



How to Empower Women to Start Investing

marketing customer service customer experience

Summary: The majority of women expect to be solely responsible for their own finances at some point in their life and a large number are stressed about money. Yet, a lack of knowledge and concerns about risk are major barriers that keep women from making financial preparations. We look at how and why CFIs should tailor products, services, and marketing to women's unique needs.

The [medical diagnosis for stage fright](#) is “glossophobia,” a condition about 73% of the population experiences. This communication-based anxiety is likely linked to our ancestors' fear of being rejected by the tribe, and left to fend for themselves. In today's society, it's pretty unlikely that a less-than-stellar performance will result in dire consequences, but performance anxiety or public speaking is still the most common fear in society.

It seems many women are similarly wary of being center stage in a much more serious realm — personal finance. This could be due to the fact that 94% of women expect to be [solely responsible for their finances at some point](#) in their lives, but lack the confidence to make the same financial investments as their male counterparts, according to a study by Bank of America. Community financial institutions (CFIs) can play a significant role in closing this gap. Your CFI can tap into this market by carving out products, services, and marketing targeted to women's unique financial needs and risk appetites.

A crucial disconnect. Only [48% of women are confident about their current financial situations](#), with a mere 28% feeling empowered enough to do something about their concerns, according to Bank of America's Women, Money, Confidence: A Lifelong Relationship report. As a result, 46% of women experience feelings of depression, anxiety, stress, and sleeplessness over concerns about money, [according to data from Bankrate](#).

The most curious part is that there seems to be a major disconnect for women between real-time money management and investing. While Bank of America found that 92% of women have confidence in their ability to manage day-to-day finances, and 87% are comfortable overseeing budgets, only 53% of women are comfortable handling investments, and the number drops to 44% when it comes to diversifying assets. Discomfort, however, doesn't mean there isn't a desire — a factor that CFIs should act on. In fact, when asked about their biggest financial regrets, 44% of women said that they wished they had begun saving and investing earlier.

Top barriers for women as investors. Among the biggest factors holding women back from taking greater control of their finances are a lack of knowledge, misconceptions regarding the risks of investing, and not having enough disposable income to invest. When marketing to women, CFIs should take a calculated approach to addressing these concerns.

Here are **three strategies to consider**, when it comes to how your organization manages its approach to women, both in educational offerings and services.

1. **Host investment education sessions specifically for women.** With a lack of knowledge about investing being one of the biggest reasons women hesitate in taking greater control of their finances, educational programs aimed specifically at women is a good way to reach female customers. Courses should be available in-person as well as online, to accommodate different schedules and needs. Educational

offerings should address different generations' needs and should cover a wide range of topics, from retirement and healthcare to funding education.

2. **Highlight opportunities for low-risk, low-cost investing.** Regardless of efforts to close the wage gap, most women still make significantly less than men. They are also naturally more risk averse than men, making them likelier to gravitate toward fixed-income investments over equities. Take a close look at your CFI's current offerings through the eyes of your female customers, for each generation and demographic, to identify investment opportunities that cater to the desire for lower costs and involve less risk. Maybe it's time offer a new program or lower minimums for investments.
3. **Offer tailored financial planning.** Though women are open to advice regarding their finances, 55% of women have never worked with a financial advisor. CFIs should be proactive in efforts to get female customers to meet with advisors by offering financial planning designed for each stage of a woman's life.

In a time where so many women expect to handle finances on their own, there's a serious lack of financial education and products that appeal to their unique needs. Your CFI can help address this gap in the market with a thoughtful approach to financial education; advertising affordable, low-risk investments to women; and offering financial planning that matches the needs of women of different demographics and ages.

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ECONOMY & RATES

Rates As Of: 08/23/2022 05:44AM (GMT-0700)

Treasury	Yields	MTD Chg	YTD Chg
3M	2.82	0.41	2.76
6M	3.23	0.32	3.04
1Y	3.31	0.37	2.92
2Y	3.34	0.46	2.61
5Y	3.20	0.52	1.93
10Y	3.06	0.40	1.54
30Y	3.26	0.25	1.35
FF Market	FF Disc		IORR
2.33	2.50		2.40
SOFR	Prime		ORER
2.28	5.50		2.32

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