

Women & Money

Innovation Lab four:

Women & Financial Advice

Our fourth Women and Money Innovation Lab turned the spotlight onto financial advice, launching alongside our second report, Unlocking the Power of Advice. We wanted to explore the barriers to women accessing financial advice, how we can overcome them, and the opportunity for advisers.

Held on Tuesday 14 July 2020, we brought together journalists, policymakers and financial advisers to debate the role financial advice can play in helping women to invest, stay invested and secure their financial future.

The Coronavirus pandemic required us all to adapt and hold the Lab virtually, but a strong turnout made for some insightful discussions. Chaired by Jackie Boylan, Head of FundsNetwork for Fidelity International, we once again split attendees into two sub-groups who could then work together to discuss possible solutions. In advance, the two groups were asked a question each to help them prepare.

Group One

Chaired by Russell Lancaster, Head of Intermediary Sales UK Wholesale) at Fidelity International, was asked: How can the financial advice industry become more accessible to women?' The discussion focused on:

The industry

- Better engagement of the industry, we need to appeal to everyone and consider the life stages when people will need advice – such as buying a protection policy.
- We need to promote financial planning as a top career, but none of the top tier educational institutions like the Russell Group universities do this, so it becomes a gene pool issue.
- Advisers need to think long-term. At the start, if a client has a smaller pot, they may not get much in return. However, the client over time start to earn more.

Language

- Nowadays, people won't be sold to. We need to find ways of encouraging individual's to come to financial services of their own accord and influence the conversation.
- We need to have a deeper understanding of individual's goals and context. If women are told that their goals or aims are not optimal, that can be intimidating and alienating.

Education

- Digitisation will improve access. People want to browse and find easy guides online, in their own time. Robo advice can also help those with smaller pots.
- Girls have much more advanced capability in maths and finances until the age of 11, and this is the point disengagement seems to kick in.
- Graduates want to be taught more about money in school, so schools have a responsibility to incorporate talking about finances within life skills.

The value of advice

- We need a clearer articulation of what you need to pay, and for what. People do not want to spend money unless they know what they will get for it – in the same way we pay for lawyers and estate agents.
- Cost alienates everyone, but you can't push it down too much – it's a value add, and there are elements that robots will never be able to do.

“Financial services is in danger of missing the point – people don't want to be sold to these days, we can't just flog products.”



Group Two

Chaired by Kate Rainbow, Senior Sales Manager at Fidelity International, was asked: How can we encourage women to seek financial advice from a younger age? The discussion focused on:

Current barriers:

- There is a cultural suggestion that women do not talk about money, so we need to get out of the mindset of money being a taboo.
- There is a perception that financial advisers are men, and so women don't necessarily want to have to admit if they have not been good with money.
- Men like to be the providers, which can discourage girls – and then women – from engaging themselves.
- Financial services has lost the trust of women, so advice needs to prove it can add value before requesting payment.

“It's not all about the cost, it's about the value of advice. We're not articulating it enough as there are parts robots can never do.”

Employment

- Employer responsibility needs to go a bit further than auto-enrolment. Everyone should have a session with a financial adviser, increasing the existing £500 tax-free amount.
- Each employer should provide the opportunity to speak with an adviser every couple of years; a Financial MOT.

Working together and improving diversity

- As an industry financial advice is extremely splintered, so addressing this is critical to achieving real change.
- The Financial Services Skills Commission is looking at diversity and inclusion, and this umbrella body should identify the gaps in pay, social mobility and racial inclusion.
- Financial advice is more about psychology than numbers – but girls aren't talked to about this as a career.

Re-branding financial advice

- There is a real gap in how the industry is branded and seen by young people.
- Many industries have overcome this hurdle and broken down some historical barriers.
- There is an opportunity for someone of influence to take this on and discuss real-life issues.
- We need to work the mass market and bring in technology when people do not have as much of a need for face-to-face financial advice.

“Digitisation will help people learn about finance. People want to browse and find elements here and there in their own time, without being judged.”

The key takeaways

In summarising the discussions of both Lab break-out groups, Jackie Boylan noted the main possible solutions were:

- 1) Lobbying more** – considering how we should address provision of financial advice at a policy level.
- 2) Banding together** – as an industry, considering how we can make a difference as one.
- 3) Compulsory education** – looking at how financial advice is introduced at school.
- 4) Rebranding** – the industry is perceived to be too 'grey and old'.
- 5) Financial MOTs** – engaging at life stages so the concept is familiarised.
- 6) Digitisation** – improving access for young people with a more 'every day' look at finances.

These insights will now be taken forward by Fidelity International, and attendees will be updated on next steps. We look forward to continuing this work and getting even closer to empowering women to GET Invested.

For more information on the Financial power of women please visit our [website](#)



Unlocking women's financial power

