

Women need to prioritize their retirement planning

Key is to build a strong financial immunity for the long run

Women have been subjected to several prejudices and stereotypes for years, which have been an obstacle to their rights and opportunities. However, times are changing, and they are gradually learning about financial planning and its benefits. Seema Trikannad, Chief of Human Resources & Management Services, SBI Life Insurance, in an interaction with Outlook Money talks about the importance of gender diversity in the work environment, financial inclusion, and retirement planning for women.



Ms. Seema Trikannad
Chief of Human Resources &
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➤ What is your take on the current situation of gender inclusivity in the workforce of India? How can we make it better?

Gender inequality is a major area of concern the world over and India's diversity only exacerbates that issue. Historically, women have been denied many opportunities because of deep-rooted biases in the social system. Over the past few decades, women's participation in regular or high-skilled jobs has improved. Increasing economic participation of women will require priority, resource allocation, and a change in thought processes & social norms. At an organizational level, a sense of fair play should be integral to its culture. The senior management should constantly reiterate amongst the workforce the need for both genders to work synergistically and reward efforts towards the same.

In December 2020, data released by the Centre for Monitoring Indian Economy (CMIE) revealed that the COVID-19 pandemic and its effects on the economy led to a fall in the number of women in the workforce. These numbers call for immediate on-boarding and plans for hiring women by organizations across the country. We need to be gender agnostic and offer equal opportunities to all members of the society, leveraging gender diversity. Talent has to be honed and brought to the fore by constant up-skilling and reskilling. The targeted hiring plans are likely to drive a greater amount of women into the workforce, thus taking a positive step towards reducing the existing gap.

➤ What are the inhibitions & social restrictions that women face while entering the workforce?

There is a disproportionate inequality both at work and at home that affects women on a large scale in India. Certain responsibilities like care giving or household chores are expected to be in the domain of women and impact their participation in the organised workforce. The Covid 19 pandemic has worsened this situation.

Latest data by CMIE suggests that the share of urban women in or looking for work is just 7%. A multitude of factors have led to this outcome. Unequal pay discourages women from joining the workforce. Women often withdraw from the workforce to take care of children or elderly/ailing family members or often face discrimination when they return to work post pregnancy. A healthy work environment is crucial to avoid such biases and encourage women to join India's ever-expanding workforce.

At SBI Life, we have several policies in place for the benefit of our women employees, such as the comprehensive maternity plan. This is specifically designed to make sure that career breaks due to motherhood do not hinder the personal and professional growth of our female employees. They can also opt for sabbatical leave to manage their careers and personal life events more effectively. All of this has been done to ease the weight of additional obligations that women have to take on at various stages in life and treat them fairly.

To ensure that female employees can return to work after taking a career break, we have adequate mentoring and

learning initiatives in place. We wish to make sure that our female employees don't feel alienated after a career break and their growth is not hindered due to their personal life events.

➤ Is there a need for financial inclusion and literacy efforts aimed at women?

There is a vast information gap especially regarding financial management amongst women and they tend to take a back seat in financial matters. There is certainly a need for structured efforts towards spreading financial awareness among women and empower them to effectively participate in economic activities and financial decision making at home or at work.

Low literacy rates affect the lives of women, demanding they work harder, take more time to pay debts, and sometimes settle for earning less.

One of the biggest reasons women need financial planning is to be financially independent. With efficient planning, they can work confidently towards their personal and professional objectives without worrying about the financial situation. Also, it prepares them for any crisis in the future and raises corpus for retirement. It is important that all women take an active role in financial planning for self and their families. It is the first step towards achieving that coveted financial independence. And, as an insurance company, we strongly feel that financial inclusion and literacy efforts, particularly aimed at women are key steps towards building a financially secure nation.

➤ What initiatives has your organization taken towards inclusivity & financial provisions for women?

Over the last 3 years, our employee strength has gone up from around 13,200 to 17,500 and during this period, we have been able to gradually improve our gender mix and recruit more female employees. We are constantly focusing on adding more female employees to our workforce, especially in the sales & marketing vertical of the company. In fact, the number of female employees in SBI Life has gone up by 35% over the last 3 years.

At SBI Life, we have been consistently working towards building a more equal and inclusive organization. Our initiatives are aimed at increasing the number of female staff to build a more inclusive workforce within the organization. Gender diversity is actively encouraged, and currently, a significant portion of the workforce is represented by women. The company is planning some new initiatives specifically targeted towards women who wish to restart their careers. Through these initiatives, we are planning on increasing the female strength in the organization and encourage more women to choose insurance as a career and be financially independent.

Our ultimate aim is to encourage women's participation in leadership roles in order to leverage their hidden potential and highlight its necessity in the insurance sector. Through our initiatives, we hope to bring inclusivity and gender diversity for sustainable future growth.

We ensure that everyone is treated fairly. We have a robust work-family policy, which is essential to accommodate unpaid obligations of women so that it doesn't have a negative effect on their pay. Apart from the comprehensive maternity plan and sabbatical leave policy, we have also made provision in annual performance appraisal, wherein female employees on maternity leave are kept out of the bell curve to ensure fair assessment for the period spent at work.

➤ What is your personal finance advisory to women? What kind of investments are best suited for their needs?

The most important aspect of financial planning is educating oneself about managing one's finances and investing them wisely. We have all seen

homemakers managing the expenses of the house with a tight budget and still creating a tiny nest egg. I can only imagine how much better they could be at it with better financial literacy and a knowledge about the options in the market. In India, the percentage of women who have access to the level and type of education that they desire is still very low. For the majority in rural areas and in low income groups, access to education, having a regular income and planning for retirement is still out of reach. Women significantly have lower rates of financial literacy but are the ones who manage day-to-day household finances pretty well. Educating them on taking financial decisions will help them achieve their major milestone. Every informed financial decision can help them become financially independent and achieve their objective.

The basic building block of a good financial plan is creating a budget and mapping it against your expenses. My advice to women is to start as early as possible. If you wish to be financially secure, it's important to plan for both short-term and long-term goals and start creating a budget accordingly. With a proper budget in place, women can not only control their expenses but will also have concrete targets to achieve. This will provide focus to their efforts.

The next step in the financial journey is to plan for unexpected expenditure on account of emergencies. And most importantly, I would suggest to all the women to plan for their post retirement life. A majority of a woman's income is generally used in day to day expenses with not much being available for long term investment. Thus, it is imperative for women to give priority to their retirement savings early in their professional lives. By retirement, I mean till the time there is a regular stream of income –through a regular job in an office or running a shop or providing dabbas or even stitching clothes.

Women need to invest either jointly with their spouses or on their own to build a corpus to meet their post retirement needs.

Investment choices might vary for different women. The priorities for a single young woman will differ from that of a married woman in her 40s. Last year we witnessed the economic downturn caused by Covid. There were many income losses and medical emergencies, which brought home to us the need for strong financial immunity in uncertain times like these. While it

is better to have enough savings or emergency funds, it is equally important to have a basic Term life cover with an in-built critical illness cover to ensure adequate corpus is available to live the current lifestyle in the absence of the breadwinners' income. This apart, there are many investment products available like savings schemes in Banks and the Post Office, Public Provident Fund (PPFs), National Pension System (NPS), Mutual funds, etc.

The investment product should be selected based on the goal-short term or long term- education (self or family member), marriage, purchasing a car, purchasing a house etc. Analyse and study the investment options available, speak to professionals if possible, discuss with family members. It is advisable to make a list of one's financial needs and objectives, prioritise them and then take an informed decision before opting for any financial products.

➤ How essential is retirement planning when it comes to women? What is the best route to take?

Retirement planning for women is essential because they have to plan for a longer time as compared to men because of a higher life expectancy. Also, this has been observed that women on average face a higher poverty rate later and have a less secure retirement.

Factors like pay gaps, separation, single parenthood and life stages that slow down their earnings contribute towards the problems women face while planning their retirement. Often their savings and incomes are spent on things besides their own retirement security. The essentiality of investing your savings towards your retirement is what women need to understand. They can only achieve this when they put their personal needs ahead of everything else.

There is no right time to plan your retirement. You should start as early as possible.

We could see a societal change only when women collectively take the responsibility of focusing on their own financial needs first.

The industry itself is vastly dominated by men, and it's a common observation that most financial products speak to men more than women. So, we as financial institutions also need to take the responsibility of making retirement planning products more accessible and targeted towards women.