

The future of women and finance

LINDA WHITE

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More women = more money. That new business equation is transforming the financial industry as it realizes its biggest target market is the financially confident woman — and for good reason, says a portfolio manager who has made it her mission to quash the “negative portrayal” of women and money in the media.

“The financially confident woman is more financially literate than she’s ever been,” says Barbara Stewart, a partner and portfolio manager at Cumberland Private Wealth Management in Toronto and

a Sun Media columnist.

“She’s not just the caretaker of the money until some man shows up. Most of the time she has made her own money and she expects to make even more.”

For financial institutions, that presents a marketing challenge. “They want to educate and inform the women who aren’t yet confident, but to a financially confident woman, those messages can be seen as condescending or patronizing.”

As part of her research for *The Future of Women and Finance*, the fifth white paper in her “Rich Thinking” series, Stewart asked global leaders the following question: “How do you see the future

of women and finance evolving?” She talks about some of the paper’s highlights.

What is the “language of the female customer”?

When I asked strong, confident women how they learned about money, most told me they learned about it through stories shared by mentors, family, friends, role models and even by watching a parent do something wrong, such as struggling with debt. They weren’t learning from financial institutions, textbooks or financial TV.

Many financial institutions are very well intentioned in their desire to teach women about financial literacy but they’re not necessarily speaking the language that

makes it interesting to them ... The secret is that men like those stories, too.

Why do you think new technologies are more likely to be “game changers” for women than for men when it comes to financial behaviour?

Social media is one of the things that’s shifting the investment landscape and stats show us that women love to share stories so the more we can talk their language, the more literate everyone will become ... Women are using technology to learn about things like stocks and bonds and they’re able to do it on their own time.

Why is it important to draw more female

investors?

The most important reason why we need to get more women to invest is because we’ll have a more diverse shareholder base. Women are usually longer-term investors so it leads to greater stability of the stock market, which reduces its volatility.

Women generally prefer to invest in causes and concerns that matter to them. If they’re shareholders in companies they’re investing in, they’ll try to influence the direction of the company so I think we’ll have far more trustworthy businesses ... More female shareholders also equals more corporate social responsibility. But the whole idea of women

investing in stocks is still a huge opportunity. They’re an untapped market and they’re a force.

What do you think is the paper’s biggest takeaway?

The biggest thing I realized is that we’re much closer to the tipping point than I would have guessed when I started my research five years ago. It would be easy to be disappointed and depressed about the ongoing pay gap (between men and women) or stats on women on boards and in upper management, which don’t seem to move much.

‘THE FUTURE OF WOMEN AND FINANCE’ IS AVAILABLE AT WWW.BARBARASTEWART.CA.