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Women & Personal Finance

Canada's leading government, industry experts and female trail-blazers provide insight and guidance for women in transition and the sudden responsibilities of wealth management.

by **Kelley Keehn**

www.etfcm.com/womenmoney

46%

Estimated total wealth women will control by 2024—up from 33% today.¹

\$3 trillion

Estimated total wealth women will control in a dollar value by 2024.¹

73%

Of women report being “unhappy” with the financial industry.²

Women & person finance

Did you know it's estimated that at some point, 90% of all wealth will be controlled by women. Yet, the financial industry (and that of accounting, law, banking and more) still primarily focus on men? Women, by design, accident or choice are facing complex financial decisions during critical phases in their lives such as a divorce, death of a spouse, inheritance, or the sale of a business. Without a firm financial footing, these pivotal points in her life can cause undue stress, leave her vulnerable to being taken advantage of and more.

Women face a plethora of issues that make her financial needs unique. A widowed baby boomer is expected to out live her spouse by 16 years³. She's 54% more likely to be a caregiver⁴ and she's still facing a wage gap that makes saving adequately for her retirement a challenge.

When she does turn to the financial industry for help, she often feels unheard, ignored or misaligned with her advisor.



Women worry more

According to a new national study conducted on behalf of the Financial Planning Standards Council (FPSC), women are significantly more likely than men to lose sleep over financial worries. While the study found that 42 per cent of Canadians (excluding Quebecers) rank money as their greatest stress, 51 per cent of women, versus 40 per cent of men, are more likely to stay awake at night mulling over their financial woes.



“Money is a really emotional topic. And money is more than about just money. It’s a balance of power that flows with the money and can cause ripples in the relationship.”

Joanne Stewart
Partner
Lerners, Family Law Lawyers

Health Canada places long-term stress on issues such as financial problems as a major contributor to adverse health complications. These can range from heart disease to mental health issues. Stress is also a risk factor in alcohol and substance abuse, as well as weight loss and gain. Stress has even been identified as a possible risk factor in Alzheimer’s disease.⁵

What's wrong?

Just how are women's daily lives different from those of most men? And how do these differences affect women's financial needs? The obvious truth is that many women, in addition to holding down highly demanding jobs, are the primary caregivers to children and often to aging parents. They are the household organizers and cleaners. They are food shoppers, menu planners, and cooks. They tidy up the kitchen and feed the pets. That old adage—men work from sun to sun, but women's work is never done—has perhaps never been truer. ⁶

"... it goes to the intimidation factor. If women don't know a lot about money, they don't want to speak up and look stupid."

Mary Aitken
Founder & Managing Director
Verity



Indeed, the juggling act that so many women confront—too many tasks and too little time—has brought about the need for products and services that both address women's distinct financial circumstances and treat them as professional equals to their male counterparts.⁶

Do women take enough risk?

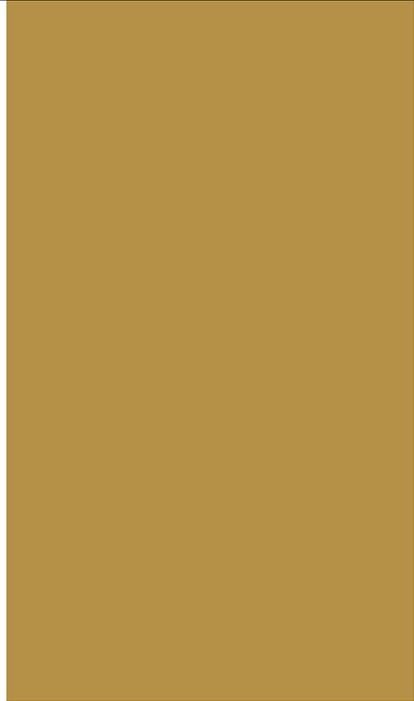


"I know with my husband, he was definitely more risky than I would have been. I would say no to everything. His personality is more aggressive and I probably wouldn't have made those same decisions."



Rose Reisman
Owner
Rose Reisman Catering

According to a recent report by Judy Paradi and Paulette Filion titled, *Financial Advisors are failing women: What female clients really want and how to change the dialogue*, reveal that women are not risk adverse. They state that women ask a lot of questions because they want to know what is going on. They quote Julie Barker-Merz, leader of MBO's women in wealth committee who states advisors should not assume that this cautious approach means women are risk-averse when it comes to investing. It's simply that they are very aware of the risks involved with investing.



Support for the sudden responsibilities of wealth management

Having trust in your financial advisor is crucial when it comes to investing your hard-earned money. And earning your trust is big business. This has become even more poignant with the maturation of the Internet. Now, more than ever, you as a consumer have gained incredible power over businesses simply by being able to access large amounts of information about them. Consumers have become more skeptical over decades of being bombarded by advertising and lured by empty promises. One of the worst offenders is the financial industry, which excels at making investments look attractive, only to disappoint after you sink your money into them. With all this “noise”, how do you find a financial advisor you can trust?

There are four criteria that can help you to determine how trustworthy a financial advisor may be.

“Investing can be complex and often has risks but with knowledge, skills and confidence, you can choose financial products and services that best suit your needs. A good place to start is by visiting the FCAC’s website. As a federal government agency, we have a wealth of unbiased information and tools to enhance your knowledge and to guide your search for a financial professional.”

Jane Rooney
Financial Literacy Leader
Financial Consumer Agency of Canada



1. He/she commits to putting your interests before his/her own
2. He/she tells you exactly how much you are paying for his/her services

Wealth management support *(continued)*

3. He/she has solid credentials

There are over one hundred thousand people in Canada who describe themselves as financial advisors. In reality, their education, qualifications, and experience vary widely. The majority of advisers act more like salespeople for investment products. While some financial advisor courses can be as brief as a single weekend, there are some certifications that can take several years to complete and involve a more rigorous curriculum.

There are several highly credible Canadian certifications that you should check your advisor's resume for. The most rigorous and respected of all investment management credentials is the Chartered Financial Analyst (CFA) designation. There is also the Chartered Investment Manager (CIM) program, which is less intensive than the CFA curriculum, but places an emphasis on portfolio management.

“One of the biggest fears women clients have is outliving the money. This (amount of money) has to get me from here to there—how do I plan for it?”



Cynthia Kett
Principal
Stewart & Kett

In a slightly different category is the realm of financial planning. Financial planning differs from investment management in that it extends beyond investments to help you with tax planning, debt management, and retirement planning. The heavyweight designation to look for amongst financial planners is the Certified Financial Planner (CFP) designation. The “lighter” version of the CFP is the Personal Financial Planner (PFP). All of the aforementioned certifications and designations are given out by governing bodies that require that members adhere to a code of ethics.

Wealth management support *(continued)*

4. He/she worries as much about risk as about performance

While good advisors try to manage your investments according to your need for returns, great advisors understand what's realistic given your life circumstances, and openly discuss with you the risks associated with choosing a particular investment before taking any action.

Don't be afraid: there are many thoughtful, hardworking, and ethical financial advisors out there. They take their time to get to know you, and they build a portfolio according to your needs of comfort and security. While the market may be emotionless and amoral, it is the trusting relationship that you build with your advisor that brings life to an otherwise dull process.

“One of the biggest risks (women have) is that they're too conservative. You need balance in your life and you need balance in your portfolio as well. It's about getting some good advice so your wealth can grow—and GICs aren't going to do it for you.”

Robyn Graham
Managing Director, Wealth Management
Associate Portfolio Manager
ETF Capital Management



To find a planner or portfolio manager that's right for you, visit www.fpsc.ca and www.portfoliomanagement.org.⁷

For more information or to arrange a media interview, contact:



As the author of nine books including her best-selling, awarding-winding book, published by CPA Canada, ***A Canadian's Guide to Money-Smart-Living***, Kelley would be pleased to speak to your media outlet or organization about women and personal finance. Please contact her at: media@kelleykeehn.com or visit www.kelleykeehn.com for more info.

Kelley Keehn
Women's Round Table Host
Personal Finance Educator

Footnotes:

¹ Household Balance Sheet Report 2015

² The Boston Consulting Group, *Women Want More* (In Financial Services), October 2009

³ According to research commissioned by Toronto-Dominion Bank

⁴ Sinha, M. (2013). Portrait of caregivers, 2012. Statistics Canada Catalogue no. 89-652-X—No.0001 Social and Aboriginal Statistics Division, September 2013.
<http://www.statcan.gc.ca/pub/89-652-x/89-652-x2013001-eng.pdf>

⁵ Adapted from Women most likely to lose sleep over money worries by the Financial Planning Standards Council

⁶ Adapted from *Women Want More* (in Financial Services) by the Boston Consulting Group, *Opportunities for Action*

⁷ Four things a financial advisor should do to earn your trust, by Larry Berman, published by Golden Girl Finance

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