

Why women should take financial decisions

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Trupti and Mandar Natekar have been married for 10 years now. Early in their marriage, Trupti took over the reins of managing investments and has proved her mettle through results and returns.

Over the years, she has meticulously built a portfolio spread across debt and equity mutual funds fixed deposits, gold and some shares. A homemaker now, Trupti worked for many years in the marketing function with large banks and financial service providers. “The exposure helped me,” she said.

While participation of Indian women in making financial decisions is still low, there are small but steady steps they are taking.

According to a survey conducted by Nielson on behalf of DSP BlackRock Mutual Funds on Indian women aged between 21-60 years across tier I and II cities, 23% of working women in India are sole decision-makers as far as investments are concerned. The proportion falls to 10% among non-working women; 85% of the survey respondents are married women.

Seeds of change

Single women: Let’s consider the financially independent and relatively more aware single woman today. Though the number is still minuscule, women have started coming ahead, said most of the financial planners we spoke to.

Piya Virmani, a corporate finance professional working in New Delhi, is an example. She started investing at the age of 26 after completing her degree in management.

Now 32, apart from investing in stocks and having a substantial fixed-income portfolio spread across fixed deposits and non-convertible debentures, Virmani has also invested in an upcoming residential asset. She is the rare breed of women investors who relies mostly on her judgment to build and manage an investment portfolio.

While cases like that of Virmani are rare, if pushed to a corner, which might be the case for a widow or a divorcee, single women do tend to take this seriously. According to the Nielson and DSP BlackRock survey, among working women 73% of divorced women and 68% of widowed women are sole investment decision takers as compared with 18% single women and 13% married women.

Married women: Virmani has realised the importance of starting early despite being solo. But many women give up control post marriage, finds a report — Trends and Insights into Financial Goals of Indian Consumers (Second Edition)—by Ameriprise India Pvt Ltd. The report shows that 70% single women are financially prepared to manage future requirements through investments.

The issue really arises in the second part; the report also finds that after marriage, 77% of women are influenced by their spouse's investment decisions.

The verdict of a majority of the financial planners we spoke to was that when it comes to wives participating in investment decisions, it is mostly restricted to listing out major expenses or getting the documents ready.

But increased awareness is bringing about a change. According to Nitin Vyakaranam, CEO, Artha Yantra, a company that provides personal financial services, "We are seeing a change in how married women approach financial planning discussions. Earlier they were not so interested, but now they have started to dig deeper into our advice and they are the ones who ask the really tough questions."

The challenges

Education and awareness: Talk to people outside the metros and you will find that the kind of role a woman plays in making financial decisions can depend on which part of the country she hails from.

According to Shiny Sebastian, MD, Affluenz Financial Services Pvt Ltd, a Kochi-based financial planning firm, "When we work with families, we try to include the wives. Women are open about family finances and even get the children to talk."

Among her clients, older male members refer their daughters as clients and women who never took such investment decisions now try to get their daughters involved. But this is in Kochi, in the state of Kerala, the state with the highest literacy level in India.

Vinita Baraya, a Jaipur-based financial planner insists that awareness and education of women has a big role to play. In Jaipur, she hardly has women clients and there isn't any interest among women as they claim not to understand financial matters.

Changing the mindset: Baraya says it was not easy to get men to trust her advice when she started out. Over time they did commit funds to her as she demonstrated the benefit of her advice and the returns she helped generate.

Ultimately, this is all about changing a mindset and creating more awareness. Even as more women have started to work, few have become financially independent.

Mint Money take

Financial planners concur that women investors bring to the table a stable and long-term approach towards investing. If you are a single, working woman and understand the benefits of investing, start now. They tend to take a holistic approach and put things like children's education ahead of their own goals.

So, if you are married, working or not, take some interest in family investments; you may be surprised at the stable dimension you can lend to your family's financial plan.