



## Chasing the Feminist Dollar

The new business equation is: more women equals more money. In conjunction with International Women's Day, portfolio manager Barbara Stewart, CFA shared with CFA Singapore members her findings on how progressive organizations are tapping into feminist power. The CFA Singapore members were joined by members from the Singapore Financial Women's Association and alumni of Cambridge University, Murray Edwards college.

Mrs Stewart interviewed more than 300 people, all experts in their fields. Many of them were global leaders. Her interviewees varied by age, cultural background, profession and geographic location.

Mrs Stewart spoke on a Saturday afternoon (21 March) at a cosy tea party hosted at the private residence of CFA Institute President's Council Representative for Asia Pacific, Sharon Craggs, CFA.

Increasingly, female leaders are taking the global spotlight in politics and business, encouraging and inspiring the next generation of women.

Janet Yellen, the current chair of the Board of governors of the US Federal Reserve, is the first woman to hold this position. German Chancellor Angela Merkel is also their first female chancellor. Other examples of women in positions of power formerly dominated by men include former US Secretary of State Hillary Clinton and Facebook COO Sheryl Sandberg.

Among businesses, Credit Suisse has found that having more women in management and on boards improves financial performance.

### Financially confident women the next big market

Widespread education, the advent of the Internet age, mobile technology and the divorce trend that started in the 1980s has led to a generation of women in control of their own money. Not only are women frequently the main income earners, they have also become savvy investors.

Today, entrepreneurship is taught in elementary schools. Reality competition TV showing aspiring entrepreneur-contestants making business presentations to "shark" investors has become popular - Shark Tank (a.k.a. Dragons' Den) is aired in almost 30 countries all over the world.

Women are learning that the average annual return from an angel investment is 27% over the past 25 years. As women get educated on becoming investors, we will see major changes in asset allocation like we've never seen before.

One deterrent to attracting women's

investment monies is the finance industry's image of being shrouded in mystery and fraught with complex regulations. People feel embarrassed to admit that they know far less than they should about investing.

In today's world, advanced technologies are embraced and used by huge sectors of the world's population. The financial industry needs to catch up in using technology to better engage customers. Financial services providers need to simplify and better communicate their products from a customer-centric perspective.

Transparency, a more customer-centric approach, openness to co-creation, demystification and removal of the stigma associated with lack of knowledge about investment strategies must all come into play.

### Mobile technology and social media engage women

The advent of smartphones and tablets has enabled businesses to engage women in an unprecedented way. Being able to communicate, learn or make financial transactions on-the-go is important to women as their time is taken up by child care and daily housework.

Mrs Stewart has found that women prefer to learn about finance through real life stories from role models or family members rather than more traditional methods such as reading from textbooks, taking courses or watching financial news.

Women are more likely to belong to a social network, spend more time on them per month, and share or comment on the information than men. Facebook, Twitter, LinkedIn, Instagram and Pinterest have enabled women to informally broaden their knowledge in a



*Cambridge University alumni, Alumni, members of Financial Women's Association and CFA Singapore at a cosy tea party in the Craggs dining room.*



powerful way by sharing stories, learning from others, and even comparing stock market picks!

One clear way forward is the integration of social media and marketing by women to women. The ability to communicate in the language of the female customer will play a large role in winning business opportunities.

Brands are investing in social media and advanced data analytics to reach the large group of women that are as wealthy as men, who control or influence spending and investing. For example, Hermès is speaking to women directly: Generation Y and women are their targets, not men.

The corporate world and the financial industry need to strategically position themselves with female leaders that are particularly good at understanding these new forms of technology, customized communication and consumer behaviour.



*L-R: Lam Yew Ling, Michelle Lu, Hu Hong Xin, Fan Yu-Chi, Tricia Lee*



*L-R: Annette Foo, Jackie Wee, Winsie Chen, CFA*



*Event host, Sharon (right) with husband Gerry Craggs.*

### Crowdfunding breaks male dominance in venture capital

Last year, companies and individuals across the globe raised US \$16.2 billion (up 167% year-on-year) through crowdfunding, according to industry research firm Massolution.

Projects with high emotional appeal or social benefit are often overlooked by traditional venture capitalists for lack of cash flow visibility. This may be for valuable medical research, education, and volunteer community service. Or there could be a conflict of interest between what a computer game developer perceives to be of high social value versus what its game publisher deems to be commercially viable.

With the advent of Internet websites that provide a platform for monetary contribution from the public, websites such as GoFundMe and Kickstarter have provided the solution to this social dilemma. Crowdfunding has enabled female entrepreneurs to raise the money they will not otherwise get via the traditional male dominated venture capitalist platform.

### Earn women's trust through transparency and respect

Marketers using sophisticated data analytics need to respect their customer's choices regarding the use of their data.

Women are especially sensitive to privacy-related issues. Once you are open and upfront with them, and transparent about the uses of their data, their trust will grow exponentially, and consumer confidence will follow. If we educate the consumer in a respectful way, the customer will respond in turn.

Don't let women mislead you with self-deprecating speech about inability to manage their finances. There are many accomplished women today who learned when they were growing up, the importance of being financially independent.

Mrs Stewart has found today's women to be risk aware, not risk averse. They are more detail-oriented and reflective before making decisions. And, they prefer to invest in causes and concerns that matter to them.



**Barbara Stewart, CFA**  
Portfolio Manager  
Cumberland Private Wealth Management

Mrs. Stewart has been advising high net worth families for nearly 20 years, maintaining a highly professional approach to building investment strategies that reflect individual client objectives. Her responsibilities include portfolio management and new business development.

Prior to Cumberland, Mrs. Stewart worked as an investment counselor for high net worth clients at a private, Toronto based investment firm, and before that on the institutional foreign currency-trading desk for BMO Nesbitt Burns.

She is a shareholder of Cumberland Partners Limited, the firm's parent company. Mrs. Stewart has conducted significant research in the area of women and finance, she writes and is frequently quoted in the media.