

INTERNATIONAL Women's Day 2022

Building Wealth & Self-Worth

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John Pierpont ("JP") Morgan was a dude. So, were Marcus Goldman and Samuel Sachs. Templeton and Schwab? Men as well.

Wherever you turn especially if you work in the world of high-finance and investment, you are likely to come across very male-centric figures as symbolic markers of wealth and financial success. Their names emblazoned in the office corridor and mythologised as investing legends.

As is so often the case, women especially in Asia tend to take the back-seat when it comes to important wealth decisions. Usually because they lack the self-confidence or doubt their abilities. This is in spite of research showing that women may be better investors after all because they are less prone to overconfidence and take more measured risks.

Here are 3 steps women can take charge in steering their own financial destiny and owning their self-worth.

Step 1:

Value and Trust Your Abilities

Self-doubt is something we all come to terms with. For someone looking to dip their toes into the murky waters of the investment realm, these anxieties can easily take hold. No doubt, it's an intimidating landscape with market swoons to manoeuvre and value traps to avoid.

For women, it's doubly challenging as a new investor entering a male-dominated field populated by alpha males and finance bros that pervade the physical and online world. But what if we stopped doubting and turn our insecurities into strengths? Like most fields, women tend to push themselves harder in order to gain the same level of recognition. While it should definitely not be the case, women unknowingly are excelling and banking gold

even if they don't get the credit for it. So ladies, for once cut yourself some slack. Take a dose of courage. Stop doubting and start believing.

While investing may be a highly technical field, the best investor isn't the one with the most paper qualifications or degrees. If that's the case, academics and PhD holders would theoretically be the best investor. But, we know that's not true.

Anyone can invest as long as they have a plan. Take small steps towards building positions and create an asset allocation that works for you. Always remember that to succeed in investing isn't just about how much you know, but also how you behave.

Step 2:

Recognise that You Matter Too

Women are seen as natural caregivers often putting the needs of others first before themselves. Inadvertently, they would neglect their own needs and deprive themselves of scarce resources like financial assets because they see it as their 'duty' to be self-sacrificial.

But this betrays their own happiness and wellbeing, often leading to no one being better off overall as resentment builds within the family unit. Financial independence might seem like a novelty idea for women, but it's an absolute necessity whether you are single or married. With longer life expectancies than men, it's imperative that women build their own financial plans with retirement topping the list.

Relying on hope that everything will pan out or depending on a man is definitely not sound financial planning. Women need to take charge of their financial future and empower themselves to make their own decisions.

Retirement might seem like a distant milestone, but starting now allows you to reap the powers of compounding. For a financial goal like retirement that has a long-term investment horizon, it's ideal to have a diversified portfolio geared towards growth. This often means having a portion of it invested in equities which can be volatile.

This brings us to the next step on taking risks...

Step 3:

Embrace Risks and Play the Long-Game

Women are perceived as naturally more risk-adverse especially when it comes to financial risk-taking. Whether it is due to cultural norms or structural biasness, women are 'conditioned' to be perfect or at least appear to be as society demands nothing less from them.

Studies then show that women often take a more cautious approach in taking risks and knowing everything before they make a decision. This is in contrast to men who are more comfortable in the 'fake-it-till-you-make-it' approach and playing guesswork

because they are given the space to make mistakes because they are 'bold and adventurous'.

Of course, these are broad assumptions made by such studies. Fearless women fund managers like Cathie Wood exist all around us, as well as extremely cautious men.

Regardless of how you personally view risk, it's important to recognise that investing isn't a precise science with definite outcomes you can predict. No one has perfect foresight of how the economy and different companies will change over the future.

Instead, it's about weighing probabilities and managing risk, instead of avoiding it completely. Importantly, it's about getting more rights than wrongs and being unfazed during periodic bouts of volatility. This is where diversification comes in as time-tested risk management strategy to hedge your bets and smoothen returns.

While nobody will know for sure how they will behave during extreme market swings, always stay focused on your end-goal. It takes less than a month to take an online course and learn everything about investing. But learning to keep our emotions in check for decades is what will truly lead to investing success.

Invest in Yourself

Taking the first step in your investment journey can always seem daunting. But no matter which gender group you belong, it's important to take charge of our finances to achieve a level of independence and autonomy. Because it is only through financial security that one has the freedom to choose and pursue options, hence granting us greater control over how we live our lives.

While, investing might seem like it contains a multitude of unknowns. If there is one thing you can be sure of - it's you and your actions today. As Queen Bey says, "I don't like to gamble, but if there's one thing I'm willing to bet on, it's myself."

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