Women's Role in India's Financial Growth

Why in News?

Recently, a new report was released regarding the role of women in India's financial growth.

- **Report** - "From Borrowers to Builders: Women's Role in India's Financial Growth Story".
- **Launched by** – NITI Aayog.
- **Published by**
  - TransUnion CIBIL
  - Women Entrepreneurship Platform's (WEP) of NITI Aayog
  - MicroSave Consulting (MSC).
- **Findings** – It reveals that more women in India are seeking credit and actively monitoring their credit scores.
- **Increased financial awareness** – As of December 2024, *27 million women were monitoring* their credit, marking a 42% increase from the previous year.

Women Entrepreneurship Platform (WEP) is incubated in Niti Aayog, *works towards building an inclusive ecosystem that fosters financial literacy, access to credit, mentorship, and market linkages. It has also constituted Financing Women Collaborative (FWC) to achieve its goal.*

- **Increased self-monitoring** – Women's share of the total self-monitoring base *increased to 19.43%* in December 2024, up from 17.89% in 2023.
- More women *from non-metro regions are actively self-monitoring* their credit compared to those in metro areas,
  - Growth of 48% in non-metro regions and 30% in metro areas.
- In 2024, Maharashtra, Tamil Nadu, Karnataka, Uttar Pradesh and Telangana accounted for 49% of all self-monitoring women, with the *southern region leading at 10.2 million*.
- **Increase in women borrowers** – Since 2019, women's share in business loan origination *has increased by 14%.*
- Their share in gold loans has grown by 6%, with women *accounting for 35% of business borrowers* by December 2024.
- Northern and central states, including Rajasthan, Uttar Pradesh, and Madhya Pradesh, saw the highest compounded annual growth rates (CAGR) in active women borrowers over the past 5 years.
- **Challenges** – Credit aversion, poor banking experiences, barriers to credit readiness and issues with collateral and guarantors persist.

Promoting women's entrepreneurship could create employment opportunities for 150 to 170 million people while driving greater participation from women in the labour force.

Reference

PIB| Niti Aayog Report on Women's role in India's Financial Growth

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