higher chance of being achieved.

Oh, are you expecting? Yes, that's the next major milestone in your life—growing your family.



Chapter 8: Planning Your Finances As You Grow Your Family

When you plan to extend your family by having a baby, substantial financial considerations are to make. It isn't just about going for routine medical check-ups, looking at ultrasound images, buying baby clothes and other short-term plans. The cost of raising a family is so much more.

Initially, you need to plan for the baby's expenses, such as diapers, formula, prenatal care and other essentials, which can all add up. Your budget needs to shift to accommodate these additional expenses.

How to Prepare For a Growing Family?

- 1 Purchase Life Insurance:** As new parents, you need to put certain safeguards for your baby. You could purchase life insurance to secure your child's future if something happens to you. If you cannot afford whole life insurance, then term insurance can be a way to get started and put something in place. It would be ideal for both partners to purchase life insurance to cover the other's needs in an unfortunate incident. The idea is to create a financial cushion to protect your loved ones' future regardless of what curveballs life throws at you. If you already have life insurance, you could consider upgrading it to meet your current requirements.

2 Check Your Health Insurance Coverage: One of the most significant one-time expenses of having a baby involves the cost of delivery. It can be costly if you pay for this out of your pocket. It would be better to check if your health insurance policy covers the expense. If not, consider buying one. Always cross-verify the terms so that it meets your requirements. Speak to a professional to get the right advice on what policy you should get. In general, some of the questions to ask your insurance provider are:

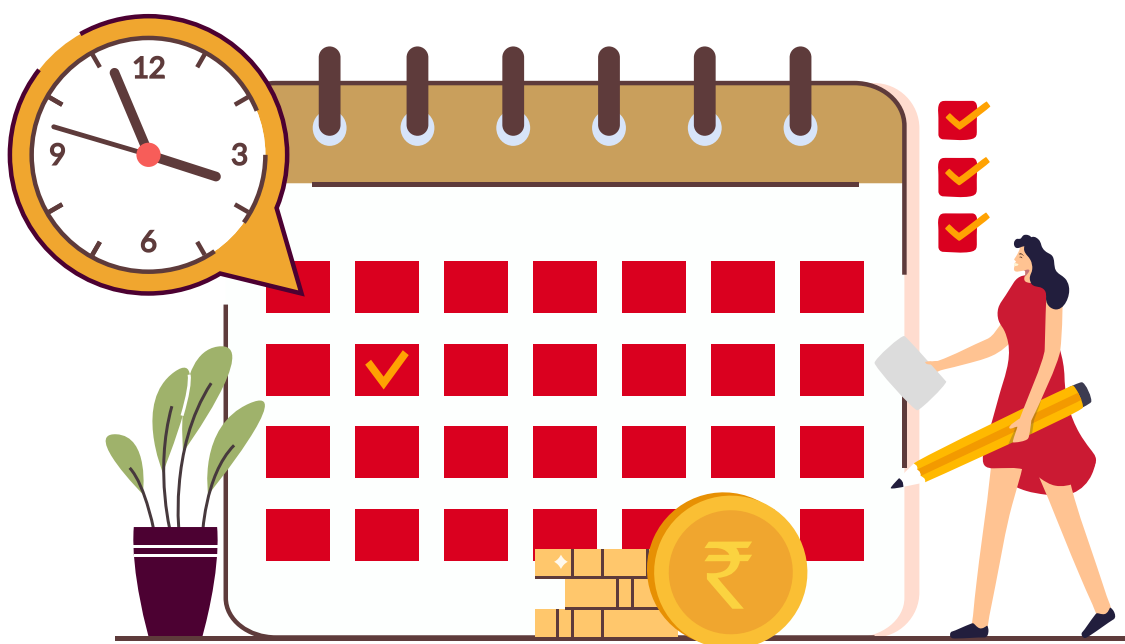
- What is the coverage for prenatal visits and other services?
- What is covered under my policy for prenatal care?
- What is my deductible? How is my deductible applied?
- Does my plan cover a hospital stay?
- Does my policy cover additional providers at the hospital?
- Does my policy cover home birth and midwife services?
- How do I add my baby to my health insurance plan?
- Does the policy cover mental health services?

These questions will ensure that you are financially prepared for all pre-delivery and post-delivery medical expenses, which can get heavy on the pocket.

3 Plan Your Maternity and Paternity Leaves: Maternity and paternity leave planning is an essential aspect of financial planning for your growing family. It would help if you considered whether you would be paid during your time off. It can significantly impact your household expenses before and after you have the baby. Have a clear conversation with your employer to understand the company's policies to estimate how this period will affect your bottom line. Originally, the Maternity Benefit Act granted only 12 weeks, or 3 months, of leave. Fortunately, the 2017 amendment extended this to 26 weeks, or 6 months. Pregnant employees in India are now entitled to take up to 8 weeks of leave before their expected delivery date and up to 18 weeks after childbirth.



- 4 Clear Your Debt:** It's also necessary that you clear any large outstanding debt you have so that you can focus on your baby's needs when they arrive in the world. That can improve your disposable income to care for your baby. However, that doesn't mean that you drain most of your savings. You should still have enough money to tackle an emergency if it arises. Also, it doesn't make sense to refinance your debt by taking on another loan. For instance, don't use your credit card to pay utility bills. That will only add to your expenses in the long run. Ensure you pay at least the minimum balance due on your debts so that your credit score isn't affected.



- 5 Budget For Your Baby:** After you have covered your insurance plans, sorted your maternity and paternity leaves, and planned to pay off your debt, the next step is to budget for your baby's arrival. Make a list of all the things you will require for your baby on a daily basis and estimate the costs. Don't forget to account for medical expenses or any other emergencies that may crop up. It is also important to have an emergency fund to have some buffer for any unexpected expenses that may arise before or after your baby arrives. While budgeting for your baby's needs, make sure that you provide for your own financial requirements and emergencies. Identify unnecessary spending avenues and cut them out to optimise your budget.

- 6 Plan For their Education:** It's also wise to begin investing for your child's education early on. With education inflation running at 12%, the cost of schooling is rising rapidly. Planning ahead can help you stay ahead of these increasing expenses and ensure that you're prepared to provide your child with the best educational opportunities without financial strain.

Chapter 9: Being Retirement Ready

Theoretically, both men and women have equal opportunities for borrowing, investing, and saving. When it comes to planning for retirement, however, the disparities between men and women become particularly apparent. While retirement planning can be difficult for anyone, it is often particularly difficult for women.

Men, women, and couples all use the same math and retirement principles, but when a woman is preparing for retirement, there are additional challenges. Some of these are that women typically live longer, earn less over their lifetime, and have more challenges because of gender stereotypes, among others. These factors lead to the unfortunate reality that women are more likely than men to become poor after the age of 65.

The biggest retirement challenge for women is lifespan. Of course, the great news is that women have more life to live! There are, however, consequences to living longer. According to World Data Info, a 50-year-old woman in India still has almost 19 years to live, compared to 15 years for the typical male. Therefore, regardless of age, women must save for longer periods of retirement than men.

Additionally, if you're married to an older man, as many women are, there's a significant statistical possibility that you'll live longer than your partner and will be responsible for paying for your own household expenditures and medical care. This means that a high percentage of women will be required to play the role of sole financial decision-maker at some point in their life. In short, women's extended life expectancy makes it more difficult for their savings to sustain them throughout their retirement.



A long-standing and continuing salary differential between females and males is another challenge that women face with respect to retirement. The World Economic Forum (WEF) recently ranked India 135th out of 146 countries in its Global Gender Gap Index for 2022. According to the World Inequality Report 2022, men in India earn 82% of the total labor income, while women earn just 18%. Between July 2022 and June 2023, the average monthly salary for an Indian man was Rs 20,666, whereas a woman earned Rs 15,722.25.

Of course, this disparity is a key factor in our ability to save for retirement and poses a number of difficulties that may affect our retirement.

Not only do women need to save more money for retirement due to our longer life spans but the income differential means that we are forced to save a higher percentage of our income to offset the fact that it is lower than our male counterparts. Additionally, women typically spend less time in the workforce, so we consequently have a shorter window of opportunity to make enough money to sustain ourselves in retirement.



Yet another challenge for women in saving for retirement is the traditional lower involvement of women in planning and that we lack knowledge of key financial issues, like household debt levels and retirement readiness, among others. This is largely due to lack of information and financial literacy about daily money management and long-term planning.

Many women do not have open conversations about money management in their own homes, either growing up or even when they are adults and married. As such, women who have been widowed or divorced may need to catch up quickly if they are suddenly required to handle all their financial decisions on their own. Even though many women have indicated that their goal before getting married was to share financial responsibilities equally, it seems that those good intentions were often put aside.

Overall, women tend to be slightly less prepared for retirement than their male counterparts, particularly given the disparities that were just outlined. Given this, many women in India need to re-think their financial priorities and develop plans that will provide them with financial security in their golden years. Although the statistics can be rather overwhelming, and there are definitive gender disparities that make saving for retirement more challenging for women, this does not mean that women will always experience financial hardship as they age. There are, indeed, numerous simple strategies that women can use to better prepare themselves for retirement, no matter when they start. The key is to get started today!

One crucial aspect of effective financial planning that we haven't yet covered is estate planning. In the next chapter, we'll explore the details of estate planning, including how to create a will, set up trusts, and make arrangements for the smooth transfer of your assets.



Chapter 10: Securing Your Legacy

With over 8 million women entrepreneurs, India's entrepreneurial ecosystem is experiencing a significant shift toward inclusivity and empowerment. With this evident shift in women's financial standing comes the necessity to structure and secure the money they have worked so hard to accumulate. But estate planning isn't just for business owners, or wealthy women, it is a necessary task for all households.



What is Estate Planning?

Estate planning is simply the process of safeguarding the assets that one has worked so hard to accumulate or that one has gained through good fortune. In the event of death, estate planning allows a person to select how their possessions will be passed on to the next generation. It is most commonly known as creating a "Will".

An estate is defined as all of a person's property that they own or control. It might include financial assets like bank accounts, stocks, bonds, and personal physical goods like artwork, collectibles, gold, and antique automobiles. Immovable property, such as residential real estate and ancestral land, is also included.

Planning one's estate entails arranging one's wealth so that it can be passed down to the intended beneficiaries in a smooth and trouble-free manner, especially when several claims are involved.

Despite the fact that estate planning is only relevant after a person's death, all money is earned or collected via hard work. It guarantees financial stability for a person and their family. As a result, after one's death, this hard-earned or acquired money may become a resource and contribute to the security of the next generation.

Relevance of Estate Planning

1 Home Makers: Let's start with women who are financially reliant on their spouses or families to understand why they require estate planning. Women in this group may be heirs to assets or co-owners of a family firm, or they may be stay-at-home moms running part-time small companies. This is a crucial distinction to recognise since, more often than not, women in this category do not prioritise financial planning.

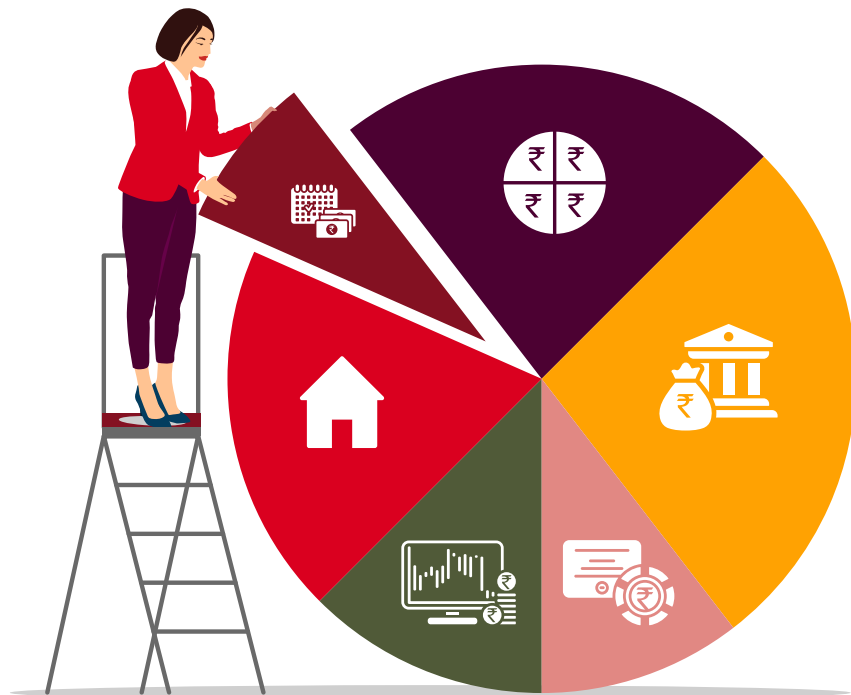
Despite the fact that homemakers are not directly involved in employment, they play an essential and supporting role in their families' financial well-being. As a result, they have the right to enjoy the family's riches throughout their lifetime, and their portion of the fortune is entitled to be allocated according to their wishes once they pass away.



2 Self-Employed Women: Estate planning is even more critical for self-employed women who manage their own businesses. You not only have to look at your personal possessions and property, but you also need to consider what happens to your business. Do you have the proper insurance programs in place? What happens to the shares you own in your business? For self-employed women, estate planning and reviewing their plan should be completed on an annual basis, at minimum.

3 Widowed Women: To comprehend this better, take the hypothetical instance of a widowed Hindu woman with no children who has self-acquired property yet dies intestate, meaning without a Will. According to current Indian regulations, her assets can be passed on to her deceased husband's heirs even if she has never met them or relied on them for financial assistance.

In this situation, a well-thought-out estate plan would have assured that the woman's wealth was distributed to her siblings, parents, or other planned heirs. As a result, for women who have entered the job and amassed some savings and wealth, failing to establish an estate plan might result in their assets not being distributed according to their preferences when they pass away.



4 High Net Worth Individuals: The importance of estate planning is even more vital for married women who are HNIs, company owners or have received a large inheritance from their parents or family. This is because her assets must be secured from claims by unworthy beneficiaries in the event of marital strife, divorce, or separation.

As a result, estate planning is necessary for women from all walks of life, and it isn't only for the ultra-wealthy.

Estate Planning Tools

Wills, trusts, and even prenuptial agreements are just a few estate planning strategies available to women. Estate planning paperwork also acts as a vision statement, stating a person's goals regarding their assets. For example, suppose you want your children's education to be a top priority. In that case, a trust can be set up such that the highest amount of money goes to education. Alternatively, you can provide instructions in your Will for the many charity organizations you intend to continue supporting after death.

Estate planning may be complicated to put together, and it definitely helps to use skilled specialists such as financial advisors and estate lawyers.

True empowerment means securing your right to your possessions both during your lifetime and after. Estate planning is crucial, not just a necessary evil to be ignored. The COVID-19 pandemic has shown us how unpredictable life can be, highlighting the need for contingency plans to protect the future of your loved ones. By taking estate planning seriously, you ensure that your assets are managed according to your wishes and provide for your family even when you're no longer here.

Embarking on your financial journey with a clear plan sets the stage for a prosperous future. Whether you're just starting your career, navigating marriage, or preparing for retirement, understanding and managing your finances effectively is crucial. From budgeting and saving to investing and estate planning, each step you take builds a solid foundation for your financial well-being.

The power to shape your financial future is in your hands—just take the first step to begin.





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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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