

# WHY WOMEN AND MEN INVEST DIFFERENTLY

**While women play an active role in everyday financial decisions, they are less involved in managing long-term investments than men, according to recent research published by the Commonwealth Bank.**



Contrary to traditional gender stereotypes, women feel just as confident and capable as men when it comes to managing everyday finances.

But when it comes to investing, there are significant differences in the attitudes and behaviour of women, according to Commonwealth Bank research, [Enabling change: A fresh perspective on women's financial security](#).

## 1. Women have less investments than men

According to the research, one in two women have no investments of any kind, compared to 40 per cent of men. Women are also less likely to hold every kind of asset type, with the largest gaps in financial market investments (shares, exchange traded funds (ETFs) and derivatives) and alternative investments (such as gold, coins, stamps and art).

## 2. Women are less engaged with their super

While the majority of the men and women surveyed have super accounts (78 per cent of men versus 70 per cent of women), women are less likely to be engaged with their super than men. Only 17 per cent of women said they engage regularly with their super, compared to 29 per cent of men.

### So why do these differences exist?

The research points to four main reasons for the differences in investment attitudes and behaviour between men and women:

#### 1. Women face ongoing economic challenges

While women are confident financial managers, they continue to face ongoing economic challenges in Australian society, including lower salaries, less full-time employment and smaller superannuation balances.

Having access to less money in the first place could explain a lower engagement in investment and super decision-making for women. But conversely, it's this lack of engagement which can further limit women's ability to improve their financial position.

#### 2. Starting financial education earlier reaps rewards

It may sound obvious, but the research also shows a strong link between early education in investing and higher levels of investment activity and engagement.

While 53 per cent of women say they were taught about managing their finances while young — a slightly higher proportion than for men — only 29 per cent were taught about investing, compared to 41 per cent of their male peers.

#### 3. Women focus more on everyday finances

While many young women confidently managing their everyday finances, they are much less likely to have high levels of investment knowledge, with many only becoming confident investors later in life, when they have less time to see their assets grow.

In fact, when women were asked to define what financial security means to them, many focused on paying bills and coping with unexpected expenses, rather than building a comfortable lifestyle through long-term investments.

#### 4. Women are more risk-averse

Compared to men, women are more risk-averse in their financial decisions, which can lead to lower levels of investment and lower returns.

This is reflected in the large gap between men and women holding market-based investments such as shares, with around nine male investors for every six female investors.

### What can women do to bridge this gap?

As the research shows, many women remain disengaged with investing, with long-term implications for their financial health.

That's why it's important for women to seek advice from a financial adviser to ensure they have the necessary guidance to enhance their financial wellbeing. In fact, according to the research, women who have benefitted from financial advice are typically more confident and financially secure, with around 1.6 times the assets of unadvised women.

### Talk to us

Because women face a unique set of challenges, they need customised solutions – which is where we come in. If there's an aspect of your finances that you need guidance on, we can help you understand your options and provide you with a plan to help you become financially secure.

Source: [\*Enabling change: A fresh perspective on women's financial security, Commonwealth Bank, May 2017.\*](#)