

# Financial Insights

from Quinn+Cardy Wealth Management  
of BMO Nesbitt Burns

## Investing and the Gender Question

Are there differences between men and women when it comes to investing behaviour? Although much research has been done to explore gender differences in investing, often with conflicting results, there are certain life situations that are more likely to be experienced by women than men:

**FACT: Women outlive men.** The average life expectancy for a Canadian female is 84 years old, versus age 79 for a male.<sup>1</sup>

*Married women who are not currently acting as the primary financial decision-maker may eventually assume this role. The growing percentage of the population that is unmarried, due to divorce or never having married, may also be an influence.*

**FACT: More women will spend time in caregiving positions.** More than half of the 8 million Canadian caregivers are women.<sup>2</sup>

*Financial decisions may need to be made on behalf of those being cared for, including long-term care or estate planning.*

**FACT: Despite progress, there still remains a gender pay gap.** Women make around 72 percent of what men earn for similar work. Women may spend less time in the workforce, interrupting careers or assuming part-time roles as a result of child-rearing.<sup>3</sup>

*Lower wages, potentially lower pensions and less hours worked may mean less income in which to save for retirement.*

### Working With Women Investors

As advisors, we are aware that these life situations, which can pose challenges, may be shared by women investors. There may also be other common circumstances experienced by women. For instance, did you know that women entrepreneurs in Canada are starting businesses 1.5 times faster than men and about 50 percent of all Canadian business started today are by women? Yet, the Business Development Bank of Canada claims that women often don't have the same degree of financial literacy as men.<sup>4</sup>

While women have been said to be more risk averse in their investing patterns, we've seen that this largely varies by individual investor. Regardless, we are well placed to develop tailored investment strategies based on our clients' personal



goals, while balancing their risk tolerance levels and unique investment values.

### Getting a Head Start

One thing is certain: a head start can yield significant benefits down the road. Given the unique challenges that may be faced by women, such as potentially having less income than male counterparts yet longer life expectancies, this may be important. Starting earlier takes advantage of the effect of compounding over time — consider that an investor who invests \$5,000 for 20 years at a compounded annual rate of return will have over \$470,000 by the age of 65 if investing is started at age 25, versus only \$178,000 if starting at age 45.

Some of the most important advice you can give to a daughter or grand-daughter: depend on yourself for your financial security. Education continues to be one of the keys to achieving financial well being and financial intelligence, the knowledge and skills acquired through financial education, is an investment that you can never lose. If we can help in any way, please don't hesitate to call.

Sources: 1. OECD Economic Survey: Canada, 2016; 2. Caregiving Statistics: Statistics Canada, General Social Survey 2012; 3. [www.cbc.ca/news/business/wage-gap-oxfam-1.3478938](http://www.cbc.ca/news/business/wage-gap-oxfam-1.3478938); 4. Financial Post, 01/18/16. "Women Business Owners Need to Think Big to Compete".



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