

# Women, take charge of your finances now: Here's how!

**Synopsis**

One reason why women often hesitate to take over or manage their investments and finances is that that they feel underconfident and not equipped to deal with these matters.



If there is one gift you should give yourself on this Women's Day, it is to take charge of your finances and investments.

This is true Self-care!

All investing studies show that most of your returns come from asset allocation in your Investment pie chart and not from security selection.

Too many women remain ambivalent about handling this and leave it to the male members of their household, but it is extremely key to your well-being. This is true self care - taking care of your future self.

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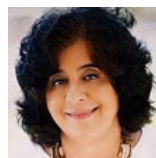
Young women investors more likely to choose high-risk, high-return asset class: Survey

Even if you are a home maker and do not have direct income of your own, you can still volunteer to do this as part of your share of family duties.

If you are a working woman and think that you do not have the time for this, please delegate some of your household duties but do take charge of your Investments.

**Confidence does not equal Competence**

One reason why women often hesitate to take over or manage their investments and finances is that that they feel underconfident and not equipped to deal with these matters.



ET Spotlight

You don't have to search for that elusive multibagger. Instead, you have to follow strategies which gives you the Optimum returns over time with proper allocations.

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There are two parts to this: One, now it is easier than ever to educate yourself and in a form that makes learning easy for you - whether it is reading from books or the internet or watching videos. There is plenty out there to help you learn the basics.

Secondly, remember that women tend to underestimate themselves. Just because a man in your life acts more confident does not mean that he knows more about financial matters. Several studies show that women actually perform better at investing than men even though men think they are better at it!

It is a Fee, not a Failure

When you do start investing, please be aware that there will be losses at some stage of your investing journey. The important thing is not to look at these losses as a personal failure but as the fees of being in this game - just as you don't think of the price of a ticket to a concert as a loss.

It is as the software guys say: The losses are a feature not a bug. Thus don't lose heart in your capabilities if and when you do face losses.

Risk Management is key but not total Risk Avoidance

Having said that, you must take adequate precautions so that none of these losses are crippling or more than you can afford.

Risk management is always key in investing. Learning about this and putting it in place is extremely important in your investing journey.

However, risk management does not mean that you go only for investments that are 100% risk free for 100% of your corpus because this strategy will also limit your returns.

While higher risk doesn't always equal higher returns, if you are young will likely have to go beyond the 100% safe investment to optimise returns.

The Really good news!

All investing studies show that most of your returns come from asset allocation in your Investment pie chart and not from security selection.

In simple language, what this means is that it is more important to know how your entire portfolio is allocated across fixed income, equity, commodities, real estate, gold etc and across geographies including those beyond India; than it is to know every hot stock that someone maybe boasting about in a party. [BACK TO TOP](#)

This also means that the time that you need to spend on your investment gets reduced dramatically.

You don't have to search for that elusive multibagger. Instead, you have to follow strategies which gives you the Optimum returns over time with proper allocations.

For instance, if you have your investments only in Indian equities you are exposing yourself to SCCARs that is Single Country Single Currency Single Asset Risk.

You will need to diversify beyond that into others assets like fixed income and gold as well as ideally, beyond India with an asset manager who can provide you a dynamic and tactical asset allocation.

The choice of your asset or Investment manager maybe the most crucial investment decision you make - more so with the limited time that most women have with multiple demands on their time.

Happy Women's Day and Happy Investing!

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