

From savings to wealth creation

Women taking charge of investments



Achieving financial independence is a milestone in securing a better life and achieving freedom. Indian women are today making significant strides towards this goal. By taking charge of their finances, they are breaking down societal barriers and redefining their roles.

The latest Financial Inclusion Index (FI Index) prepared by the Reserve Bank of India shows the extent of financial inclusion in the country at 64.2 in March 2024, up from 60.1 in March 2023. Clearly, the financial inclusion initiatives afoot are showing results.

More importantly, women are at the forefront of the paradigm shift, as demonstrated by two other significant indicators — one, of the 53.13 crore bank accounts opened under the Pradhan Mantri Jan Dhan Yojana (PMJDY) majority (29.56 crore) are for women beneficiaries and, two, that majority of women now have access to banking services.

Over the past decade or so, millions of unbanked households have moved into the financial fold but has also emerged as a powerful tool for women's empowerment.

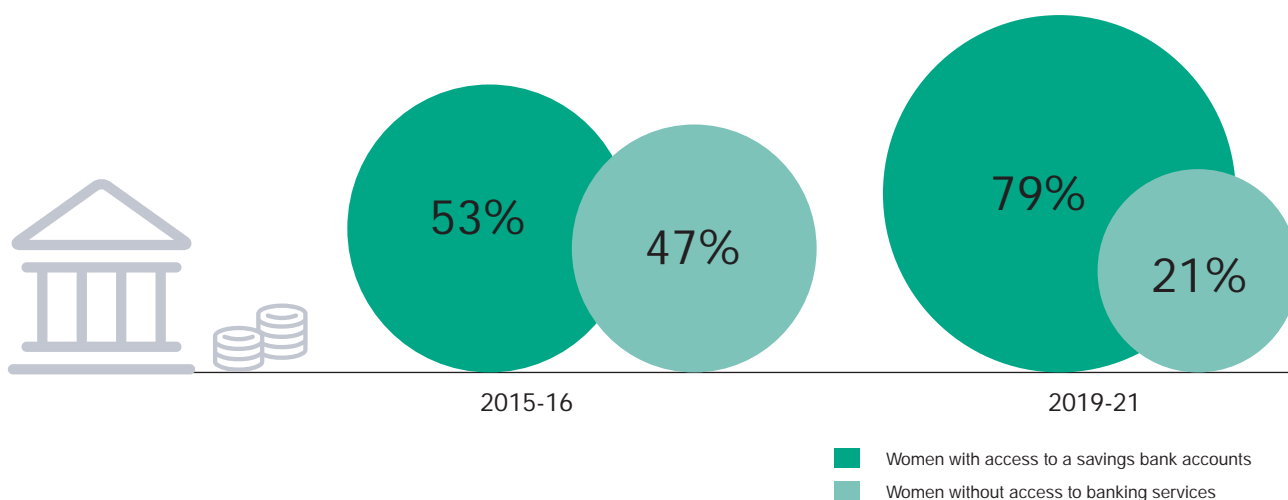
Over 55% of PMJDY accounts opened are of women



Source: Press Information Bureau; data as of August 2024

What's more, the percentage of women who own and use a bank or savings account has surged from 53% (2015-16) to 79% (2019-21), according to the National Family Health Survey.

Around 80% of women now have access to banking services



Source: National Family Health Survey, Crisil Intelligence; 2017-18 refers to the period July 2017-June 2018, and so on

Savings by women have played the dual role of providing a safety net during crises and helping to elevate the financial situation of Indian households.

Now, alongside creating a secure platform for savings, the improvement in financial inclusion has profoundly impacted the economic landscape for women by helping them graduate from savers to investors. Improvement in financial infrastructure and access to financial services will ensure these savings flow into the formal financial system and contribute to wealth creation.

Rise in female labour participation and female literacy – the two key drivers of women empowerment

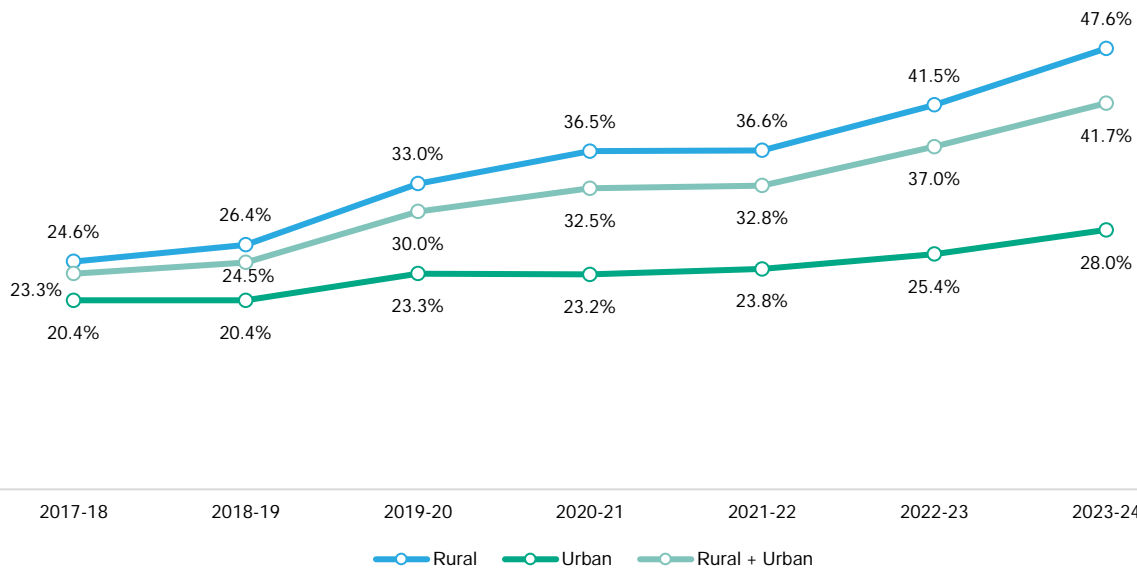
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this goal. By taking charge of their finances, they are breaking down societal barriers and redefining their roles.

The key drivers of this transformation include the near doubling of female labour force participation rate and the steady improvement in literacy rates among women.

According to the Periodic Labour Force Survey (PLFS) of June 2024, the participation of women in the labour force jumped from 23.3% in 2017-18 (July to June) to 41.7% in 2023-24 (July to June). Notably, the participation of rural women grew at a faster pace from 24.6% to 47.6%.

Impressive growth in labour force participation rate* for women aged 15 and above



Source: Ministry of Statistics and Programme Implementation (MoSPI); considers both principal activity status and subsidiary economic activity status; 2017-18 refers to the period July 2017-June 2018, and so on

The rate of increase in literacy is faster in women than in men



Source: MoSPI, Census of India, Office of Registrar General, India, PLFS: 2001 represent the calendar year of 2001

The literacy rate of women in India has shown remarkable progress over the decades. The rate of increase in literacy among women is faster than that among men.

According to population censuses and PLFS, the female literacy rate rose ~11% between 2001 and 2011 and ~12% between 2011 and 2024 in rural areas. In comparison, the male literacy rate increased ~6% and ~8%, respectively.

The increase in literacy rates and the growing participation of women in the workforce have led to a significant rise in women's economic conditions. With greater financial independence and awareness, women are also emerging as key investors in mutual funds (MFs).

Women turn tech-savvy, paving the path to mutual fund investing

The digital payment landscape in India has witnessed a significant transformation, with women rapidly

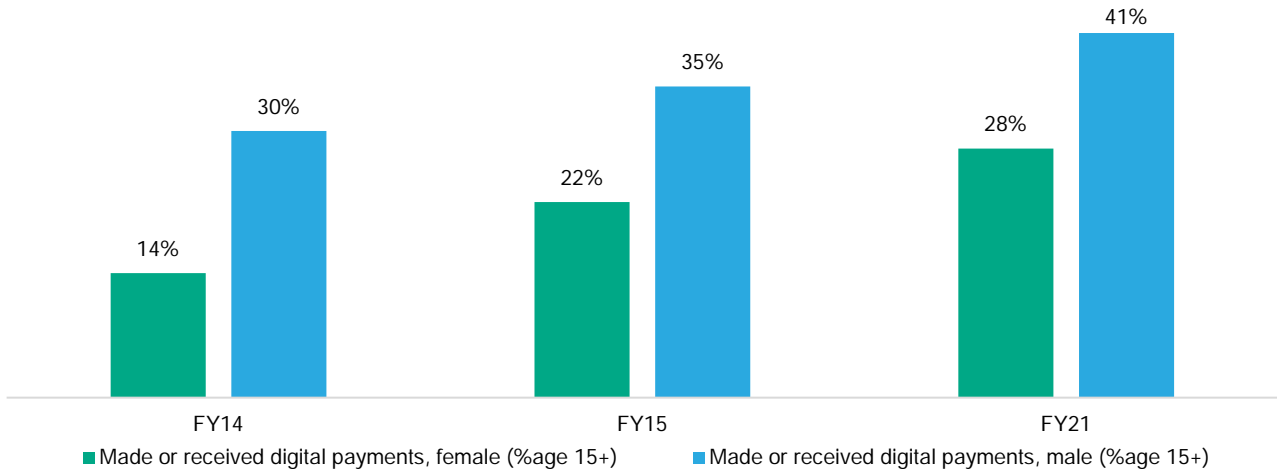
closing the gap with their male counterparts in recent years.

Between fiscals 2014 and 2021, the percentage of women making or receiving digital payments has doubled from 14% to 28%, outpacing the corresponding growth in men from 30% to 41%.

This remarkable growth can be attributed to the increasing tech-savviness of women in India, who are embracing digital transactions with ease.

With women becoming increasingly tech-savvy, navigating the e-KYC process has become easier for them, helping them seamlessly access digital payment platforms and eventually participate in the formal financial sector.

Growth in digital payments by women outpaced that of men



Source: NPCI & Women's World Banking Report 'For Her - Enabling Digital Payments For Women In India', August 2024

The growth of digital payments among women is not limited to urban areas as rural women have also contributed to the trend.

The addressable market for digital payments among women in India is a staggering 200 million, with women's mobile internet adoption increasing to 37% in 2023 from 30% in 2022.

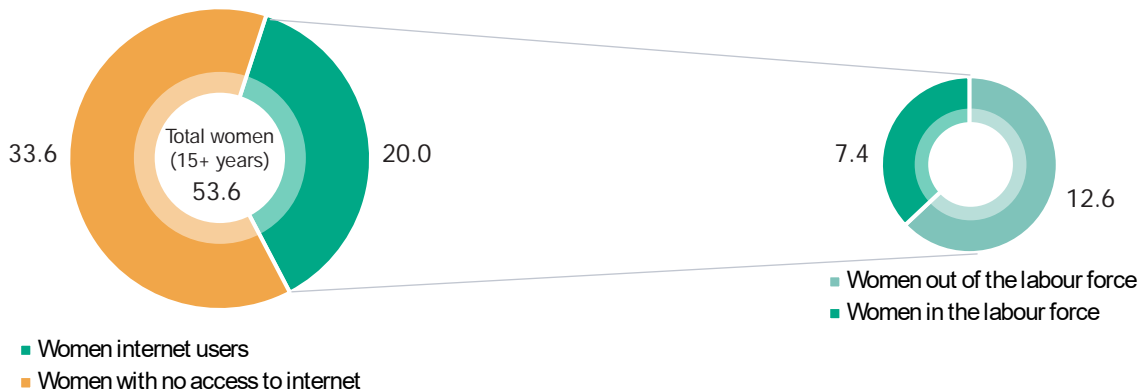
The increased digital connectivity has the potential to drive women towards mutual fund investing, as they become more comfortable with online transactions and seek to diversify their investment portfolios.

As women gain access to the formal financial sector, they are likely to emerge as a significant demographic in the mutual fund market and become a key driver of growth. This, in turn, will empower women to take control of their financial decisions, invest in their future and contribute to the country's economic growth.

The intersection of digital payments and mutual fund investing has created a fertile ground for women to participate in the formal financial sector. It is essential that the growth is nurtured and supported.

Total addressable market for digital payments in India

(Population in crore)



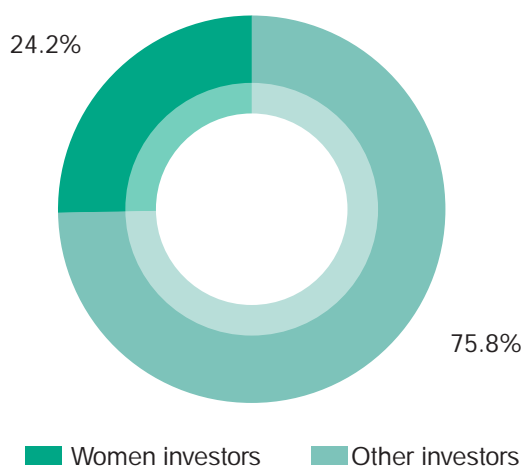
Source: NPCI & Women's World Banking Report 'For Her - Enabling Digital Payments For Women In India', August 2024

One in four unique individual investors in MF is a woman

As of December 2024, women accounted for one in every four MF investors, underscoring the growing trend of women's empowerment in financial decision-making.

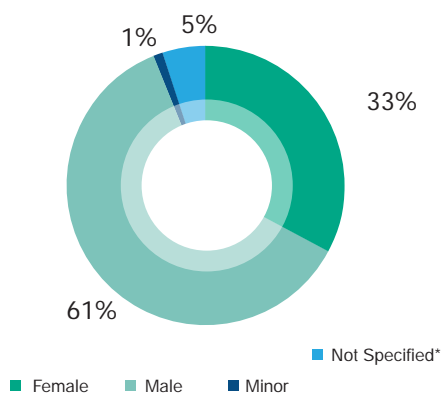
This can be attributed, in part, to the initiatives and awareness programmes organised by the Association of Mutual Funds in India (AMFI) and asset management companies. AMFI has conducted about 24 women-centric investor awareness programmes (IAPs) between April and December 2024, which saw participation of more than 5,700 women. These have successfully created financial awareness and empowered women to become informed investors.

Share of unique women investors in individual investors



Source: AMFI, Crisil Intelligence; data as of December 2024

Breakdown of individual investors' AUM by investor type (men, women, minors)



Source: AMFI, Crisil Intelligence; * includes individual investors for whom gender information is not available

Women investors' AUM constitutes 33% of individual investors' AUM as of March 2024

Women investors' adoption of MFs in India has surged over the past five years. Assets under management (AUM) of women investors more than doubled from Rs 4.59 lakh crore in March 2019 to Rs 11.25 lakh crore in March 2024.

Women investors constitute a substantial proportion of individual investors' AUM — about Rs 33 in every Rs 100 invested in MFs.

These calculations consider data on individual investors (high net worth individuals, retail investors and non-resident Indians) and excludes data on institutional investors, corporates and banks/financial institutions.

State-wise participation rate of women in MFs

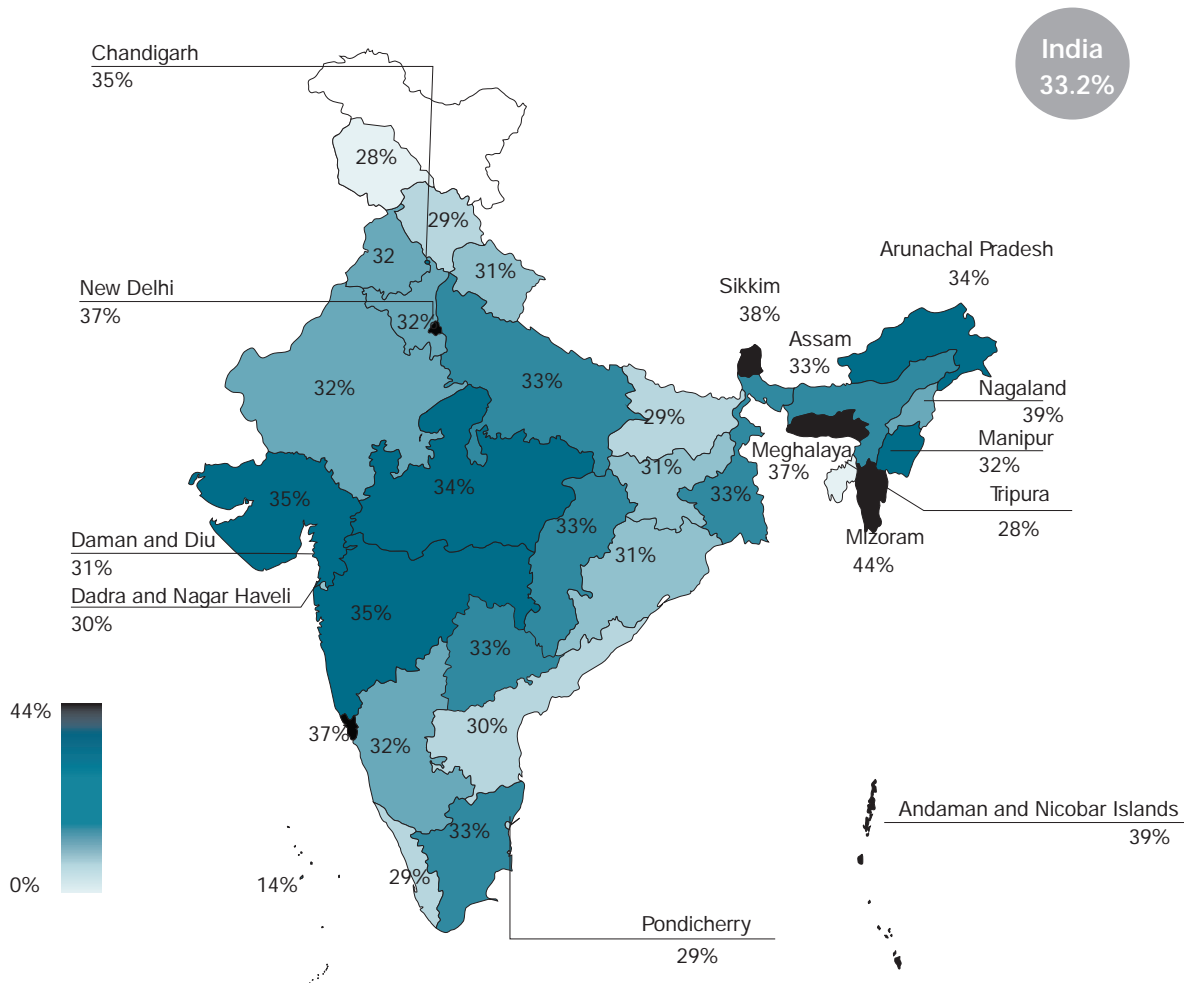
The national participation rate of women in mutual funds is 25.1% in terms of unique investors and 33.2% in terms of women investors' AUM as a percentage of individual investors' AUM. The participation rate based on AUM is higher than the unique investor-based participation rate, indicating that women investors tend to invest larger amounts than men.

Thirteen states and union territories have exceeded the national average in the AUM contribution — these

are Mizoram (44.1%), Nagaland (39.1%), Andaman & Nicobar Islands (38.6%), Sikkim (37.9%), Goa (37.2%), New Delhi (36.8%), Meghalaya (36.5%), Maharashtra (35.4%), Gujarat (34.7%), Chandigarh (34.7%), Madhya Pradesh (33.8%), Arunachal Pradesh (33.7%) and West Bengal (33.3%). Women's participation rates in these geographies range from 33.3% to 44.1%.

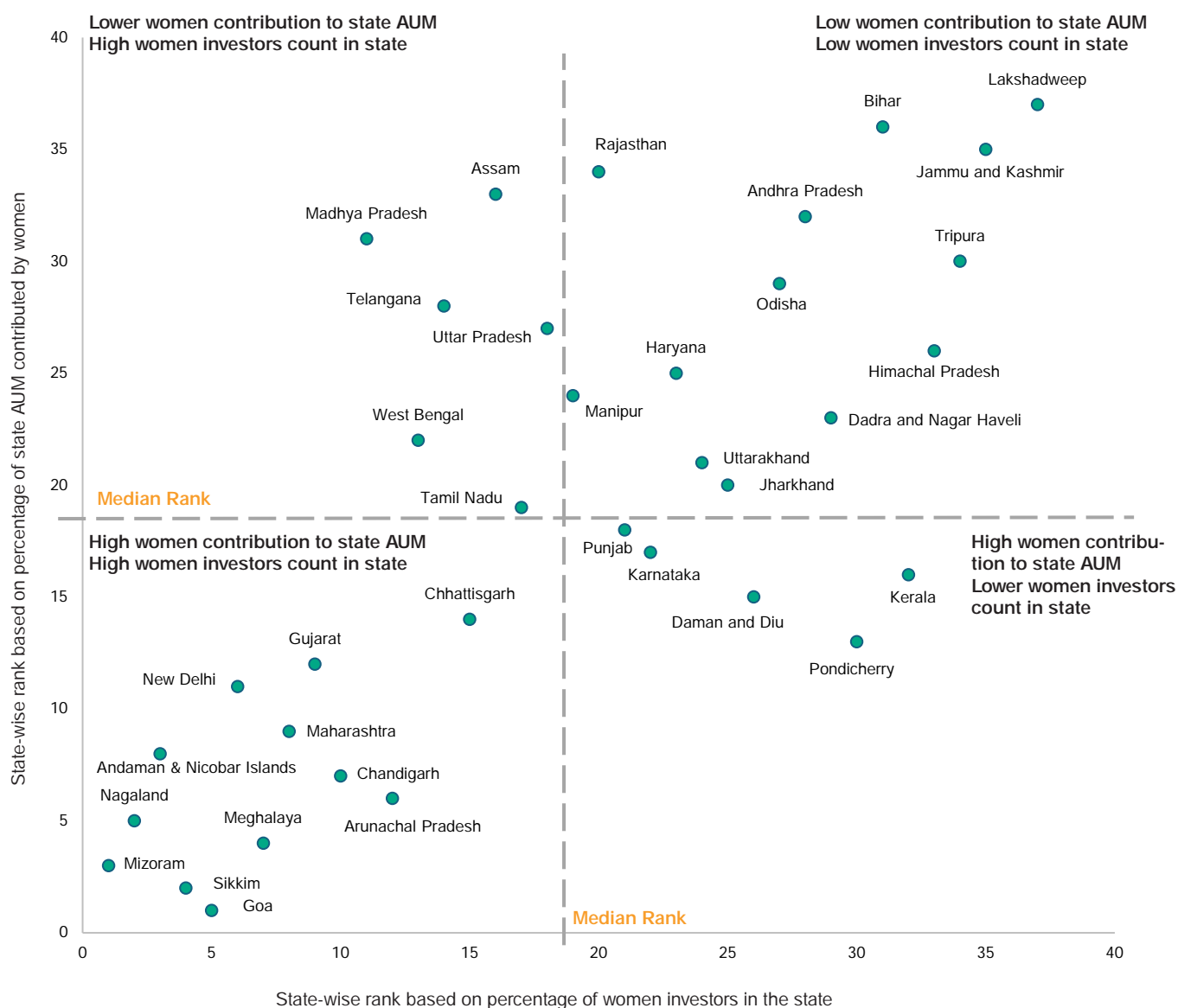
Several northeastern states are on this list due to the region's matrilineal societies and strong women-centric cultural norms. This empowers women to take active roles in financial decision-making, thereby increasing their share in retail AUM.

Geographical distribution of women investors' AUM as a percentage of total individual investors' AUM



Source: AMFI, Crisil Intelligence; data as of March 2024; data for Ladakh is not available; since January 26, 2020, Daman and Diu and Dadra and Nagar Haveli have merged into one union territory; map is only for illustrative purposes, may not necessarily be to scale

One of every three states and union territories sees high women contribution to state AUM and high women investors count



Source: AMFI, Crisil Intelligence; data as of March 2024; data for Ladakh is not available

States such as Mizoram, Nagaland and Goa have high literacy rates and are known for their progressive social indicators, which could contribute to higher women's participation in investments.

New Delhi, Maharashtra and Gujarat have high economic activity and healthy literacy rates, which result

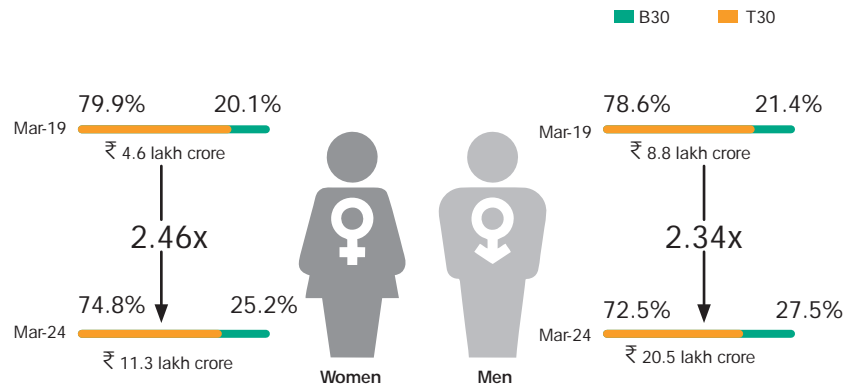
in higher awareness about financial products.

Haryana, Rajasthan and Bihar, on the other hand, have lower literacy rates, which may be a major reason for lower contribution of women in the overall AUM in these states.

Women investors' AUM share increases in B30 cities

Women investors in T30 cities have a larger share of the total women investors' AUM (74.8% in March 2024), but the share of women in B30 cities has increased significantly from 20.1% in March 2019 to 25.2% in March 2024, indicating the growing penetration of MFs among women in smaller cities.

AUM split of B30 and T30 cities for women and men investors



Source: AMFI, Crisil Intelligence

Younger women in B30 cities show higher participation (as a percentage of AUM)

	Below 35	35 & above
T30	9.4%	88.2%
B30	15.1%	82.2%

Source: AMFI, Crisil Intelligence; data as of March 2024, investors for whom age is not available represent 2.4% (T30) and 2.7% (B30) of AUM.

Women below the age of 35 in B30 cities account for 15.1% of the AUM, which is significantly higher than the T30, constituting only 9.4% of the AUM. This variation indicates that younger women in smaller cities are more proactive about investing in MFs, bucking the trend of lower financial inclusion in these areas.

Distribution of women investors' AUM across categories of mutual funds – equity, debt, hybrid, passive & others

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The allocation of women investors' AUM across various categories has undergone a significant shift over the past five years.

The share of equity AUM in women's overall AUM increased substantially from 43.3% in March 2019 to 63.7% in March 2024, indicating a growing affinity among women investors for equity as an investment avenue.

Women participation in debt funds declined consistently from 22.6% of women's total AUM in March 2019 to 10.7% in March 2024. This trend was seen across all age groups of women.

The allocation to hybrid categories has remained relatively stable around the 20% mark over the years

Hybrid investments: The allocation to hybrid investments increase with age—from 13.7% for the "below 25" age group to 26.6% for the "above 58" age group—which shows that older women investors seek more balanced or diversified investment options.

Women's allocation to passive investment strategies surged from 2.5% in March 2019 to 4.1% in March 2024. Further, passive gold schemes (which includes gold ETFs) which made up 5.2% of women investors' AUM in March 2019, increased to 24.9% in March 2024, indicating a strengthening commitment to passive investing and preference for the electronic modes of investing in gold.

The allocation to passive MF schemes is relatively stable across all age groups, between 4-5% of the total AUM of each age category of women.

Composition of women investors' AUM across broad categories of MF schemes



Source: AMFI, Crisil Intelligence
Others include closed-ended funds, solution-oriented funds and fund of funds

Equity constitutes the lion's share of AUM

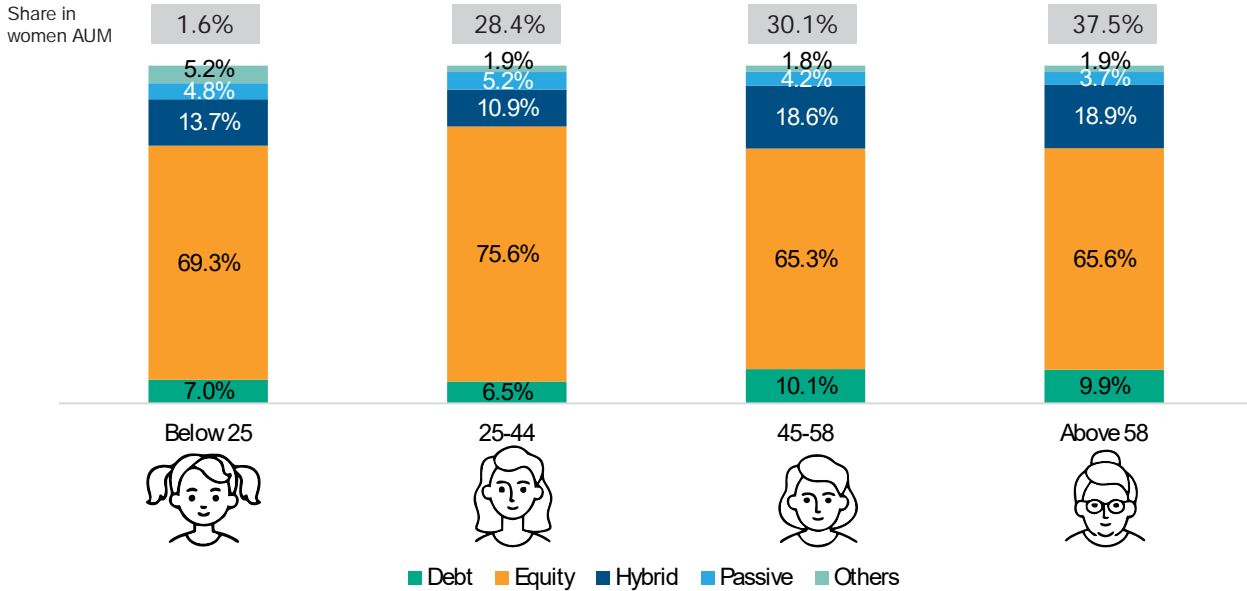
A granular analysis of women's equity AUM reveals intriguing trends across different demographic segments. Across all age groups, equity is the most preferred investment option, with the highest percentage allocation. The youngest age group (below

25) allocates 69.3% to equity, while the oldest age group (above 58) allocates 53.3%.

In terms of investment preferences in equity, women's allocation to large-cap funds decreased ~6%, from 19.2% of the total equity AUM in March 2019 to 13.3% in March 2024. Conversely, women's equity AUM parked in small-cap funds increased from 6.2% in March 2019 to 10.2% in March 2024.

Age-wise AUM distribution across categories for women investors

Total women AUM Rs 11.25 tn. (100%)



Source: AMFI, Crisil Intelligence

The above calculations are based on total women investors' AUM; age for investors, representing 2% of AUM, is not available; data as of March 2024
Others include closed-ended funds, solution-oriented funds and fund of funds

~21% of women investors' AUM invested through direct plans

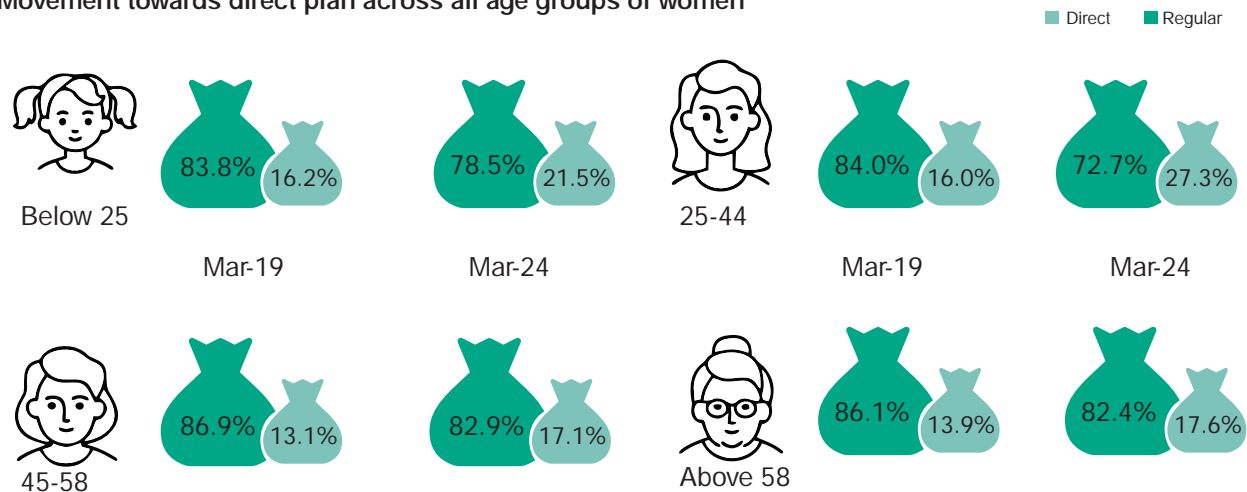
An analysis of women's AUM reveals that investments held in regular plans account for about 79.67% of the total women AUM as of March 2024, which declined from 85.80% in March 2019, indicating a gradual shift towards direct plans.

The adoption of direct plans increased from 14.20% in March 2019 to 20.33% in March 2024, indicating

an increasing trend of self-directed investing among women.

A breakdown of the AUM by the age bracket reveals a shift in the preference for direct plans in all age groups. However, younger investors have a faster pace of adoption for direct plans. For example, the "25-44" category saw a significant jump from 16.0% to 27.3% of the AUM, while the "above 58" category witnessed a slower adoption from 13.9% to 17.6%.

Movement towards direct plan across all age groups of women



Source: AMFI, Crisil Intelligence

Commitment to long-term wealth creation increase

Over the past five years, women investors are showing a preference for long-term holdings.

The AUM of women investors, with a holding period of over five years, has increased from 8.8% of the total women investors' AUM in March 2019 to 21.3% in

March 2024, which shows that women are becoming increasingly patient and committed to long-term wealth creation.

The share of women investors' AUM in accounts that have been in existence for less than a year declined from 40.5% in March 2019 to 25.4% in March 2024. For men, this share reduced from 42.2% to 27.0%.

Distribution of women's and men's AUM across different holding periods

Holding period (in years)	Women investors		Men investors	
	March 2019	March 2024	March 2019	March 2024
<1	40.5%	25.4%	42.1%	27.0%
1 to 2	27.6%	19.5%	27.2%	19.3%
2 to 3	12.0%	15.1%	11.8%	14.5%
3 to 4	7.1%	10.4%	6.8%	11.0%
4 to 5	4.0%	8.3%	3.8%	8.3%
>5	8.8%	21.3%	8.2%	19.9%
	100.0%	100.0%	100.0%	100.0%

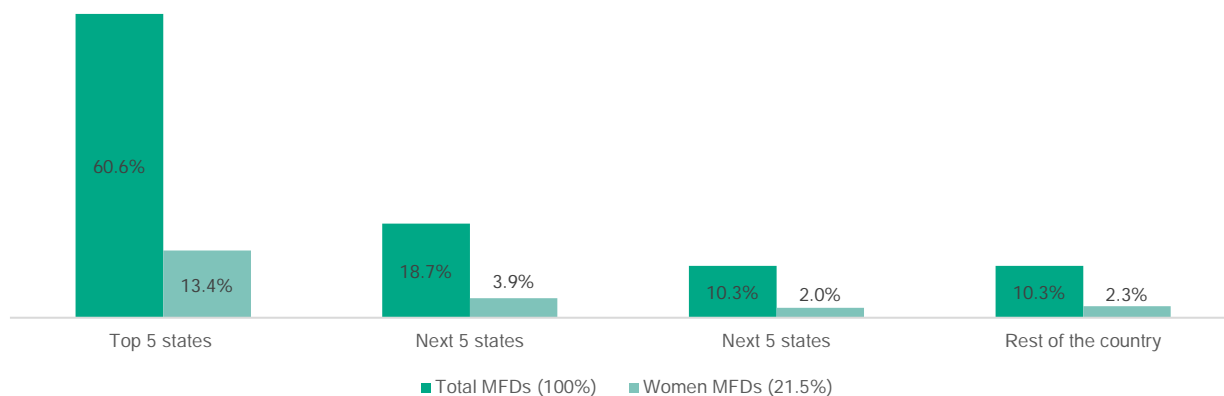
Source: AMFI, Crisil Intelligence

Effective investment advice and handholding can play a significant role in shaping investment behavior, and it is likely that the growing pool of knowledgeable and experienced distributors has contributed to the increasing trend of long-term investing among women. And who better to handhold a woman investor than

a woman herself, since she may understand the financial planning needs better. The number of women distributors has grown to 37,376 registrations mark as of December 2024. This represents 21.5% of total registered mutual fund distributors (MFDs) in India.

Distribution of MFDs across states

(Share in total MFDs)



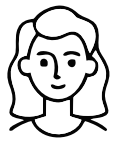
Source: AMFI, Crisil Intelligence; data as of December 2024

Women investors go for SIPs

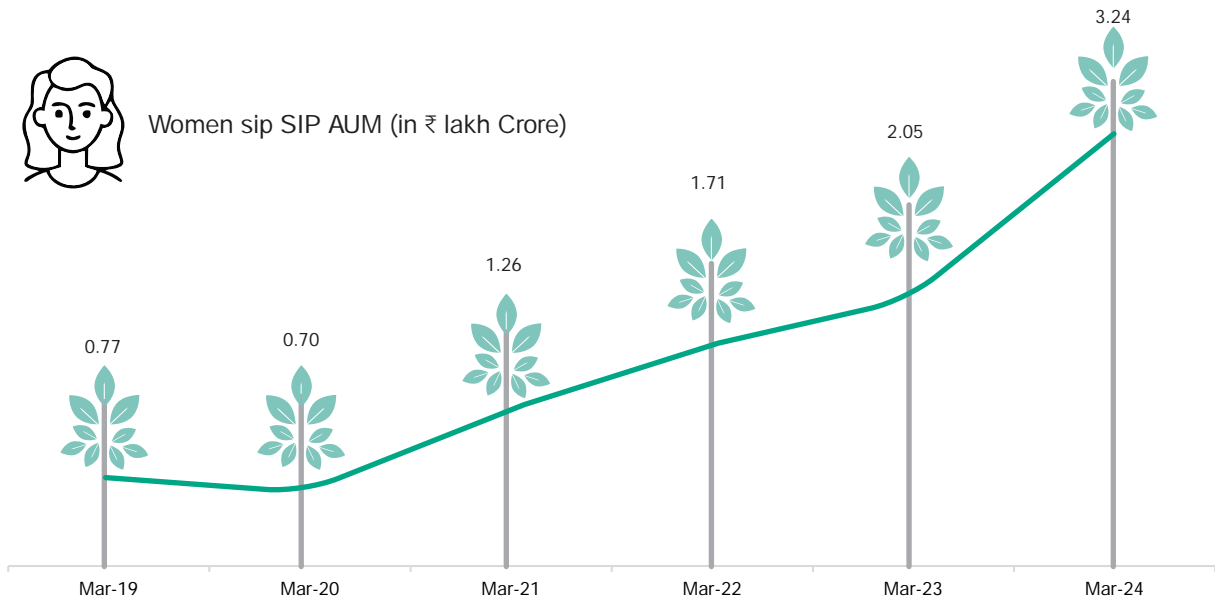
Women's Systematic Investment Plan (SIP) AUM accounted for over 30.5% of the total SIP AUM in

March 2024. It grew 319.3% between March 2019 and March 2024, which shows that women are increasingly adopting SIPs as a disciplined investment approach.

Women investors increasingly taking the SIP route



Women sip SIP AUM (in ₹ lakh Crore)



Source: AMFI, Crisil Intelligence

Multifold increase in women SIP accounts, with B30 cities driving the growth

There has been a significant increase in systematic investment plan (SIP) accounts among women investors in both the top 30 (T30) cities and locations beyond the top 30 (B30) cities. Women investors' SIP accounts have grown from 71,13,186 in December 2020 to 2,63,06,734 in December 2024 — a rise of 269.8%.

The growth rate of SIPs has been higher in B30 cities (63.4%) in December 2024 when compared with

December 2023. It registered a 331% increase for the period ended December 2024. In contrast, T30 cities have seen a 48.1% increase in December 2024 and a 226.1% increase over the same period. Data suggest that women investors in smaller cities (B30) are increasingly adopting SIPs, driving the growth of these accounts.

The AUM of women SIPs has grown ~250% from Rs 1.2 lakh crore in December 2020 to Rs 4.3 lakh crore in December 2024, with the growth rate in T30 and B30 cities being in line with the overall trend.

About AMFI

Association of Mutual Funds in India (AMFI) is a non-profit industry body of the asset management companies (AMCs) of all Mutual Funds in India that are registered with Securities and Exchange Board of India (SEBI). AMFI is dedicated to developing the Indian Mutual Fund Industry on professional, healthy, and ethical lines and to enhance and maintain standards in all areas with a view to protecting and promoting the interests of mutual funds and their unit holders.

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