

# ATB Investor Beat

The pulse of Alberta investors



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## Financial empowerment: Closing the gender gap

Back in the 90s, a popular book on relationships convinced many that men and women were so divided in their intrinsic beliefs that the two sexes weren't even born on the same planet. The author used this concept to help explain communication breakdowns in couples, suggesting the issue stems from a misunderstanding around how men and women approach problem solving. The book proved helpful for many struggling marriages; however, its philosophy may have been taken too literally, inadvertently contributing to a belief that men and women are inherently different on a broader scale.

It's interesting to consider how these social constructs have played out in the world of investing. For a long time, women left investment decisions in what they believed were the more capable hands of male partners, and this division of decisions is still prevalent today. The latest ATB Investor Beat survey found couples who are married or common-law report that men are twice as likely as women to make financial decisions with or without consulting their partners, commonly citing greater knowledge as the reason why. While these gender roles—and the gaps they create between the sexes—are beginning to evolve, female investors in Alberta are still 1.6 times more likely to report being inexperienced with investing knowledge compared to their male counterparts.

Further to that, many of us are living longer with less, especially women. An analysis done by the World Economic Forum suggests life expectancy past savings for Canadian women is 28 per cent longer than it is for men. It's no wonder that, in the latest edition of ATB Investor Beat, women were more likely to report a lack of confidence that they are saving enough to retire comfortably.

The situation may seem grim from a point of female empowerment and gender equality; however, the financial industry is acknowledging the need for change. With more women entering the workforce, becoming financially independent and inheriting wealth, closing the investment gap created by gender stereotypes is no longer just a good idea, it's a true necessity.

The solution may simply come down to knowledge. Knowing more about saving, investing and risk tolerance builds confidence when making investment decisions. For me, it's reassuring to be part of an organization that is embracing the need to democratize investing, build financial literacy among all investors, and in particular, empower female investors who have, traditionally, been underrepresented and underserved.

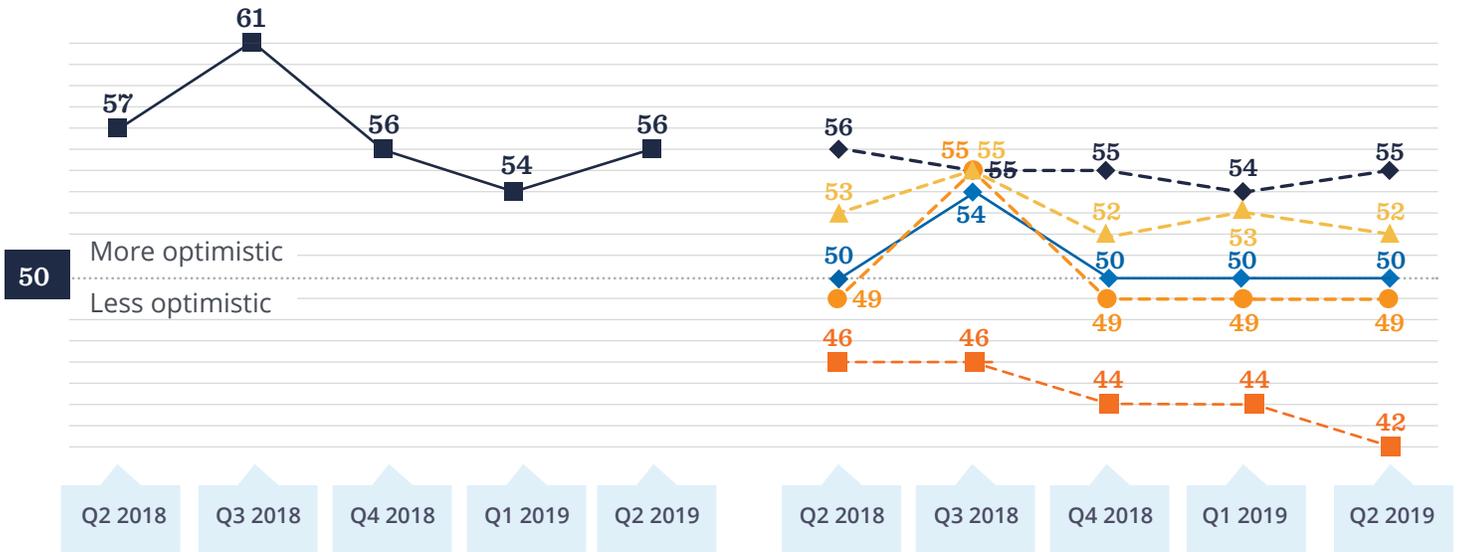
Financial literacy for all investors is not the sole answer, but it is a step towards a more even playing field. The first step is recognition. An issue exists, and there's work to be done.



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**Chris Turchansky**  
President  
ATB Wealth

# The Investor Beat Optimism Index



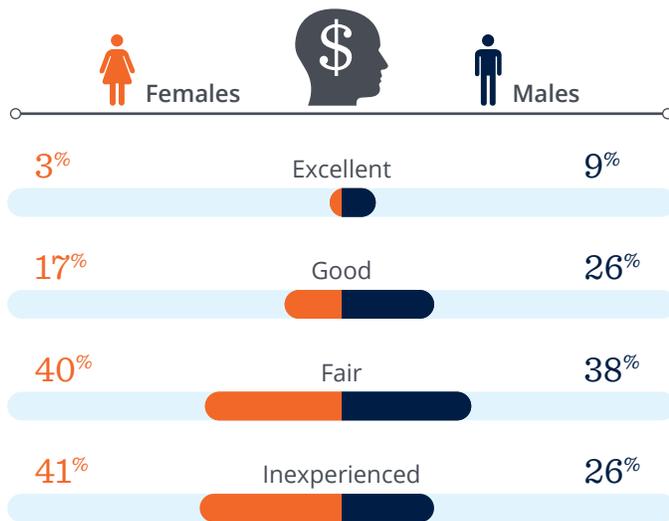
The **Investor Beat Optimism Index** is based on a representative sample of Albertans who rate their optimism towards investing, different investment products and economic factors. The ratings are based on a net positive score, which is then rescaled to fit an index ranging from 0 to 100.

- ▲— Balanced mutual funds
- Real estate
- ◆— Cash
- ◆— Stocks (directly and equity funds)
- Bonds

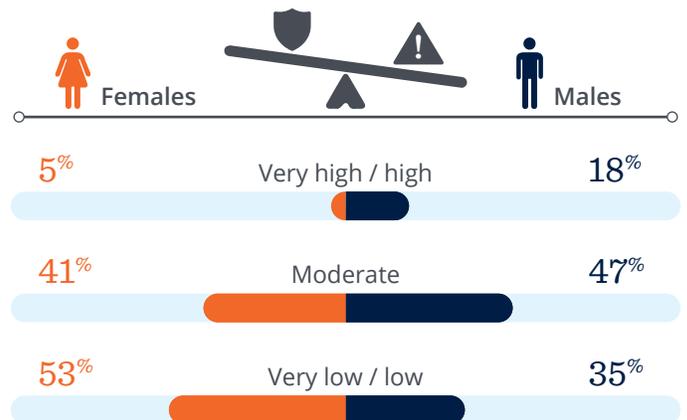
Overall investor optimism remained low this quarter, but rose two points to 56. While specific investment product optimism remained fairly stable quarter-over-quarter, there was a small recovery in the number of Albertans who feel now is a good time to invest (17%) compared to the previous quarter (15%).

# Knowledge and risk

## Investment knowledge:



## Risk tolerance:



Female investors in Alberta are more likely to report being inexperienced when it comes to their investing knowledge, whereas men are more likely to report they have excellent or good investment knowledge. When it comes to risk, males are three times more likely to report a higher tolerance for losses and market fluctuations. In contrast, females are twice as likely to report a very low risk tolerance, where a decline in their investment value would make them want to move their investments into cash (22% females vs. 11% males).

## Money habits and beliefs

Where the sexes are different:



Agree they are confident they are saving enough to retire comfortably



Agree they are comfortable with the amount of debt they are carrying

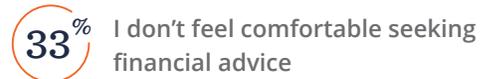
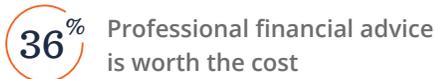
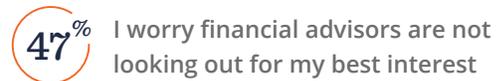


Agree investing in the stock market is too risky

A lower tolerance for loss reported by female investors is further supported by their higher incident of reporting that investing in the stock market is too risky, relative to males. When it comes to confidence in managing their finances, the sexes are fairly equal; however, differences emerge when it comes to retirement, with females significantly less confident that their retirement savings will support them comfortably. Further, while there are no sex differences in agreement that debt is holding them back from saving enough, men are more likely to agree they are comfortable with the amount of debt they are carrying.

## Financial advice

Whether male or female, Albertans agree...



22% of females agree they would be more comfortable working with a female financial advisor



Millennials (18-34)

Gen X (35-54)

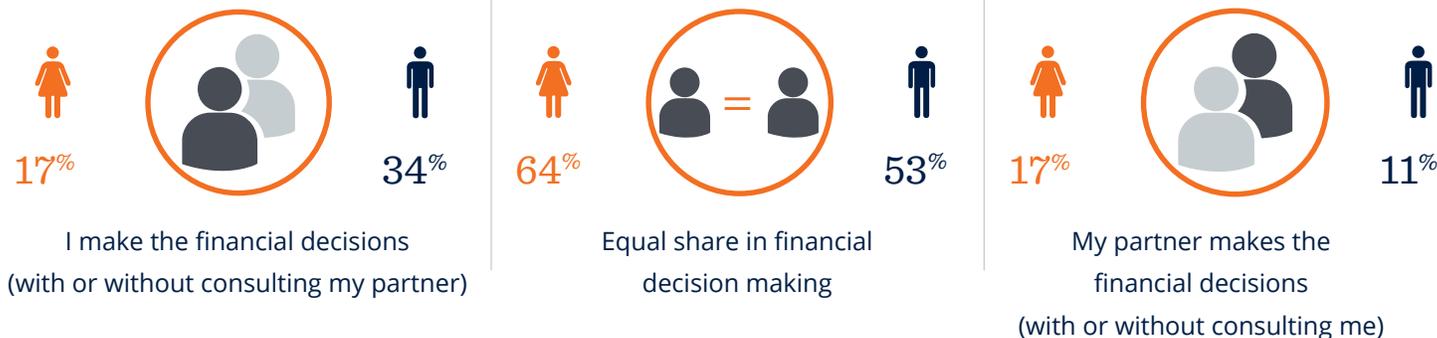
Boomers (55+)



When considering financial advice, female and male investors are more aligned. Over half of Albertans prefer talking to a professional about investment decisions, but just under half worry that the financial advisor is not looking out for their best interest. And despite a preference for receiving professional advice, just over one third of Alberta investors feel that financial advice is worth the cost and a third don't feel comfortable seeking financial advice. Interestingly, when female investors were asked if they had a gender preference, over 1 in 5 agreed they would prefer a female advisor. There were also significant differences in preference among the generations, with Millennial females agreeing to the preference twice as often as female Gen Xers, and four times as often as female Boomers.

# Financial decisions

## Who is making the financial decisions?



## Decisions distribution

Top 3 reasons females say they don't make the financial decisions

I don't know as much about finances as my partner

55%

I prefer my partner makes the financial decisions

35%

That's just the way we've always done it

35%



Top 3 reasons males say they make the financial decisions

I know more about finances than my partner

52%

My partner prefers I make the financial decisions

42%

My partner is not interested in making financial decisions

39%

Six-in-ten common-law or married Albertans claim that both individuals in the relationship have equal say in financial decisions; however, females are more likely than men to report this (64% versus 53% males). Further, males are twice as likely to claim greater influence in financial decision-making, with or without consulting their partner (34% versus 17%). When we analyze the reasons for this unequal decision distribution in married or common-law couples, lack of knowledge is cited by both sexes as the top reason females are not making financial decisions in their relationships.

For more information on this report or the next edition of ATB Investor Beat, please write us at [investorbeat@atb.com](mailto:investorbeat@atb.com). You can also visit [atb.com/investorbeat](http://atb.com/investorbeat) to be included on the mailing list.

## About ATB Wealth

ATB Wealth is the wealth management arm of ATB Financial. Our goal is to sort through the clutter and make investing easier to understand so our clients can focus on the things that really matter in life.

To learn more about ways our investing philosophy is helping Albertans, please contact Chris Turchansky, president of ATB Wealth, at [christurchansky@atb.com](mailto:christurchansky@atb.com)

## Who did we talk to?

Ipsos ([www.ipsos-na.com](http://www.ipsos-na.com)) is the third largest market research company in the global industry providing a full range of market research services. In North America, Ipsos has more than 2,100 research professionals and support staff located in 33 offices, with eight offices in Canada.

These findings are from an online survey conducted from April 29 to May 10, 2019, using Ipsos' i-Say panel. The 1,000 respondents are representative of Albertans 18 years of age and older based on age, gender and region. Using a Bayesian credibility interval, the survey is considered accurate to within +/- 3.5 percentage points had all adults in Alberta been polled.