

9 THINGS EVERY SMART MILLENNIAL GIRL SHOULD KNOW BY 25

1 Opening and operating bank accounts
Opening and operating a bank account is very easy. No need to rely on an elder or friend to manage your own money.

Tip: Save time and operate your account online or through your institution's mobile banking applications.

2 Using Credit cards optimally

Credit cards are like contact lenses – they improve your sight, but need to be handled with care. So, keep the credit card limit low and do not spend money you haven't earned yet through credit.

Tip: Save penalties on delayed payments by automating your card payments.

3 Creating an Emergency Fund

Everybody needs a 3 am friend. An Emergency Fund can be your friend at such times. Building it is very simple. All you need to do is contribute 5-10% of your salary to this Fund every month.

Tip: Make this your mantra: "I will not use my Emergency Fund for ordinary expenses."

At 25, your rotis may or may not be round, but your finances should be sound. Here's what you need to know to be a financially smart millennial.

4 Maintaining a good credit score

Parents' approval matters. Similarly, financial companies look to credit rating agencies to certify your credibility. Know and maintain your CIBIL score. Avoid missing out on payments or apply for too many loans, especially unsecured loans.

Tip: Choose a credible co-applicant for joint loans to avoid paying for their defaults.

5 Securing health and life
Before you fly or drive, you secure the seat belt. Similarly in life, secure your life with health and life insurance first. Ask for help if you want - but do it yourself. Otherwise, you may not know how to use it during emergencies.

Tip: Clearly mention your lifestyle habits or existing diseases in the form to avoid claim rejections.

6 Planning Taxes

You are the earning member. You pay the Tax. Then why shouldn't you plan your Taxes? It's simple too - calculate your Taxable income; invest as much as possible in Tax-saving investments like Equity-Linked Savings Scheme (ELSS) and reduce your Tax liabilities.

Tip: Start planning Taxes right from the beginning of the year to avoid last-minute hasty decisions.

7 Filing Income Tax Returns (ITRs)

No one knows you better than yourself, right? Then, why expect another person to file your Income Tax Returns (ITRs)? Get the required documents from work and financial institutions, and fill the form fields online. The forms do the rest of the work.

Tip: Verify the form online through your Aadhaar, Bank account or digital signature certificate.

8 Pursuing your dreams

Every week, you regularly oil your hair for growth. Similarly, every month, invest a little bit for your future success through a Systematic Investment Plan (SIP). This can be for retirement, buying a house, funding your child's education, or even supporting your parents. Don't rely on anybody else.

Tip: Different Mutual Funds (MFs) help achieve different goals. Invest accordingly. For a peaceful post-retirement life, save at least 10% of your monthly income.

9 Knowing how to invest

In today's day and age, you cannot fulfil goals without investing. So, don't let the lack of knowledge stop you from investing. When in doubt, opt for a Mutual Fund and rely on the Fund Manager's expertise to invest on your behalf.

Tip: There are plenty of knowledge banks available online or offline today. Use it to improve knowledge.

EXPERTSPEAK

A reader asked us: How can a 26-year-old woman take her first step in the world of investing?

HERE'S WHAT THE EXPERT SAID



SWETA SINGHANIA
Owner, Samriddhi Wealth

A 26-year old woman today might have several goals. She may wish to plan for retirement, start a business, or fund a career break. She might even want to buy a house.

The first step is to do a risk assessment. Next, she should follow goal-based financial planning and appropriate asset allocation. Based on her risk appetite, she could choose the following options:

- Long-term goals (e.g. retirement): She could invest in Equity Mutual Funds through a Systematic Investment Plan (SIP) of ₹5000 per month. With expected annual returns of 14%, this could generate ₹4.82 crore by the time she turns 60.
- Short-term goals (e.g. buying a house): She should opt for less volatile funds, like Short-Term Debt Funds or Accrual Funds.

Why Mutual Funds are great for women investors

Mutual Funds are an excellent option for women. Here's why:

- 1 You can invest as little as ₹ 500.
- 2 Mutual Funds are managed by professionals.
- 3 There are Mutual Fund Schemes to suit each category of investor and their risk profiles.
- 4 Mutual Funds help diversify your investment portfolio.
- 5 The transactions are transparent and easy to monitor online.
- 6 Investing in and redeeming Mutual Funds is easy.
- 7 Long-term capital appreciation helps beat inflation.
- 8 Mutual Funds support planning for retirement or the children's education.

WHAT NEXT? The process for investing is the same for both, men and women. But, do they also behave in the same manner when it comes to investing? Let's see.

WOMEN VS MEN

HOW THEY INVEST DIFFERENTLY

Leander Paes and Sania Mirza both play Tennis, but do they play alike? Similarly, men and women both invest, but they differ in style. We don't say this, research reports do.

Saving for a rainy day

Naturally inclined towards saving

Live in the present; may not save as much

Vision for a long investment horizon

Focus on long-term investments for goals like marriage, children's education, retirement, etc.

Achieve goals by investing for a shorter term

"Ask, and it shall be given"

Tend to ask for advice and help while investing

Do not approach financial advisers as much as women do

Accepting advice

More receptive when seeking help from advisers

Not as receptive as women

Keeping calm on the rollercoaster ride

Tend to be patient when it comes to trading

More prone to succumbing to market fluctuations

Seeking answers

Carefully analyse the market before investing

Tend not to research as much as women

*This content was created exclusively for UTI Swatantra. Visit <http://www.utiswatantra.com> for more information.

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DID YOU KNOW

Women shy away from taking their own investment decisions

Women tend to have good saving habits. However, the number of women investors are still few in number.

77%* of employed women in India do not take their own investment decisions, according to a study. They depend on their husband or father.

This means, women rely on family for:

- Pursuing their own goals like travel, big-ticket purchases, etc.
- Funding their child's education
- Buying a house of their own or for family
- Taking care of their own parents
- Paying for their post-retirement expenses

Caution: Life is uncertain.

It takes one small accident to turn your world upside down. What if your family is not around or fails to help you?

Solution:

- Do not underestimate your capabilities
- Build a habit of saving and investing
- Read about finance and improve knowledge
- Understand your family's finances
- Look beyond traditional investment tools
- Seek help from financial advisor

* A study conducted by research agency Nielsen

SIP CORNER

PAYING THROUGH EMIs VS INVESTING THROUGH SIP

You may want:

- A high-end Laptop, Television or Smartphone
- Designer clothes and accessories
- Travelling without a thought of money
- Seamless shopping experience

What most do:

- Pay through Equated Monthly Instalments (EMIs) or borrowed money

The cons:

- You pay 11-14% extra as interest on EMIs
- Constant worry of repaying Debt
- Lower credit score in case of non-payment

What to do instead:

- Postpone expenditure and buy some time
- Invest a small amount every month through SIP
- Earn returns – maybe as much as the EMI interest rate
- Liquidate investment and pay
- Say goodbye to worries of Debt and non-payment

SCAN THIS QR CODE & BID ADIEU TO ALL YOUR FINANCIAL WORRIES THIS INTERNATIONAL WOMEN'S DAY

Steps to download and scan a QR code:

- 1) Download QR code app on your phone.
- 2) Run app and scan the QR code.
- 3) Your smartphone reads the code & navigates to the destination.

GURU SPEAK



RAMA NANDI
Independent Financial Adviser

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Contact your financial advisor or give a missed call on **8655097225**.

From being a mother to an entrepreneur to a film-maker, she does it all! When her accomplishments have no boundaries, why should her investments?

The Systematic Withdrawal Plan(SWP) facility offered by Mutual Funds provides investors with a specific amount of pay-out from their existing investments, at regular time intervals, like monthly, quarterly, half-yearly or annually. Start investing today to live empowered tomorrow.

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MUTUAL FUND INVESTMENTS ARE SUBJECT TO MARKET RISKS, READ ALL SCHEME RELATED DOCUMENTS CAREFULLY.