Research Journal of Finance and Accounting
ISSN 2222-1697 (Paper) ISSN 2222-2847 (Online)
Vol.6, No.3, 2015

Financial Planning for Educated Young Women in India

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Abstract
Financial Planning is required for all men and women, irrespective of their age, educational background, income level, socio-cultural affiliation and family status. However, financial planning is considered mandatory for women, while it is important for men. Women outlive men by 2 to 3 years in India. As per the 2011 census estimate, life expectancy at birth for men in India is 66 years against 68 years for women. On the average, women earn only 76% of the amount earned by their male counterparts in the same profession. While men earn money uninterruptedly throughout their working life, women often need to take break, especially when they have children. Motherhood often interrupts their career. Many women leave their employment during early stage of their career for child birth / child care. Some of them return to work, while others do not. Those who come back to work often face the compulsion of starting their career all over again. As a result, their superannuation benefits (PF, Gratuity, Pension etc.) remain lower. Women tend to be more conservative investors than men, which often means their portfolios do not grow as quickly when they are young – a time when they should be investing aggressively. Women are more intimidated about financial issues than men. Because of low level of interest in money matters and fear of going wrong, women often allow men (father / brother/ husband) to take financial decision on their behalf, but it has been observed that in nine out of ten cases they require to take such decisions independently later in their life. Women comprise a horrifying 87% of the impoverished elderly. They, therefore, need to plan for their retirement carefully and need long term health care insurance. Taking control of one's own personal finances can increase financial security.
Kewwords: Financial Planning, Personal Finance, Financial Security, Empowerment of Women, Financial Education, Budgeting, Investment Planning, Retirement Planning, Insurance Planning, Liability Planning, Estate Planning, Tax Planning.

Introduction

"Money is one of the most important subjects of your entire life. Some of life's greatest enjoyments and most of life's greatest disappointments stem from your decisions about money. Whether you experience great peace of mind or constant anxiety will depend on getting your finances under control." - Robert G. Allen

Financial Planning is required for all men and women, irrespective of their age, educational background, income level, socio-cultural affiliation and family status. However, financial planning is considered mandatory for women, while it is important for men.

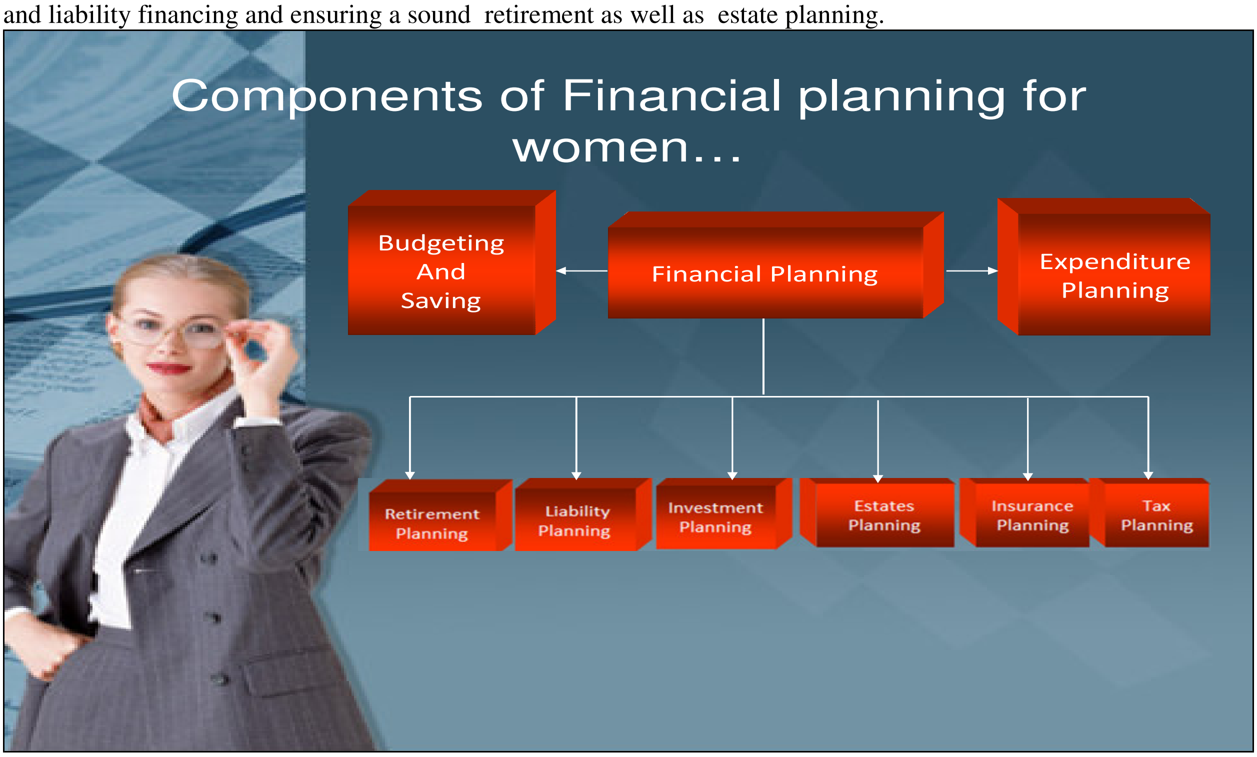
Why educated young women need Financial Planning more than men?

On the average, women outlive men by 2 to 3 years in India. As per the 2011 census estimate, life expectancy at birth for men in India is 66 years against 68 years for women and the female population in the age bracket '65 and above' at 3.40 crore is clearly higher compared to male population of 3.08 crore in the same age bracket. Many Indian women face the challenge of taking care of their husbands during their old age, but are found to be left with no one to care for them after husband's death. On the average, women earn only 76% of the amount earned by their male counterparts in the same profession. While men earn money uninterruptedly throughout their working life, women often need to take break, especially when they have children. Motherhood often interrupts their career. Many women leave their employment during early stage of their career for child birth / child care. Some of them return to work, while others do not. Those who come back to work often face the compulsion of starting their career all over again. As a result, their superannuation benefits (PF, Gratuity, Pension etc.) remain lower. Orthodox family backgrounds, change in location after marriage, change in spouse's job location, household responsibilities etc also require women to put their career on the back burner. Cases of women going abroad on a dependent visa with their husbands are not uncommon. Women tend to be more conservative investors than men, which often means their portfolios do not grow as quickly when they are young – a time when they should be investing aggressively. Because of low level of interest in money matters and fear of going wrong, women often allow men (father / brother/ husband) to take financial decision on their behalf, but it has been observed that in nine out of ten cases they require to take such decisions independently later in their life. At that point of time, because of lack of interest and experience, they find it extremely difficult. A recent survey has shown that 84% of Indian women either have no or very little financial knowledge. They have lesser knowledge about latest financial products and investment opportunities. Women are more intimidated about financial issues than men. Many Indian women consider their working / career as a time-pass activity. They

prefer to retire early and usually get only a meager amount as pension. Women, in general, are found to be less prepared for retirement. Women are usually less financially literate compared to men. Women comprise a horrifying 87% of the impoverished elderly. They therefore, need to plan for their retirement carefully and need long term health care insurance. Taking control of one's own personal finances can increase financial security.
Against this background however, In general women have certain characteristics that help them making good financial decisions: (i) women tend to be holistic thinkers (ii) women are more concerned with quality than quantity (iii) women are intuitive and (iv) women are conservative. In this context it is worthwhile to note the observations of a neuro-scientist Joe Herbert, who argued, "The recent (2008) banking crisis was caused by doing what no society ever allows, permitting young males to behave in an unregulated way. Anyone who studied neurobiology would have predicted disaster – young, aggressive, and full of testosterone - a toxic combination?" (The Economist, 2nd Nov, 2010). In many Indian families, women work as CFOs of the household, prepare and implement the family budget.

Financial Planning and its components

A financial plan is a roadmap to achieve one's financial goals and dreams. According to the Financial Planning Association of Australia, "Financial Planning" is the process of developing strategies to manage one's financial affairs so that he/ she can build wealth, enjoy life and achieve financial security. It has to be a pursued as a continuous process throughout different stages of life cycle of an individual. The six basic steps of Financial Planning include, (1) Establishing short term, medium term and long term financial goals; (2) Considering current financial position, viz., current savings, investment and net worth; (3) Identifying and evaluating alternative plans that could achieve the financial goals; (4) Selecting and implementing the best plan for achieving the goals; (5) Evaluating the effects of implementation of the financial plan; and (6) Reviewing and revising the financial plan at regular intervals, or when circumstances change. Major components of financial planning include : (1) Budgeting (2) Expenditure Planning (3) Liquidity Planning (4) Planning for Personal Financing or Debt(liability) planning (Personal Loans and Housing Loans) (5) Investment Planning (6) Retirement Planning (7) Insurance Planning (for Life, Property, Liability, Health etc) for protecting income and assets (8) Estate Planning and (9) Tax Planning. Major components of financial planning have been provided at figure 1 below. The benefits of financial planning include, enhancing financial wellness, ensuring financial security at every stage of life, maximizing personal wealth, protecting income and assets through appropriate insurance planning, planning adequate liquidity to meet various types of contingencies at every stage of life, building an investment portfolio through appropriate asset allocation based on risk-return profile, planning debt and liability financing and ensuring a sound retirement as well as estate planning.



(Figure 1)

Level of Financial Planning Awareness in India

The author (Mishra) has recently (in February, 2011) conducted a survey (as a part of his unpublished Doctoral Research work) of 590 respondents drawn from educated middle class (both men and women) to assess the level of awareness of financial planning in India and the survey report has made the following important revelations. 93% of respondents felt every one irrespective of age, educational background, family status and income level needs financial planning, however, only 66% of the respondents reported that they have clearly understood the benefits of financial planning. 74% observed that they are willing to pursue financial planning throughout their life. When asked to assess the financial situation in the family, 10% of respondents observed it to be very good, 46% good and 37% as satisfactory. 12% of the respondents reported that their families have large borrowings which would be difficult to repay. 75% of respondents reported their familiarity with the concept of family / personal budgeting; however, only 62% informed that they actually go for monthly budgeting. 74% respondents informed that their family involve women and children in financial decision making. 59% of the respondents reported that their family have a financial contingency fund to manage emergency situations. 53% of respondents informed that they do not own any credit card and out of the remaining 47% only two-third of the respondents (32%) indicated that they use credit cards responsively. 38% of respondents informed that they are familiar with investment planning and investment products. 52% indicated that they understand the concept of risk and return and 62% reported that they understand time value of money. 81% of the respondents confirmed that they understand that starting investment at an early age can pay rich dividends. 39% indicated that they are familiar with retirement planning, however, 73% expressed their intention to go for retirement planning. 51% informed that they are familiar with insurance planning, while 45% indicated that they are aware of tax planning. However, most of the respondents reported ignorance about liability planning and estate planning. Only 11% of the respondents informed that their father had written a will. The researcher conducted a "Core Consistency Analysis" of responses and found out that there is a remarkable difference between what the respondents wish to do and what they actually do in case of financial planning. While a significantly large percentage (>90%) of respondents observed that financial planning is necessary and can lead to financial well being and opined that they would themselves pursue this throughout their life and recommend this to their friends, relatives and acquaintances, a meagre percentage (<15%) were found to be actually going for financial planning.

Financial Planning Education for Women in India

The International Federation of University Women (IFUW) recognizes financial literacy as an essential life-skill that is every human being's basic right. Women's lack of knowledge in financial matters is a matter of serious concern and the global society needs to take urgent action on developing financial literacy across the world. It is accepted worldwide that women play a vital role in family and community life, yet their access to financial education has often been limited due to various social, cultural, and economic factors. For women to make sound financial decisions either for themselves or on behalf of their households it is vital they have sufficient knowledge and understanding of the core financial principles involved. Financial literacy gives people choices, helps protect them from unexpected events, such as fraud and scams, and enables them to have an informed voice as consumers and citizens.

Internationally, there are two organizations which have earned great reputation for themselves as forum for providing high quality finance education to women. They are Women's Institute for Financial Education (WIFE) (**http://www.wife.org**) and the International Federation of University Women (IFUW) **(http://www.ifuw.org/).**The Women's Institute for Financial Education (WIFE.org) is the oldest non-profit organization dedicated to providing financial education to women in their quest for financial independence. The Indian Federation of University Women's Associations (IFUWA) was founded on 24th July, 1920 and affiliated to the IFUW in 1921.. India is a member of the South Asian Association for Regional Cooperation of University Women (SAARCFUW), comprising Bangladesh, Nepal, Pakistan, India and Sri Lanka. India is also a member of the University Women of Asia (UW of Asia), an affiliate of the IFUW, comprising Asian nations, namely: Bangladesh, Hong Kong, India, Japan, Korea, Philippines, Sri Lanka and Thailand. In India, we also have organizations like Mann Deshi and Indian School of Micro Finance for Women who have been tirelessly working for providing education and empowering rural women. The Mann Deshi Foundation serves as the NGO arm of Mann Deshi Mahila Group. Established in 1994, the Foundation works in conjunction with the Mann Deshi Bank by providing a variety of non-financial services to their clients aimed at improving the quality of life for rural women and their families in India. The author (Mishra) had conducted a "Financial Planning Education Survey in February, 2011, which, inter alia, had 3 questions on financial planning education for women. Responses were sought from reputed academicians, thinkers, NGOs and Social workers in India. In all, 47 responses were obtained. The type of responses obtained to the three relevant questions in the aforesaid survey is shown below. As expected, the respondents were near unanimous in their view that finance education can empower women and making available appropriate finance education to them would be in the best interest of the society and the nation.

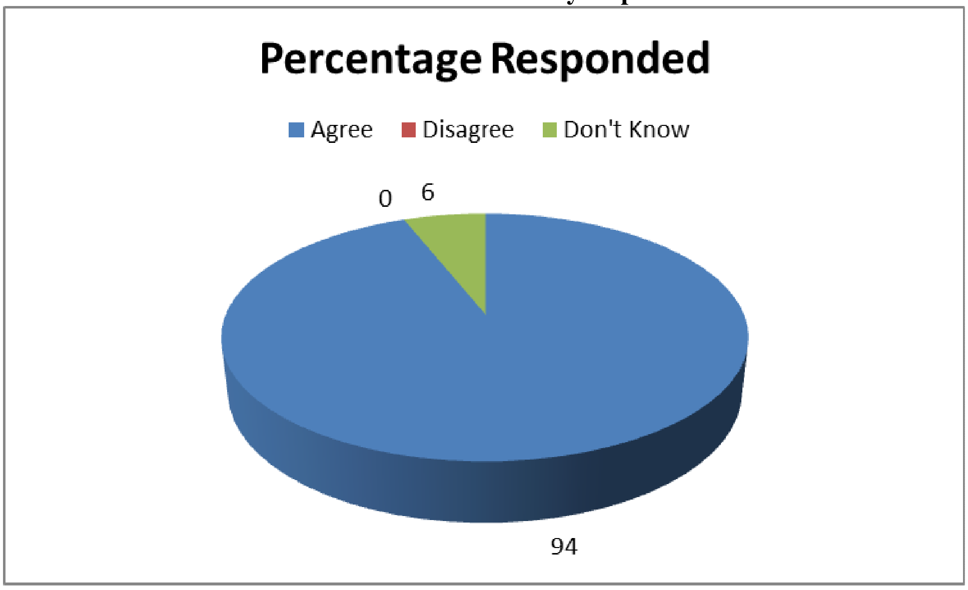
Q1. Women face tremendous challenges as they move through life's transitions, from childhood to adult, from college to career, from single to married, to widowhood or divorce, and into the retirement years. Women are concerned about the financial well-being of their families as well as themselves, making sure that those they love are sheltered within their own financial success. So women should be financially empowered for their success in life.

Women should be financially Empowered

Response	% Responded
Agree	94
Disagree	0
Don't Know	6
Total	100

(Table 1)

Women should be financially empowered



(Figure 2)

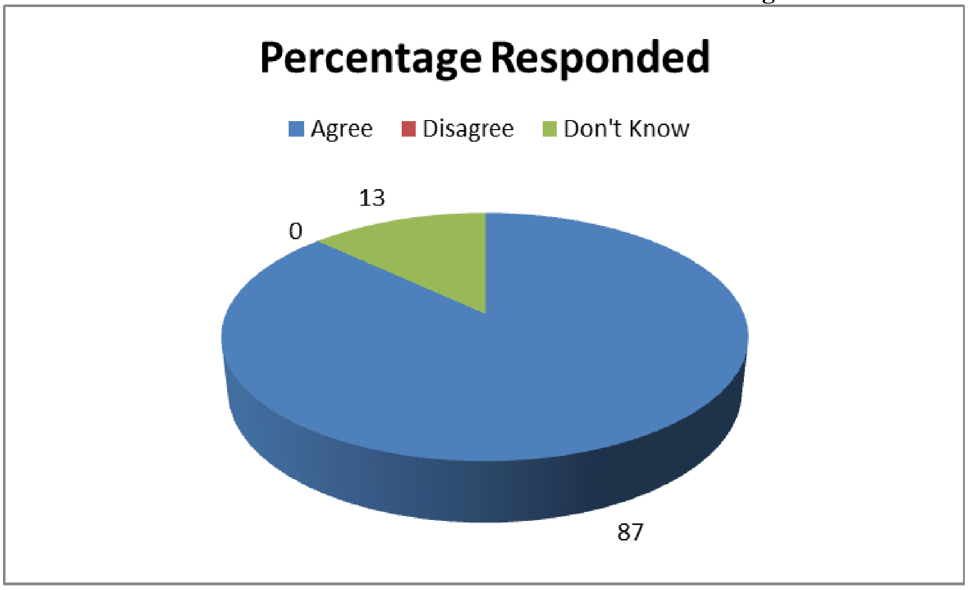
Q2. Women Institute of Financial Education (WIFE) website provides valuable financial educational resources for women. Similar websites may be promoted in India especially for women. Regional TV channels, magazines in English (Femina, Women's Era, and Society), Hindi (Grihashobha) and other regional languages, specially meant for Indian women should devote a portion of their coverage to financial education of women in India.

Financial Education Resources for Women need to be Organized

Response	% Responded
Agree	87
Disagree	0
Don't Know	13
Total	100

(Table 2)

Financial Education Resources for Women need to be organized



(Figure 3)

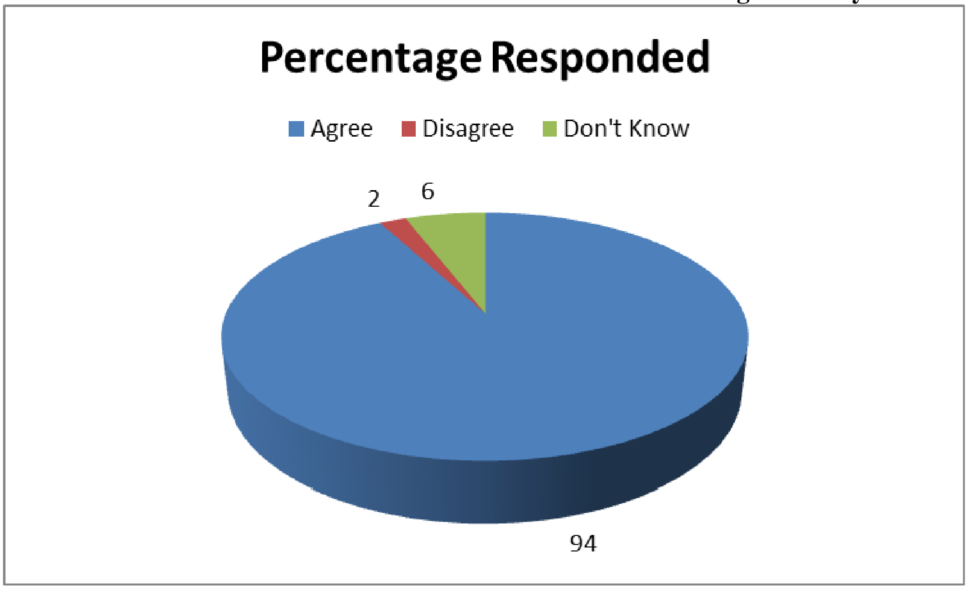
Q3. Women play multiple roles as mother, wife, sister, daughter, daughter-in-law etc, during their life time in the family. It would be prudent to involve women in the financial decision making process in the family. Once they understand finance and get used to taking financial decisions, they can easily teach, if not anyone else, their own children.

Women should be involved in Financial Decision Making in Family

Response	% Responded
Agree	94
Disagree	2
Don't Know	6
Total	100

(Table 3)

Women should be involved in Financial Decision Making in Family



(Figure 4)

Available wisdom from wise men and women

Here are some wise "words of advices" from some well known thinkers / philosophers.

(a) Budgeting

(1) "Plan for unplanned and you will level out the ups and downs of your financial roller coaster" – Jesse Mechum
(2) "Don't save what is left after spending, spend what is left after saving"- Anonymous
(3) "Pay yourself First"- Anonymous
(4) "A penny saved is a penny earned" – Benjamin Franklin
(5) "Beware of little expenses. A small leak will sink a great ship" – Benjamin Franklin
(6) "If you buy things you don't need, you will soon sell things you need" – Anonymous
(7) "Don't spend lavishly, save lavishly" – Anonymous
(8) **"Too many people spend money they haven't earned, to buy things they don't want, to impress people they don't like" – Will Rogers**
(9) **"It is not your salary that makes you rich; it is your spending habits" – Charles A Jaffe**
(10) "The gratification of wealth is not found in mere possession or in lavish expenditure, but in its wise application."- Miguel de Cervantes
(11) **"**There are two ways of being happy: We must either diminish our wants or augment our means – either may do – the result is the same, and it is for each man to decide for himself and to do that which happens to be easier" – Benjamin Franklin

(b) Investment Planning

(1) "Time is Money"- Benjamin Franklin
(2) **"The most powerful force in the universe is compound interest"- Albert** Einstein
(3) **"**Pre-pone investment, postpone expenses – know the power of compounding" – **Napoleon Hill**
(4) **"Do not wait; the time will never be 'just right'. Start where you stand and work with whatever tools you may have at your command, and better tools will be found as you go along" - Napoleon Hill**
(5) "Investing is simple but not easy"- Warren Buffett
(6) "Do not put all your eggs in one basket"- old saying
(7) "Outperforming the majority of investors requires doing what they are not doing. Buy when pessimism

is at its maximum" – Sir John M Templeton

(8) "Be fearful when the world is greedy and be greedy when the world is fearful"- Warren Buffett

(9) **"**Men think in herds, go mad in herds, but recover their senses one by one"- Charles Mackay

(10) **"October is one of the peculiarly dangerous months to speculate in stocks. The others are July, January, September, April, November, March, June, December, August, May and February" –** Mark Twain

(11) **"Owning a home is keystone of Wealth.. …..both financial affluence and emotional security" – Peter Lynch**

(12) **"The desire for gold is the most universal and deeply rooted commercial instinct for human race"- Gerald M Loeb**

(13) "Gold is forever. It is beautiful, useful, and never wears out. Small wonder that gold has been prized over all else, in all ages, as a store of value that will survive the travails of life and the ravages of time." **-**Gary North

(c) Liability Planning

(1) **"He that goes a borrowing goes a sorrowing"- Benjamin Franklin**

(2) "If you would know the value of money, try to borrow some"- **Benjamin Franklin**

(3) "*What we need are not only a few simple steps to get us on the right track but also the ability to stay on that track. Before you think to yourself, 'I need more money,' think about making the most of what you already have."* – Ben Leonard

(4) *"A creditor is worse than a slave-owner; for the master owns only your person, but a creditor owns your dignity, and can command it"- Victor Hugo*

(5) *"Many people take no care of their money till they come nearly to the end of it, and others do just the same with their time"- J W Von Goethe*

(6) "Everything comes to us that belongs to us if we create the capacity to receive it" – *Rabindra Nath Tagore*

(7) "Creditors have better memories than debtors"- **Benjamin Franklin**

(8) "**Money alone has never made man happy, nor will it; there is nothing in its nature to produce happiness. The more of it one has the more one wants"- Benjamin Franklin**

(d) Insurance Planning

(1) **"Insurance is like marriage. You pay; pay, pay and you never get anything back"-** Al Bundy

(2) "Life insurance protects an individual if he dies early and annuities protect an individual if he lives long" – Anonymous

(e) Retirement Planning

(1) "Retirement is when you stop living at work and begin working at living"- Anonymous

(2) "Don't simply retire from something: have something to retire to"- Harry Emerson

(3) **"Retirement planning should start much before your boss starts planning for your retirement" – Anonymous**

(4) "When a man retires, his wife gets twice the husband but only half the income". Chi Chi Rodriguez

(5) "Retirement is like a long vacation in Las Vegas. The goal is to enjoy it the fullest, but not so fully that you run out of money"-Jonathan Clements

(6) "The question isn't at what age I want to retire, it's at what income"- George Foreman

(7) "Cessation of work is not accompanied by cessation of expenses"- Cato

(f) Estate Planning

(1) "Someone's sitting in the shade today because someone planted a tree a long time ago"- Warren Buffett

(2) **"Estate planning prevents your lawyers from becoming your heirs"-** Edgar Watson Howe

(3) "Put not trust in money, but put your money in trust". – Oliver W Holmes

(4) "It is better to live rich than to die rich"-Samuel Johnson

(5) "Before you speak, listen. Before you write, think. Before you spend, earn. Before you invest, Investigate. Before you criticize, wait. Before you pray, forgive. Before you quit, try. Before you retire, save. Before you die give.- William

(g) Tax Planning

(1) **"The difference between tax planning and tax evasion is the thickness of a prison wall."- Denis Healey**

(2) Taxes, after all, are dues that we pay for the privileges of membership in an organized society. – Franklin D. Roosevelt

(3) We must care for each other more, and tax each other less. –Bill Archer
(4) Indoors or out, no one relaxes in March, that month of wind and taxes, the wind will presently disappear, the taxes last us all the year. –Ogden Nash
(5) Today, it takes more brains and effort to make out the income-tax form than it does to make the income. –Alfred E. Neumann
(6) Death and taxes may be inevitable, but they shouldn't be related. –J.C. Watts, Jr.
(7) Next to being shot at and missed, nothing is really quite as satisfying as an income tax refund. –F.J. Raymond

Personal Finance Rules of Thumb every woman should know

- Your net worth (assets less liabilities) should be your age times your yearly salary, divided by ten.
- A household should have between three and six months worth of average expenses per month available in liquid form (cash or bank savings deposit) to meet emergencies. Create an Emergency Fund: Keep some of your investments in the form of liquid assets to take care of problems like temporary job loss, medical emergencies, sudden death of an earning spouse etc
- Pay yourself first –Don't save what is left after spending, spend what is left after saving. From out of your monthly earning first segregate and pay for your retirement savings, debt instalments before you start spending on any other matter.
- Saving is a positive habit. Know the difference between saving and investing. Save at least 10% of what you earn.
- Try to understand time value of money and the power of compounding. Start as early as possible on your retirement and investment planning
- Know your risk taking ability before you start investing. If you don't understand an investment product, avoid it.
- Realize that risk and return go hand in hand. Higher the return, higher the risk. Be conservative. Don't chase big capital gains.
- Compare potential investment return with the risk-free rate. Keep transaction cost a minimum. Always have inflation and tax in mind.
- Spread your risk over assets and time (SIP – Rupee Cost Averaging)
- Invest in gold up to 10% of your total investment portfolio
- To find the percentage of your portfolio that should be invested in stocks, Subtract your age from 100
- To determine how long it will take an investment to double, divide 72 by the annual return (Rule of 72)
- Have restraint / control on your spending habits. Always spend less than you earn. It is not salary or income what makes you rich; it is your spending habits. If you buy things you don't need, you will soon sell things you need. Don't try to keep up with your next door neighbour.
- Wait 24 hours before making a large purchase to decide if it's really worth it.
- Before you pull out a credit card to buy something, ask yourself if you would take out a bank loan to get it.
- Always pay credit card bills on time. Avoid taking cash advance on credit cards
- Whenever possible, pay your credit card balance in full each month, or at least pay more than the minimum due to minimize interest charges
- Pay off credit card before other debts. Interest rate on credit card borrowing is very high in the range of 2.5% to 3% per month. After credit card, pay off your mortgage first before other debts.
- Know that credit scores affect more than interest rates for future borrowings
- Maximum for all debt payments should be no more than 36% of your gross monthly salary.
- Maximum mortgage payments (EMI for housing loan) should be no more than 28% of your gross monthly salary
- Get pre-approved for a mortgage before you begin house hunting
- A variable rate mortgage (floating rate repayment on housing loan) will always be cheaper in the long run when compared to a fixed-rate mortgage (fixed rate repayment). Pick a variable rate mortgage, but increase your payments so that they match the fixed rate payments.
- If you can't afford to buy the house using a 30-year fixed-rate mortgage, you can't afford the house
- Educational loans: Your total borrowing shouldn't exceed what you expect to make your first year out of business school.
- Initially buy an old used car and drive it.
- Car Loan: If you must borrow to buy a car, follow the "20/4/10 rule", which means: Make a 20% down payment, don't borrow for more than four years and don't agree to a monthly payment that's more than

10% of your income — or 8% if you plan to buy a home in the next few years.

- The highest price you should pay for a car you're buying with a car loan is one-half your annual gross income
- **To compute and compare the real monthly cost to buy, insure and operate a car, double the price tag and divide by 60.**
- When travelling, take twice the money and half the clothes you think you will need.
- Money for Retirement: You will need to replace your pre-retirement income by at least 75-80% or even more .Your nest egg (accumulated retirement saving) should be approximately 20 times your annual retirement expenses that aren't covered by outside sources of income, such as social security or a pension. Make retirement savings your first priority before you save for anything else.
- **Retirement money is for retirement; until then, keep your mitts off it."** There's rarely a good reason to borrow against your retirement accounts, and almost never a reasonable excuse for cashing them out.
- Life Insurance: Generally speaking, if you've got young kids or teenagers, you'll need a life insurance policy that covers between 6 and 10 times family annual income and possibly more, depending on your family's expenses and how much your surviving spouse can earn.
- **Insurance: Cover yourself for catastrophic expenses, not the stuff you can cover out of pocket."** Insurance isn't meant to cover the normal expenses of daily living
- Don't skimp on health care
- Money is important but not everything in life

Financial Planning Tips for Young Educated Women

(i)General Advice

(a) Spend less than you earn
(b) Don't try to keep up with your next door neighbor
(c) Pay off credit card before other debts
(d) Know that credit scores affect more than interest rates
(e) Always pay credit card bills on time
(f) Avoid taking cash advance on credit cards
(g) Get pre-approved for a mortgage before you begin house hunting
(h) Pay your mortgage before you settle other loans
(i) Always try to pay more than the minimum mortgage payment
(j) Keep four to six times your monthly expenses for meeting emergencies.
(k) Know your risk taking ability before investing
(l) Keep some of your investments in liquid assets (Gold?)
(m) Know the difference between saving and investing
(n) Start early on your retirement and investment planning
(o) Save at least 10% of what you earn
(p) Money is important but not everything in life

(ii)Budgeting Tips

(a) Collect and record all financial statements
(b) Create a list of monthly expenditure
(c) Categorize your expenses (fixed, variable , periodic, discretionary)
(d) Control your variable and discretionary expenses
(e) Review your monthly budget
(f) Hold a monthly family meeting to curtail expenses
(g) Say "NO" to impulsive weekend splurges in shopping malls
(h) Wait 24 hours before making a decision on a large purchase
(i) Before you pull out a credit card to purchase something ask yourself if you would take a bank loan for the same..
(j) Pay your credit card balance in full as far as possible
(k) Always try to pay off your higher interest rate debts first
(l) Try lowering your utility (Electricity, Water, Telephone) bills
(m) Avoid late fees by marking utility payment on due dates
(n) Spend less on expensive entertainment
(o) Plan consciously for increasing overall household income
(p) Do liability planning including plans for repayments

(iii)Investment Planning

(a) Start investing early to utilize the power of compounding
(b) Set investment objectives
(c) Asses risk profile
(d) Get your asset allocation right
(e) Select a good investment advisor
(f) Diversify assets to reduce risks
(g) Prefer SIP to lump sum investment in Mutual funds
(h) Invest in life insurance (Term insurance)
(i) Adequate medical insurance is a must
(j) Owning a house provides enough security. One can put the house on reverse mortgage after retirement (60) and survive.
(k) Evaluate risks and rewards of each investment carefully
(l) Invest 10-15% of your total assets in gold

(iv)Retirement Planning

(a) Focus on retirement benefits provided by your employer
(b) Start saving early for retirement
(c) Plan for a debt free retirement
(d) Understand spousal and survivor benefits
(e) Take help of a financial planning advisor
(f) Consider Annuities
(g) Have enough medical and disability insurance
(h) Discuss retirement planning with your family members
(i) Invest in real estate. Reverse mortgaging a house can ensure survival post retirement
(j) Invest in pension plans

(v)Insurance Planning

(a) Discuss insurance planning with your spouse
(b) Consult an insurance advisor to get a feel of how much and what kind of insurance you need
(c) Invest (only) in term insurance to cover risks due to existing and expected liabilities
(d) Invest in adequate disability insurance
(e) Insist for a family medical insurance

(vi)Estate Planning

(a) Transfer property during your lifetime or make clear wills
(b) A will can be made by anyone above the age of 21 and can be changed any number of times
(c) A will can be handwritten and may not be registered
(d) A certified sealed copy of the will called the probate can be created with clear instructions for the executors and co –executors to be produced in court for settlement
(e) Forming Trusts is another tool available for estate planning in order to expedite the process of transferring assets to intended beneficiaries without going to court

(vii)Tax Planning

(a) Utilize entire section 80c deductions
(b) Think beyond section 80c
(c) Restructure your salary for maximum tax benefits
(d) Claim tax benefits on House Rent Allowance
(e) Opt for a joint home loan

Special Benefits for Women

- Generally Lower Education loan by 0.5% -1% for Women
- Lower Income tax for women compared to Men (Tax Exemption Limit higher for women)
- Lower Premium for Insurance Policies compared to Men
- Lower Stamp Duty for Real Estate Registration in Some States

Special Bank Schemes for Women

Name of Bank	Name of Scheme	Type of Loan
Andhra Bank	AB Vanitha Vahan	Auto Loan to salaried women /Professional /Self Employed
Bank of India	Star Mahila Gold Loan Scheme	Loan for Buying Gold Ornaments
Canara Bank	Can Mahila	To meet any financial needs
Central Bank of India	Cent Kalyani	Assistance for economic pursuits in Industry, Agricultural and Allied Activities, Business or Profession.
Karur Vysya Bank	KVB Mahila Swarna Loan	Purchase of Gold /Silver Ornaments
United Commercial Bank	Nari Sakthi	Assistance to salaried women
United Bank of India	United Nari Samman Yojana	Buying Consumer Durables & Household Goods
Vijaya Bank	Assistance to Rural Women in Non-Farm Development and Assistance For Marketing Of Non Farm Products Of Rural Women (MAHIMA)	To boost Non-farm activities of women in rural areas

(Table 4)

Other Special Schemes for Women

Product Name	Features	Provider Name
Jeevan Bharati Insurance Policy	Policy does not lapse in case of failure to make premium payment for few years. It covers critical illness related to women	Life Insurance Corporation of India
Smart Privilege Account	Provides automatic insurance coverage for critical illness to women. Debit card linked to the product offers discount for certain buying	Axis Bank
HDFC Women's Advantage Debit Card	Provides discount on locker fees, insurance; and free bill payment services	HDFC Bank
Home Loans	Provides 0.25% lower interest rates to women	Punjab National Bank

(Table 5)

Epilogue

According to Bill Gates**, "**As we look ahead into next century, leaders will be those who empower others". Government should empower women and simultaneously women should continuously try to improve their future. Knowledge of basic finance is a must for every woman. In the words of J.W. von Goethe, "Knowing is not enough; we must apply. Willing is not enough; we must do". Women have enormous power within themselves. Diane Mariechild has rightly observed, "A woman is the full circle. Within her is the power to create, nurture and transform".

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