

YOUR FUTURE IS IN YOUR HANDS

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INDEPENDENCE in decision making is directly related to financial independence which can only be achieved by systematic financial planning. Financial freedom and ownership of one's resources is priceless and goes far beyond the monetary value it presents. Managing money is a prerequisite for financial comfort. Irrespective of the economic strata, every woman should have means to support herself. Each woman has to learn and make an effort to go beyond routine work and embark on the journey of updating herself on the options available for securing future of her and her family.

Why there is a gap?

Two decades back women were contented and comfortable being dependent on other family member for taking financial decisions on their behalf and would manage spends basis what was advised.

In our society, women are culturally encouraged to share their income with their family, spend on children, parents. But when it comes to their own retirement, health and future planning they tend to leave it to chance. The reason for this is not lack of education but lack of confidence. Women who are not part of the financial sector perceive financial calculations and terminologies complex which keeps them away from planning. What is surprising is that even in working women only 23 per cent



odd take financial planning decisions themselves.

It is the woman of the house who keeps fretting about the financial stability of the family. Being considered second line of intelligent person in home and is delegated only to carry out the financial decisions taken by the spouse or elders. Historically speaking, men are associated more with financial sector and are considered to have aggressive approach towards money and investment. In today's time, it becomes imperative that women change their identity and take stand in financial matters.

The beginning

In order to become a good financial planner for self and family, a woman is required to step out of a self created safety zone and not be averse in taking calculated financial risks. It is important to understand the life-cycle needs and plan accordingly.

Today's woman is independent and wants to take

their own decisions, financial or otherwise primarily because their needs differ from men. This is largely due to factors such as differences in earning patterns, health priorities, security, maternity breaks etc. which are very specific to women.

Working women have a little different career life than men. Working women specially know how important it is to be with their child post the maternity leave period. But day to day monetary obligations prevent a mother from taking extended leave. This all indicates the importance of taking control of the financial situation for working women.

Money matters and planning at times may appear very complicated but if we approach it in four simple steps it will get demystified :

- 1) Quantifying the goal to be achieved

- 2) Defining the risk appetite,
- 3) Agreeing on the time-frame and when you want the maturity and

- 4) Aligning the financial plan and asset classes accordingly

Today most young working women have a gap of four to five years between the period they start their career and decide to have kids; therefore, they have an opportunity to invest in a good, short term financial plan such as fixed deposit to address this issue. A good health plan along with critical illness riders is also a good option for women as they are lot of medical situations which alone women have to go through.

Security for women is important, however, women normally do not build real estate assets in their own name, which can secure them from any family disputes. Today taking home loan from a bank /NBFC is not difficult for a working women provided she thinks of buying a house in her name for a secured financial future.

Financial stability would also ensure greater proactive acceptance within the family. A woman may want to look after her own elderly parents. A life insurance endowment /moneyback plan can help in planning timely cashflows to meet this need of providing support to elderly parents.

Life expectancy for a woman is five to six years more than that of men. Proper planning is important so that she can take care of her needs post her retirement or in case of spouse's demise. A retirement plan /annuity plan should be considered, which will give financial independence and absolve her from being dependent on children for financial need.

In today's world where women are surpassing men in most fields, effective and proactive financial planning should not be an exception. It is only the lack of awareness and importance which is restraining us and hence we have to bridge the gaps to acquire greater financial independence.