

Rich Thinking

*The fifth global study in the
Rich Thinking series*

The Future of Women and Finance

WHITE PAPER

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About Barbara

Barbara Stewart, CFA is a Partner and Portfolio Manager at *Cumberland Private Wealth Management*, where she works with high net worth investors, both individuals and families. Barbara is also a researcher and writer on issues around women and financial literacy, and she has now published five white papers in her *Rich Thinking* series.

As part of her work on issues of interest to women, Barbara has a bi-weekly newspaper column on money for Sun Media that appears in over 30 newspapers across Canada, reaching over 2 million Canadians in all major markets. She is also the Money contributor and columnist for *Mrs. R* online magazine, whose primary audience is successful women over 40 worldwide. Barbara is a frequent interview guest on TV, radio and print, both financial and general interest. Finally, she is a sought after keynote speaker at global events relating to women, money and financial literacy, and has participated in events in Istanbul, Toronto, Helsinki, Stockholm, Reykjavik, Tel Aviv and Paris.

To find out more about Barbara's research or her work as a portfolio manager, visit www.barbarastewart.ca.



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Five years ago I started doing *Rich Thinking* research because I had a hunch that the area of women and finance was not being portrayed accurately by the media or the financial industry. Why were all the messages about women and money so negative? This was completely at odds with my day-to-day experience as a portfolio manager dealing with so many strong, capable female investors.

Well... five years (and over 300 interviews) later, we have gained a much more accurate perspective on women and money. Best of all, the future looks fantastic!

Let's start with a review of the key highlights of my *Rich Thinking* research:

- 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.
- On the topic of money, the most common theme that accomplished women learned when they were growing up was the importance of being financially independent.
- Women are risk aware, not risk averse. They are detail-oriented and reflective before making decisions.
- Women prefer to invest in causes and concerns that matter to them and/or that interest them.
- Smart women 'get started' investing. They decide whether they want to do their own investing or they hire an advisor that they trust. They know that doing nothing is the highest risk investment behaviour of all.

What happens next?

According to John Hagel, all successful movements in history are driven by narratives – these are arbitrary, open-ended conversations, yet to be resolved. Narratives provide the opportunity to engage in discussion, form concepts, create new spaces and take action. What would motivate people to act in the case of women and money? Further, how can we frame the idea of women and success in terms of broader finance?

The most important difference in this year's work was that I decided to interview both male and female leaders around the world. Why? Because my hunch this time around was that men were beginning to play a huge role in the world of women and finance. Not just as mentors, but also as keen advocates for women in leadership roles. There's even a Twitter hash tag for this movement: #HeForShe. The status quo is not the static quo, and things are changing for the better. We now know that the new business equation is: more women = more money. This means that everyone is paying attention, or needs to.

After much analysis of this year's interviews, I feel that my research findings are best categorized into five themes:

1. We will all be feminists in business.
2. The biggest target market will be the financially confident woman.
3. The new business equation: more women = more money.
4. Earn trust with women through transparency and respect.
5. Technology changes everything: mobile, social, sharing & data.

The digital revolution has already affected financial behaviours and it will be a key component of the future of women and finance. In fact, this fifth theme found a way of weaving itself into each and every interview that I had this year. For this reason, I have included relevant remarks in my conclusion courtesy of Duncan Stewart, who in addition to being my editor (and husband) is also co-author of Deloitte's Tech, Media and Telecom Predictions for 2015.

So let's get on with the *Rich Thinking*: please sit down, relax and settle in for what I know will be an inspiring glimpse into the future!

Barbara

We will all be feminists in business

"Feminism is not about saying no to makeup. Feminism is about saying yes to academic, economic and social freedom for both men and women. It is about having the freedom to express your own personal views."

– Dr. Ann Cavoukian

The marketplace, business, finance and stock markets function better when we increase participation from women as leaders, as corporate governors or as investors. Progressive firms (led by smart women and men) are redefining the financial world to include this truth.



"My job is to think about the functioning of the marketplace and we have focused on getting more participation from women. The reason we started becoming active in this regard was not for women per se, but for the market itself. We have found that increasing women and increasing diversity in general has a benefit for all participants.

I am a firm believer that women think about investing differently than men, and they don't find the market as inviting as it could be. This will change over time, and it will lead to more diverse opinions, more efficient pricing and healthier, stronger markets. The changes we make for women will also draw in those men who have also not found the market to be inviting. This will take a while but our baby steps have been very rewarding so far. We run many events and what makes me optimistic is that there has been such nice positive energy about them. We are bringing in women of all ages.

To draw more female investors we must have more representation of women on boards. In 2008 we had 90% men on boards in Iceland. Most listed companies had young male CEOs in their 30s or early 40s. Women and older more experienced guys sat on the sidelines. Recently the law changed and there must now be a minimum of 40% women on boards. There have been great changes in a short period of time. Both the men and the women on our boards agree that the participation of women encourages more meaningful conversations, better perspective, and leads to a better corporate culture and image.

I sometimes wonder... if we had endured just a minor recession or setback in 2008, would we have recognized the importance of diversity and made the changes we did? Perhaps it takes a drastic event like our 2008 financial collapse to create the opportunity.

It was like an open invitation to those in positions of power to change the rules of the game. We wouldn't have wished this on anyone but the silver lining was that we were open to changing a few things. And the first meaningful response from the business community was to immensely improve our corporate governance and increase the participation of women."

Alison Quirk

Executive Vice President, Global Human Resources and Corporate Citizenship,
State Street Corporation
Boston, **USA**



“The future is about diversity and that means getting a broader variety of points of view around the table. Why? Because we know this gets better results and outcomes. The idea of bringing people in with different backgrounds and work experiences may be a struggle for some, but I am very confident that our industry will change in this way. The demographics and the marketplace will push us in this direction. If an organization figures it out sooner than later... this will be really good for women, and for the organizations that lead the way.

The most challenging part as to why we aren't changing faster is that we all have unconscious biases – this has been scientifically proven. To reprogram yourself and the choices you make takes time, awareness and education. This is a huge effort. That is where I am focused. Put infrastructure in place to help people recognize these unconscious biases and give them the tools to address them.

We can look to the younger generation to find some of the answers. Millennials 18-34 are more comfortable with diversity and they kind of just scratch their heads when we talk about it. But we can't wait until they run the place to get on with it. There is no question that the demographics of our workforce are going to change. Everyone as an individual is responsible for stewarding the industry into the future.”

Dina Vardounitis

Vice President and General Manager, JPMorgan Chase Bank North America
Toronto, **Canada**



“Up until now, we have seen women climbing the corporate ranks through the ‘heroic self’ model. We now need to reshape what bank executives are supposed to look like, what a leader needs to look like. This work hasn't been done yet. What is our accountability in terms of rebuilding this financial world that has largely been built by men? Up to the middle management level it is about your concrete accomplishments, but at higher levels it is about ‘fit’. But that is not defined. Just ticking a box and adding women to leadership or boards isn't a systemic change.

Women are creators. There is more opportunity than ever before for us to shape the leadership model that governs the world of finance. The alternative to opting out is opting in to another way of leading: putting our collective creativity and intelligence into that. This is where I see the work. There are enough women now in leadership—we are brave and authentic. A man being sexy is very powerful. A woman being sexy is seen as a detractor. This needs to shift. Remove gender from the equation. I am a whole person and my femininity is part of who I am. It will enrich me and my workplace. We need you to come to work with your whole self and thereby lead our organizations with all the assets that being a woman brings.”

Jim Muzyka

Senior Vice President, Global Growth Leader
Industrial, Retail and Hospitality Sectors, Xerox Services, Xerox Corporation
Toronto, **Canada**



Positive difference Award: Jim was recognized in 2014 for his role promoting diversity and inclusion - he is the first man at Xerox to receive this award. Past recipients include the former Chair, Anne Mulcahy and current Chair and CEO, Ursula Burns.

"In the developed world workforce, women are wealthier and more empowered than in the past. Their paradigms and their relationships to money will change, and we will see a rebalancing of perspective.

We can either embrace diversity and disruption, or it will be thrust upon us a consequence of inaction. Colleagues that all look alike, live alike and think alike are the breeding ground for like-minded decision making. That lack of diversity discounts fresh thinking and ignores the ideas that can light the path out of the trouble created by a business model that is suffering. The unconscious biases that trap us in our comfort zones need to be surfaced. I believe that gender diversity has become table stakes in a larger, more sophisticated and meaningful agenda that requires diversity and inclusion of many kinds, and the acceptance that change is now our full time job and not an occasional or scheduled event.

Accommodating this is critical to maintaining your competitiveness in business. To think that an individual's upbringing, gender, or lifestyle is a relevant component of this formula is a hazardous notion."

Hannah Grove

Chief Marketing Officer, State Street Corporation
Boston, **USA**



"Getting more women involved at the highest levels of business can't be done by women on their own; we need the help of our male colleagues. And it won't get addressed unless the goals that institutions set for diversity are aligned with compensation. It is only when we get defined metrics that we will know where the problems are.

Technology is a huge enabler – but it is more of a tool and is not a problem-solver by itself. State Street is working hard to drive change – we have a responsibility to champion ideas and move our industry forward.

But if we are overly prescriptive about women on boards or having diversity targets we will always suffer from the stigma of 'she only got there because.' If we can engage men (brothers, husbands, friends), we will all be able to see 'the business issue' of women. We need to have a sense of urgency."



“Our Women Matter study shows that men and women leaders are equally ambitious, but there remain many biases in the system that prevent women from reaching the top of corporations. My advice? Making change happen requires starting with the tone at the top.

- 1. The CEO and executive suite must walk the talk.*
- 2. They have to support women developing as leaders, and sponsor them.*
- 3. They need to put in place a system of measurement.*
- 4. They should recognize biases – both mindsets and behaviours.*

There needs to be a full ecosystem developed over many years. Leaders have to commit over a very long time to ensure the right implementation of measures. If I have a dream, it is total gender equality at the top and throughout the management pipeline. Address all of the shortcomings. This will be of benefit to men, women, business and society.”



“The future of women and finance is about unlimited possibilities and it is completely open-ended. Today, there are still many parts of finance that remain male-dominated, including my own area of venture capital. My firm is doing active due diligence on ten companies right now, but only one of them is headed by a woman. She is fantastic but she’s the only one!

This is a big factor. We need more women in tech: more engineers, and more CEOs. It isn’t just those raising the money, we also need to encourage more female investors.

If you have an industry -- not formally but practically -- restricted to ‘mainly men’ then by definition you are missing out on half the talent. By increasing the talent pool you improve the outcome. It isn’t because they are women that they improve the market. It is that you will have more high-quality candidates.”

The biggest target market will be the financially confident woman

Brands are investing in social media and advanced data analytics because they understand that women are often as wealthy as men, control or influence spending and investing, and women are now their main clients.

What does the financially confident woman look like?

She is more financially literate than she has ever been; she's not just the caretaker of the money until some man shows up; and most of the time it's her own money that she has made and she expects to make even more.

Not only through her own investments but through her salary, her bonuses, her stock options or the sale of her business.



"Watch the trends. Feminism appears to be in a renaissance and we're seeing a shift in the conversation about women (and men) and our roles in the home, work and society.

*The number of female leaders is increasing globally (3.5% increase in Fortune 500 Executive Officer Positions Held By Women from 2010 to 2013)¹ and we even saw a record number of women in Congress this past year.² There are many strong, female role models (Sandberg, Clinton, Steinem, Yousafzai, Watson, Kaling, Dunham, Poehler, Beyoncé) in the spotlight encouraging and inspiring the next generation of women. I believe these role models are also making an impact within their own companies and organizations because women's rights are better represented when women are in leadership positions. Take, for example, Sandberg's story in *Lean In* of not realizing the importance of Expectant Mother Parking until she herself was pregnant. Stats also show companies with more women board members perform better financially.³*

*There's a positive message about equality being reverberated through society, pop culture and the media. For example, men are being portrayed differently now (*Modern Family*, *New Girl*, *Blackish*, even the new *Cheerios* advert: "how to dad")⁴ as being competent fathers and supportive of women. This is in stark contrast from a few years ago when the tail-chasing in *How I Met Your Mother* and *Two and a Half Men* reigned supreme. Beyond that, studies show men are doing more within their households than ever before in history.⁵ The media is helping to redefine modern masculinity and promote confident women."*



"When I think about women and men I think how hard it is for women to raise money and my personal experience last year. What negative behaviours have I shed as a result of my experiences? That asking for money is something to be embarrassed about. Undervaluing your worth is bad! I have become very matter of fact talking about money – it is not embarrassing in any way. I have value, and value in our society comes with a price tag on it. For example, I was asked to speak for a non-profit women's group conference and I said 'Lovely – what's your budget?' They said they were hoping I would volunteer.

My lesson? Our time is valuable. I never work for free. You are undervaluing the thing from the get go. You can never be too direct about money! It will be a better world when we are all direct about what we are worth, what things cost and what we want."

Vered (Rose) Shavit

Digital Innovator, Blogger, Independent Researcher,
Lecturer and Public Speaker at 'Digital Dust'
Tel Aviv, **Israel**



"I think that a lot of things are going to change simply because there won't be a choice. Traditionally, men were brought up to be the financially responsible ones and to know more about money. This system is already crumbling and will crumble further. It isn't working on either the macro or the micro scale. Look at households. Women who lack financial knowledge are not in an open, balanced relationship. It is the same for world economies.

Women have a lot to contribute. Leading by example will continue to grow. More women will break through and redefine the traditional expectations that women do not or cannot deal with finances. More women will see positive role models. The new legacy will be 'Get your shit together.'⁶

I think in the past it was not considered feminine to know your way around finances and we've all paid a price for that: men who weren't good at dealing with their money were afraid to admit it because they didn't want to be perceived as 'feminine', and women who were good at it and capable of dealing with their money had to accept either being perceived as 'masculine' or playing down their strengths in order to remain 'feminine' and/or not to threaten the men in their lives because of their capabilities.

Now more and more women are admitting they don't know enough, and this honesty can lead to change, also because the women who are good at it can openly contribute to society, industry, and business. I think we will see men and women treating financial issues from a neutral point of view rather than a gender point of view.

Another change? Women are now less inclined to present themselves as weak while asking for help: they are asking for help from a stronger place within themselves. I think we will see more and more of that."

Aude Baylet

Global Luxury Brand Expert,
Master of Global Luxury Management, Skema Business School
Paris, **France**



"Many brands get this new woman. Hermès is speaking to women directly: Generation Y and women are their targets, not men. Other luxury brands like Dolce & Gabbana – if you look at their communications and brand awareness they are aiming at women who are strong and successful.

Social media helps women have more opportunities to get exposure, and digital helps women have the same chance of success as men by levelling the playing field. Brands are investing in social media because they understand that women are as wealthy as men. They listen to the women – women are their main clients."

Peter Coish

President and Founder, Kuration
Toronto, **Canada**



"No woman is going to watch CNBC. Men love it because it's financial porn – endless macho bravado from old white guys, surrounded by a bevy of attractive young women whose primary role seems to be to serve as foils to those old white guys. There's something wrong with that – something deeply wrong. Why is the financial media like one big locker room? It only perpetuates thuggishness, sexist banter and jocular... and drives away women.

But in my opinion there is also something offensive about some of the other media initiatives I see that target women. Too often they take a "hey, let's have a spa day and talk finance" kind of tack. As if women need finance made stereotypically feminine in order to be interesting.

There has to be something in between this and the locker room. The financial industry needs some fresh thinking about how to talk to women. It's not that women don't know what to do; they just do it differently, so why treat them like they are some sort of weird market niche?

The financial media could learn a few things from certain news channels. Take CNN International, for example, whose on-air personalities are women like Hala Gorani, Becky Anderson and Christiane Amanpour. They're there because they are strong, smart, authoritative, and appeal to women and men alike – not because they appeal only to a certain male demographic."

Håkan Nyberg

Chief Executive Officer, Nordnet
Stockholm, **Sweden**



"One big trend is the fact that we as companies must rethink how we lead and steer and build sustainable enterprises in the future. How do we attract talent into the workplace? It isn't enough to run a company to maximize profit. You need a higher purpose.

Our solution is to drive for general diversity much harder than we have so far. I had a real eye-opener a year and a half ago. My wife was opening the mail on a Friday evening. Enclosed in a Swedish magazine was our private banking brochure. I didn't think much about it but later received an email from a top client – she is 64 years old. The subject heading was something like "What were you thinking?" I took another look at that glossy brochure and noticed that in the photo there were nine good-looking male colleagues (all about 35 years old) but not one female. I knew then that we had to shift our focus to equality.

With regard to the future, building diversity in itself will make the business more effective. We will build and manage our company in a different way. One that is less hierarchical. We have changed the way we approach the market and our customer-base. With galloping digitization comes the rise of the social phenomenon. There is a whole new services sector – that of the sharing economy. This is super cool! We are here to redefine the financial world. And we will help and inspire more women, both customers and employees."

The new business equation: more women = more money

Women are making more money, they are controlling more money and they are making more of the financial decisions. Recent research by Credit Suisse shows that having more women in companies' management and on boards improves their financial performance.

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Markus Stierli

Director, Investment Strategy & Research, Credit Suisse AG
Zurich, **Switzerland**



“Our recent report proved that greater gender diversity in companies’ management improves their financial performance. The Research Institute at Credit Suisse has five big projects a year and this was one of them. This is ‘something that matters’. We had the high-level top talent write the report and they didn’t do this just for fun. This is about money. There is now financial evidence and a new commitment to the theme.

Where could it go from here? There are many talented women in the banking industry, but they are under-represented. Women want to run money. Attitudes are changing, and people no longer say “she is only getting the promotion because ...” Diversity brings a lot to the work environment. The fight for talent is strong – companies need a strategy to promote women through the ranks.

We have four women of eight on our investment committee. They steer hundreds of billions of dollars in client money. But they achieved their positions completely by merit – each of them is a strong character and they decide on all of the risks and are delivering with confidence.”

Reetta Merilainen

Chairperson, Women’s Bank
(Former Editor-in Chief of Helsingin Sanomat, largest newspaper in Scandinavia)
Helsinki, **Finland**



“The world of finance needs more women: they have ‘common female sense’.

The Women’s Bank is a Finnish innovation. It has 35 local groups and about 3,000 volunteers. In the developing countries, we are helping women to make their own money, have their own voice and raise their own visibility. The more money they have, the faster the pace of development of their own livelihood.

One trend is female-led microfinance. Small groups of women come together and connect, raising capital of 800-1,000 euros from Women’s Bank. They elect a Chairperson, a secretary and a treasurer, and start to give out small loans to members of the group. This is a very sustainable way to get women connected to money. It is better when it is small steps taken by women themselves, and not from some force coming from outside the community.

The smaller groups then link up with other groups and together they get financing, education, and they promote the abilities of the larger community.”



“The future for women and finance? Well it can’t get any worse! The situation is pathetic, abominable – completely bizarre. When we look at progress reports made in the start-up world, it is like nothing has happened. What a paradox – we pride ourselves on being cutting-edge when it comes to investing but in this critical area of attracting women into the industry we are brain dead.

Crowdfunding is more democratic and it opens up the whole funding process. Sites like ours were developed to be popular and they are friendly to female investors. The platform will attract women into a financial arena that they haven’t been able to get into before. In fact up until now, 90% of even wealthy people have been excluded from most deals. This whole process we are leading is about inclusion and this will be great for women.

Now individual investors have the ability to get diversification that didn’t used to be available to them. When crowdfunding is done right, you can build a portfolio of 50 companies in a wide variety of sectors, geographies... you can even target the gender of the CEOs.

It feels to me that men are more gamblers in nature. And women are more thoughtful, more risk aware. To the extent this is true, crowdfunding will allow women to make really intelligent choices.

Crowdfunding will enable female investors but we still need to deal with the root causes of why we are not able to attract girls and women into this business. We have 3 of 10 female partners in my company but we have been woefully a failure in finding women-led companies to invest in.”



"I was raised by two female entrepreneurs. How do I see the future of women and finance?"

- 1. I have a bit of a bias towards female entrepreneurship. As the rate of women going into business for themselves increases, we'll see a new generation of women who are more financially savvy and independent, both in business and in their personal lives. No one ever hears of a female entrepreneur who doesn't know how to take care of her own money. Entrepreneurs have a strong sense of autonomy: they might outsource some things but they take care of themselves. More women are asking for business and legal advice. Financial independence and fund-raising kind of belong together.*
- 2. Trends are shifting. There will be more freelancing and less traditional long term employment, which means that women will need to know how to bill and collect from their clients. I have always advised that the best form of financing is from your customers.*
- 3. We are participating in new kinds of markets, which will be very big markets over time. Things such as crowdfunding, microfinance and social enterprises are innovative structures that make it possible for more people to get involved. The investment industry used to be dominated by institutions but these new structures and financing options are making the investment industry more accessible for individuals, especially women."*



"In the future, what if we could 'go long' on women's economic participation? Historically, the financial industry has developed without many women involved and in turn women's rights studies didn't spend time on looking at finance as a tool for social change.

We need to move from counting to valuing. How does gender analysis matter in financial analysis? This creates a whole new set of possibilities. What if understanding gender better made you a better analyst? We will see a revaluing of gender and a transformation of the existing perspective on the importance of diversity – it takes time to build a market."

Anu Bhardwaj

Founder, Women INVESTING in Women
Phoenix, **USA**



"I foresee that we will have significantly more women investing in private equity and venture capital through family foundations and family offices. As well, leveraging the potential to invest in women and girls is smart business. This conversation has already started but now there are real dollars behind it from governments, pension funds, and large scale financial institutions."

In 2011, I founded Women INVESTING in Women to create broader access to capital and support economic empowerment for women and girls. We accomplish this through public-private partnerships, education, our global radio show, Women INVESTING in Women & Girls, and information sharing through social media, and collaborations to promote financial literacy. Our activities range from advocacy for global women's issues, access to capital seminars for women entrepreneurs, and to a broader dialogue about increasing the number of women on corporate boards and in the global private equity industry. Women are the unfinished business of the 21st century. We are finally heading in the direction where we need to go."

Sarah Saska

Doctoral Candidate, Western University
Studio Y Fellow, MaRS Discovery District Research, The MATCH International Women's Fund
Toronto, **Canada**



"Increasing the number of different female players within the financial sector will create a less hierarchical top-down system. One that is more reciprocal – between equals. One that blurs the lines between money and meaning in an interesting way. Women who need money will be matched with women who have money. Women want financial returns but we are shifting the way we do things. We are not making money 'at the expense of...' instead, everybody wins."

Women are big users of crowdfunding platforms because we lack access to capital. And we are social change agents.

Invest in the girl multiplier effect. Change the world. This has an economic effect. She is the future."



Inc. 2014 #1 Best Business Book "How to be a Power Connector"- McGraw-Hill

"Crowdfunding will radically transform and change the world of women and money forever. The combination of global education (entrepreneurship is being taught in grade school now!), web 3.0 and crowdfunding is a perfect storm: the democratization of capital. 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.

All the critical resources you need to get anywhere are attached to a human being. Strategic networking is paramount. What is the most important factor? Quality relationships plus strategy focused on your goal.

Up until now women haven't had access to capital. The middle class were brought up not to ask for help and certainly not to talk about money. Now Shark Tank is a hugely watched family TV show in America. There is a massive paradigm shift – I see it everywhere I go.

Crowdfunding is an idea whose time has come – nothing is going to stop business!"

Kirsi Mantua-Kommonen President, Chief Executive Officer, Chief Marketing Officer,
Founding Partner, AuroraXplorer Oy 极行客
Helsinki, **Finland**



"We chose crowdfunding as a way of raising money for two reasons. First, it isn't so easy to get funding as a start-up and second, we identified a market that was not being served in the best possible way and we wanted to close the gap as quickly as possible.

The future of women and finance comes down to the larger theme of sisterly support. Female entrepreneurs will support and fund other female entrepreneurs. The future of crowdfunding will evolve alongside the future of social media. Our concept wouldn't have been possible without social media. We were able to show our idea to angel investors and find out if there were signs of interest in the business area. The whole concept was crowd-sourced as well as crowd-funded."



“There are big changes coming for women: they will have more disposable income, more savings, divorce rates will increase, the population is aging, and they can’t rely on the State. This will push a lot of women to be more self-sufficient. Like it or not they will be forced to invest for their futures. Women may not be used to investing but they are as capable as men are!

There is a lot of knowledge exchange between women, but not ‘financial investment’ or ‘economic knowledge’ – at least relative to men’s exchange. Pension funds will have a huge role to play in how men and women invest. There is a lot of wealth. Right now the investment profiles are ridiculous – choose A, B or C portfolio. This is insufficient and inappropriate.

We have come a long way with Internet banking, but I would like more (or at least the same) flexibility on investing our pension funds as you have with a net bank. Both banks and pension funds can do more in terms of offering alternative investment options. There are certain shares that I’m not able to buy... I would like more access to small caps and stocks on different exchanges. More accessibility in general. Information about IPOs, start-ups, sectors that are de-regulating, and compelling events happening in the market. Not just a boring newsletter.

Pension funds and banks need to try all the ideas. If they try all of them, something is going to work. I’m all for it! But remember to close them down when they don’t work.”

Earn trust with women through transparency and respect

Moving forward, marketers will embrace sophisticated data analytics but they will also need to respect their customer's choices regarding the use of their data. The ability to communicate in the language of the female customer will play a large role – both in building trusting relationships and in winning business opportunities.



“The industry is 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, where advanced technologies are embraced and used by huge sectors of the world’s population, why has the financial industry not been able to simplify and better communicate their products from a customer-centric perspective?”

Neuromarketing can now provide the ‘why’ behind the way people behave and behavioural economics can help identify the bottlenecks to purchase and interaction at different stages of engagement with financial services. For example, in the case of a pension plan, it is crucial for pension providers to understand the psychological and practical barriers that arise at each point of the decision making process so they can effect solutions devised to help potential customers navigate through the process with greater ease and intuition. Herein lies the path to greater integration between financial services firms and their customers: ensuring consumers receive the information they need, in the way they need it, at each stage of the thought process.

And while psychology and neuroscience now offer practical solutions for increasing consumer engagement, companies in the financial services sector also need to recognize the importance of building strong, trusted brands that can be clearly differentiated by potential customers. If communications about the investment industry are to be simplified and access to apps that allow customers to make investment decisions quickly are to succeed, the sector needs to instill trust amongst its’ customer base. 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.

Without that TRUST how do you move away from the small print? You can make it easier to digest but they won’t necessarily trust it. But they will trust each other. One clear way forward is the integration of social media and marketing by women to women.”



“Women are inherently better savers than men, as they are naturally more risk aware than men. In fact, both women and men are far more conservative than they would lead you to believe. They are confused by the various costs in the investment industry and the incentive system. Right now retail investors have everything stacked against them, and I want to change the game for average investors of both sexes.

That means turning the whole financial model on its head. Instead of the average retail investor trying to figure this all out on their own, we should promote a system where the general public is able to benefit the way that the large pension funds already do: steady, low cost investment returns. With such a model, and access to the same professional managers that large pension funds enjoy, the general public would be able to spread their risk across many alternative asset classes such as venture capital, infrastructure and real estate. This will help produce sustainable long term risk adjusted investment returns. Although this will benefit both men and women, the existing investment system doesn't seem to appeal to women. So changing the system can only make it better for them.

Interestingly, my investment philosophy changed dramatically in 2007 in two key ways. First, I ignored the pundits. I think one might argue that their views are conflicted since their earnings are predicated on investors continuing to enter the market and their advice may be unintentionally biased. Next, I stopped chasing returns, and focused on the preservation of capital on a prudent basis and expecting moderate returns at low cost. The bit that is interesting is that both of those pillars of my investing style are more traditionally associated with female investors: patient, risk aware, and learning from friends, family and personal experience rather than the talking heads on TV.”

Dr. Ann Cavoukian

Executive Director, Privacy and Big Data Institute, Ryerson University
Toronto, **Canada**



“The ability to develop relationships and bring in the context of a particular interaction is an invaluable skill, and one that I believe is especially valuable for women. Developing relationships with customers that then lead to trusted business relationships is key: this will help you retain the customers you already have, and attract new ones. It is the same with big data and data analytics. Women are especially sensitive to privacy-related issues. Marketers need to understand that when they are dealing with women (and men) they have to respect their customers’ choices and abide by the decisions they make relating to the uses of their data. Once you are open and upfront with them, being transparent about the uses of their data, their trust will grow exponentially, and consumer confidence will follow.

Privacy is not anti-innovation or anti-business, it is pro-choice: it’s all about building enduring relationships that will lead to a sustainable competitive advantage.”

Kathleen Traynor

Managing Director, Traynor Consulting Ltd.
London, **England**



(Formerly Executive Director of the trade association FIA Europe, leading all its regulatory/advocacy initiatives)

“Leading-edge regulators want individual investors to have confidence in markets and to understand what is going on. Markets must not be a ‘club’ of people who only speak to each other. There is a new recognition that those running markets can’t keep regulators in the dark. They must explain how their businesses operate on an increasingly granular level. The positive outcome will be that this could build further trust.

Having greater diversity on boards, which includes having more women, should lead to better decision making as a wider range of opinions are involved. One hurdle is that women don’t always stick around at the executive level, but when they do stay they can have power and influence and support the junior women in the organization.

But many women feel the need to have a hand in their own destiny. There is a huge trend in the U.K. to starting your own business: consulting in your area of expertise so that you can have more control over your time and energy. This also means managing your own approach to your financial well-being.”



“The future belongs to those of us, female or male, who can adopt and embrace the feminine archetype. It offers far more potential and possibility than the masculine archetype which worked much better in a world of scalable efficiency than in today’s world of scalable peer to peer learning. Those of us who remain wedded to the masculine archetype will find ourselves increasingly stressed and challenged as the world evolves more rapidly around us.

Now, of course, it is ultimately not an either/or choice. We must find ways to more effectively integrate the masculine and feminine archetypes to draw on the strengths of each. But, the pendulum must swing much more in the direction of the feminine archetype if we are to move to a world of increasing returns.

What does the feminine archetype look like compared to the masculine?

- *It is about building and nurturing long-term relationships, rather than focusing on short-term transactions.*
- *It adopts a more holistic approach – seeking out the patterns and deep dynamics that shape broader and more complex systems.*
- *It’s communication style is richer and more nuanced – it focuses on metaphors, stories and images as a way to engage the imagination and achieve a deep understanding of the essence of events and environments.*
- *It is most effective when feelings and intuition are integrated and connections are deepened.*
- *It embraces change because it provides a powerful catalyst for growth and learning.*

It is only in the context of trust-based relationships that people become willing to invest the time and take the risk to express the tacit knowledge they have. Trust is challenging to build. It requires a willingness to express vulnerability – if we are unwilling to express weakness or failures we have had, it is very difficult for someone else to fully trust us. Trust is also easier to build when it is clear that all participants are driven by a desire to learn and reach new levels of performance. When there is a real prospect of expanding rewards, we are much more likely to trust others than when everyone is focused on how to get a bigger share of a fixed pie.”

Technology changes everything: mobile, sharing & data

What do we mean by everything? Technology changes how women inform themselves about stocks and bonds; it changes how they find and select asset managers to work with; and it changes how advisors communicate with them once they become clients. Many of the new technologies are more likely to be 'gamechangers' for women than for men when it comes to their financial behaviour. Some examples would include social, mobile, crowd, the sharing economy and gamification. The corporate world and the financial industry will need to strategically position themselves with female leaders that are particularly good at understanding these new forms of technology, customized communication and consumer behaviour.



“Women are increasingly becoming the main income earners in many households, so there is more emphasis on controlling their own money. The divorce trend that started in the 1980s taught my generation to make sure they have their own money and they are in control of it. Women also have an advantage, in that we don’t assume that we know things. In fact, we usually assume we know less than we really do know.

Women are extremely savvy, both about money and about technology, and as technology advances, it is becoming increasingly easy to do your own investing. For example, I downloaded Robinhood for my stock buying – it offers no management fees. My bank has an app which makes it incredibly simple to keep an eye on my bank balance daily. Billguard makes sure that I don’t have any gray fees. I have 7 financial apps on my phone! Mobile has changed my life completely when it comes to money.

The financial industry needs to simplify (I hate forms!) to make it easier for women to get into financial products. If they educate the consumer in a respectful way the customer will respond in turn.”



“Women in developing economies such as Kenya are less likely to have education and jobs. They are more likely to be in farming, which is more than 25% of GDP and 75% of the labour force in many low-income countries.

Equity Bank is the largest Kenyan-owned bank. They understand that the more their clients know about concepts like financial literacy and entrepreneurship, the greater the effect this will have on customer well-being and financial product performance. Through the work of their foundation, they are targeting women and youth with business development services including programs to train people in entrepreneurship.

What will the future look like? Women will have more freedom and choice – they will become their own agents of change. This will be thanks in part to how corporations and social enterprises are embracing inclusive growth models that create shared value in society instead of extracting short term profit at the expense of long term growth. I see this as the next stage of evolution for global markets. Poverty is a problem that can be solved both profitably and ethically. Whoever ‘gets it’ will define the future of women and finance.”



"In the future, educated women will have more access to capital and in return they will support the growth of others by making capital available themselves through things like female entrepreneur funds, female-specific financing opportunities, and so on. I think women all around the world were not raised to be financially competitive; that was traditionally how men were conditioned. The investment focus of women will likely be more secure investments with reasonable returns for a sustainable, comfortable life. I expect women to invest in tangible things like real estate and land. But they will also put money into stocks of companies they know well, understand and believe in; start-ups they personally want to support; and (I hope) more healthcare-related and environmentally conscious initiatives... rather than hedge funds and the like with the mere focus of making money.

Technology is making information accessible, so investing has become much easier. Thanks to social networks, chat apps, and mobile apps, women are becoming more and more tech-savvy as well. My 65 year old mother is constantly on Facebook, iMessage, WhatsApp and Skype. Every day she comes up with some info she found online – things I don't know about, which I find absolutely amazing. Who knows where all this will lead? I wouldn't be surprised if one day my mom tells me she bought stock in a medical research center via the Internet!"



"The world is more global: if we can't buy what we want in our home country, we can buy it elsewhere. So the difference becomes all about the brand. How sustainable is it? How modern, how digital, how diversity-friendly, and what do they stand for? It might take a crisis to know if your HR policy works. The future is about sustainability, digital and innovation. What happens in China affects us immediately. The number of consulting firms in global branding is exploding.

The truth is that women play at the same level and have the same interest in business as men. Historically, some men acted solely in ways that enhanced their status or prestige. But in today's modern corporation, that kind of behaviour isn't part of the equation, and isn't being rewarded in the way it used to be. The new corporate thinking is not about being cautious or not taking risk. It is about being logical and reflective about how you make decisions.

The digital revolution is happening right now ... women and finance is a huge market opportunity."



“When it comes to the possibilities for women and finance, we need to use fantasy and imagination. We have the opportunity to work from anywhere and want to have flexible business lives. Technology will support women and their career possibilities. In a networked society, women have better opportunities. Becoming an entrepreneur will be easier – you can create your own company using a social site and you can be innovative and leverage trust.

There are now more female university graduates than males, and with better grades.

I believe women will take risk ‘as long as they like it’. So... ‘if they like it and want it they can do it’. I see no problems with the evolution of women and finance – only opportunities.

We are all full of biases in our daily life. You need to have conscientious awareness and make sure that your behaviours are not negative towards women. Men and women have different languages. All companies need to compete for talent. If you lose out on talent this is a very serious business issue.

The next generation are global citizens. We will see more entrepreneurs.”



“There are significant differences between men and women in all of our studies or focus groups in: how they approach finance, the meaning that they ascribe to money, and their values. Game-based learning is more effective than book-based learning and either way learning really only occurs if people are able to connect it to their lives. Banks are slowly starting to realize they need to be working to develop products in a more human-centred way, as well as using game design principles. Banks need to redefine themselves.

That investors and savers want methods of learning that are interesting – not so numbers-oriented – is the chief lesson of our product development sessions. Finding the happy medium is the tough part: you need financial products to be engaging and fun but you also don’t want them to be perceived as too ‘cutesy’. After all, money is a very personal topic and lives depend on it. We are working with financial services firms on smartphone apps that help you to reflect on your wants and needs and move closer to your ideal budget; and engage you in a way where you don’t feel overwhelmed.

The future’s biggest challenge is for the financial industry to get the mix right – money is a serious topic so you don’t want to over-simplify or over-game.”



A contributor to the Oxford Dictionary of Buddhism (2003), Dr. Tinti is also Development Advisor for the Oxford Centre for Buddhist Studies, a Recognised Independent Centre (RIC) of the University of Oxford.

"Women are more educated, financially confident and capable of making a contribution today: but this is sometimes viewed with suspicion, at least in the UK. There may not be a glass ceiling, but there still seems to be some other unknown factor that prevents women from rising to the top. Having said this, we cannot and will not lose faith. We will keep on trying!"

The digital revolution is a force for good in this area – it will lead to democratization and financial success. It took a lifetime to create a fortune 200 years ago, and today it takes 24 hours! In today's world, you can make a fortune and move a fortune faster and faster, thanks to information technology.

Where is the next trend? China will be the big place for women to achieve success. Asian culture values money and determination. The women are empowered – they want to move up in the world. The sharing economy will also have a big role in accelerating the evolution of women and finance. "

Smart women are the next big thing. And everyone knows it.

As we talk about how technology changes everything, we need to make two important points.

At one time, the latest developments in computer software were of interest mainly to those in the tech sector and some geeks in the IT department. Today, the race to get an app onto the right version of a mobile operating system is of concern to everyone at a company from the CEO on down. And it applies across every industry: retail, financial, education, public sector, even energy and resources companies all rely on technology. Secondly, technology changes how a company works internally, how it works with partners, and how it sells to customers... but not always in the same way. A company may expect its customers to check their investment accounts with smartphones, but the bank will still use traditional tools like PCs and mainframes to manage those accounts internally.

The first and most profound way that tech changes everything for women is mobility. Historically, men were more likely to own or use a PC, and tended to have lives or jobs that were suited to sustained periods of interaction: going through a year's worth of financial statements, for example. Women are more likely to own smartphones and tablets, which are perfect tools for multi-tasking and learning or transacting on the go. Another example would be financial news: men have traditionally been more likely to sit in a room with a large TV set while the stock market channel is on in the background. In 2015, women with mobile devices can learn about a news story through a social media feed and watch a 4 minute video on the smaller screen. To be clear, men can use mobile devices in the same way, and do. But this change seems likely to be more significant for women.

Social is big: Facebook nation, at 1.4 billion monthly users as of January 2015, is the second largest country in the world. And 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. Across all of Facebook, Twitter, LinkedIn, Instagram and Pinterest (and many more) women are sharing their stories, learning from others, and even comparing stock market picks!

In the not too distant past, women didn't tend to receive start up capital, provide capital, or allocate it. Crowdfunding is changing all that. Whether campaigns through lending, equity, charity or reward programs, millions of women are putting their money to work en masse, in causes they believe in, and female entrepreneurs are increasingly the recipients.

Methodology

Throughout 2014, the author conducted 50 interviews with male and female global leaders. The selection criteria were not scientific or random, but based more on serendipity via chains of introductions. Interviewees varied by age, cultural background, profession and geographic location, and all were considered to be experts in their fields.

The broad question of 'how do you see the future of women and finance evolving?' is obviously open-ended and it solicited diversity in thoughts, ideas and predictions.

Research findings are based on selected quotes from the (on average) hour long interviews. Quotes were prepared by the author and permission to use the quote was granted by the interviewees.

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Endnotes

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