

How to be a

SHEpreneur:

Barbara Stewart CFA, Financial Commentator

BY PRIYA KUMAR



The gender wage gap has become a particularly pervasive issue in 2017. According to Barbara Stewart CFA, although women make about 80% of all purchasing decisions in the household, women continue to make only about 80% of what men do in the workplace. This has as much to do with gender roles as it does with confidence in the boardroom.

I had the opportunity to catch up with Stewart to find out what sets women apart from their male counterparts at work and at home financially speaking. She has spent the past seven years speaking with 450 subjects in the arena of women and finance. She says that savvy women have one thing in common the world over: "great respect for independence. But they have also realized that you can't be an independent woman without being a financially independent woman: the two things go hand in hand."

This interview will run over the next two issues. This month we'll focus on financial planning and next will focus on raising a family from a monetary perspective. Stewart is a currency expert and former portfolio manager with 25 years' experience in the investment industry. She's spoken at global events relating to women, money and financial literacy across the world and is a frequent guest on TV, radio and in print.

You have stated in the past that women are more focused on budgeting than their (male)

partners. Why do you think this is considering the wage gap between men and women?

Well, I don't like the word 'budgeting': that makes it seem like women are choosing which laundry soap to buy, and that's about it. In fact, women worldwide make about 80% of all buying decisions; from smaller items up to cars, vacation homes, principal residences and retirement investments. The wage gap means women only make about 80% as much as men, which shows that even when they're not making the money, they are still the ones making the decision. Why?

My research shows that the majority of women are financially confident and they like making financial decisions, both for themselves and for their families: they CHOOSE to be financial decision

organizations tend to be lower paid than functions where men predominate such as IT. Equally, any compensation structure which economically punishes someone for taking time off to have children, or taking those children to a pediatrician, is going to be one that ends up creating a gender pay gap.

In conclusion, we need to both train women to do a better job at speaking up for themselves but also we need to work on the structural issues.

From your experience, what can women do to catch up to their male counterparts financially?

When it comes to overcoming the wage gap, in my experience many women are doing "just fine thank you!" Several studies have shown that women tend to achieve better investment returns than

if you want to upgrade your financial skills. And there are some pretty exciting 'Women & Finance events' taking place all around the world. I have met so many women who go to an event, hear a talk, get inspired, start investing and quickly get on the leader board in online portfolio management contests.

There is a fabulous opportunity for women today in the financial services industry. Financial education is a key focus. All firms are looking for ways to delight existing customers, to win new customers, and to grow market share and profits. And smart women are the #1 target market.

A study released last year by the CFA Institute on gender diversity in investment management "found that globally, less than one-fifth of CFA (Chartered Financial

"WHEN I LOOK AT THE MILLENNIAL WOMEN THAT I AM INTERVIEWING, I PREDICT THAT THEY WILL BE MUCH BETTER ABOUT ASKING FOR WHAT IS DUE THEM; THIS FINDING IS BEING DUPLICATED ELSEWHERE."

makers. On the other hand, they do not choose to make less money! I predict that the mismatch will narrow over time, and women's incomes will rise upwards to match their willingness and ability to make financial decisions.

I speak from experience when I ask this, but why do you feel women find it difficult to ask for an increase in pay?

One reason is that some studies have shown that men are better at saying "show me the money" when it comes to asking for a raise. Most of that is probably cultural and a relic of past behaviours. When I look at the millennial women that I am interviewing, I predict that they will be much better about asking for what is due them; this finding is being duplicated elsewhere.

The second reason is fascinating. It isn't just that women are failing to ask for what they are worth; there are also structural reasons behind the wage gap. For example, some departments (such as human resources) tend to have women predominate. These parts of many

men, usually by taking more reasonable risks and saving more. As I always say, "women are risk aware, not risk averse."

Otherwise, while we are waiting for the wage gap to magically close (!), women need to try and do what is in their control under the circumstances. Either work for the companies that don't have a wage gap, work at a 'pay for performance' type of job, or work for yourself.

I will say (and this is one of my research themes for 2017) that there is one area where some women do want to catch up with men. This is in the area of financial knowledge. Years ago, when most paid jobs were worked by men, most women didn't really need to know about finance so most women weren't that interested or motivated in learning about it. That was sort of okay back then. But today when almost half of the workforce is made up of women (who are as educated and skilled as men at their jobs), all women need to know about finance.

The great news is that in the era of software tools, apps, social media and mobile technology, it can be a quick fix

Analyst) charterholders are women." That is one heck of a gap! Let's just say that finance needs women just as much as women need finance.

Why do you feel women do not consume financial news at the same rates as men?

Most financial news, whether on TV or in the newspapers, tends to involve nothing but numbers, charts and men bragging about their investment performance. That whole 'mine is bigger than yours' kind of approach generally doesn't appeal to many women.

My advice to media companies that want to attract the 'smart woman' audience for their financial shows? Write or cover financial news the way the Olympics covers sports stories: they don't just focus on the contest, but look at the athletes and their lives. Writing stories about human beings that women can relate to will make women avid consumers of financial news.

For more information on Barbara Stewart, visit www.barbarastewart.ca.