



INVEST, SAVE AND GROW: A WOMAN'S GUIDE TO FINANCIAL SUCCESS

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ABSTRACT

Financial autonomy plays a pivotal role in empowering women, yet a significant number of women in India continue to face obstacles in managing their finances efficiently. This paper offers a practical roadmap for women to save, invest, and grow their wealth, emphasizing the significance of financial literacy, government programs, tax incentives, and a diversified investment approach. It examines a range of investment options including mutual funds, fixed deposits, real estate, gold bonds, and retirement plans to support women in securing a stable financial future. The study also highlights the recent tax measures introduced in the 2025–26 Union Budget, such as full income tax exemption for individuals earning up to ₹12 lakh, adjustments to Tax Deducted at Source (TDS) rates, and increased deductions for senior citizens. In addition, it reviews government-backed initiatives like the Sukanya Samridhi Yojana (SSY), Mahila Samman Savings Certificate, and the National Pension System (NPS), which aim to provide financial security and long-term stability for women. By adopting a structured approach to financial planning and taking full advantage of the available resources, women can enhance their savings, make informed investment decisions, and achieve sustainable economic stability. This paper underscores that improved financial awareness, combined with supportive policies, can help narrow the gender wealth gap and promote broader economic empowerment for women in India.

Keywords: Financial Literacy, Investment Strategies, Tax Benefits, Government Schemes for Women, Wealth Growth & Retirement Planning.

INTRODUCTION

In recent years, Indian women have been taking a more proactive role in financial decision-making, marking a notable departure from traditional practices where men predominantly

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handled family finances. Despite this progress, numerous challenges continue to limit women's full engagement in wealth creation and investment opportunities. Lower financial literacy, limited awareness of tax-saving mechanisms, and constrained access to high-return investment options contribute to the ongoing financial gender gap. Cultural norms and societal expectations further discourage many women from participating in long-term financial planning.

In response, the Union Budget 2025–26 has introduced several measures to encourage women to manage their finances independently¹. These include enhanced deductions under Section 80C, preferential tax rates for women entrepreneurs, and government-backed savings schemes designed to foster financial autonomy. Additionally, reforms such as capital gains tax adjustments, angel tax exemptions for women-led startups, and incentives for small business owners aim to support women in building and expanding their wealth.

Nevertheless, understanding and effectively utilizing these benefits requires financial awareness and careful planning. Women, particularly in middle- and lower-income segments, often lack guidance on how to maximize these opportunities. Investment avenues such as mutual funds, fixed deposits, real estate, the National Pension System (NPS), and tax-saving insurance plans can provide long-term financial security, but without proper knowledge and strategy, their potential advantages may remain underutilized.

INVESTMENT STRATEGIES FOR WOMEN

1. Tax-Saving Investment Plans

The Income Tax Act, 1961², as revised under the Finance Bill 2025³, includes several measures aimed at promoting savings and investments among taxpayers, with a special focus on women. These provisions are designed to enhance financial security, support long-term wealth creation, and facilitate access to essential financial instruments such as insurance and retirement plans. Key sections updated in the 2025–26 Union Budget that provide enhanced benefits include:

¹ Ministry of Finance, *Union Budget 2025-26*, PIB India (2025), <<https://pib.gov.in/>> accessed 10 November 2025.

² *Income Tax Act, 1961*, amended by *Finance Bill 2025*, <<https://www.incometaxindia.gov.in/>> accessed 10 November 2025.

³ *Income Tax Act, 1961*, amended by *Finance Bill 2025*, <<https://www.incometaxindia.gov.in/>> accessed 10 November 2025.

a. Section 80C⁴: Deduction Limit Raised to ₹2.5 Lakh

Section 80C of the Income Tax Act allows taxpayers to claim deductions on investments in specified financial instruments. The Finance Bill 2025 has increased the maximum deduction under this section from ₹1.5 lakh to ₹2.5 lakh, enabling individuals especially women to save more on taxes while investing in reliable, high-return schemes⁵. Eligible investments under this section cover several tax-saving instruments designed to promote long-term financial security and disciplined savings. The Public Provident Fund (PPF) is a government-backed scheme that offers tax-free returns along with stable, long-term growth, making it a reliable option for conservative investors. Equity Linked Savings Schemes (ELSS), on the other hand, are mutual fund investments with a mandatory three-year lock-in period and the potential for higher returns, making them suitable for individuals seeking market-linked growth while still enjoying tax benefits. Additionally, the Sukanya Samriddhi Yojana (SSY) provides a dedicated savings avenue for the financial security of girl children, featuring attractive interest rates and complete tax exemption under the EEE (Exempt-Exempt-Exempt) framework. Together, these investment options encourage systematic savings while offering substantial tax advantages.

The enhanced deduction limit is particularly advantageous for women investors and mothers planning for their daughters' education and long-term financial stability.

b. Section 80D⁶: Health Insurance Premium Deduction Increased to ₹1 Lakh

Healthcare expenses represent a significant financial challenge, and women often prioritize family health over their own. To encourage investment in health insurance, the Finance Bill 2025 has increased the deduction under Section 80D from ₹50,000 to ₹1 lakh for premiums⁷ paid. This includes health insurance policies that provide coverage for women and their families, allowing deductions for premiums paid for themselves, their spouses, and their children. Additional tax benefits are also available when women pay for health insurance for dependent senior citizen parents, enabling them to manage family healthcare expenses more

⁴ *Income Tax Act, 1961*, amended by *Finance Bill 2025*, <<https://www.incometaxindia.gov.in/>> accessed 11 November 2025.

⁵ Securities and Exchange Board of India, *Report on Capital Gains Tax Reform (2025)*, <<https://www.sebi.gov.in/>> accessed 11 November 2025.

⁶ *Income Tax Act, 1961*, amended by *Finance Bill 2025*, <<https://www.incometaxindia.gov.in/>> accessed 11 November 2025.

⁷ Ministry of Corporate Affairs, *Angel Tax Notification (2025)*, <<https://www.mca.gov.in/>> accessed 11 November 2025.

effectively. The enhanced deduction limit is particularly significant in light of rising medical costs, ensuring that women have stronger financial safeguards to meet unexpected healthcare needs.

c. National Pension System (NPS): Additional ₹50,000 Deduction Under Section 80CCD(1B)⁸

Retirement planning is frequently neglected, and many women, particularly those employed in informal sectors, do not have adequate pension coverage. To address this gap, the Finance Bill 2025 has introduced an additional deduction of ₹50,000 under Section 80CCD(1B) for women contributing to the National Pension System (NPS)⁹. This deduction is over and above the existing limits under Section 80C.

The key benefits of this provision include encouraging women to build long-term retirement savings, thereby strengthening their financial security after they stop working. It also maximises tax advantages by allowing women to claim up to ₹2.5 lakh under Section 80C in addition to an extra ₹50,000 under Section 80CCD(1B), resulting in improved tax efficiency. Moreover, the National Pension System (NPS) offers market-linked returns along with assured pension benefits, making it an appealing retirement-planning option for working women, professionals, and entrepreneurs seeking both growth and stability.

The amendments in the 2025 Finance Bill significantly strengthen tax incentives for women, offering them expanded opportunities to save, invest, and plan for the future. Combined with the increased deduction limits under Section 80C, the higher health insurance benefits under Section 80D, and the additional retirement incentives under Section 80CCD(1B), these measures encourage women to take an active role in financial planning and long-term wealth creation. Ultimately, these reforms are expected to enhance women's financial independence, enabling them to make informed investment decisions, reduce tax liabilities, and secure a stable economic future.

⁸ Income Tax Department, *Deduction in respect of contribution to pension scheme of Central Government*, <https://incometaxindia.gov.in/_layouts/15/dit/pages/viewer.aspx?grp=act&cname=cmsid&cval=102120000000041469&isdlg=0> accessed 11 November 2025.

⁹ Department for Promotion of Industry and Internal Trade, *Startup India Report* (2025), <<https://www.startupindia.gov.in/>> accessed 11 November 2025.

2. Capital Gains Tax Reform

Capital gains tax significantly impacts the returns from equity market investments. Recognizing the importance of encouraging retail investors—especially women—to engage with stocks and mutual funds, the Securities and Exchange Board of India (SEBI) proposed reforms in 2025 that reduced the long-term capital gains (LTCG) tax rate on equity investments to 12.5%¹⁰.

Key benefits for women investors include a reduced tax burden on equity gains, as the long-term capital gains (LTCG) tax rate has been lowered from 15% to 12.5%, enabling women to retain a greater share of their profits. The simplified and more favourable tax structure also helps promote wider participation in financial markets, especially among women who may hesitate due to tax-related complexities. This reduction in LTCG not only enhances financial independence by increasing net returns on investments such as mutual funds, equity-linked savings schemes (ELSS), and direct stocks but also encourages women to adopt long-term investment habits. Since LTCG applies to equity investments held for more than one year, the reform supports stable, long-term financial planning rather than short-term speculation.

This tax reform is especially advantageous for working women, homemakers with disposable income, and self-employed professionals seeking to diversify their investment portfolios. By making equity investments more tax-efficient, the policy aims to increase women's participation in the stock market, enabling them to steadily accumulate wealth over time.

3. Encouraging Entrepreneurship: Angel Tax Abolition

Entrepreneurship serves as a vital avenue for economic empowerment, yet women-led startups often encounter challenges such as limited access to funding, stringent credit scrutiny, and insufficient collateral for business loans. To address these barriers, the Ministry of Corporate Affairs (MCA) has eliminated the angel tax on investments made in women-led startups¹¹.

The abolition of the angel tax has brought several important advantages for women entrepreneurs. First, it has improved access to funding, as angel investors and venture capitalists are now more inclined to support women-led ventures without the added tax burden,

¹⁰ *Income Tax Act, 1961*, Sec. 80C, Amendment (2025), <<https://www.incometaxindia.gov.in/>> accessed 11 November 2025.

¹¹ Ministry of Health, *Insurance Tax Benefits Circular* (2025), <<https://main.mohfw.gov.in/>> accessed 11 November 2025.

thereby encouraging the expansion of female-owned businesses. This reform also strengthens the women-focused startup ecosystem by removing financial barriers and motivating more women to start and scale their enterprises. Moreover, by eliminating unnecessary taxation, women entrepreneurs can redirect more resources toward innovation, including product development, business growth, and job creation.

Further support comes through the Pradhan Mantri Mudra Yojana (PMMY), where the loan limit for women entrepreneurs has been increased to ₹10 lakh, offering greater financial flexibility. The enhanced Mudra loan scheme provides several benefits, such as lower interest rates for women borrowers, making business finance more accessible and cost-effective. It also ensures better access to working capital, enabling smoother management of operational needs. Additionally, the scheme supports growth in emerging sectors like retail, handicrafts, agriculture, and technology areas where women-led enterprises are increasingly making an impact.

With the combined measures of angel tax abolition and higher Mudra loan limits, the government is taking decisive steps to promote women-led businesses, thereby enhancing financial independence, encouraging innovation, and contributing to overall economic growth.

GOVERNMENT SCHEMES FOR WOMEN: ENCOURAGING FINANCIAL SECURITY AND WEALTH GROWTH

The Government of India has launched several financial initiatives aimed at empowering women by promoting savings, investments, and homeownership. These programs offer competitive interest rates, tax incentives, and easier access to credit, helping women establish a strong financial foundation for themselves and their families.

1. Small Savings Schemes for Women

Small savings schemes provide a secure and accessible way for women including homemakers, salaried professionals, and small business owners, to accumulate wealth through low-risk investment options. The Union Budget 2025–26 has enhanced benefits under key small savings schemes, encouraging greater participation by women in formal financial planning.

a. Sukanya Samriddhi Yojana (SSY): Promoting Savings for the Girl Child

The Sukanya Samriddhi Yojana (SSY) is a government-backed savings program specifically designed for girl children, providing financial support for their education and marriage-related expenses. With the interest rate revised to 8.2% per annum, it ranks among the most rewarding small savings schemes available.

The scheme offers several advantages for women. Firstly, the high interest rate, compounded annually, allows savings to grow significantly over time. Secondly, it provides notable tax benefits, as contributions to SSY qualify for deductions under Section 80C, and both the interest earned and maturity proceeds are entirely tax-free. Lastly, the scheme is highly accessible, allowing accounts to be opened with a minimum deposit of ₹250, making it feasible for women across all income groups.

Overall, the SSY encourages women to systematically save for their daughters' futures, combining strong returns with tax efficiency and ease of access.

b. Mahila Samman Savings Certificate (MSSC): Safe Short-Term Savings Option

The Mahila Samman Savings Certificate (MSSC) is a secure, government-backed investment scheme tailored for women, offering a 7.5% annual interest rate on deposits over a two-year tenure, making it well-suited for short-term financial goals.

This scheme provides several key benefits. It ensures guaranteed returns, unlike market-linked investments, offering fixed and reliable growth. It also allows partial withdrawals, enabling women to access up to 40% of the deposit before maturity to meet unexpected expenses. Additionally, MSSC is a low-risk investment, backed by the government, providing a safe option for conservative investors.

MSSC is especially advantageous for women looking to save for short-term objectives such as emergency funds, business capital, or planned expenditures, combining security with flexibility and dependable returns.

c. Sovereign Gold Bonds (SGBs): Tax-Efficient Gold Investments with Interest

Gold has traditionally been a preferred investment for women in India due to its perceived security. However, physical gold carries risks such as theft, storage costs, and liquidity issues. Sovereign Gold Bonds (SGBs) provide a safer, digital alternative, allowing women to invest in gold while earning additional interest.

Sovereign Gold Bonds (SGBs) provide women investors with a secure, gold-backed investment option, offering several advantages. They pay an annual interest of 2.5%¹²,

¹² Pension Fund Regulatory and Development Authority, *NPS Guidelines* (2025), <<https://www.pfrda.org.in/>> accessed 11 November 2025.

which is credited directly to the investor's bank account, providing a steady additional income. SGBs also offer tax-free maturity, as capital gains on bonds held until the 8-year maturity period are completely exempt from tax. Furthermore, being digitally held, they eliminate the storage risks and costs associated with physical gold.

Overall, SGBs present women with a convenient, low-risk way to invest in gold while earning attractive returns and avoiding the logistical challenges of traditional gold ownership.

2. Home Loans and Rental Income Tax Benefits for Women

With increasing participation in homeownership and property investment, women in India are benefiting from government measures that reduce both interest costs and taxation on rental income. The Union Budget 2025–26 has introduced additional incentives to make property ownership more accessible and financially rewarding for women.

a. Lower Home Loan Interest Rates for Women

Banks and financial institutions are now required to offer women a 0.5% lower interest rate on home loans¹³. This policy is aimed at promoting women's homeownership by supporting asset creation and enhancing long-term financial security. It also seeks to reduce borrowing costs, making housing more affordable and easier to manage. Additionally, the policy encourages women to invest in real estate, enabling them to participate in long-term wealth accumulation and build a stable financial foundation.

For instance, if the standard home loan interest rate is 8.5% per annum, a woman borrower would be eligible for a 7.95% rate, resulting in significant savings over the course of the loan. Additionally, under the Pradhan Mantri Awas Yojana (PMAY), women receive priority in affordable housing schemes, further strengthening financial independence.

b. Reduced TDS on Rental Income

To incentivize property investment, the Central Board of Direct Taxes (CBDT) has lowered the Tax Deducted at Source (TDS) on rental income from 10% to 7.5% as per the 2025 notification¹⁴. The reform offers several advantages for women property owners. By lowering tax deductions, it enables them to retain a greater portion of their

¹³ *Pradhan Mantri Mudra Yojana*, Official Website (2025), <<https://www.mudra.org.in/>> accessed 11 November 2025.

¹⁴ Securities and Exchange Board of India, *Mutual Fund Tax Benefits Guide* (2025), <<https://www.sebi.gov.in/>> accessed 11 November 2025.

rental income, thereby increasing net earnings. It also promotes real estate investment, making property ownership more appealing and facilitating the generation of passive income. Furthermore, the reduction in TDS simplifies compliance, easing tax filing and documentation processes. This measure is particularly beneficial for women landlords, single mothers who rely on rental income, and retired women seeking a reliable and stable source of funds.

Government-backed financial schemes have a profound impact on women's economic empowerment by providing a combination of high-interest savings options, reduced borrowing costs, and tax incentives, particularly on rental income. These initiatives play a crucial role in enhancing financial security for women, offering tools to plan and manage their finances more effectively. One of the key objectives of these schemes is to bridge the financial gender gap, ensuring that women have equitable opportunities to accumulate wealth and participate fully in economic activities. By encouraging systematic savings and promoting investment habits, these programs help women develop long-term financial stability, allowing them to secure their future and achieve sustainable growth. Additionally, these schemes provide targeted support to women entrepreneurs and property owners, enabling them to access affordable credit, invest in business expansion, and generate passive income, thereby fostering broader economic empowerment. By effectively leveraging these favorable government initiatives, women across India can enhance their financial independence, build lasting wealth, and contribute meaningfully to the nation's economic development.

FINANCIAL LITERACY: A KEY TO GROWTH

Despite numerous government initiatives, financial literacy among women in India continues to be a major challenge. According to the Ministry of Finance's 2025 report, insufficient financial awareness often prevents women from making informed decisions regarding investments, loans, and retirement planning¹⁵. In rural and semi-urban areas, many women either rely heavily on family members for financial management or avoid long-term investment strategies due to a lack of knowledge. This gap not only limits their wealth-building potential but also hinders financial independence over time.

¹⁵ Ministry of Finance, *From Borrowers to Builders: Women's Role in India's Financial Growth Story* (New Delhi: Government of India, 2025) <<https://www.niti.gov.in/sites/default/files/2025-03/From-Borrowers-to-Builders-Women%20%99s-role-in-India%27s-financial-growth-story.pdf>> accessed 11 November 2025.

To address this issue, the Reserve Bank of India (RBI) has launched several campaigns focused on empowering women with the skills needed to manage their finances effectively. These initiatives emphasize investment in mutual funds, particularly tax-saving Equity-Linked Savings Schemes (ELSS), which provide high returns along with tax benefits under Section 80C of the Income Tax Act¹⁶. Additionally, the RBI promotes participation in pension schemes such as the National Pension System (NPS) and the Atal Pension Yojana (APY), offering long-term financial security for women¹⁷ regardless of their employment status. These programs are structured to help women systematically save for retirement while benefiting from government-backed guarantees.

Efforts to improve financial literacy also extend to integrating financial education into school curricula, workplace training programs, and community outreach initiatives. By fostering a culture of informed financial decision-making, policymakers and financial institutions aim to close the literacy gap and equip women with the tools needed to achieve economic independence. However, sustained and comprehensive efforts are still required to ensure that all women in India have access to the knowledge and resources necessary for long-term wealth creation and financial empowerment.

CONCLUSION

Financial independence is a cornerstone of women's empowerment, offering security, confidence, and long-term stability. *Invest, Save, and Grow: A Woman's Guide to Financial Success* emphasizes the critical role of financial literacy, informed investment decisions, and disciplined saving in helping women build a secure and sustainable financial future. Despite the availability of government initiatives and financial products tailored for women, barriers such as limited awareness, societal expectations, and risk aversion continue to restrict full participation in financial markets.

A structured and well-planned approach starting with regular savings, exploring diverse investment avenues, and leveraging government-backed schemes can enable women to achieve meaningful financial growth. Tax-efficient instruments such as Public Provident Fund (PPF),

¹⁶ Reserve Bank of India, *Financial Literacy Week 2025* (2025) <<https://pib.gov.in/PressReleasePage.aspx?PRID=2105736>> accessed 11 November 2025.

¹⁷ Securities and Exchange Board of India, *Investor Education: Mutual Funds & ELSS* (2025) <<https://investor.sebi.gov.in/pdf/downloadable-documents/Financial%20Education%20Booklet%20-%20English.pdf>> accessed 11 November 2025.

Equity-Linked Savings Schemes (ELSS), and the National Pension System (NPS), along with investments in mutual funds, stock markets, and Sovereign Gold Bonds, provide practical pathways for wealth creation. Financial education programs led by institutions like the RBI and SEBI equip women with essential knowledge about compounding, diversification, and risk management, empowering them to make informed decisions.

Furthermore, targeted government programs such as the Sukanya Samriddhi Yojana, Pradhan Mantri Mudra Yojana, and Atal Pension Yojana offer structured financial support, particularly benefiting entrepreneurs and working women. Expanding financial literacy and accessibility remains key to bridging the gender gap in economic participation.

Ultimately, financial success goes beyond wealth accumulation; it is about achieving long-term security and sustainable growth. By proactively saving, investing wisely, and leveraging available resources, women can attain financial independence, secure their futures, and contribute more actively to economic development. The foundation of this journey lies in gaining financial knowledge, making informed choices, and taking control of one's financial well-being.