



DAVY



Better Serving the Financial Planning and Investment Needs of Women in Ireland

Research produced by Davy & MCCP

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Introduction

At Davy, our purpose is to deliver exceptional client outcomes by a world-class team. We are aware however that wealth creation, financial planning and investing is becoming more diverse across gender and age. We believe that traditional boundaries need to be rethought and that financial services, in particular, need to consider the female audience in a far more research-informed, authentic way.

When we looked at the existing women's research, we faced a challenge in that most banks and financial services firms relied on broad assumptions about women's needs, resulting in products, services, and messaging that can feel superficial or misaligned with what is important to women. In Ireland, a significant gap existed in relation to research which sought to better understanding women's needs. This overall lack of insight within the category resulted in women disengaging from financial planning and ultimately not fulfilling their financial goals and ambitions. We thought it was a good time to conduct some in-depth research so we could better understand the needs of women in Ireland.

In 2021, we commissioned our 'Better serving the financial planning and investments needs of women in Ireland' report – insightful research dedicated to understanding more about the needs and motivations of women when it comes finances and investments. We commissioned MCCP, led by an all female research team, to conduct this research. The rigour of process MCCP brought, along with a genuine partnership approach, has provided us with the confidence to share the learnings.

And the research findings, outlined in this document below showed some really interesting findings. The research shows that women are almost one-third less likely to have an investment portfolio compared to men; are 30% more risk averse; are only half as confident as men when it comes to investment decisions; and tend to prioritise lifestyle, security and independence above creating money. Our research is the first of its kind in Ireland and underlines the gap in financial empowerment and knowledge between men and women in Ireland.

The clarity of the outcomes gives us the foundations to work on a fully inclusive strategy. The strategy we envisage prioritises empowerment and engagement. It will bring about new thought leadership not just within Davy, but the financial sector as a whole. I truly believe this will be industry changing in time. Internally, an evolved culture, which challenges us all to think differently has been created.



Jean Reddan

Head of Group Marketing and Public Relations

Davy Group Marketing

Executive summary

“
Connecting with women in a way that is relevant and authentic to them.

”

The objective of this project was clear; enable female financial empowerment and confidence so that women can fulfill their personal financial ambitions. This will be achieved by removing barriers to engagement with financial planning and connecting with women in a way that is relevant and authentic to them.

We identified that women lead on day-to-day banking and household saving and women are as likely as men to have essential banking products and pension funds.

However, our research identified a considerable gap in relation to investments. Women are 30% less likely to have investment portfolios and men are 30% more likely to be the household decision maker in relation to investments.

MCCP identified that five complex interconnected factors result in women being trapped in financial dis-engagement which leads them away from investment. These factors are:

- Women are 30% more risk averse vs. men – women are motivated by financial independence and security, and this directs them away from perceived ‘risk’ i.e., investment.
- Primed away from finance – due to social and cultural stereotyping, women are discouraged away from finance, the stereotype has become self-fulfilling, and women self-report as ‘dis-interested’ in finance.
- Personal finances deprioritised – while most see finance as important, they do not prioritise their financial well-being.
- In-action – two in five women feel they know how to achieve their financial goals but have not yet actioned them.
- Lower confidence – outside of day-to-day banking women have lower confidence in relation to finances, specifically investment.

What we have learned coming from this cycle of financial dis-engagement, is that women have lower satisfaction on every single dimension of their financial well-being, versus men. This includes their personal financial situation, their retirement savings/pension, and their sense of financial security.

The outcomes of the research served as a catalyst for change for Davy and has ignited a new three year strategy commitment to the financial empowerment of women. By leveraging these insights there is an opportunity to transform financial planning and investment in Ireland to be more open and inclusive.

“

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”

Research objectives



Understand women's **motivators and goals** in relation to finances



Understand women's **current attitudes and behaviours** in relation to financial planning and investment



Understand the **factors that contribute** to the attitudes and behaviors



Understand **perceptions** of the financial planning and investment category for **Irish women**

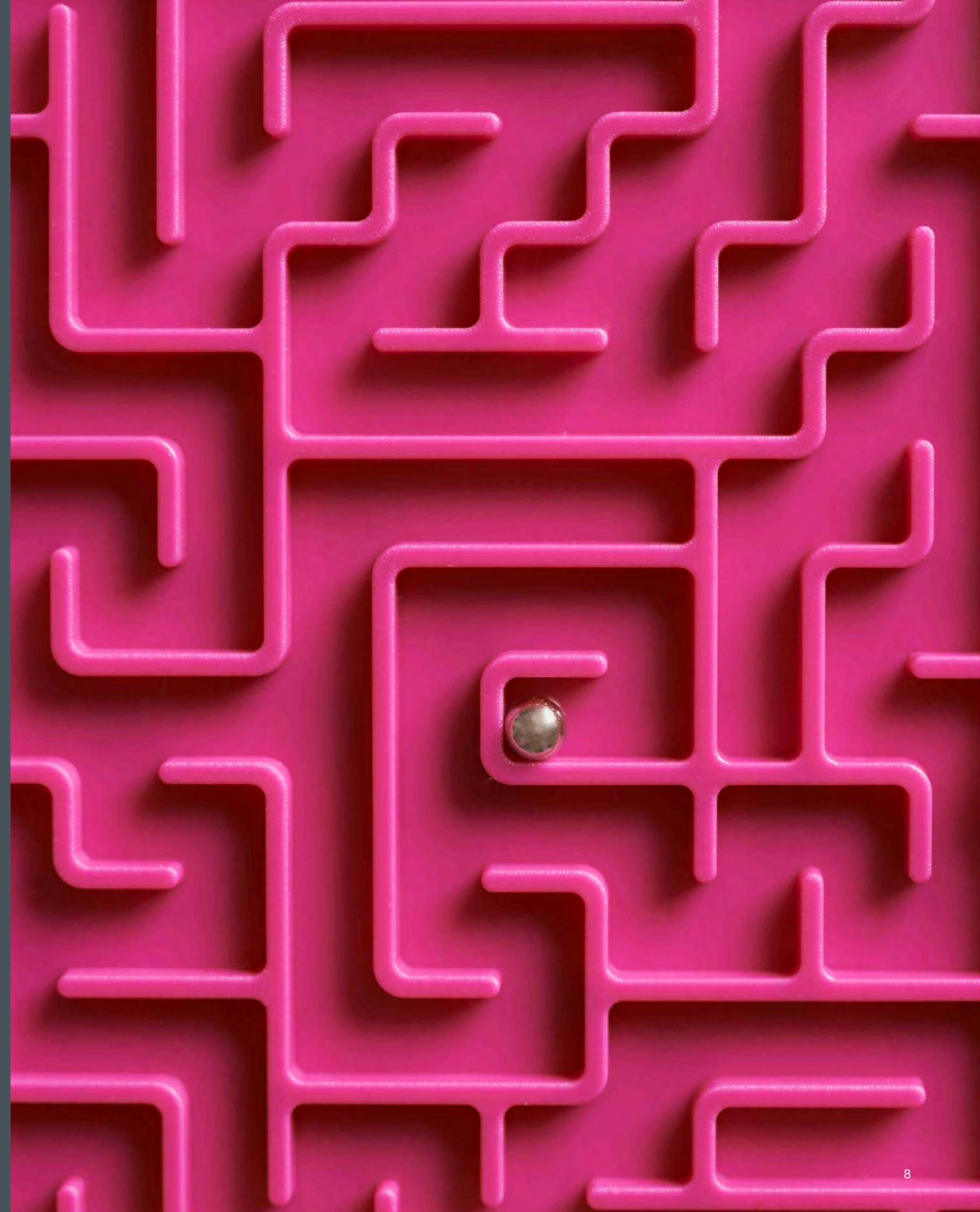


Methodology

Focused on women and included men for comparative purpose

We employed a combination of Qualitative, Quantitative and Desk research

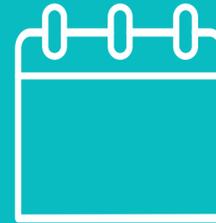
- We spoke to current clients who provided a lived-experience account as women experiencing the financial sector. Their accounts enabled us to understand what perceptions towards the sector are based on biases versus what are true lived experiences
- We spoke to prospective clients to understand their knowledge and their attitudes towards the financial sector
- Interviews with Davy Advisers which provided detailed narratives on how female clients were perceived within the sector, what the perceptions of their financial needs were and how the engagement process differed versus male clients
- A review of global studies on women and finance to shape our understanding of the role of gender in wealth management. This introduced topics like System 1 and System 2 thinking in untangling stereotypes, the concept of 'stereotype threat' and the impact of 'miscues' on relationships



Qualitative research



Fieldwork took place
Oct – Nov 2021



6 Davy clients
general public

All with investable
assets of minimum

€500K



All existing home owners /
not saving for a house



Retired,
Business Owners,
Executives

All high income
households -
individual income of

€100k+

Quantitative research

N = 304

50:50 female, male



Fieldwork took place between 29th November-10th December 2021.
The data has been weighted for age / gender split to have a representative sample

Min. gross household income

€75k



Regional spread

Adults

40yr+



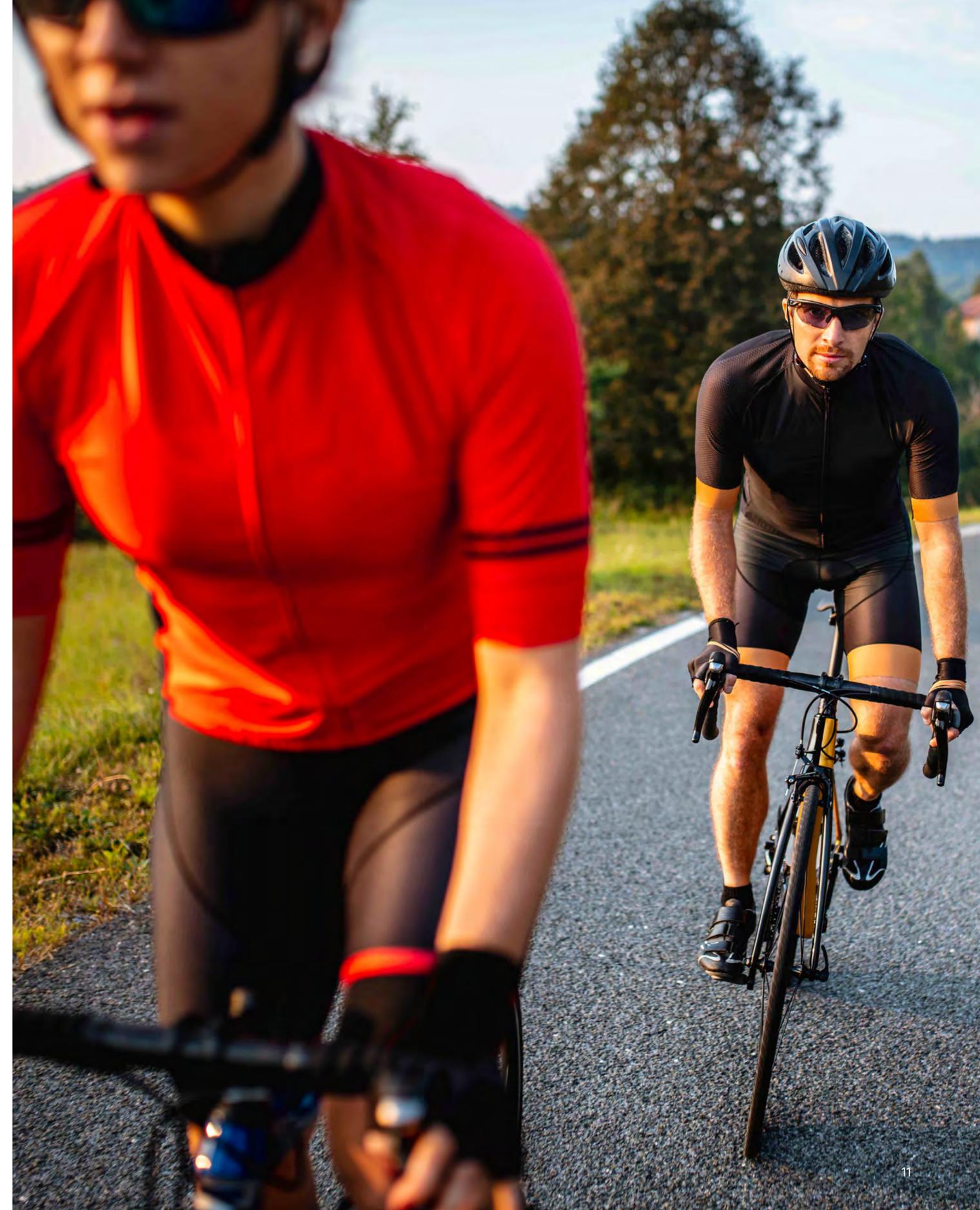
Natural fallout of investable assets

Lifestyle drivers – women and men

A key element of the research for Davy was our insight that a gap in relation to financial empowerment and satisfaction exists between women and men in Ireland today.

This drove us to gain deeper understanding into the reality of women's experiences in the financial sector.

Our research showed that women and men are motivated to enjoy life while creating security for the future, but they have different intrinsic motivators.



Women and men at the pinnacle of their careers and earning potential

There are many similarities between the women and men within our sample, who are leading demanding and complex lives

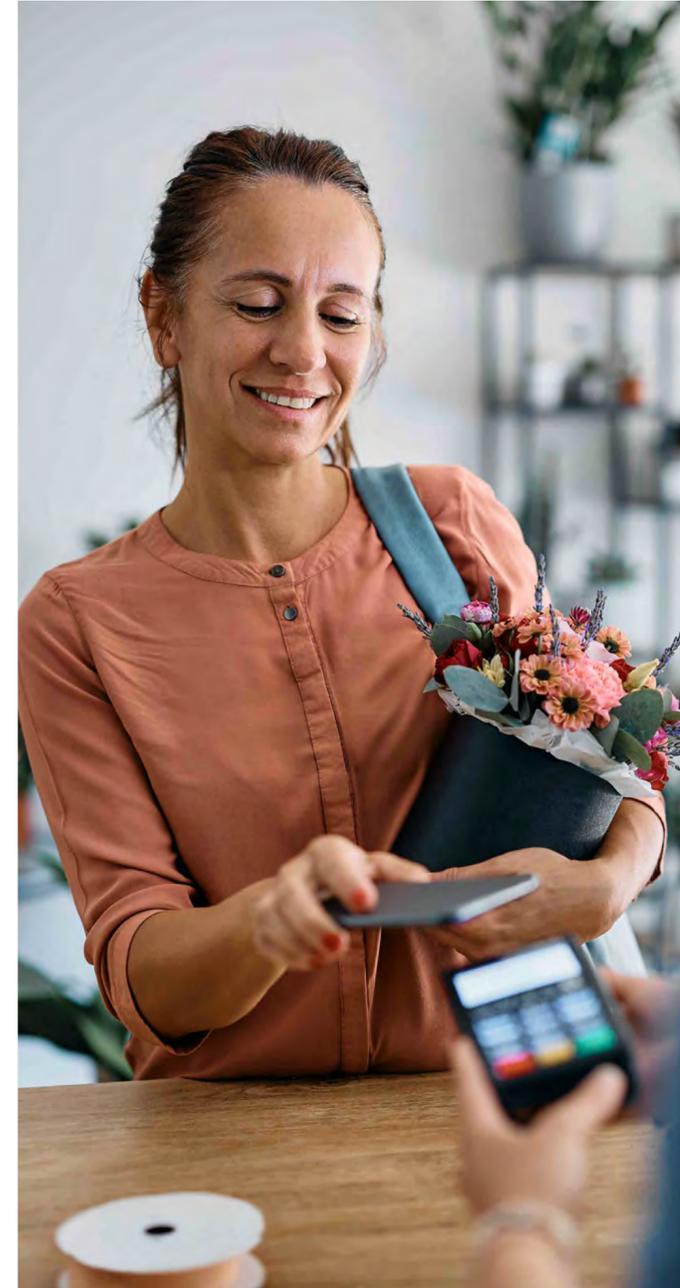
- Ambitious for themselves, their careers and for their businesses.
- Pursuing passions and interests outside of work
- Hard working
- Have overcome obstacles to get to where they are today
- Proud of what they've achieved
- At the peak of their earning / wealth creation capacity



“

I've had a very exciting career it's brought me to amazing places. Financially it's given me a very comfortable lifestyle and yes I would say I'm proud of my career.

”



“

When it's my money I'm very particular about how I spend it. I'm savvy about who I buy from. I want companies that speak to my values.

”



“

Very much I think it's vital for women who have succeeded to bring along the next generation. I would see myself very much as a feminist in that regard.

”

Starting point - The common ground

Women and men are motivated to enjoy life while creating security for the future*



Comfortable Lifestyle

77% want 'a comfortable life that allows me enjoy my passions and pastimes'

*Data is reflective of interviews from men and women



Choices & Independence

71% want to be 'financially independent and free to make my own decisions in life'



Create Security for the Future

61% would like to 'ensure my family do not need to provide for me in old age'



Supporting Materials

46% would like 'to make sure that my children's future is looked after and they are supported'

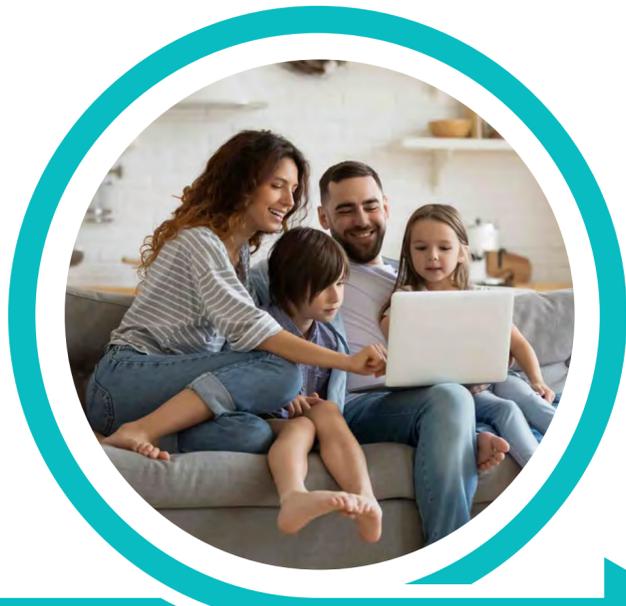
“

It's building that security for the future. Knowing that things will be done correctly and everything in place for the future.

”

But most women are not active throughout life leaving many with regrets or now under pressure to make things happen

70% of women are focused on maintaining their lifestyle when financial planning



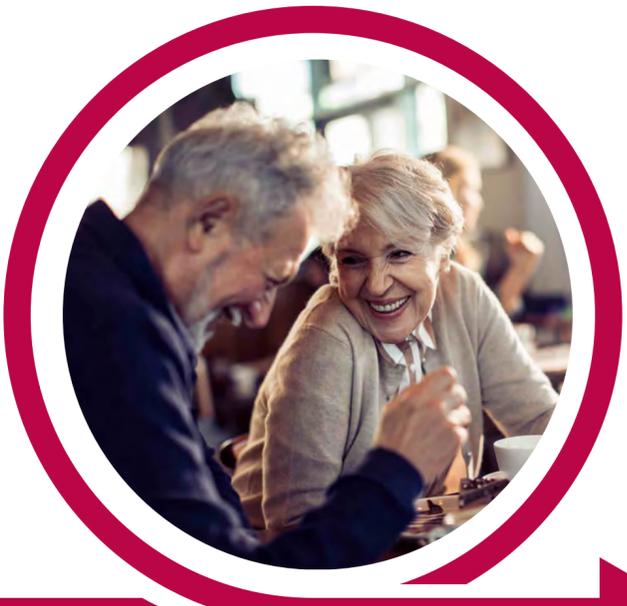
30s Young family



40s Families



50+ Pre-retirement



65+ After retirement

72% of women believe they should have started planning earlier

“ I want to be able to enjoy my money in my 60s and 70s not my 80s. ”

The different intrinsic motivators

A key insight is that women are motivated by independence & security while men are motivated by wealth creation & optimisation

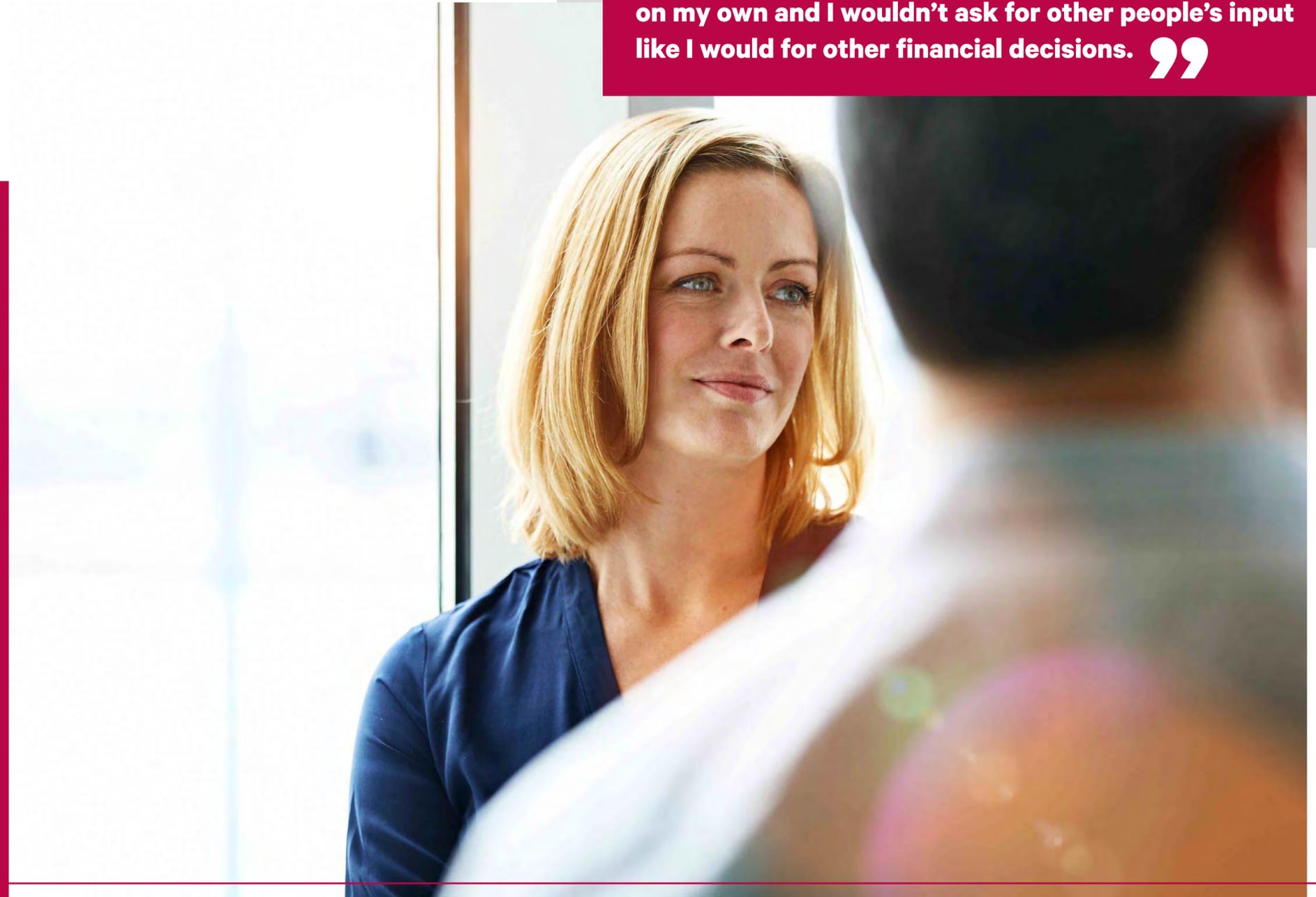
Different intrinsic motivator 1

37% of women vs almost **50%** of men always look for new ways to create money

“

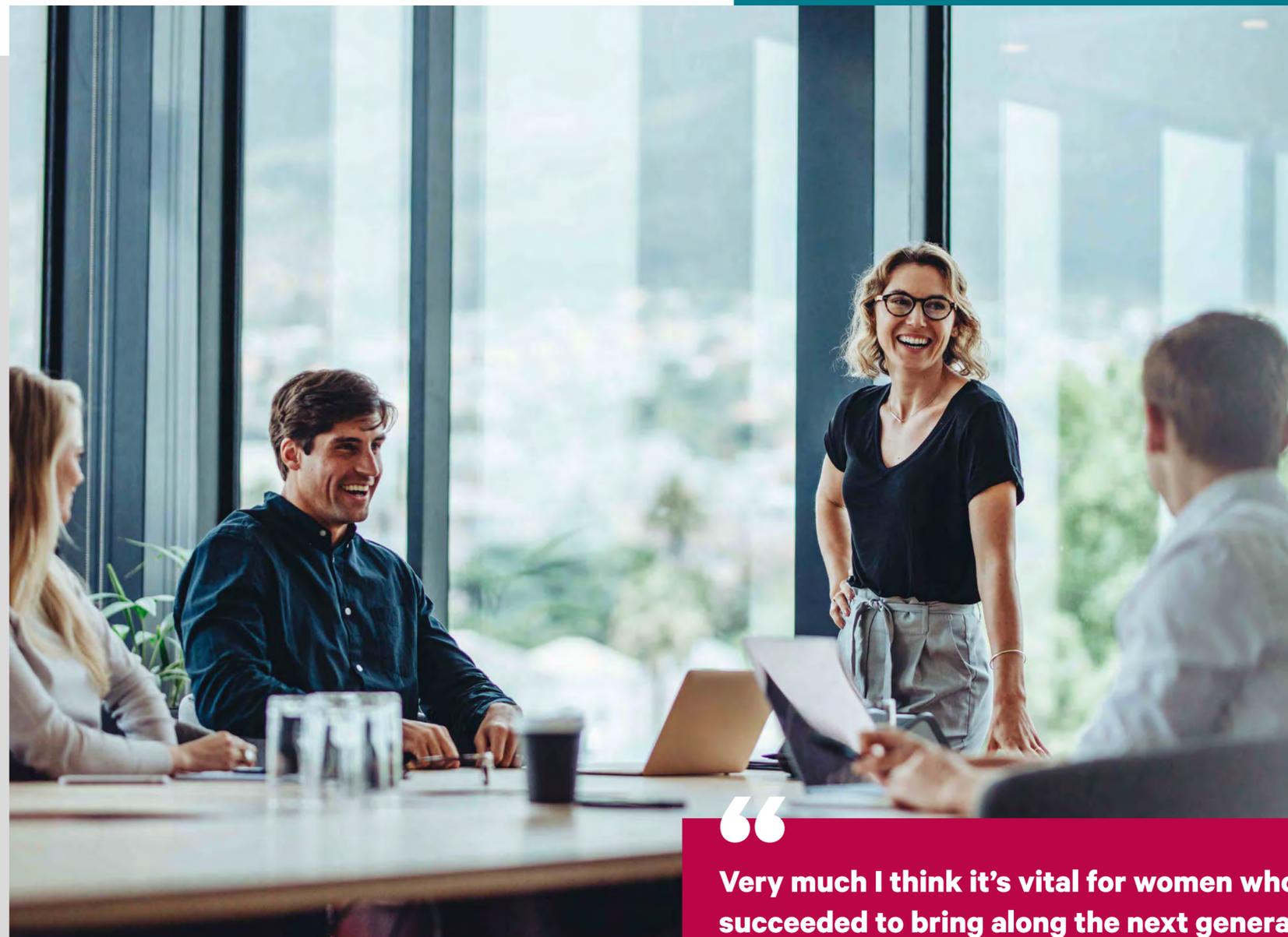
I feel a bit on my own it. Where to invest? How to invest? Even the steps to get there. I've been doing it on my own and I wouldn't ask for other people's input like I would for other financial decisions.

”



Different intrinsic motivator 2

1 in 10 females vs
1 in 5 men want to
create economic
opportunities through
creating employment



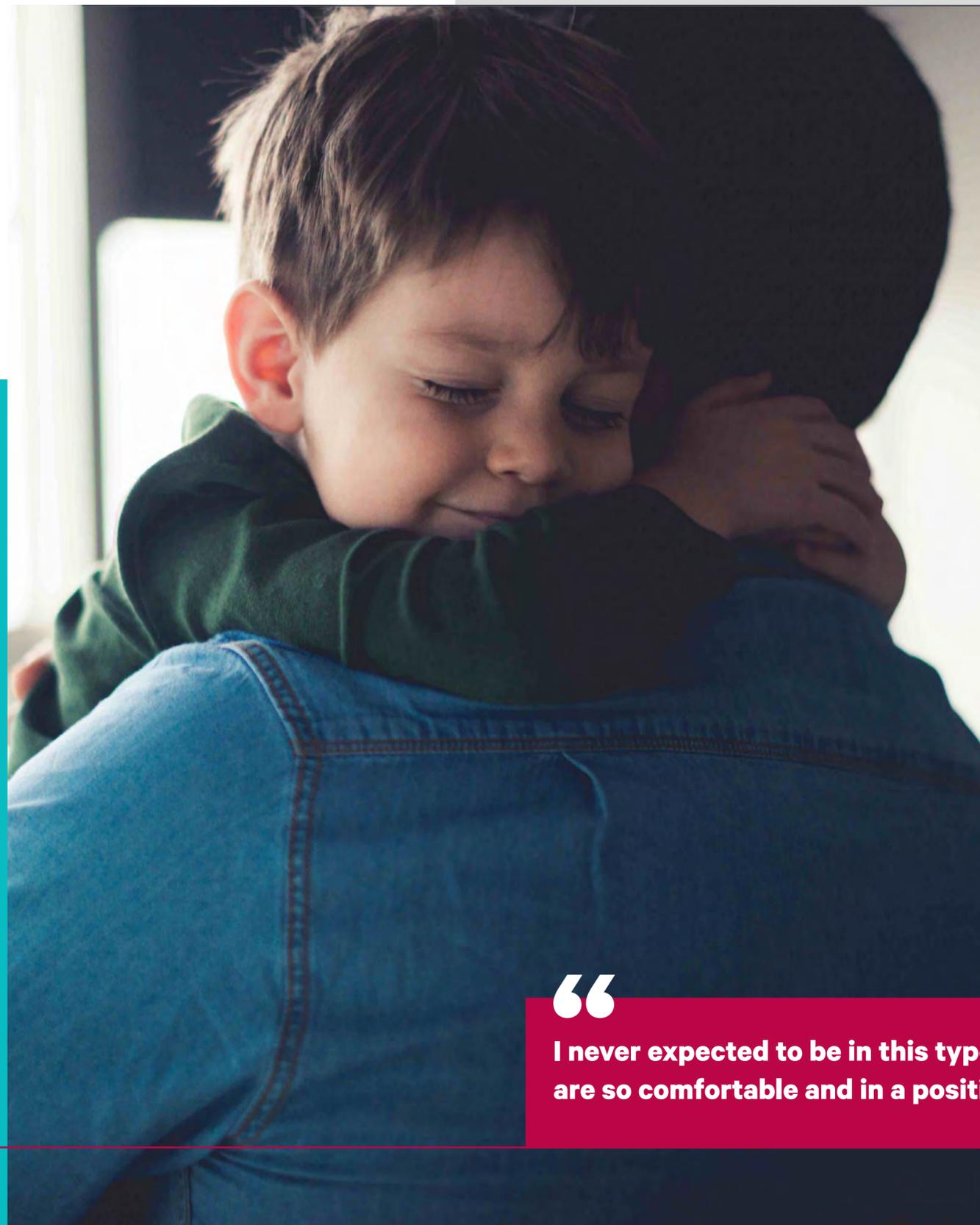
“

Very much I think it's vital for women who have succeeded to bring along the next generation. I would see myself very much as a feminist in that regard.

”

Different intrinsic motivator 3

33% of women vs **43%** of men want to create wealth for themselves and their family



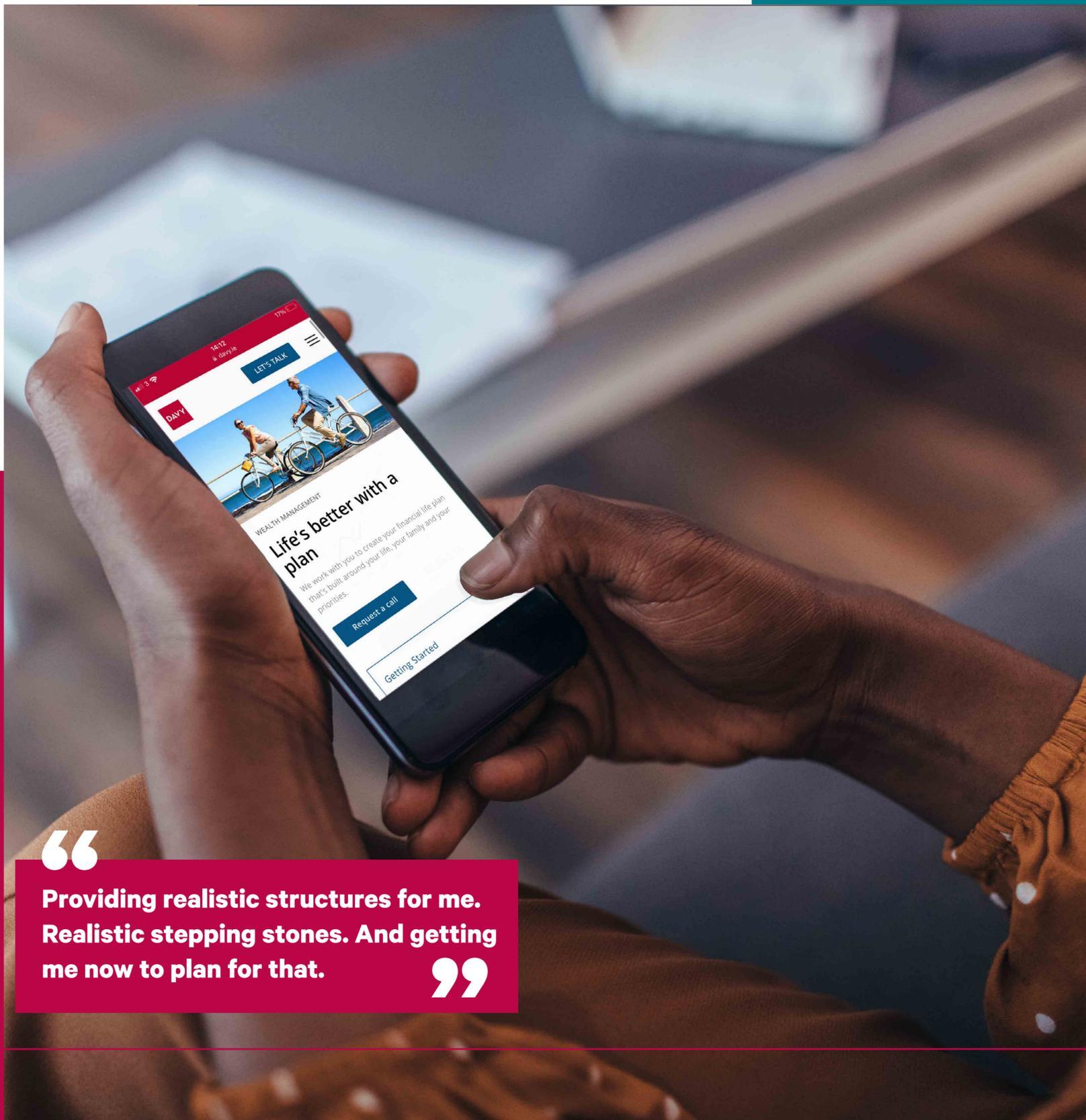
“

I never expected to be in this type of situation where we are so comfortable and in a position to invest money.

”

Different intrinsic motivator 4

22% of women vs **31%** of men would like to start investing so their money is working for them



“

Providing realistic structures for me. Realistic stepping stones. And getting me now to plan for that.

”

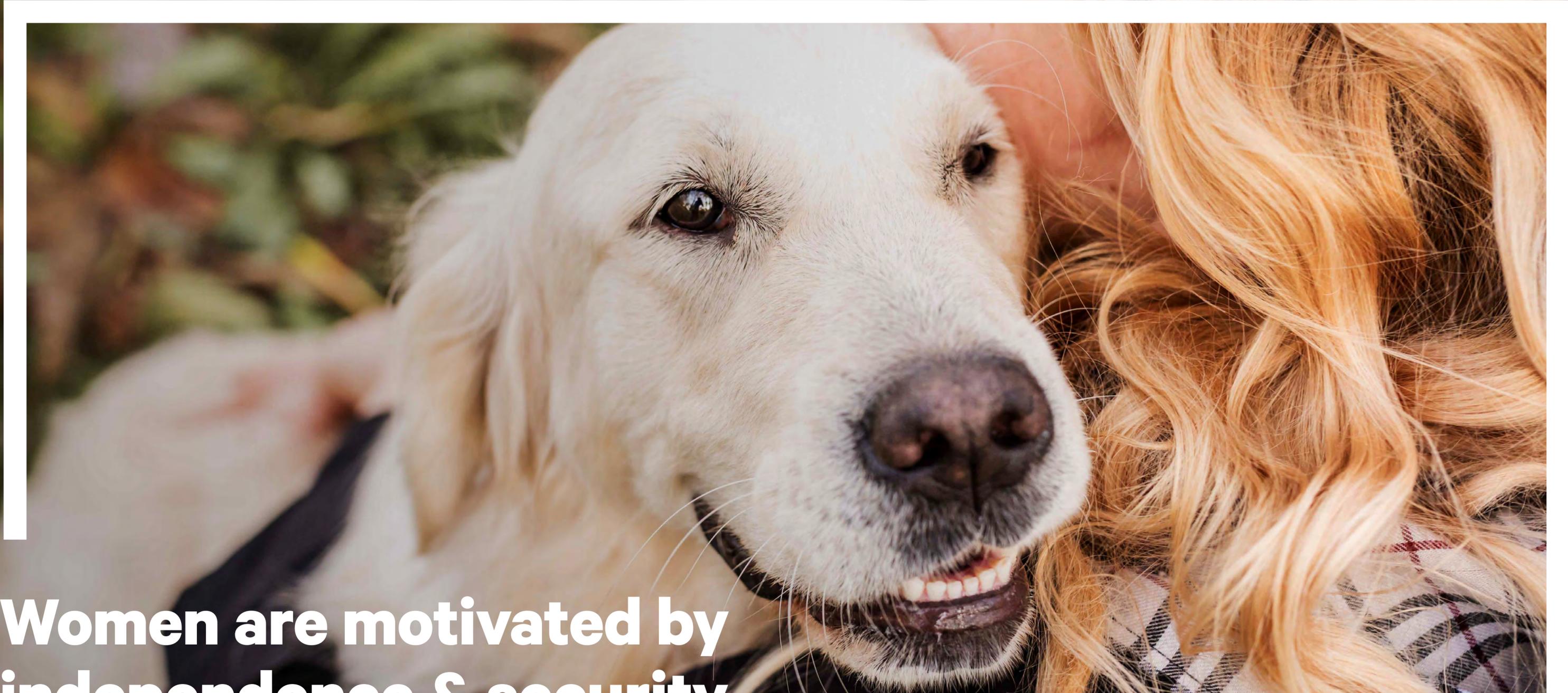
Different intrinsic motivator 5

25% of women vs **34%** of men want to continue to look after those who are financially dependent on them



“We’ve started that process of the inheritance piece. We want it to be done in the most efficient way possible.”

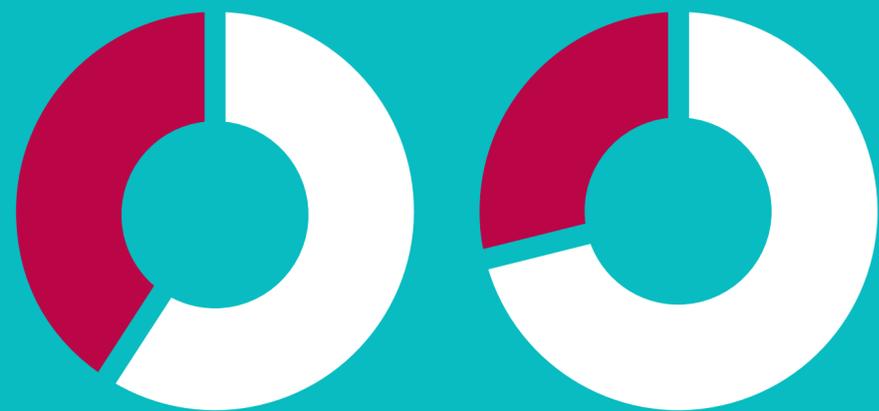
Life insights



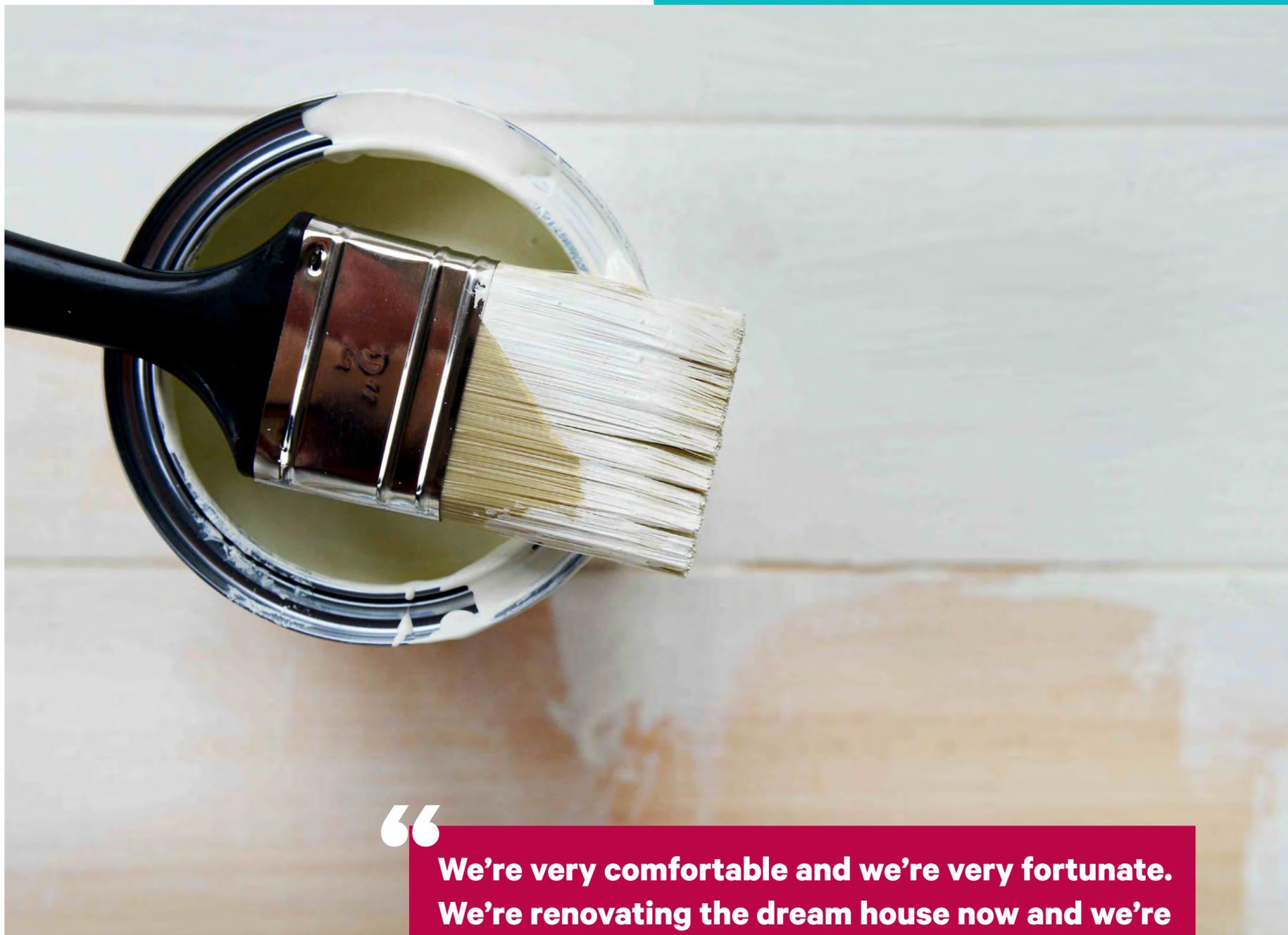
**Women are motivated by
independence & security**



**31% of women vs 22% of men
want to create an
emergency fund**



41% of women vs 29% of men want to be mortgage free as soon as possible



“ We’re very comfortable and we’re very fortunate. We’re renovating the dream house now and we’re doing that mortgage free. ”

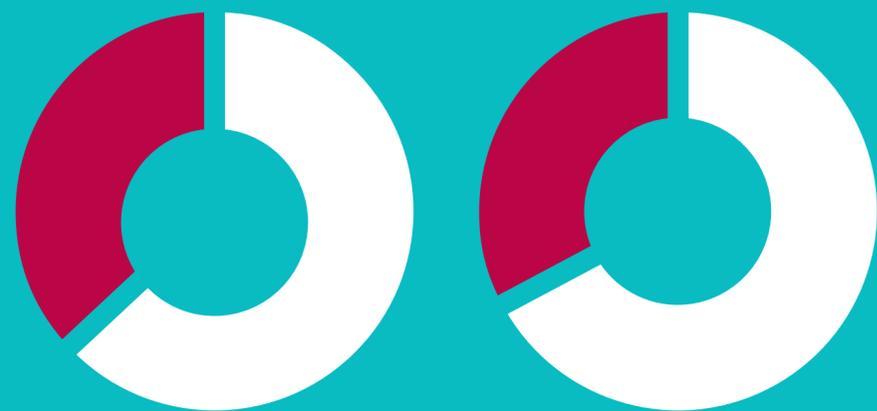


“
Selfishly it is about lifestyle. I was so afraid I'd have nothing when I retired that I nearly spent nothing but now I realise I'm quite ok so I'm just going to enjoy myself.

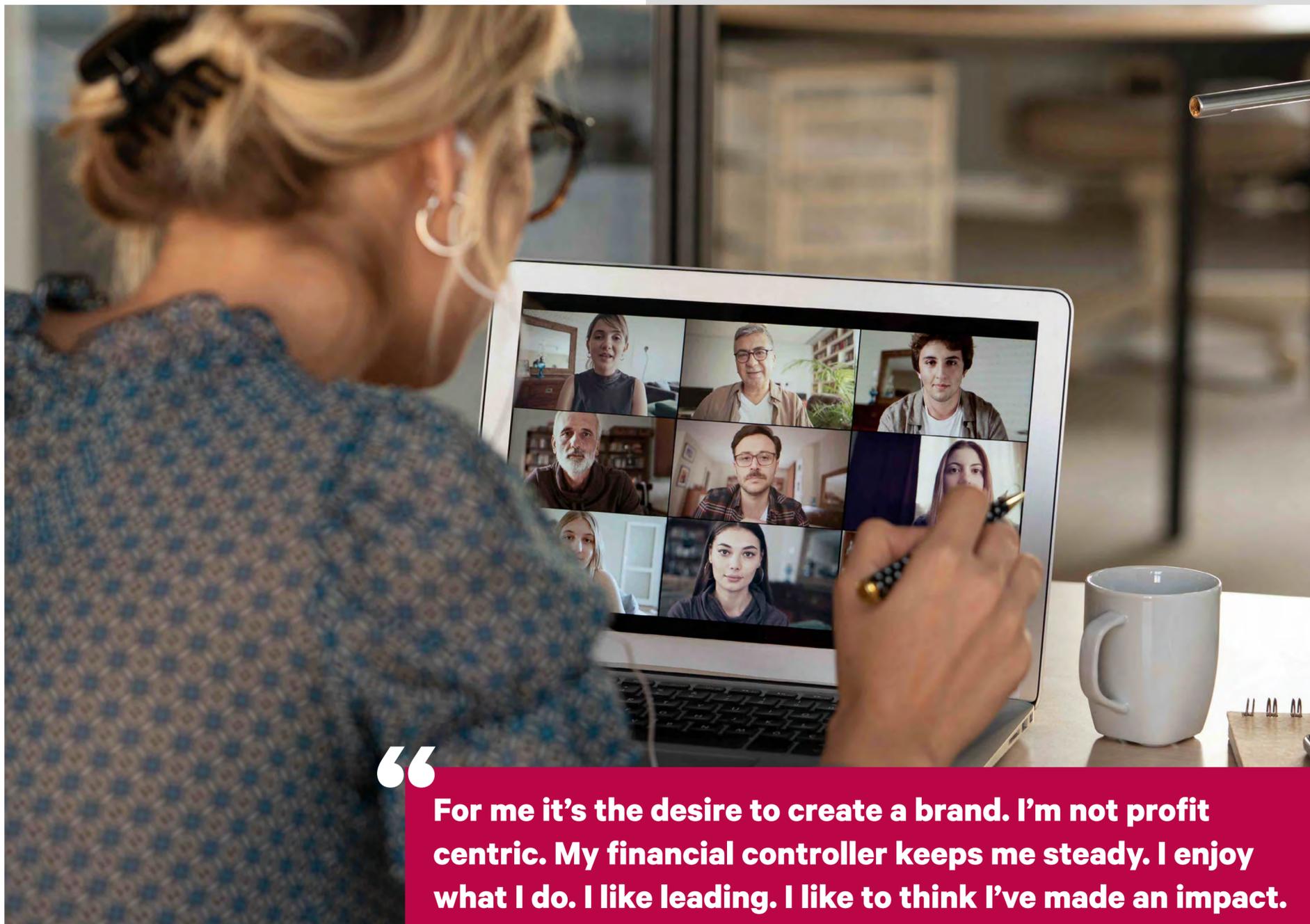
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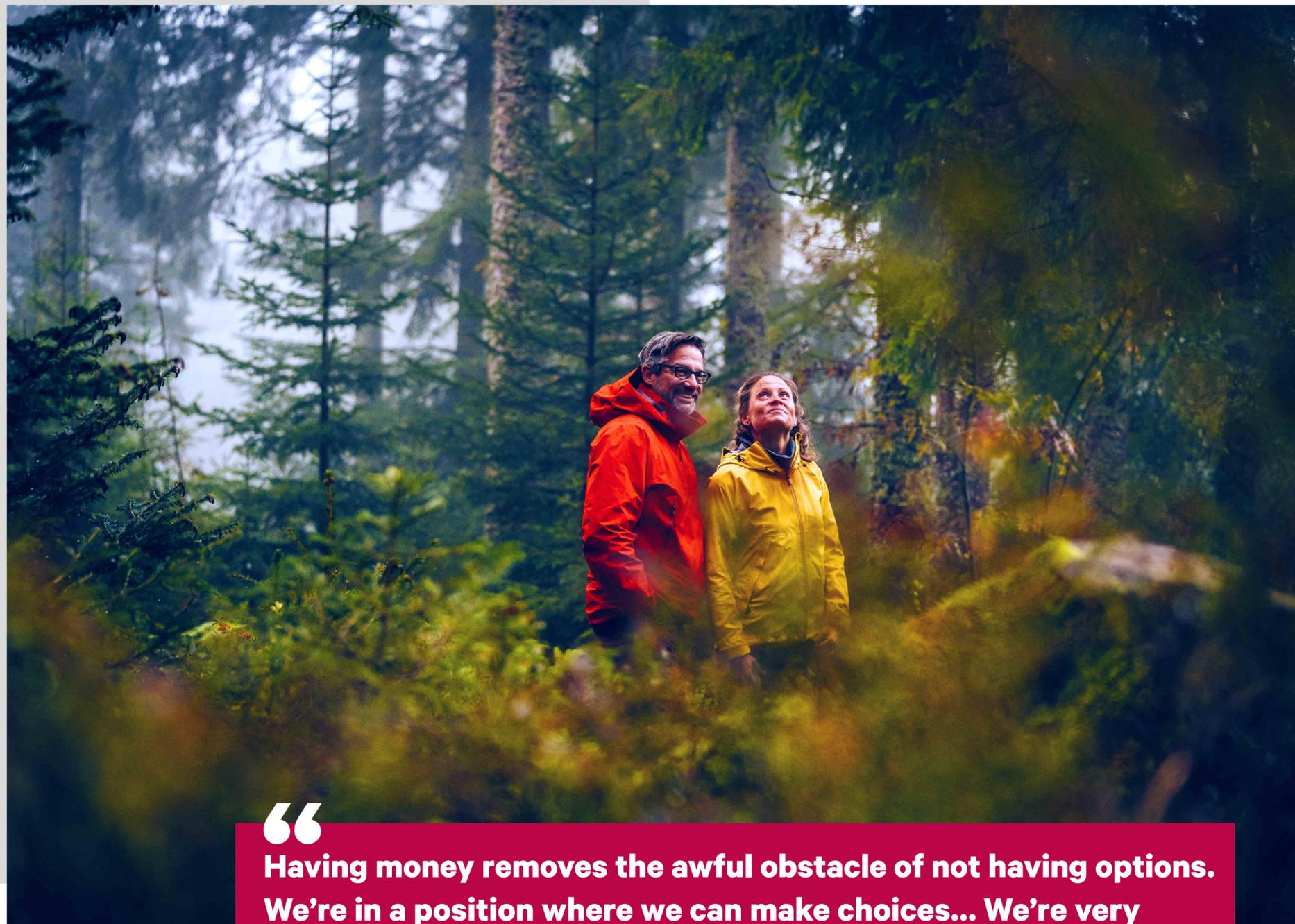
81% of women vs 73% of men
want a comfortable lifestyle
that allows me enjoy my
passions and pastimes



**37% of women vs 33% of men
want to make an impact in
others lives with their money**



“ For me it’s the desire to create a brand. I’m not profit centric. My financial controller keeps me steady. I enjoy what I do. I like leading. I like to think I’ve made an impact. I get such a kick from growing the team. ”



“

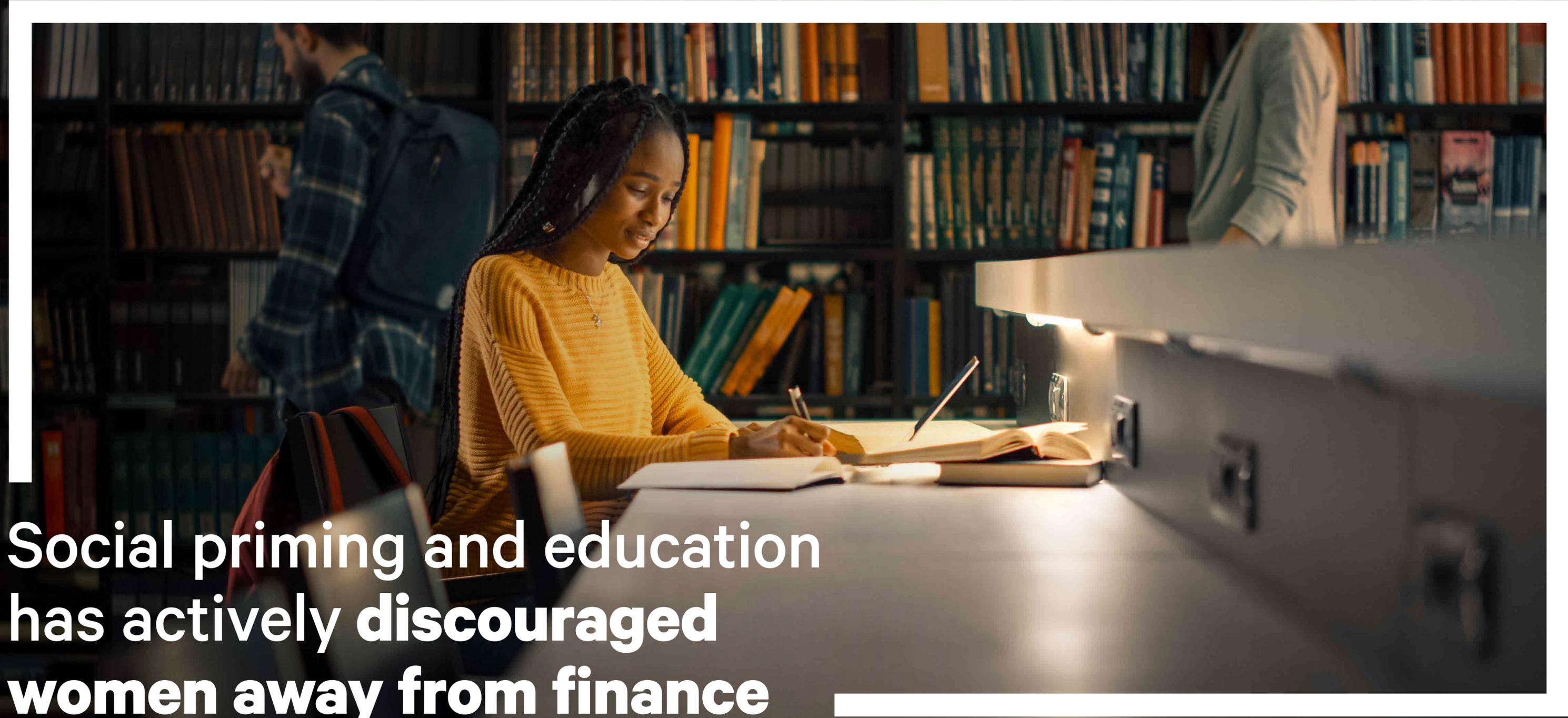
Having money removes the awful obstacle of not having options. We're in a position where we can make choices... We're very considered in the choices that we do make.

”



**71% of women vs 68% of men
want to be
financially independent**

Women and finance



Social priming and education has actively **discouraged women away from finance**

Many women feel trapped in the day-to-day and de-prioritise their own needs

- Women are as likely as men to have pension funds but are almost *30% less likely to have investment portfolios
- 90% of women say they are involved in decision making in relation to day to day banking and 85% with regular household savings.
- But in reality many women feel trapped in the day-to-day and de-prioritise their own needs.
- Women put their time and energy into the responsibilities of family and work, and as a result feel they don't have the energy of capacity to give anymore

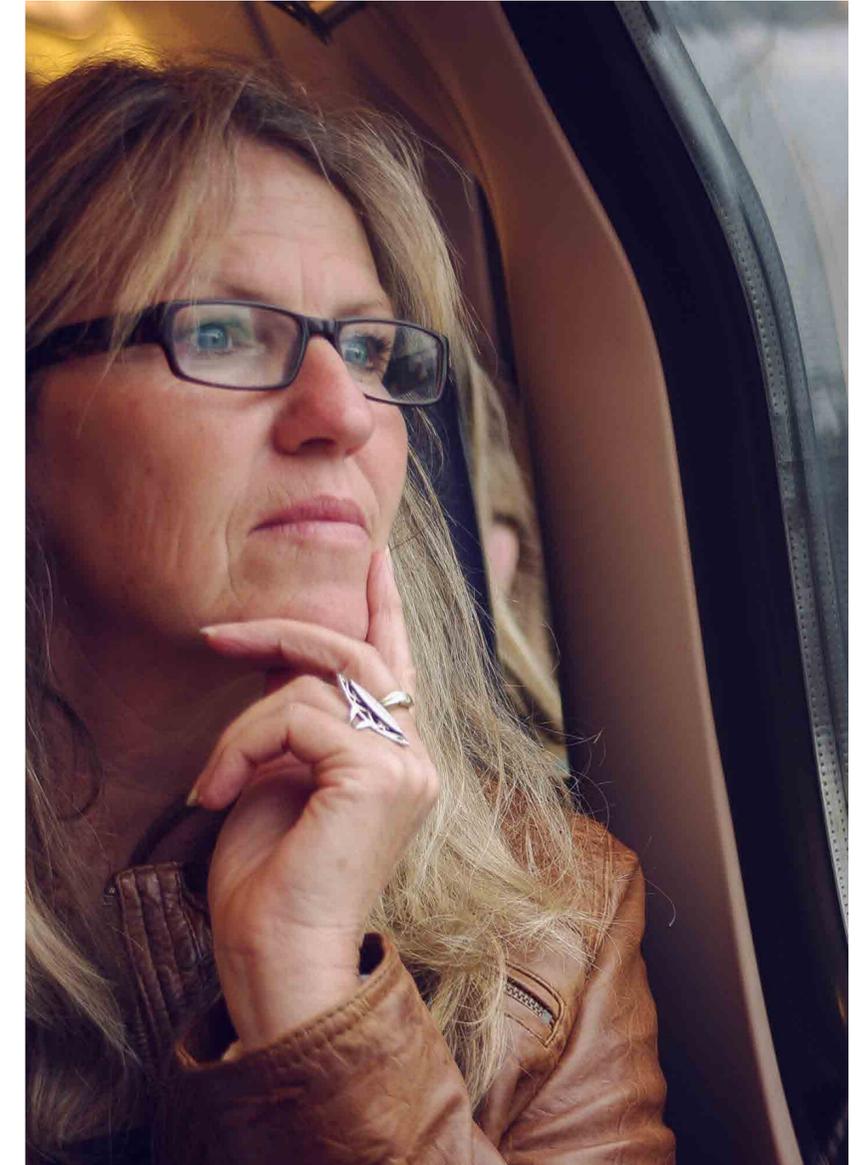
(*): 30% of women and 43% of men hold investment portfolios (calculation = $(43\% - 30\% / 43\%)$)



“

It's a different experience being a woman in business and work. My mind is blown away with the disparity. Men get up, put on their suit and they are gone. They have 8-10 hours to themselves focusing on them and their work. That is not the case. I'm juggling constantly. It's a different level. So you can see how our needs become deprioritised.

”



“

There's no accountability for just how different a woman's life journey is. Motherhood, even the reality that you might need to retire early because you've had a really rough menopause.

”

Social priming and education has actively discouraged women away from finance

85%

85% of both men and women believe that their background has shaped their attitudes to money and finance

“

I wasn't brought up in a household where I was used to managing money. So it wasn't seen as a woman's realm. I think if I had had more understanding would I have been less risk averse and done things differently.

”

50%

Almost ½ of women believe they would be more satisfied with their personal finances if they had chosen a more higher paying career

“

I recently did work in a private boys school. It was only then that I realised how differently they were being taught and really positioned for the future. Young girls all the way into adulthood aren't treated in the same way.

”

87%

87% of both men and women believe that being able to discuss money and finance helps them build their confidence

“

There's more of an ego around money with men, more status. More bragging in terms of 'being in the know'. Women are more private. We don't brag what we do know or have.

”

Women are almost **30% more risk averse than men**

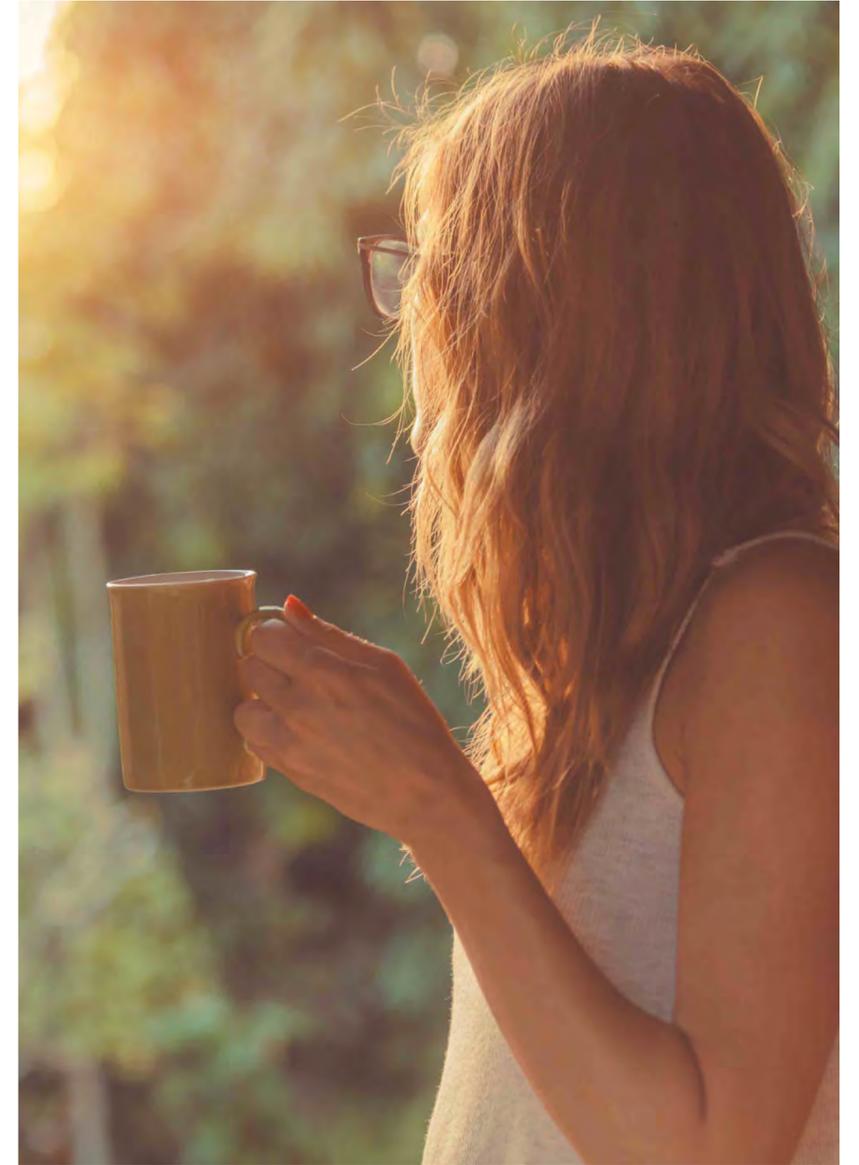
- 2 in 5 women feel they know how to achieve their goals but haven't yet actioned; a further 11% need support in defining goals
- Both believe knowledge, earning power, the ability to discuss finances and background build financial confidence



“

I feel a bit on my own it. Where to invest? How to invest? Even the steps to get there. I've been doing it on my own and I wouldn't ask for other people's input like I would for other financial decisions.

”



“

I think finances for a lot of people there is a lot of fear. We're always concerned that we're going to lose everything.

”

Men claim the investment territory as their own, while women say they lack confidence in investing

- 7 in 10 men claim they generated the money for investment while women view money as jointly generated
- Almost half of men claim to take the lead in decision-making vs only 1 in 3 women
- 36% of women say they feel confident in relation to decisions around investments or pensions versus 70% of men

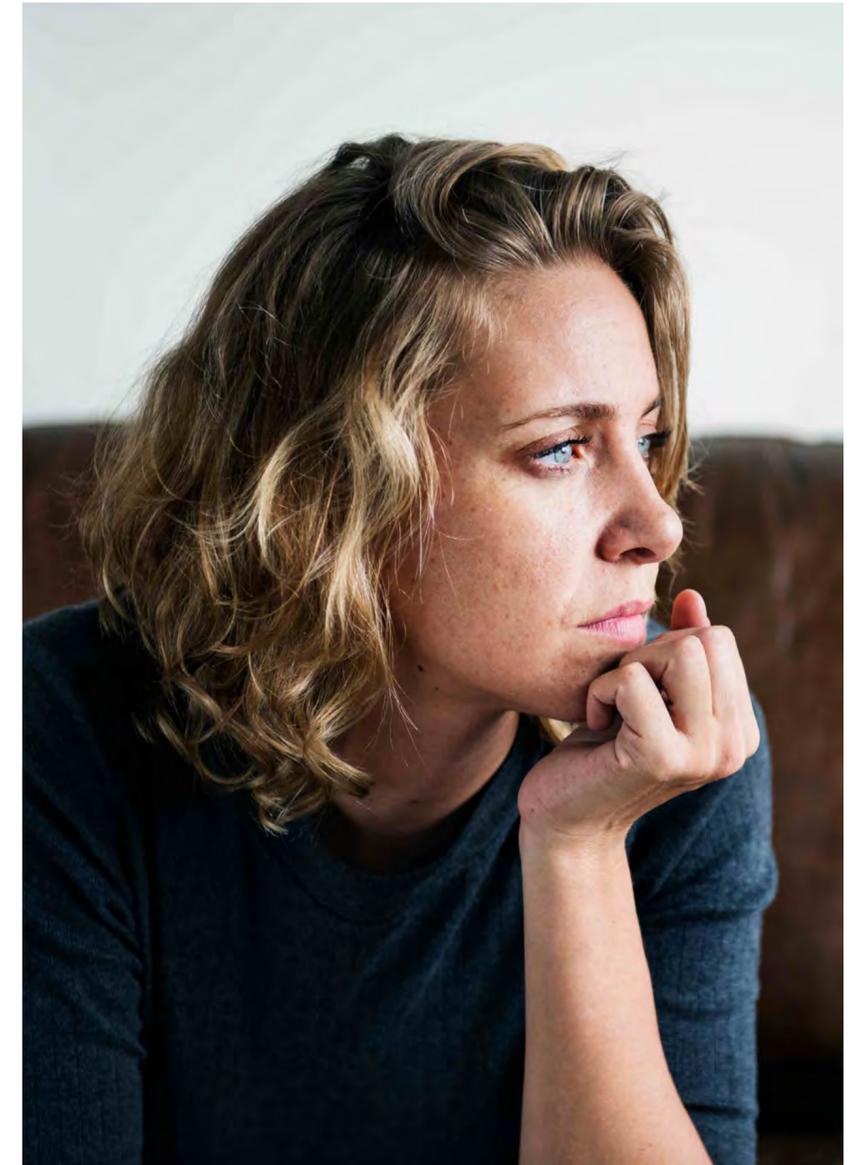
Base: Those who have investment savings, funds or pensions, n= 192, Women n= 93, Men = 99
Q10a. Thinking about investment savings, funds or pensions, who has created the money / assets to put towards these funds?



“

I just wasn't in the habit of finances. I didn't take it on board. Secondly, I just played it safe. I thought once I had a home and pension I was ok but again now I'm seeing there are a lot of different parts to that as well. And I was find of laid back about it. I didn't investigate. I didn't follow up on things.

”



“

I'd be nervous of investment. I know a lot about pensions. I'd be happy to give friends advise on mortgages but I've never been involved in this type of thing before so it's daunting.

”

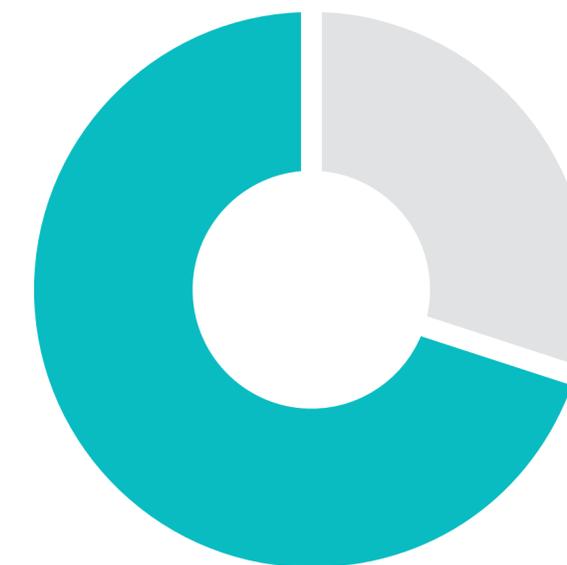
Women's overall satisfaction with their financial situation is lower



53% of women vs 71% of men
say they are satisfied with their
personal financial situation



57% of women vs 70% of men
say they are satisfied with
their current knowledge about
finances and money



Summary of learnings

- Women and men share many commonalities in terms of a sense of **pride and achievement** in their professional **success**, leading an **aspirational lifestyles** and being **values driven** when choosing brands (ethics, inclusion, sustainability, equality)
- Financially, men are motivated to create wealth and want to **optimise how their money is working for them**. They are interested in growth metrics and performance
- Women too want to plan for their financial future but are motivated to do so in order to maintain their **current lifestyle, be independent and feel secure in the future**. They are motivated by achieving clear goals, feeling secure, protected and that they are planning for the unexpected
- Women behave the same as men in terms of day-to-day financial products and are as likely as men to have a pension
- However, women are almost **30% less likely to have an investment product**
- Women do not engage in investment / funds because they are **caught in a cycle of disengagement which leads to in-action**. This in-action is ultimately leading to **lower overall financial satisfaction vs. men**



Regulatory information

Warning: The information in this report is for illustrative purposes only and does not purport to be financial advice. You should seek advice in the context of your own personal circumstances prior to making any financial or investment decision from your own adviser. There are risks associated with putting a financial life plan in place. There is no guarantee that by having a financial life plan in place, you will meet your objectives.

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