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Financial Independence of Women and its Impact on Long-Term Wealth Creation

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ABSTRACT: Financial independence is key to empowering women and helping them build long-term wealth. This study looks at the connection between women's financial independence and long-term wealth creation in India. We used a mixed-method approach, gathering primary data through an online survey of 100 respondents. We also reviewed secondary data from industry reports and regulatory sources like the Association of Mutual Funds in India (AMFI), the Securities and Exchange Board of India (SEBI), the National Stock Exchange (NSE), and Value Research. The study examines how financially independent women are when it comes to controlling income, making financial decisions, and being financially literate.

KEYWORDS: Women investors, financial independence, wealth creation, mutual funds, India, investment behaviour, SIP, financial literacy

I. INTRODUCTION

Financial independence means having the ability to earn income, manage money, and make financial choices without depending on others. In recent years, more women have entered the workforce and gained access to financial resources, contributing to a steady rise in their financial autonomy and enhancing their contribution to economic growth.

Wealth creation involves building financial assets over time through consistent saving, investing, and strategic financial planning. Long-term wealth accumulation typically includes investments in instruments like mutual funds, stocks, retirement accounts, and fixed deposits, which help individuals grow their wealth and secure financial stability in the future.

In India, while more women are beginning to engage in financial markets, their involvement still lags behind that of men. Barriers such as low financial literacy, limited knowledge about investment opportunities, and reliance on family members for financial decisions continue to hinder their active participation. Nevertheless, women who are financially independent are more likely to save consistently, invest in financial products, and set long-term financial objectives.

Problem Statement

Financial independence is all about having the ability to earn your own income, manage your finances, and make financial choices without relying on anyone else. In recent years, we've seen a significant rise in women's financial independence, thanks to better education, more job opportunities, and a growing awareness of financial planning. This newfound independence empowers women to take charge of their financial futures and enhances their overall economic security.

While financial independence among women has certainly improved, many still encounter hurdles when it comes to achieving full independence and engaging in investment activities. Even though they may earn a decent income, some women struggle with financial literacy, confidence, and the ability to make informed decisions about investments and wealth creation.



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Objectives of the Study

Primary Objective:

- To explore how women's financial independence influences their ability to build wealth over the long term.

Secondary Objectives:

- To assess the current state of financial independence among women.
- To investigate how women approach investing.

II. REVIEW OF LITERATURE

1. Bucher-Koenen et al. (2017) studied the financial literacy gap between women and men in various countries. The study revealed that women have lower financial literacy than men. Financial literacy enables women to invest in financial assets; therefore, financial independence is crucial for wealth creation among women.

2. Agnew, Balduzzi, and Sundén (2003) studied the investment behaviour among women in retirement plans. The study revealed that women invest in diversified financial assets with lower risk. Such risk-averse investment behaviour enables women to create wealth in the long term.

3. The OECD (2022) report on financial inclusion highlighted that women with financial independence tend to invest in diversified financial assets for long-term wealth creation. Financial inclusion is crucial for the financial empowerment of women.

4. The World Bank (2021) study using the Global Findex Database revealed that financial inclusion enables women to become financially independent. Financial independence enables women to invest in financial assets for long-term wealth creation.

5. Bajtelsmit and Bernasek (1996) studied the difference between genders in terms of investment decisions, and the results showed that women, in general, prefer a conservative investment strategy that aims for financial security. Financial independence enables a woman to make decisions, thereby promoting financial stability and wealth creation.

III. RESEARCH METHODOLOGY

Research Design

This study employed a descriptive research approach to examine women's financial independence and its influence on long-term wealth accumulation.

Sources of Data

The research draws on both primary and secondary data sources.

Primary Data

Original data was gathered through a structured online questionnaire administered to female participants. The survey explored aspects such as financial autonomy, saving patterns, investment practices, and the role of these factors in building long-term wealth.

Secondary Data

Supplementary information was obtained from credible sources, including:

- Academic journals and scholarly publications
- Reports issued by AMFI (Association of Mutual Funds in India)
- Investor-related publications from SEBI
- NSE reports on investor participation
- Industry analyses and financial research articles



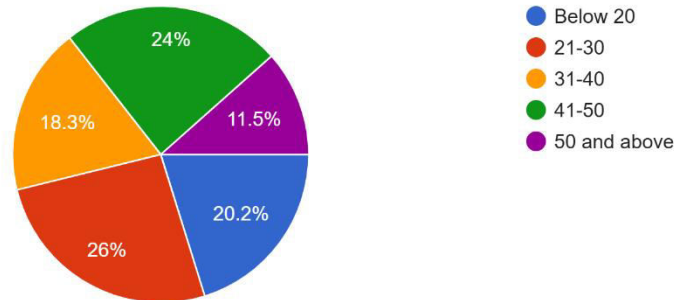
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IV. DATA ANALYSIS AND INTERPRETATION

1. Age Group

104 responses

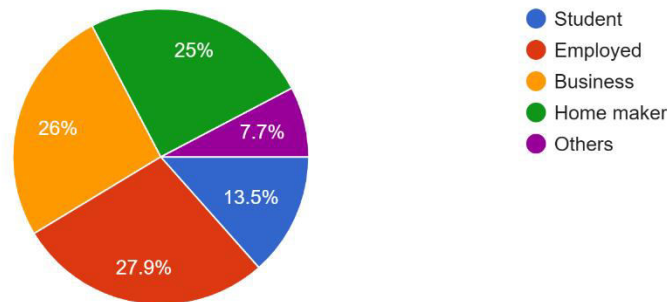


Interpretation:

Figure 1 shows majority of respondents fall into the 21–30 age range, making up 26% of the total. Following closely are those aged 41–50, who account for 24%. Meanwhile, respondents under 20 years old represent 20.2%, and those in the 31–40 bracket make up 18.3%. The smallest group is the 50 and older category, which only has 11.5%.

2. Occupation

104 responses



Interpretation:

This data suggests that a significant number of respondents have stable jobs or are entrepreneurs, indicating they likely enjoy a steady income and a degree of financial independence. Overall, the study captures a wide range of occupational backgrounds, offering a well-rounded view of women’s financial independence and their journey toward wealth creation.

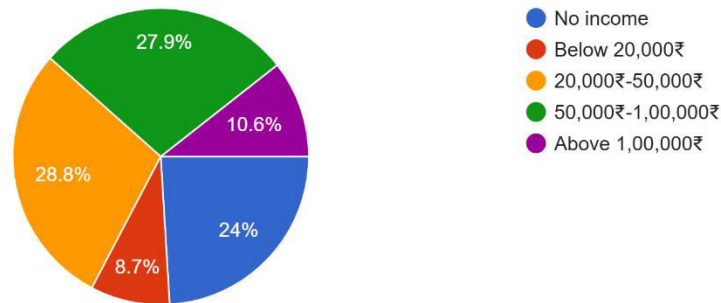


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3. Monthly Income Range

104 responses

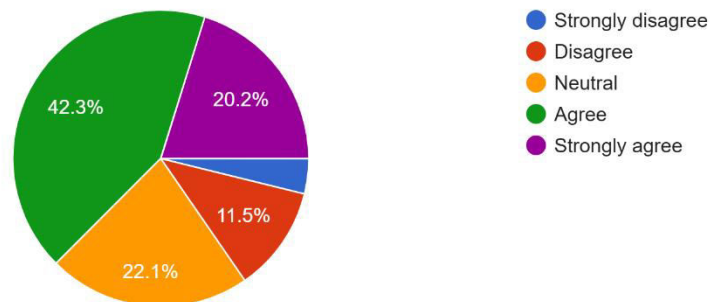


Interpretation:

This data suggests that most respondents are part of the middle-income group, which indicates they might have the ability to save and invest for building long-term wealth. Overall, this study captures a wide range of income levels, offering valuable insights into women's financial independence and their journey toward wealth creation.

4. I am financially independent.

104 responses



Interpretation:

This data suggests that most respondents are part of the middle-income group, which indicates they might have the ability to save and invest for building long-term wealth.

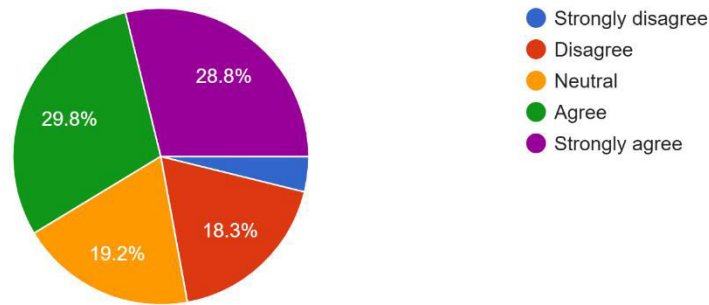


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6. I regularly save money from my income.

104 responses

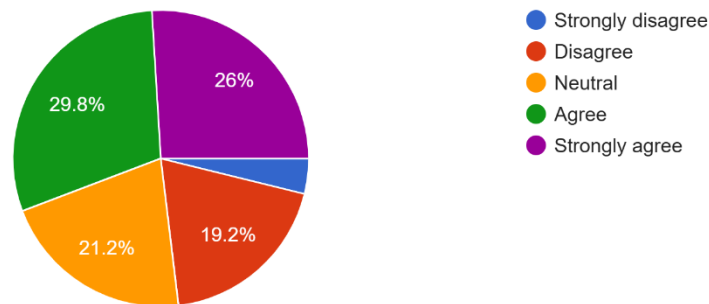


Interpretation:

This indicates that a significant number of women have developed a saving habit, which is crucial for building long-term wealth. Regularly setting aside money not only fosters financial security but also opens up avenues for future investments and wealth growth.

7. I invest in financial instruments such as mutual funds, stocks, or fixed deposits.

104 responses



Interpretation:

This suggests that a significant number of women are getting involved in investment activities, which is great for building long-term wealth. However, the presence of neutral and disagreeing responses hints that some women might be lacking in awareness, financial knowledge, or confidence when it comes to investing.

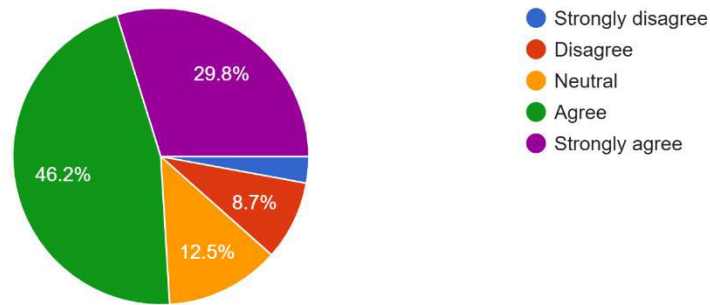


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8. Financial independence motivates me to create long-term wealth.

104 responses

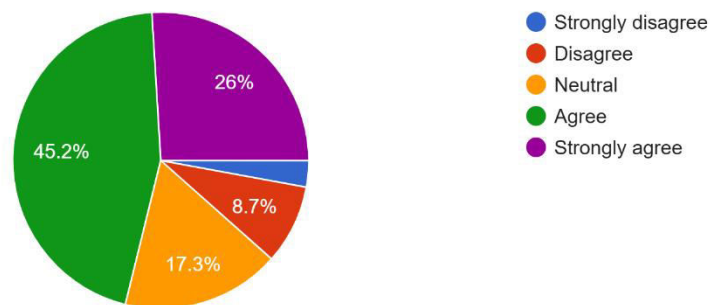


Interpretation:

This suggests that financial independence is a major driving force for women when it comes to investing and accumulating wealth over time. It boosts their confidence and inspires them to set and pursue their future financial goals. Overall, it's evident that there's a strong positive link between achieving financial independence and creating long-term wealth.

9. Financial independence improves my financial security.

104 responses



Interpretation:

This indicates that financial independence is key for women, helping them feel secure and confident about their financial future. When women are financially secure, they can better manage their expenses, tackle emergencies, and invest for long-term wealth.

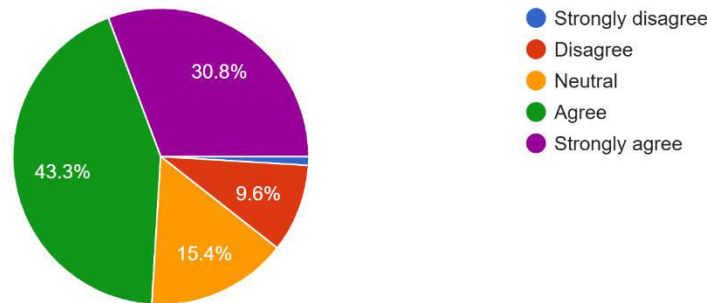


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10. Financial independence helps me achieve my long-term financial goals.

104 responses



Interpretation:

It turns out that a significant number of respondents feel that financial independence is crucial for reaching long-term financial goals. In fact, 43.3% agreed, and another 30.8% strongly agreed, which adds up to a solid 74.1% of those surveyed. This clearly shows that most women view financial independence as a vital element in building wealth and ensuring future financial security.

Secondary Data Analysis: Women Investors in India

Indicator	Figure / Finding	Source
Women — share of individual mutual-fund investors	≈ 25% of individual investors are women (AMFI Factbook).	(AMFI)
Women — share of individual Mutual Fund AUM	≈ 33% of individual AUM held by women (AMFI Factbook).	(AMFI)
Women — total mutual-fund AUM held by women	≈ ₹11.25 lakh crore held by women (AMFI/industry analysis).	(Value Research Online)
Women — share of new individual NSE investor registrations	≈ 24–25% (women’s share among new registrations / retail base).	(ETBFSI.com)
Women — longer holding / long-term folios in mutual funds	Share of women holding MF for >5 years rose from 8.8% (2019) to 21.3% (2024) (Value Research).	(Value Research Online)
Financial awareness (survey) — gender gap	Awareness: Women ~58% vs Men ~66% on SEBI’s awareness metric (Investor Survey 2025).	(Securities and Exchange Board of India)

Interpretation: As highlighted in the AMFI Factbook (2024), women account for about 25% of individual mutual-fund investors and hold around 33% of the total individual mutual-fund assets under management (AUM). This points to a significant and growing influence in long-term savings and wealth building. The total assets in mutual funds owned by women have seen impressive growth in recent years, with industry reports estimating their holdings at approximately ₹11.25 lakh crore as of 2024. Data from the NSE shows that women represent roughly 24–25% of new individual investor registrations, indicating an increase in their participation in the equity market. Additionally, analyses from Value Research reveal that the percentage of women holding mutual funds for over five years has jumped from 8.8% in 2019 to 21.3% in 2024, suggesting a shift towards longer holding periods and a stronger focus on long-term investing.



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V. FINDINGS AND CONCLUSION

After analysing primary data from 104 respondents and secondary data sourced from AMFI, SEBI, and NSE reports, we uncovered some key insights:

Demographic Insights

- A large portion of respondents falls within the 21–30 age range, with the next biggest group being those aged 41–50. This suggests that many participants are in their prime working years.
- A noteworthy number of respondents belong to the middle-income bracket (₹20,000–₹1,00,000), which opens up avenues for saving and investing.

VI. CONCLUSION

The study wraps up by highlighting how essential financial independence is for women looking to build long-term wealth. When women have the freedom to earn their own income, manage their finances, and make their own financial choices, it opens up a world of opportunities. This independence allows them to save consistently, invest in various financial options, and gradually accumulate wealth. Both primary and secondary data indicate that more women are stepping into financial markets. Still, there's a pressing need to enhance financial literacy and motivate even more women to invest and build their wealth. In summary, financial independence significantly influences women's saving habits, investment choices, and overall wealth creation. By promoting financial independence among women, we can pave the way for their economic empowerment and financial stability.

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