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Women and investing: six questions answered

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GIVEN all the changes in investing behaviour, we wanted to ask 6 questions and measure how women's behaviour was changing since the Covid-19 pandemic went global in March 2020. We surveyed more than 2,000 women aged 18 to 75 online between Nov 10 and 12, 2021, in 5 countries: 1,057 in the United States (US) and 250 each in the United Kingdom (UK), Singapore, Sweden and Denmark. We asked the following 6 questions on investing:

How many women were investing?

An amazing 64 per cent of US women aged 18 to 29 either invest already or plan to invest within the year. That's a higher percentage than any other age group, and even when we look at only those actually investing, more than 4 in 10 US women aged 18 to 44 are investing for their future; and more than a third of those over age 60 were investing prior to the pandemic.

Singaporean women are reinforcing their country's money-savvy reputation. Over half are already investing and another quarter are preparing to do so in 2022. Still, this is a relatively new development. A

quarter of Singaporean women started to invest after March 2020.

The UK jumps out at the other end of the spectrum. Although 20 per cent of respondents intend to start investing, fewer than a third had taken the plunge as at November 2021. That's well below the global average of 41 per cent. Moreover, only 14 per cent were investing pre-pandemic.

How many were using online platforms?

There is a demographic cliff on this topic. US women investors over 60 are less than half as likely to use an online platform as their younger peers. For 18-to-29-year-old US women investors, these platforms are ubiquitous.

Women in Sweden and Denmark tend to have fairly similar habits around money and investing – but not when it comes to online platforms. There's a 22-percentage point gap between online-platform users in Denmark and their Swedish counterparts. Further work is needed to explain that gulf.

On the other side, of the 50 per cent of Singaporean women who are not yet investing, nearly 40 per cent say they intend to start on a digital platform.

The equivalent figure in Denmark is only 18 per cent, which



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may reflect Danish women's already-high engagement on these platforms.

How many were talking to their friends, family, or colleagues about investing?

Roughly 30 per cent of US women in all age groups spoke about investing with friends, family, or colleagues before March 2020. But while 7 per cent of women over 60 began conversations after that date, 3 times as many women aged 30 to 60 and almost 5 times as many aged 18 to 29 did as well.

Why was Covid-19 such an inflection point for all but the oldest age group? We think the pandemic was more disruptive for those under 60. Lockdowns, and work and study-from-home arrangements all pushed younger women to change their habits more than their older peers. Being at home, being online, and perhaps feeling a novel sense of isolation and lack of physical community may have encouraged these women to reach out more about investing and probably other topics as well.

It's interesting how uniform this

habit will be by the end of this year. Across the US, UK, Sweden and Denmark, 60 to 62 per cent of women discuss investing. Singapore is the obvious outlier, with more than 3 quarters of women surveyed talking about investing. But based on interviews with women in Singapore, that finding isn't unexpected.

How many were interacting with other women investors online through social communities?

Since younger women are much more likely to use social media and online networks, it makes sense that they'd discuss investing on these platforms to a greater extent than their older peers. But the gap between younger US women and those over 60 is striking. Nearly half of 60-plus US women are on social media, they just don't talk about investing on them.

About 90 per cent of women who invest in Sweden and Denmark are using social communities to share ideas, do their research, and even compete against other investors. Although the US is trailing on this, nearly half of US women already access these networks. In

Singapore, meanwhile, almost 1 in 3 women who don't invest plan to interact with these investing communities in the year ahead.

Do you invest in any blockchain-enabled assets, such as Bitcoin, other cryptocurrencies, or NFTs?

Nearly half of US women aged 19 to 29 either invest in blockchain-enabled assets or plan to within the year. The pandemic was a big accelerant. Investing in this category among all age groups has picked up since March 2020.

As an age group, over-60s are much less likely to invest in Bitcoin and the like. On the other hand, they are emphatically not at zero when it comes to this asset class. Almost 1 in 10 US women over 60 already invest in it and another 5 per cent are planning to do so.

More than half of the Singaporean women surveyed either already invest in blockchain-enabled assets or plan to within the year. That's well ahead of women in all the other countries.

The US and UK trail Singapore and the Nordics in this regard, and only 11 per cent of US and 6 per cent of Danish women plan to start investing in these assets. This is both surprising and much lower than in the other nations surveyed.

How many were investing in environmental, social and governance (ESG) or sustainable and diverse assets?

More than 4 in 10 US women aged 18 to 29 either invest in ESG-type assets or plan to within the year. That's almost triple the percentage

among those over 60. Once again, the pandemic changed a lot for this young age group. Of the 26 per cent of respondents in this category who invest in ESG, well over half of them started after March 2020.

The Danes are most committed to ESG-type investing. A whopping 31 per cent of Danish women say they are currently investing this way, compared to the 19 per cent global average. But that's not all that jumps out. As with blockchain-enabled assets, US and UK women are lagging the trend. The pandemic may have helped move the needle on this, with 13 to 21 per cent of respondents either starting to invest or investing more in ESG and ESG-related securities.

Finally, the Singapore results are interesting. In a study conducted by the author in 2018, some of the global leaders from the region she interviewed said that people there were not interested in ESG-style investing.

"All we care about is making money!" they said. We wonder if the 24 per cent of Singaporean women who intend to start ESG investing means that mode of thinking has changed. Or have they realised that ESG investing can be just as profitable?

The article is shortened from an original CFA Institute post. Complete research findings can be found on *Women and Finance: The 2022 Rich Thinking Quantitative Survey Findings* by Barbara Stewart, CFA, a researcher and author on the issue of women and finance; and Duncan Stewart, CFA, a director of technology, media and telecommunications research for Deloitte Canada.