



WOMEN AND WEALTH: YOUR RELATIONSHIP WITH MONEY MATTERS

It's amazing how far we've come in the last few decades. Today, 60% of university graduates are women¹, and 29% of wives in dual-earner households earn more than their husbands². Not only are more women investing in their education and careers, they're also making an impact on companies' success.

In a recent report, Ian de Verteuil, CIBC equity strategist, noted that, "Women on boards may understand the end customer better or bring different leadership styles and perspectives to an organization." He adds, "Having women on boards pays off with higher stock price gains—as much as 50% higher, on average." This is outstanding progress and a significant leap from where we were.

Managing Money Matters

Along with their increased education and levels of professional growth, women are also controlling a considerable amount of wealth. In fact, 43% of Canadian investors with \$500,000 or more in assets are women³. So, how are women managing money matters? The Financial Planning Standards Council delved deeper into this question through a national survey. It found that women are significantly more likely than men to lose sleep over financial worries⁴.

"Women are stressing more because they're earning more and living longer than they used to, and more often than not, they're becoming the primary money managers in the household," says Kelley Keehn, personal finance educator and best-selling author of nine books. "All this stress can take its toll."

It's estimated that by the end of 2024, Canadian women will control approximately \$3 trillion dollars, or 46% of total personal wealth—that's up from 33% today.⁴ So, what can women do in order to stress less? The key is to continue building confidence with respect to your personal finances. There are a number of ways to accomplish this, and it really applies to everyone—women and men alike.

Enhance Your Financial Self-efficacy

Your sense of self-efficacy plays a large role in how you face challenges, tasks and goals. It's the extent of your belief in yourself to complete these tasks and meet your objectives. Doing things that lead to success helps build self-efficacy. We probably already do this every day, without realizing it, through big and small actions.

A recent article in the *Journal of Economic Psychology* highlighted that self-efficacy has an explanatory role in personal finance behaviour. In fact, high financial self-efficacy is associated with investment and savings products. However, if you have lower financial self-efficacy, you have more debt-related products.⁵

Viviane's Journey

Let's take a look at Viviane, a professional in her early fifties. She graduated with a political science degree and master's in sociology. She then decided she needed a better understanding of capital markets and enrolled in the Canadian Securities Course. After marrying Tom, she entrusted him with the money management and investment duties.



Although she was far more knowledgeable and educated about their family finances, she thought he should manage their wealth. Nearly two decades later, Viviane is divorcing Tom and is now responsible for her financial life. Although she was financially confident early in her career, she's not as aware of her finances today and is rebuilding her confidence. Understanding how self-efficacy works to assist her in rebuilding her financial foundation gives her clarity about the time and effort it will take to reach her goals.⁶

With a topic as vast as personal finance, we can all improve our knowledge. Unless you work in the financial services industry, you may not consider completing the Canadian Securities Course. If building your financial acumen is a passion, this course may be ideal for you.

Recognize the Value of Advice

When you've built a trusted relationship with an advisor, you don't need to know all of the ins and outs of the markets and the economic landscape. With an expert looking after your wealth, you can put aside the stress related to your money matters.

Keep in mind that if you don't work with a professional, you may take on more risk when markets are doing well compared to during a stock market downturn. The first rule in wealth building and portfolio preservation is to focus on understanding your risk tolerance and stick to sound investment strategies.

Our relationship means you can rest easy knowing that an expert is managing your wealth. As always, we are available to discuss your asset allocation—which is key to weathering stock market ups and downs. Call us any time to talk about your investment portfolio, for insights on the markets and economic conditions or for general investment information.

1 Statistics Canada, *Postsecondary Student Information System, 1992 and 2008*.

2 "Economic Well-Being," *Women in Canada: A Gender-based Statistical Report*, Statistics Canada.

3 Tim Querengesser, "The Confidence Gap: Why aren't there more women investors?" *Alberta Venture*, February 10, 2014.

4 "How Is Financial Stress Affecting Canadians?" *Financial Planning Standards Council (FPSC)*, <http://www.fpsc.ca/value-financial-planning/how-is-financial-stress-affecting-canadians> (accessed on August 19, 2016). While the study found that 42% of Canadians rank money as their greatest source of stress, 51% of women, compared to 40% of men, are more likely to stay awake at night because of financial stress.

5 Lisa Farrell, Tim R. L. Fry, and Lenora Risse, "The significance of financial self-efficacy in explaining women's personal finance behaviour," *Journal of Economic Psychology*, Vol. 54, June 2016: 85–99.

6 Provided by Kelley Keehn, personal finance educator and best-selling author of nine books.