



## How women are different

By Tracey Edwards

When I started my Financial Planning business over 15 years ago, my first priority was to achieve a steady income to support my children. It's was really hard, starting from scratch. I had no clients, the odd referral from another business & all the costs of modern day living to pay for.

Financial Planning all those years ago was a male dominated world. I was determined to break through that glass ceiling and prove that anything men could do, women could do just as well, if not better! Many of my oldest clients to this day are women & a significant differentiator for the business is a focus on helping women with their finances.

So recent research conducted by the Commonwealth Bank, titled "Enabling change: A fresh perspective on women's financial security" was a reinforcement of what I already know. They could have rung me for this information first! Four primary differences between the way men & women invest. I want to focus on 3 of these:

1. Investment literacy – "The research shows a strong correlation between an early education in investing & higher levels of investment activity & engagement". In other words, when women are younger they are taught about managing their finances but not necessarily about investing. The tipping point for higher levels of investment literacy comes later in life, when women have less time to see their assets grow.
2. Focus on the practical & immediate- "One consequence of this difference in education, coupled with the women's traditional gender role as household managers, is the tendency for many women to prioritise the practical & immediate, rather than less concrete longer-term aspirations". Simply put women focus on paying bills & preparing for unexpected costs, rather than on accumulating for a comfortable lifestyle.
3. Risk Concerns – "There is also a strong evidence to suggest women are more risk-averse in their financial decisions than men, which can lead to lower levels of investment & lower returns". Simply put, women take on less "risky" investments such as shares & property, but ultimately can pay a performance penalty over the longer term, for it.

Now all research is based on averages. And you may be sitting there reading this thinking "that's not me really". But be truthful, are you sure its not?

And what about your family? The younger generations have more information at their fingertips than ever before. But how do they make informed decisions? Sometimes there is so much information available that it creates paralysis by over-analysis! A little help can go a long way.

And finally the “traditional gender role” as mentioned in the research, is changing. Women are working longer & more often today. Despite the gender pay gap, and the resultant superannuation balance gap, women will have more in investments in the future, than any previous generation before them.

So let me work with you. This is my expertise & passion. Whether you are a client now or have a family friend or relative who you think could do with help, please call me to make an appointment. I don't charge for initial consultations, so what do you have to lose?

Let's break this pattern once & for all. Let's maximise your potential ladies!