A Female Focus for Investment Marketing

Mike Richards, Chief Executive of Capital City Media, looks at the performance of investment management companies in attracting female investors.

On 23rd November 1963 I was hiding behind my sofa (couch if you're posh).   This was the first viewing of *Dr Who* with the eponymous time lord being attacked by big metal objects which used sink plungers as offensive weapons. This was far too scary for this then six-year-old; the sofa was my sanctuary.

Nearly 54 years on, the 13th Dr Who will be a woman; William Hartnell will be turning in his Dalek-shaped grave.

Whist the *Women in Investment Awards* are to recognise talent within the UK investment management industry and not pit men against women, my task was to establish how investment management companies have been in attracting female investors. Or haven't.

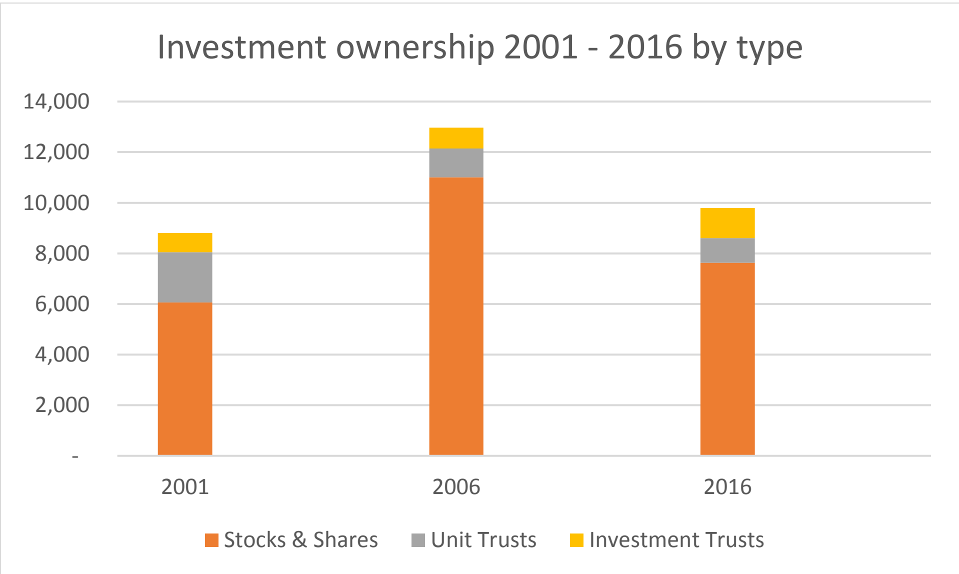
According to a *Morningstar* report of November 2016 20% of fund managers globally were women; in the UK the figure is between 7% and 8%, which hasn't changed significantly for the past eight years. 36% of lawyers are women, as are a third of all doctors.   So, you're more likely to have a woman defend you in court or remove your appendix than be responsible for your asset allocation.

Kantar Media produced a piece of research in the last quarter of 2016 about "financial influencers" – these people are two and a half times more likely to earn over £75,000+, 27% more likely to be between mid-20s and mid-40s, but 40% more likely to be male.

Kantar Media also published statistics on consumers agreeing whether they were interested in financial services advertising or not. In 2008 9% were interested; in 2017 this had risen to 12%. Perhaps people are realising that the state won't provide?

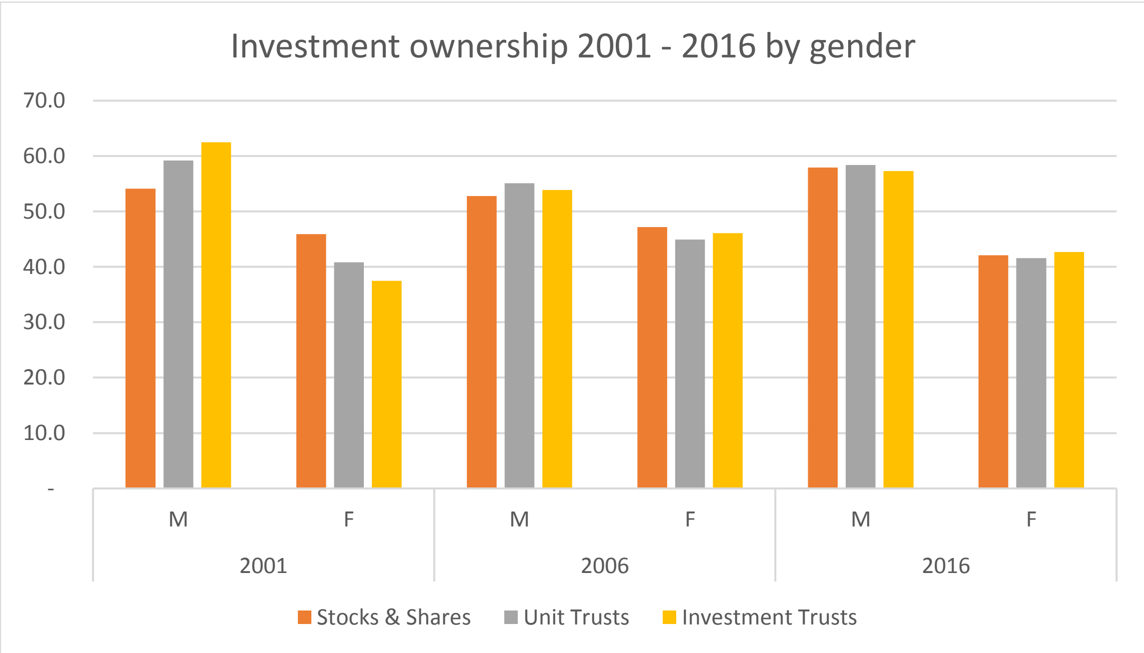
Media planners, like me, for years have used Kantar's *Target Group Index* which shows media usage of adults and their ownership of financial instruments. It separates stocks and shares, unit trusts and investment trusts. I've looked at figures showing the universe of this ownership in the UK and then looked at how those instruments' ownership were split by gender.

I've taken the year of 2001, which was in the middle of a recession within Europe and compared that to 2016 and looked at ten years before that, almost in the middle, because that was a key year too for the start of financial upheaval.



I'm sure we can all remember 2006, the year before the financial crisis – in effect the lost decade of equity ownership. This chart shows that current ownership is still not as much as it was in 2006, except for investment trusts; in 2006 there were 822,000 owners of investment trusts, ten years later there were nearly 1.2m (well done, Annabel!).

Indeed, in 2016, of these three financial instruments I've analysed, there is a greater percentage of women investing in investment trusts than the other two analysed. Sadly, this percentage has almost reversed its gains as, in 2006, 46.1% of investment trust investors were women (in 2001 there were only 37.5%).



Diversity on investment trusts boards has been a big initiative by the AIC with 16% of directors being female, double what it was in 2009.

But there is a long way to go to actively getting more women involved with financial services.

Trading accounts on one of the bigger UK platforms, iii.co.uk have 75% of their clients who are male.

The specialist UK personal finance magazines also have big skews in their readership – 92% of the *Investors Chronicle's* readers are male; *Money Observer* it's 90%; *Moneywise* (dealing with family finance rather than just investment like *Money Observer*) is 70/30 (although the website's traffic is nearer 50/50).

The UK mid-market and "broadsheet" media is marginally better, except women tend to read the magazines and, as you will see from this chart, aren't exactly active reading the respective Money sections. The danger of overtly targeting women through the national press is that they are reading areas of the newspapers which will not have a sympathetic editorial. The Money sections of the newspapers tend to be read by 25% - 33% of their readership.

Women		
Title Name (main paper in bold)	**All Adult Readership**	**Audience Profile (%)**
Sunday Times >> Style	1,213,000	60.8
Mail On Sunday >> You Magazine	2,529,000	59.6
Sunday Telegraph >> Stella	696,000	58.2
Daily Mail >> Weekend	3,550,000	57.9
Guardian >> Guide	885,000	57.5
Guardian >> Weekend	1,002,000	56.7
Daily Mail	3,215,000	54.2
Sunday Times >> Culture	1,375,000	53.2
Times >> Magazine	1,016,000	53.0
Sunday Express >> S Magazine	661,000	52.2
Daily Telegraph >> Magazine	1,146,000	52.0
Observer >> Observer Magazine	662,000	51.8
Sunday Times >> Magazine	1,537,000	51.4
Daily Express >> Saturday Magazine	802,000	50.7
Guardian	898,000	50.6
Mail On Sunday	3,386,000	50.0
Observer	808,000	49.8
Sunday Times	1,885,000	48.3
Sunday Express	842,000	48.1
Sunday Telegraph	1,135,000	46.6
Daily Telegraph	1,171,000	46.2
Daily Express	838,000	45.7
Times	1,049,000	45.6
Daily Telegraph >> Your Money	886,000	40.5
Sunday Times >> Money	1,080,000	36.5
Sunday Times >> Business	1,065,000	34.5

And yet, a greater percentage of women save. According to ONS statistics, 49% of all women had savings accounts, only 46% of men had them. A greater percentage of woman have cash ISAS – 35% plays 32%. Women save, but don't invest?

There was a paper produced by WARC in Q1 2017 predicting that, by 2020, women will be in charge of every major household financial decision; already over 2m mothers are the higher wage earner within a family.

Women traditionally are risk-averse, but are happy to obtain slower, longer-term growth.

The privatisations of the late 80s made people greedy to making a quick buck. It also led to more people becoming shareholders, although, even though they wanted to make a quick buck, getting rid of the shares was found to be difficult. Companies marketing to women (without being patronising) should recognise and celebrate the role of women, emphasise the need for security (family future provision is paramount with most mothers) with the potential returns of long-term investment – what collective equity investment was, pre-Sid, designed to be. Most of all, women want their adviser – be it an actual adviser or fund management company, to be trusted.

Dr Who is about to change, will investment marketing? The good thing is that no Cybermen are fund managers.