

WHY DO MEN AND WOMEN MAKE DIFFERENT FINANCIAL DECISIONS?

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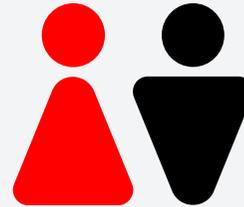
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OVERVIEW



1. Three gender differences in finance & money



2. How are we different?



3. How advisers can help balance out the differences



4. Workshops

THREE LOUD AND CLEAR GENDER DIFFERENCES IN FINANCE & MONEY



1. Gender pay gap¹

Total remuneration across employment status:

- Men: \$99,056
- Women: \$71,812
- **Men earn on average 27.5% more than women**



2. Super savings gap²

Average super balance:

- Men: \$98,535
- Women: \$54,916
- **Men have on average 44% more super than women**

Average retirement payouts:

- Men: \$292,510
- Women: \$138,154
- **Men have on average 53% more super than women at retirement**

¹ Workplace Gender Equality Agency Australia. 'Gender equity insights 2016' report. Gender pay gap is across all employment statuses (full-time, part-time, casual) and refers to total remuneration.

² ASFA. 'Superannuation account balances by age and gender', December 2015. Average balances and payouts in 2013/2014.

BUT WHAT ABOUT...

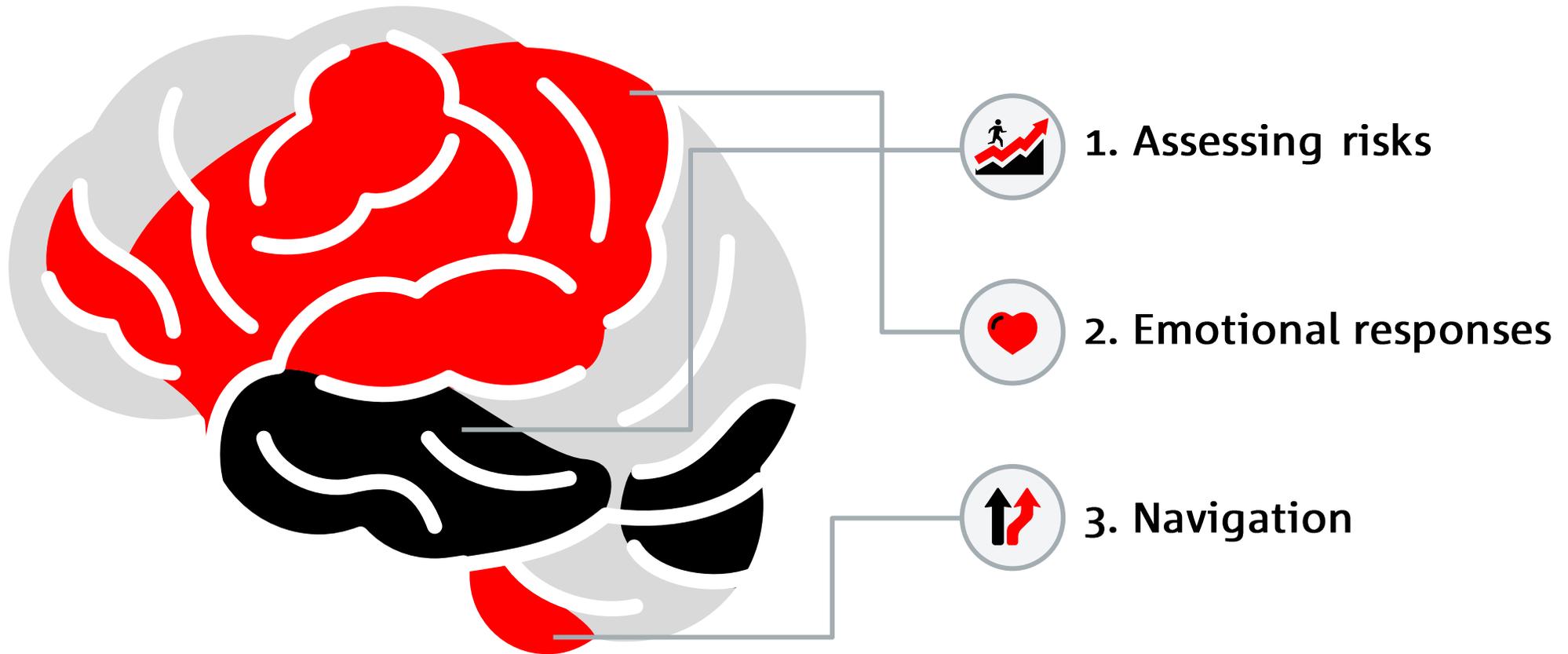


3. Preferences for risk

HOW ARE WE DIFFERENT?

● Larger in female brain

● Larger in male brain





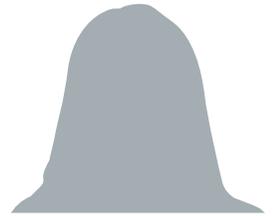
1. ASSESSING RISKS



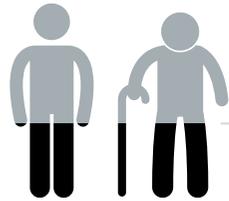
1. ASSESSING RISKS



We looked at over 100,000 advised clients
Number of people invested in 'high risk' options¹



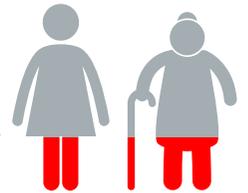
All ages



37.5%

7.5%
difference

30.0%



30-40



63.0%

5.0%
difference

58.0%



60-80



18.4%

5.9%
difference

12.5%





1. ASSESSING RISKS



20%
 Female investors
 change their asset
 allocation 20% less
 frequently¹



1. nabtrade and Betterment customer data: <https://www.betterment.com/resources/investment-strategy/behavioral-finance-investing-strategy/data-suggests-women-are-better-behaved-investors>, as at 16 July 2016.

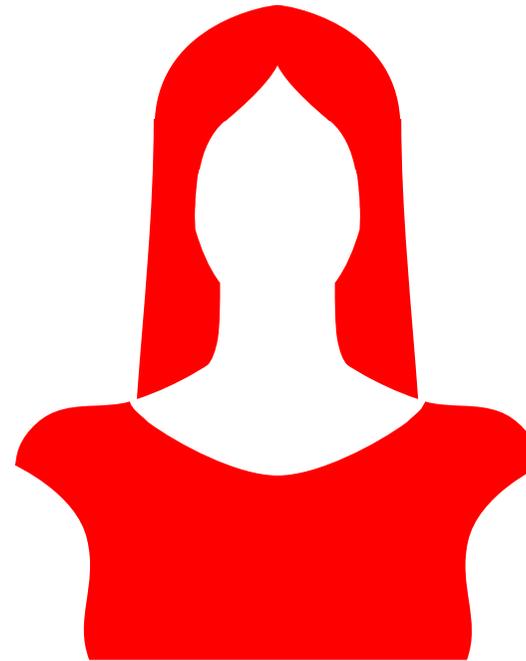
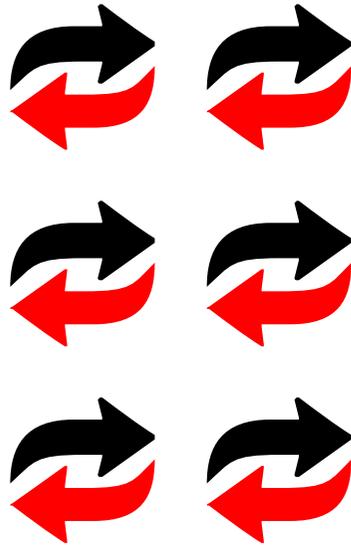
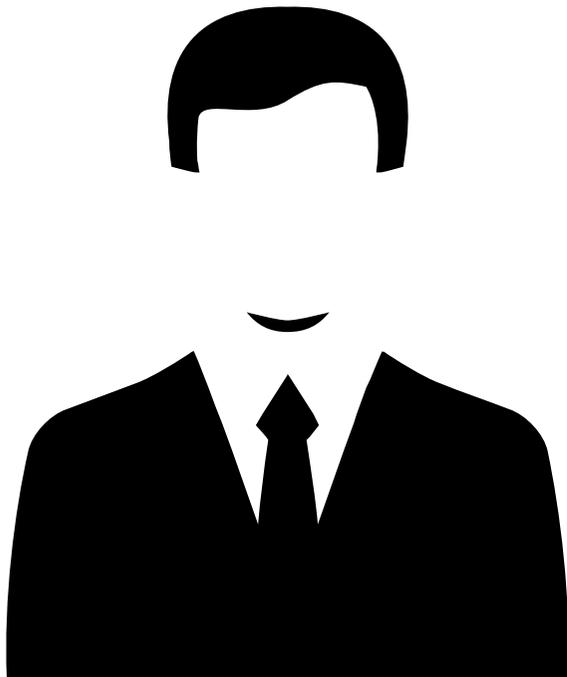
2. 'Boys will be boys: gender, overconfidence, and common stock investment', Barber BM, Odean T, Quarterly Journal of Economics, February 2001.





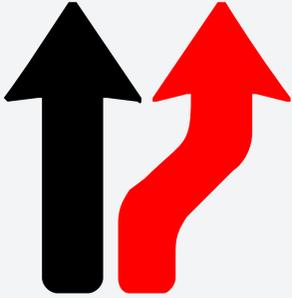
2. EMOTIONAL RESPONSES

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Male investors are nearly 6 times more likely to make massive allocation changes, such as switching from 100% stocks to 100% bonds.



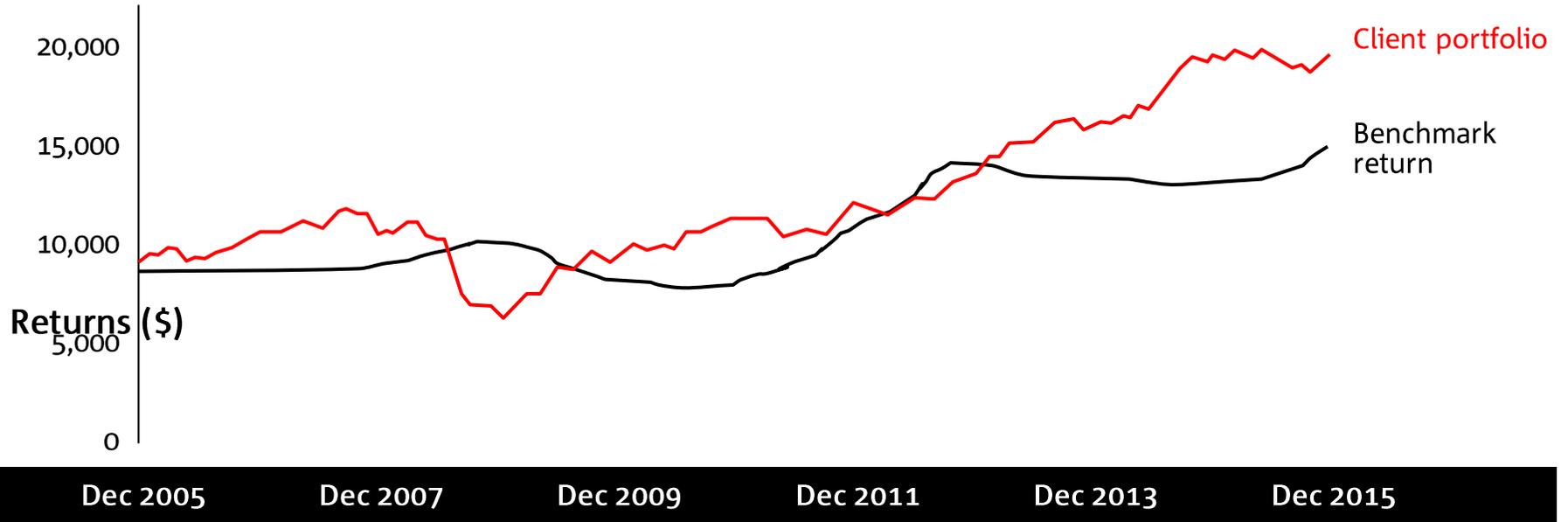


3. NAVIGATION

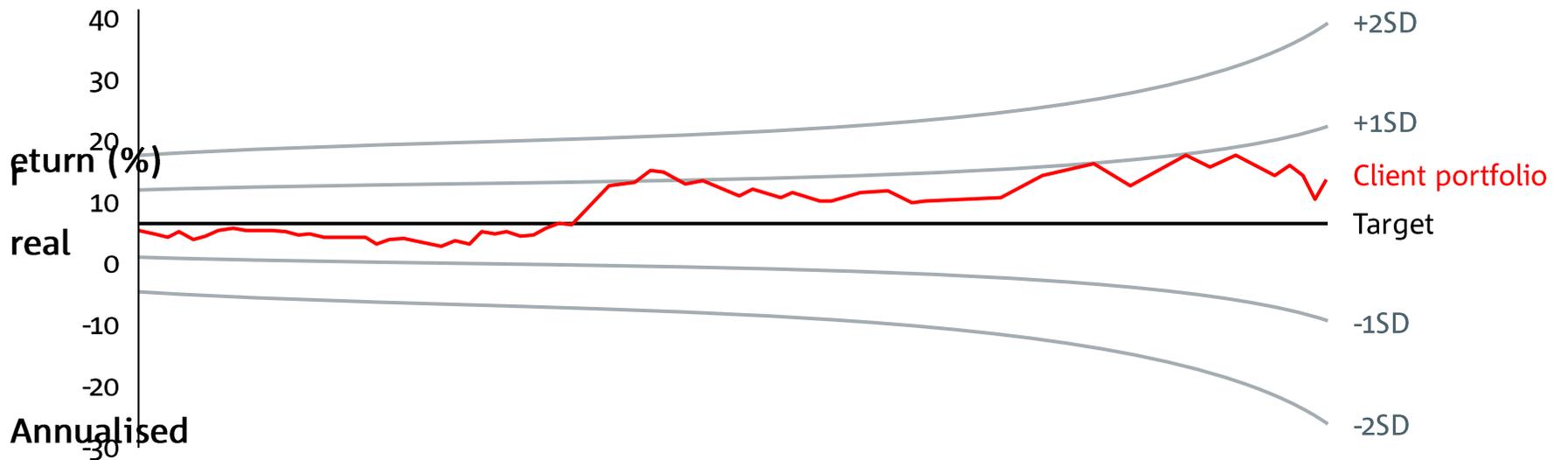
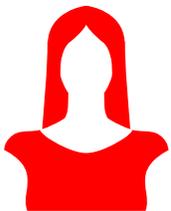


3. NAVIGATION

Investment performance through the eyes of a MALE



Investment performance through the eyes of a FEMALE





SUMMARY OF GENERAL DIFFERENCES

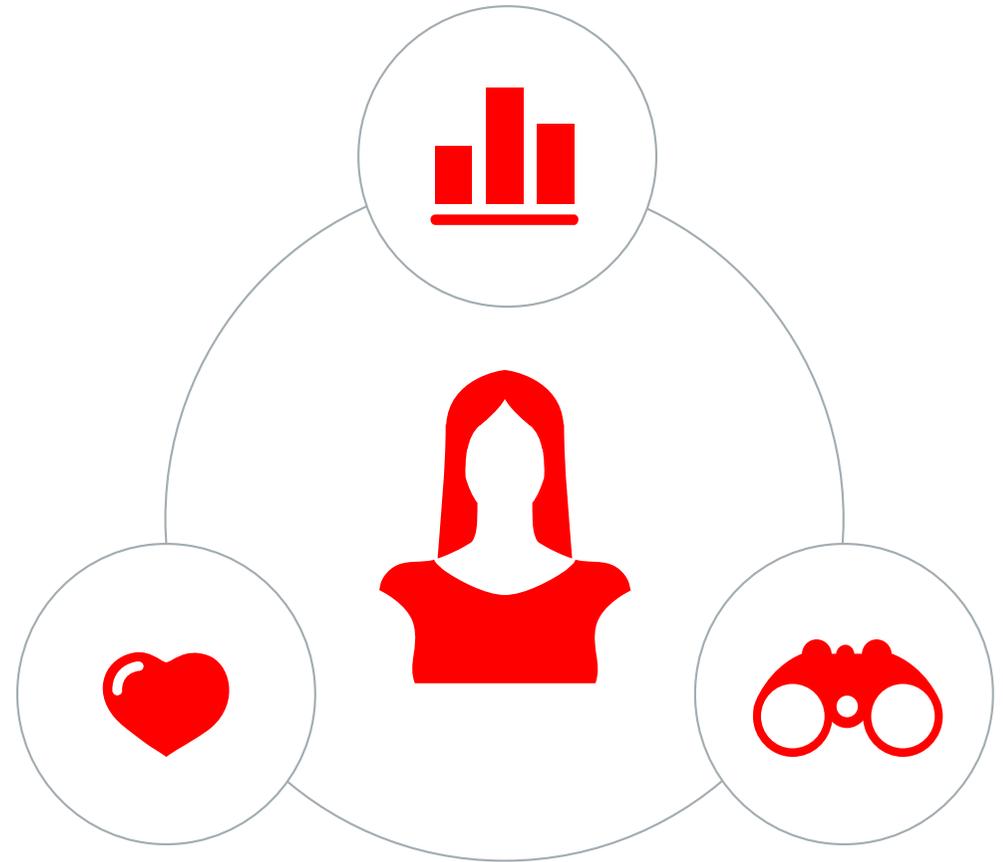
Higher risk



Take action when market moves

Use benchmarks to measure performance

Lower risk



Sensitive to market movements

Track progress against outcomes

HOW ADVISERS CAN HELP BALANCE OUT THE DIFFERENCES

Some simple strategies to consider

1 Goal-oriented real return portfolios for men

What:

- Target a return rather than beat a benchmark

Benefits:

- Not peer relative – overcomes the competitive aspect
- Assess returns against a meaningful benchmark (their goals)
- Can choose risk level without taking on too much unrewarded risk

2 Risk controlled growth assets for women with low risk exposure

What:

- Targets an outcome

Benefits:

- Controlled exposure to growth assets
- Focus on tracking goal not volatility
- Ability for adviser to engage clients on an ongoing basis to manage expectations during times of short-term volatile markets.

3 Goals based performance reporting

What:

- Shows returns within a range

Benefits:

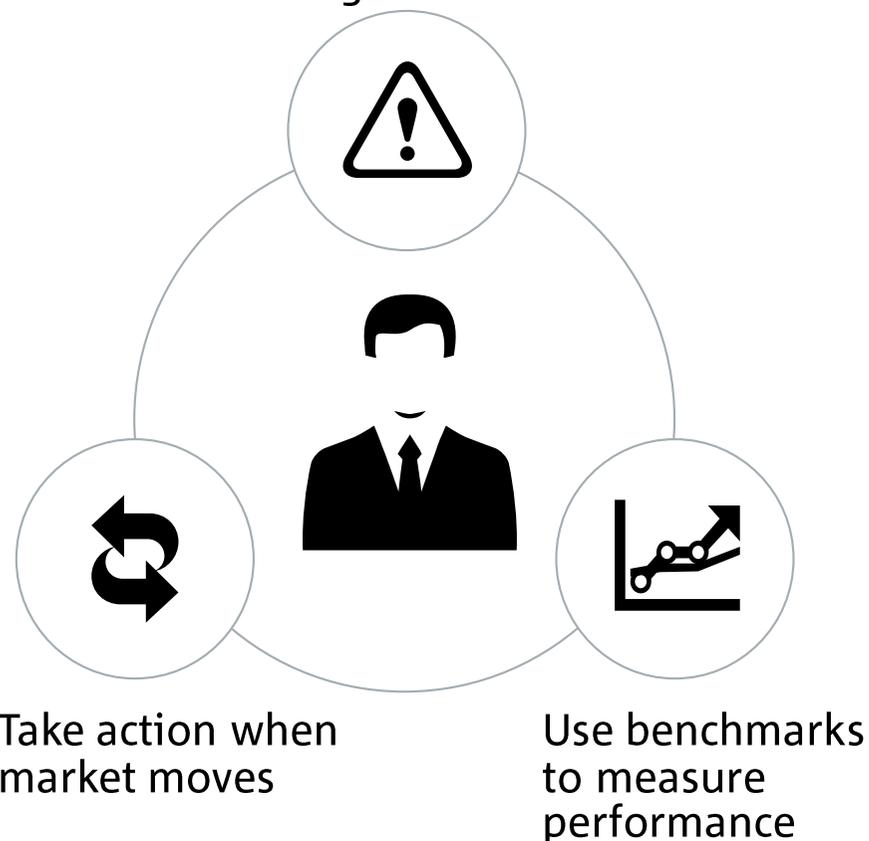
- Clients can measure goal progression
- Advisers create salience around goals and strategy, instead of markets and benchmarks.

WORKSHOP 1: GROUP DISCUSSION

How accurate are these findings, given your experience? Is it accurate or not?

Discuss for 10 minutes and report back

Higher risk



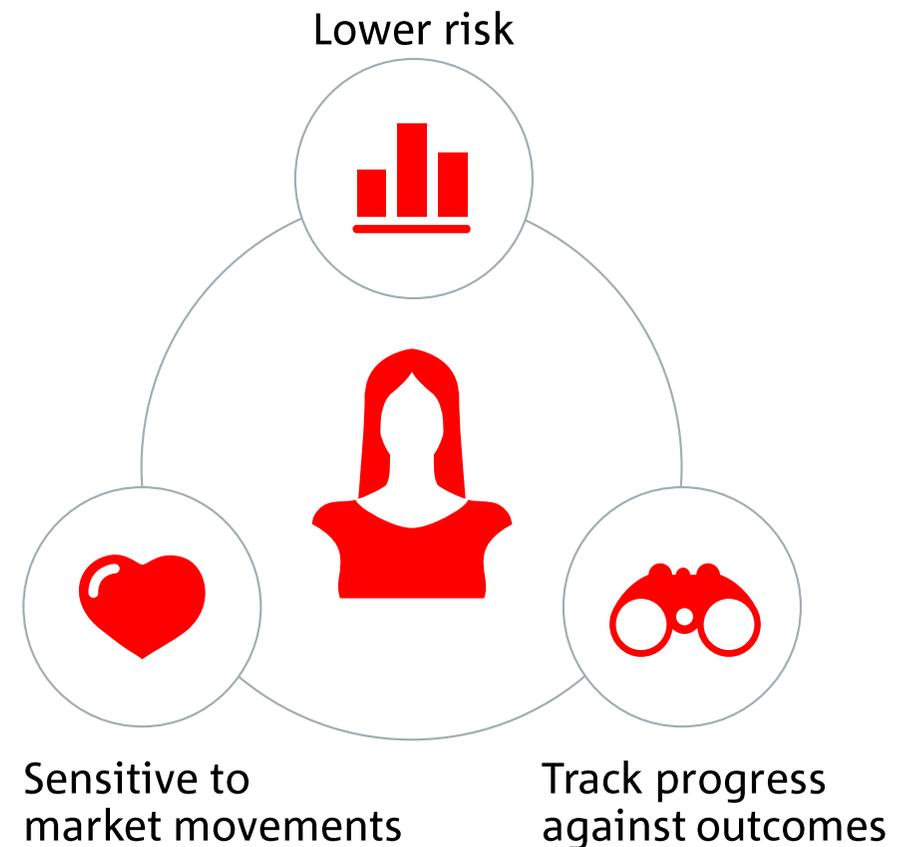
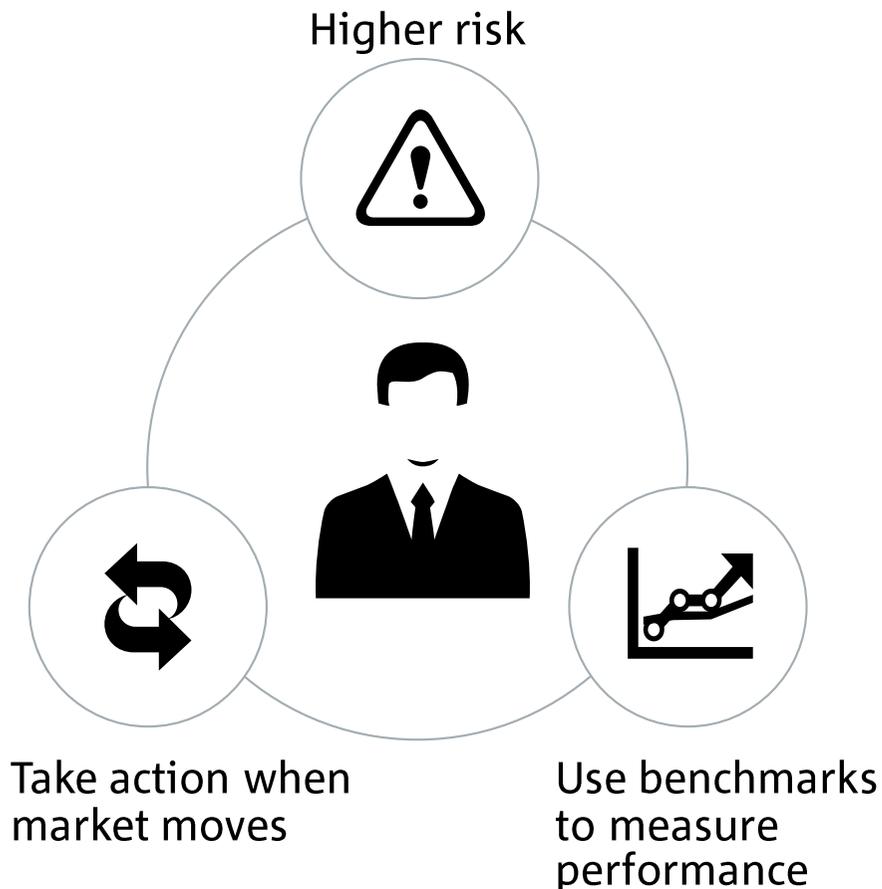
Lower risk



WORKSHOP 2: GROUP DISCUSSION

Think of a couple with different profiles, but same goals, how do you overcome this divergence?

What can we use from what we now know?



STAY IN TOUCH



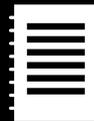
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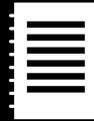
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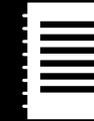
Market insights



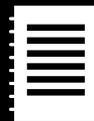
Education series



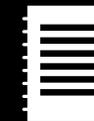
Investment insights



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YOU**



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