



# Fostering Fem-Economics: Navigating Indian Women Investment Vision for Viksit Bharat 2047

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**ABSTRACT:** *The transformative journey of women in India's workforce, spotlighting their heightened participation and contributions across various sectors is commendable. Despite lucrative job avenues challenges such as lower financial literacy and risk aversion hinder independent investment decision making. This article acknowledges positive trends in Female Labor Force Participation Rate (FLFPR) but addresses ongoing gender disparities, emphasising India's progress against sub-continental peers. Noteworthy increases in financial inclusion for Indian women, as evidenced by account holdings, mutual fund participation, and a spike in Demat account openings during the pandemic, signal progress. Bridging the gender investment gap requires tailored financial education initiatives and targeted financial products, aligning with India's vision for Viksit Bharat 2047.*

**Key Words:** Finance, women development, investment, India, decision making, Fem-Economics.

## I. INTRODUCTION

Over the past few decades, India has undergone a substantial change in its workforce dynamics, marked by a prominent surge in the active participation of women. Once bounded to domestic spheres, women are now questioning existing paradigms, challenging traditional norms, and making substantial contributions across diverse sectors, including technology, healthcare, entrepreneurship, finance, and aviation. Vasagadekar's (2014) study on employed women suggests that contemporary women, with advanced education, are securing lucrative job opportunities, highlighting the growing need for Indian working women to enhance their financial well-being. However, a significant challenge arises from the lower financial literacy levels observed among

many women, impacting their ability to independently manage investment portfolios. Additionally, a reluctance towards risk-taking is prevalent among working women in India due to a lack of financial knowledge.

Despite gender-based barriers, there is a positive shift towards inclusivity, with women being rapidly recognised for their skills, talents, and leadership abilities. This transformation is reshaping the workforce into a more gender-neutral space, acknowledging women as indispensable contributors to the nation's economic development. Amidst this advancing landscape, the importance of investment decision-making for Indian women cannot be overstated. As women become integral members of the workforce, their active participation in financial markets becomes crucial for navigating the complexities of modern life. Studies by Mahalakshmi and Rajesh (2017) in Mumbai and Mutha and Dargad (2016) in Jalna District highlight the heightened awareness of investment options among educated working women, underscoring the significance of education and knowledge in this context.

While gaining economic independence through employment is a vital milestone, the ability of making a well-informed financial decisions and investments empowers women to secure their financial future and actively lend a hand to the economic strength of the nation. Bansal (2017) conducted a survey in Ludhiana on the Investment Inclination of Working Women, focusing on their preferences across various investment avenues. The findings indicated that a majority of financially investing working women fall within the 20-40 age group and generally adopt a conservative approach. Women in the banking sector tend to invest more compared to those in education or insurance. The study revealed a direct correlation between age and income with the investment patterns of working



women. The primary reasons for investment preference were identified as Capital Appreciation and Future Needs, while tax saving and hedging were the least favoured motivations.

This article embarks on an investigation of the present landscape of investment decision making among Indian women, examining challenges, opportunities, and the impact of the India Vision 2047 initiative in cultivating financial empowerment. As we sail through statistical insights, cross-country comparisons, and potential solutions, the supreme objective is to envisage a future where Indian women evolve as empowered decision-makers, impacting not only their personal financial decisions but also contributing significantly to the nation's economic trajectory.

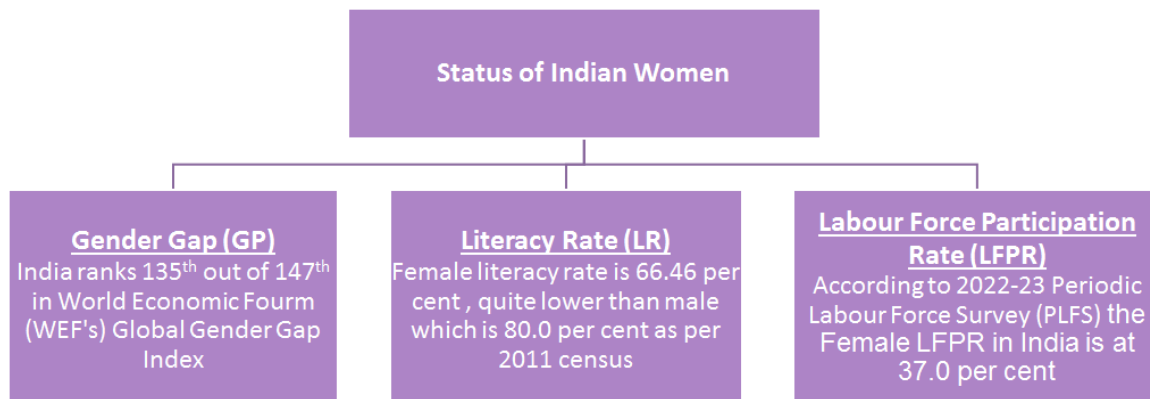
## II. AN OVERVIEW OF WOMEN'S ECONOMIC LANDSCAPE IN INDIA

According to Periodic Labour Force Survey (PLFS) Annual Report of 2022-2023, the Female Labor Force Participation Rate (LFPR) in India stands on 37.0 per cent, reflecting a noteworthy 4.2 per cent point increase from the previous year. Despite this positive trend, there

remains a gender disparity, as the male LFPR stands higher at 78.5 per cent.

Based on the World Bank's Global Findex 2021 report, adult women in India have witnessed a prominent increase in financial inclusion, with 75.4 per cent holding accounts with financial institutions in 2021- a remarkable surge of 38.3 per cent since 2014. Additionally, the Association of Mutual Funds in India (AMFI) annual report for 2022-2023 indicates a considerable rise of women investors into the mutual fund landscape, with 27.50 lakh joining in the last three years.

Meanwhile, as outlined by Sharekhan's data, there has been 77.0 per cent increase in the count of women opening Demat accounts, indicating a significant rise in female participation within the stock markets during pandemic era. A recent survey undermines the self-reliance of women aged 18-25, with approximately 60.0 per cent asserting their independence in making final decisions regarding investments. Notably, 23.0 per cent of Indian women shortfall in accessibility to formal financial services, and a substantial 65.0 per cent refrain from utilising them altogether.



**Sources:** World Economic Forum (WEF), Census 2011, Periodic Labour Force Survey (PLFS) 2022-23.

A substantial proportion of women in India find employment in the informal sector, encompassing areas such as agriculture and domestic work. However, their representation in formal sectors like Information Technology (IT) remains restricted. The consistency of a gender wage gap is another challenge, with women in India earning an average of 28.0 per cent of what men earn for comparable work as per International Labour Organization (ILO) and National Statistical Survey Office (NSSO).

Moreover, in a bid to understand the standpoints of Indian women on financial

independence and career choices, India. Lends conducted the #WorkingStree online survey in March 2023, engaging over 10,000 participants aged 21–65. These women, inhabiting in metros and Tier I and II cities across 4,439 unique pin codes in India, offered valuable insights. Among its key findings, the #WorkingStree survey disclosed that nearly half of the working women were making decisions independently related to discretionary expenses. However, only about 25.0 per cent of women felt emboldened to make investment decisions on their own. One-third of the respondents mentioned that investment decisions



had consistently been the territory of male family members, and 25.0 per cent found investments to be "complex and confusing." The survey further stated that almost half of working women resorted on social media for learning about personal finance, followed by 30.0 per cent from news articles, and 20.0 per cent from workshops and seminars, with professional experts being another major source of financial knowledge. However, only one-third of working women expressed conviction in making all their financial decisions. Among the forces driving working women, financial independence emerged as the most important factor for one-third of the respondents. Additionally, 26.0 per cent mentioned working to support their families, 21.6 per cent for enhancing self-confidence, and approximately 6.7 per cent worked to keep themselves occupied.

Additional discovery of survey conducted by MYRE Capital in March 2023 stated that majority of women, approximately 73.0 per cent, depend on others, often men for financial decision making and only 27.0 per cent of women involved in investing take charge of their own financial decisions. In another thought-provoking survey conducted by SBI General Insurance in March 2022, approximately 1,000 women aged 25-45 in tier-I and II cities across India participated. This survey echoed positive feedback as 53.0 per cent of the surveyed women expressed taking proactive actions towards saving and investing for financial independence. However, only 38 per cent of these women asserted to have insurance coverage as a strategic move towards financial independence. Notably, family guidance emerged as a substantial impact on investment decisions, with 22.0 per cent attributing their ultimate investment choices to familial advice.

Empowering women to take charge of their finances is not just a moral responsibility but a critical economic necessity. Society must demolish traditional barriers and strive for equal opportunities. These surveys bring a light towards a positive trend- women are increasingly becoming active contributors to household decisions, displaying a growing interest in understanding personal finance matters as well.

### III. BEYOND BORDERS: SCENARIO FROM GLOBAL PEERS

According to International Monetary Fund (IMF), just 47.0 per cent of women participate in today's labour markets, a stark contrast to the 72.0 per cent engagement observed among men. Despite progress, the global gender gap has only narrowed by 1.0 percentage point per year over the last three

decades, signalling a persistently substantial disparity.

When compared with other countries, the gender gap widens further in India, where women account for only 21 out of 100 investors. Meanwhile, other emerging market peers, such as China (34.0 per cent), South Africa (33.0 per cent), and Malaysia (29.0 per cent), exhibit more balanced gender representation. The Philippines stands out with the highest global share, boasting 44.0 per cent female participation. It's noteworthy that India, while facing gender disparities, outperforms some of its sub-continental counterparts.

The top 10 largest stock markets globally, including the United Kingdom, Germany, Switzerland, Canada, Australia, France, Korea, China, India, and Japan, share a commonality- a measurable gender gap, where men generally enjoy a more significant economic advantage over women. Notably, Asia stands out positively, with Korean, Indian, and Chinese women expressing similar levels of financial preparedness as their male counterparts. Conversely, Switzerland, Australia, France, Germany, and the U.S. exhibit the most significant gender disparities, with women facing financial challenges surpassing men by 10 to 18 points. Canada presents the most significant gender gap, with 85.0 per cent of Canadian women, compared to 66 per cent of men, considering a company's stance on social issues as crucial in investment decisions.

In both the U.S. and Canada, women express lower confidence in their financial well-being as compared to men. In the U.S., 22.0 per cent of women would immediately struggle to maintain their current lifestyle in the face of a financial setback, nearly double the 13.0 per cent of men. This financial insecurity contributes to only 26.0 per cent of American women investing in the stock market, despite 41.0 per cent viewing it positively. Conversely, in Canada, where women exhibit more risk tolerance, 40.0 per cent are involved in stock market investments, surpassing their American counterparts. This trend is consistent across all education levels, with over half of Canadian college-educated women investing, compared to 42.0 per cent in the U.S.

### IV. FACTORS INFLUENCING WOMEN'S INVESTMENT CHOICES

The investment choices made by working women are influenced by diverse factors, including their risk tolerance, the impact of family and friends, income, expenses, savings, awareness, and

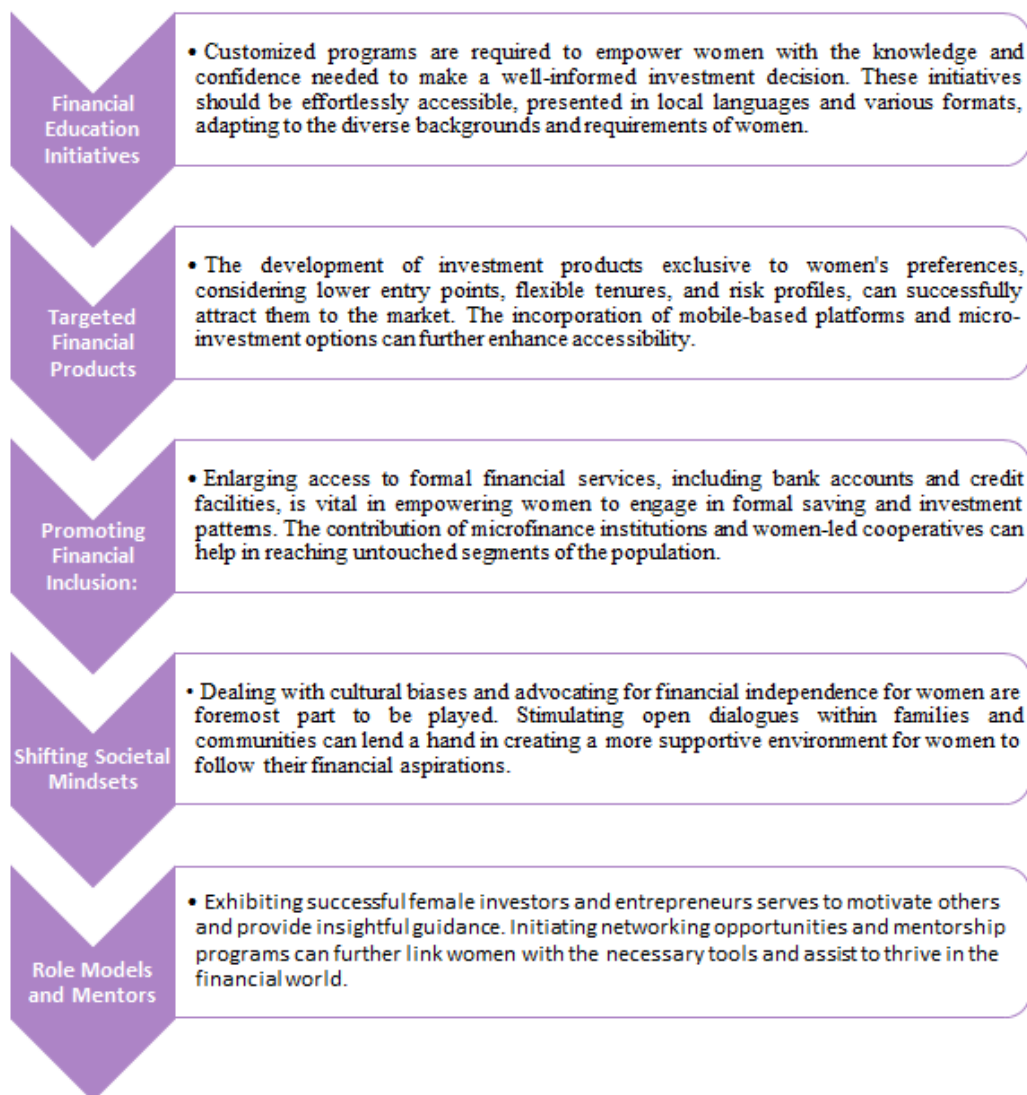


knowledge of different investment instruments. In the 2018 edition of the International Journal of Research in Social Sciences and Management (IJRSML), Naranbhai conducted a study that investigated the level of Investment Awareness among Working Women in the Kachchh district of Gujarat, India. The research findings indicated that 47.0 per cent of the surveyed participants autonomously made investment decisions, while 39.0 per cent sought guidance from their spouses. The principal objective guiding investment activities was recognized as a focus on growth, with a preference against short-term profit-seeking. Regarding investment options, women employed in Kachchh district regarded saving in post offices as the most secure, while commodities were viewed as comparatively less reliable. As for sources of

information, newspapers and magazines emerged as the primary outlets for investment-related insights among working women in Gujarat. To make informed investment decisions, it is essential for them to be well-informed about various investment plans and their financial requirements.

#### V. STRATEGIC STEPS TO BOOST INVESTMENT CONFIDENCE

Recognising the ambitious vision of India 2047, centred on promoting a self-reliant and empowered youth, relies significantly on gaining financial inclusivity for women. To address the existing gender investment gap, holistic and multifaceted approach is crucial which includes:







The Indian government has introduced a variety of measures with the goal of providing financial empowerment and autonomy for women. These initiatives, crafted within different programs and campaigns, cover a wide array of areas including savings, entrepreneurship, and economic involvement. Some of them include:

- Pradhan Mantri Mudra Yojana (PMMY) actively supports small businesses, including those managed by women entrepreneurs. It extends financial aid through diverse schemes to foster entrepreneurship and encourage self-employment.
- Mahila e-Haat, an online platform initiated by the Ministry of Women and Child Development, serves as a marketplace for women entrepreneurs to exhibit and sell their products. Its objective is to promote financial independence among women by providing a platform for their business ventures.
- Stand Up India concentrates on offering financial assistance to women entrepreneurs, along with support for Scheduled Castes (SC) and Scheduled Tribes (ST), enabling them to establish new enterprises. The scheme offers bank loans ranging from Rs. 10 lakhs to Rs. 1 crore.
- National Mission for Empowerment of Women (NMEW) strives to empower women economically by encouraging their active participation in economic activities. It emphasises skill development, capacity building, and the formation of self-help groups.
- MUDRA Bank, or the Micro Units Development and Refinance Agency, extends financial support to micro-enterprises, including those led by women. The loans are categorised into Shishu, Kishor, and Tarun stages based on the scale of the business.
- PM Jan Dhan Yojana, although not exclusively designed for women, promotes financial inclusion by encouraging the opening of bank accounts for every household. It provides a platform for women to manage their finances and access various government schemes directly.
- Pradhan Mantri Suraksha Bima Yojana (PMSBY) and Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) are insurance schemes, not gender-specific, offering affordable coverage, including accidental and life insurance. These initiatives make financial planning more accessible for women.

## VI. CONCLUSION: CULTIVATING A COLLECTIVE PATH TO PROSPERITY

Envisioning a nation directed by the aspirations of its youth, particularly women, India Vision 2047 aims to empower and foster self-reliance. The insights compiled from surveys and reports emphasise the need for a comprehensive approach to address the existing gender investment gap. While the spike in female participation in financial markets is notable, there remains a discrepancy in financial literacy and decision-making autonomy. Government have been taking initiatives to eradicate this challenge by bridging this gap through initiatives that encircles financial education and targeted financial products tailored to the unique preferences and needs of women. Encouraging women with the resources and opportunities to manage their finances doesn't merely portray an economic strategy but becomes the basis for constructing a society characterised by inclusivity and prosperity.

The aspiration of India Vision 2047 extends beyond economic growth; it encompasses a commitment in nurturing a generation capable of leading the nation towards self-sufficiency. Empowering women with financial literacy and increasing their participation in investment decisions is akin to planting seeds for a more open and adaptable society. Implementing these not only bridges the gender investment gap but also positions the groundwork for a more equitable and progressive society.

In conclusion, the path towards gender-inclusive investment decisions is a journey towards shared prosperity. It is a commitment to direct the potential of every individual, irrespective of gender, and weaving a tapestry where each thread contributes to the vibrant and resilient fabric of India's economic landscape. As the nation strives towards realising the vision set forth in 2047, uplifting its women economically becomes not just a strategy but a foundational principle for building a future marked by inclusivity, prosperity, and collective progress.

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