

# Money

BY JESSICA HUBBARD

## Fear and loathing: Are women not fully financially empowered yet?



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**W**hen *Finweek* was invited to attend a dinner function hosted by Citadel Wealth Management and Dr Vuyo Mahlati, International Women's Forum SA (IWFSA) President and National Planning Commissioner, we found ourselves in the company of some

of South Africa's pre-eminent female leaders, luminaries and working professionals. City planners, doctors, academics, partners at legal firms and MDs of multinationals were all in the mix. The purpose of the evening was to have a frank discussion around wealth management, drawing on the unique perspec-

tives and experiences of these high-flying women – using the milestone of 20 years of democracy as an important point of reflection.

Given that these were all powerful and very successful individuals, *Finweek* expected to find an attitude of cool confidence toward money matters. Yet the

discussion unveiled something completely different and unexpected. One common theme emerged: there was a very distinct lack of confidence and almost a ‘fear’ around money matters – how it should be handled and what money represented for them.

### FINANCE: STILL A MAN’S WORLD?

The insights gleaned at this event resonated with many other women that *Finweek* has since spoken to, including financial advisers who are guiding female clients through the many unique challenges which they face.

So what accounts for this lingering lack of confidence that undoubtedly impairs women in their quest for financial stability (and hopefully prosperity)?

“We find that most women lack confidence and feel vulnerable when it comes to making financial choices,” says Caren Rennie, partner and head of Female Strategy at Citadel Wealth Management. “Historically, we have not been socialised in financial matters.”

Rennie adds: “Where men may start dabbling in investments from a young age, it often takes a big event, often a negative one, to encourage women to invest and save. So it’s a space most women find uncomfortable.”

Joy Immelman, founder and director of Castle Investments, has made similar observations.

“As finance has traditionally been perceived as being a ‘man’s business’, women may feel intimidated by the subject,” explains Immelman. “It can be a challenge to obtain financial knowledge as this is something women traditionally may not have felt a need to do. They may not know where to start.”

In addition, as Immelman points out, what often exacerbates the issue is that financial institutions often expect the financial decisions to be made by the man.

“As a consequence, these institutions may not take the female partner as seriously as they should,” she adds.

Indeed, this supports the growing sentiment that the financial industry is still very much a testosterone-driven environment.

## A FINANCIAL PARTNERSHIP FROM THE BEGINNING

**It is a sad fact** that in the event of divorce, women are more than likely going to bare the financial brunt of the separation. As Veldtman points out, the financial impact of divorce is statistically much more severe on women.

“The financial implications of divorce suggest that it is a bad idea for women to let their spouse and partner handle all financial matters and then only become involved [via a lawyer] in financial matters in the event of a divorce,” agrees Immelman from Castle Investments. “This is another reason why they should understand and be a partner in the finances from the beginning.”

Over at Citadel, Rennie encourages women to make this a priority in order to ensure their “financial independence and freedom”. ■

“Women communicate in a very different way to men, and to a large extent, the financial industry doesn’t speak to women,” says Sunél Veldtman, CEO of Foundation Family Wealth. “The industry speaks in ‘man language’, and as a whole, I don’t think the sector fully understands women yet.”

So what is ‘man language’ then?

“For example, women are not interested in the performance of funds and products so much as ‘what this can do for me, and how it can meet my needs’,” she explains. “I believe the industry is largely condescending to women who are seeking to be empowered with real knowledge.”

Citadel’s Rennie agrees that, in most instances, the approach is flawed: “Women don’t like to be sold to,” she explains. “By introducing the conversation around money in a warm and non-threatening way, it helps to open the door. We find that women are hungry for information... once they understand, and they trust you, they’re open to new investment strategies.”

### THE GAME PLAN

Enough commiserating then – what can women do (or are doing) to claim their stake, and their space, in the world of finance?

Citadel Wealth Management, as one example, launched a dedicated female strategy three years ago, which has gathered some powerful momentum.

“Our strategy into the female market was initiated three years back,” says Rennie. “We were noticing this groundswell of female empowerment shaping South Africa and we wanted to be part of the story. In addition, the women in the business intuitively felt that women do look at money differently – they have distinct needs and expectations as clients – and the last three years have confirmed that for us.”

On a more personal level, Immelman from Castle Investments says that there are very practical steps that women can take to build confidence and financial savvy.

“Women should familiarise themselves with financial matters by reading financial newspapers, magazines and tuning into business TV stations,” she advises. “They should consult with a registered financial adviser who takes them seriously and with whom they feel comfortable.”

Finally, she urges women to not feel intimidated in their interactions with financial advisers and to ask questions “however basic they may appear to be”.

Given the fact that one in four women are on their own by age 64 – whether through divorce, separation or widowhood – it is also wise for women to save more of their salaries than their male counterparts... and to get into the habit of saving and investing from an early age. ■

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