

# Women and Wealth: In Her Own Words

**W**omen are an increasingly important and powerful demographic and currently control one third of the wealth in North America. However, when it comes to making financial decisions, approximately 80 per cent of women are either the primary decision maker in their household or share in the decision making responsibilities with their spouse or partner. Further, it is estimated that nine in 10 women will have sole responsibility for their finances at some point in their lifetime – and often as a result of the death of a spouse/partner or divorce.<sup>1</sup>

To gain a better sense of women’s attitudes towards money and wealth, we interviewed three BMO Nesbitt Burns female clients to get their thoughts and perspective on the topic. Each of the three women – Emily, Shirley and Kim – have unique situations with different financial priorities. The following provides a brief overview of each of these women and some of their wealth planning challenges.



## Emily

Emily is married with children and lives in Toronto. She is a professional and has built a successful career in recruitment within her profession. Emily and her husband have been clients of BMO Nesbitt Burns for eight years and met their Investment Advisor at a seminar she was hosting.

Emily’s financial priorities include saving for her children’s post-secondary education, the purchase (or expansion) of a new home and saving for retirement. Though she and her husband share similar financial goals, they view these priorities quite differently. “I’m much more tangible and want to know whether we’ll have enough money to put the kids through school, to renovate our home and whether we can afford to go on vacation next year; while my husband is more goal oriented and thinks in terms of wanting to have ‘X’ amount of dollars by retirement,” says Emily.

## Shirley

Shirley lives in Vancouver and was introduced to her BMO Nesbitt Burns Investment Advisor earlier this year after the unexpected death of her husband. She considers herself to be retired, but occasionally does contract work in the film industry. She is

actively involved in the lives of her three children and two grandchildren.

While Shirley and her husband were diligent about saving for their retirement, they didn’t have a specific retirement goal or a financial plan, and over the years used a number of advisors across several financial institutions. As a result, “We were never sure when or if we’d have enough money to fund our retirement,” she says. In addition to a secure retirement, wealth transfer and providing for her children and grandchildren is an important financial priority.

## Kim

Kim is a dentist who runs a successful practice in Calgary. Married, without children, she has been a BMO Nesbitt Burns client – through a referral from a BMO bank branch – for over 10 years.

With several peak earning years still ahead of them, and a plan to retire within the next 10 years, Kim and her husband’s priority is to maximize their retirement savings, in addition to the expansion of her dental practice. “While saving for these priorities is extremely important, we also want to ensure we have enough money to enjoy life along the way,” says Kim.

<sup>1</sup> Sunny Freeman, Financial Planning: Women Feel Ignored By Investment Industry, To Industry’s Peril – March 2013.

## A strong relationship with an advisor is important

While each of these women met their BMO Nesbitt Burns Investment Advisor in different ways, all three are extremely pleased with their respective relationship and appreciate how their Investment Advisor initially spent time understanding their situation, concerns and plans for the future.

Prior to his passing, Shirley's husband oversaw their finances and was not particularly trusting of financial institutions. The result was numerous investment accounts spread across several financial institutions. After his death, "I had no idea where I was financially. I didn't know how much money I would need to retire or whether I would have to continue working," she says. In addition, she couldn't seem to find anyone to help her make sense of her current financial situation. "That is, until I met my BMO Nesbitt Burns Investment Advisor," says Shirley, who was referred to him by one of his existing clients. After spending a significant amount of time getting to know her – their first meeting was three hours long – Shirley's Investment Advisor helped her develop a financial plan, and she now feels confident about her financial future. "I understand how my financial future looks, and how I can change it if I want to."

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- Shirley

Before meeting her Investment Advisor, Kim was dealing with a representative at a BMO bank branch who recommended that she and her husband speak to a BMO Nesbitt Burns Investment Advisor for their wealth planning needs. While Kim admits she's been fortunate to have worked with good financial advisors over the years, she says her BMO Nesbitt Burns Investment Advisor and her team are the best. "They take the time to find out who you are, your financial priorities, investment personality and your tolerance for risk. It's been a very successful relationship for us, and we've had a lot of fun along the way."

Emily met her BMO Nesbitt Burns Investment Advisor at an event for young female professionals. At the time, she and her husband were dealing with another financial institution and were unhappy with their current financial advisor. "I welcomed the opportunity to work with a female advisor," shares Emily. While both she and her husband are equally responsible for their financial affairs, Emily is the primary liaison with their Investment Advisor because her husband travels frequently for work. Emily likes to meet regularly to discuss their financial plan and overall financial situation, whereas her husband prefers to discuss specific investment strategies. Emily feels their Investment Advisor reads them well. "She recognizes my husband and I have very different styles and approaches to investing. We work in tandem – we're a team – but we're definitely two separate clients," says Emily.

## Having wealth provides stability, empowerment and reduces stress

When asked what comes to mind when they think about money and wealth, our panel shared the following insights.

To Kim, being successful and having wealth means having financial stability. "It allows you to experience all the things you want in life, without having to worry about the basics." From a professional perspective, the success of her business allows her "to provide my team with more financial stability and a great working environment," which is important to her. However, while her practice continues to thrive, she does have her worries. In particular, she is concerned about the financial impact of a potential health challenge. As a self-employed dentist who uses her hands for her livelihood, "it wouldn't take much – from a health standpoint – to prevent me from being able to practice," says Kim.

Not so long ago, money was a real worry for Shirley. After her husband's passing, she didn't know where she stood from a financial standpoint and she was having real difficulty getting the help she needed in order to make informed decisions about her future. Today, when she thinks about money and wealth, "I feel empowered. I now have a financial plan that provides clarity around my financial future," says Shirley.

For Emily, financial responsibilities themselves are stressful. "But, ultimately, having wealth means you'll be able to live your life without always having to worry about money."

## Getting the right financial advice is the key to success

With a commitment to building long-term, trusted relationships and helping clients meet their financial goals, BMO Nesbitt Burns Investment Advisors provide clients with a full range of advisory services to help them succeed. So, we asked these women to share the best piece of financial advice they received from their Investment Advisor.

Kim appreciates that her Investment Advisor always reinforces the importance of investing in quality companies and staying the course – even through the ups and downs of the markets. She and her husband always talk to their Investment Advisor whenever they are considering a major investment or purchase. “She’s very good at helping us differentiate between what’s truly an investment and what’s more of a lifestyle choice; getting us to think about the investment in the right way. She wants to ensure that if we’re making a lifestyle choice, that we’ve given it proper thought and determined it’s a priority for us,” says Kim.

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- Kim

While Emily didn’t focus on one particular piece of advice, she feels that she’s benefitted from her overall relationship with her Investment Advisor. In fact, this relationship began when they were both just starting their careers. As her Investment Advisor has become more experienced and successful in her practice, she’s been able to help Emily address her family’s growing financial needs, which have become more complex since their relationship began. “Our relationship has grown and evolved over the course of eight years and is stronger than ever.” Emily finds it surprising how quickly your life can change; both in terms of your career and your investments. “You come of age much more quickly than you think you will and, with that, your financial needs become more sophisticated,” she says.

The best piece of financial advice Shirley received from her Investment Advisor was that she didn’t need to make decisions right away, especially in light of her husband’s passing. Over the course of several meetings they discussed strategies and she was provided with recommendations which he encouraged her to take some time to think about before making any decision to move ahead. This gave Shirley the opportunity to discuss the recommendations with her daughter and get her input before proceeding. “Because of my experience, my daughter and her husband are now taking the right steps to get their financial affairs in order. They too have become clients of BMO Nesbitt Burns,” she says. “I am so pleased that my daughter is taking control of her finances, and won’t be putting off important decisions for 40 years like I did,” adds Shirley.

## Women versus men

When asked if she thought women and men think about money differently, Shirley replied, “For my husband, earning money was about being able to provide for his family, as we grew up in an era when women and men were expected to conform to certain roles. Earning my own money is fulfilling and provides me with a sense of independence and confidence because I’m able to support myself.”

Working in a female-dominated industry, Emily sees first hand that women tend to pick up on certain things that men wouldn’t and have different priorities and ideas than the opposite sex. She believes most women think about money in terms of the ‘utility’ it provides. She believes that women care about how money will help them take care of their families, their parents and other future responsibilities.

While Kim acknowledges that she and her husband think differently about money, she believes these divergent attitudes are more a result of their upbringing and less about gender. “While we both grew up in families with similar economic means, I was an only child and my husband had three siblings. I think our parents’ attitudes and how they spent money on us had a bigger impact on how we now view money than being male or female.”

## Meeting the needs of women investors

While the financial services industry has been criticized for not doing a good enough job in meeting the needs of women investors, our panel didn’t fully share in this view. And, while Emily admits to having a preference for a female Investment Advisor, Shirley and

Kim says this is not a priority. To gain further insights into whether financial firms are meeting the needs of the female demographic, we asked the women how the financial services industry could better service women investors.

Emily believes the industry needs to hire more female advisors, as women are better able to appreciate the differences between male and female investment approaches. She says that women take a more practical approach to investing, and recommends that all financial advisors need to recognize this and be aware that women have a need to understand the investments and strategies they recommend. “When it comes to investing, women want information. They want to know what’s being recommended, how it works and how the investment or strategy will help them get where they need to be financially.” And, while Emily is extremely happy with her current BMO Nesbitt Burns Investment Advisor, this hasn’t always been the case. Having switched financial advisors in the past, she knows that regular communication about their portfolio is key for women. From Emily’s perspective, hiring a financial advisor is no different than hiring a lawyer or an accountant. “You hire people for their expertise and you expect to be kept in the loop to the extent that you understand what’s going on with your portfolio and how your investments have performed,” she explains.

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- Emily

Better transparency would be Shirley’s advice. “Before becoming a client of BMO Nesbitt Burns, I always felt that there was a lot my financial advisors weren’t telling me.” She also feels that advisors may need to be more empathetic when dealing with women. “I was grateful for the time my Investment Advisor spent with me, especially during what was a difficult time, and I appreciate the ongoing communication between us.”

While her relationship with her BMO Nesbitt Burns Investment Advisor “has been her best experience,” Kim says the industry has treated her well over the years – even when she first started out as a dentist and didn’t have significant wealth.

BMO Nesbitt Burns is involved with a number of initiatives that empower and support women.

- The [Women at BMO Nesbitt Burns](#) website is designed to engage and educate women who are considering careers as Investment Advisors.
- Within BMO Financial Group, W.I.S.E. (Women In a Supported Environment) is a community of BMO employees who champion the inclusion, connection, development, advancement and support of women for the betterment of BMO’s businesses, communities and culture.
- BMO Nesbitt Burns sponsors the Women and Money workshop, an interactive event designed to inspire women to become more confident and proactive when it comes to their finances.

## So, what did we learn?

Our panel of women have developed strong relationships with their BMO Nesbitt Burns Investment Advisors and appreciate the advice and support they provide in helping them reach their financial objectives. While these women believe their Investment Advisors are doing things right, they also caution that the industry as a whole could be doing more to better serve the needs of women. Women and men think differently about money; however, it’s also important to remember that upbringing – including parents’ attitudes towards money – can also impact how women view money and wealth.

We’d like to thank Emily, Shirley and Kim for taking the time to share their experiences and opinions with us.

Please contact your BMO Nesbitt Burns Investment Advisor if you have any questions or would like to discuss your financial needs.

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