

Investment Insights from Experts

[Host]

Over the years, you will undoubtedly receive all kinds of advice about a million different things. Many of them you will likely ignore. If you listen to one piece of advice, we implore you to please listen to this one. You have to invest your money and learn how to make your money work for you!

Everyone should know how to invest, but, as women, it is now more important than ever.

Welcome to today's For Her podcast. In this episode, we'll talk all about the importance of investing, including the types of investments you can make, brief ideas about how they work, what factors affect these investments, and so much more.

I'm delighted to be joined today by our two special guests today who will provide some expert insights into women and investing. Our first guest is [Kiran]. She is _____. Welcome [Kiran].

[Kiran]

Thank you for having me!

[Host]

Our second guest is [Shweta], and she is _____. Welcome [Shweta].

[Shweta]

Pleasure to be here!

[Host]

Let's start by asking our first guest, [Kiran] why it's important that women invest?

[Kiran]

A very important question, [Host]. There are so many reasons why it's important to invest but here are a few of my favourites.

First and foremost, women must acquire a sense of financial equality and self-sufficiency. Faced with issues such as the gender wage gap, investing is one of the most effective strategies to ensure that you have the same opportunity to create wealth as men. Women must have the financial ability and confidence to walk away from situations that are not benefiting or

even harming them, whether it is a bad career or a bad relationship. You should have the financial autonomy to make decisions that allow you to care for yourself.

The second reason to invest is to achieve your financial objectives. Investing is the smartest way to achieve your goals, whether you want to pursue higher education, save for an emergency fund, send your children to college, prepare for a significant purchase like a house or wedding, or save for retirement.

Investing is also invaluable if you want to take a break between jobs. Women are much more likely to take career breaks than men. This may happen at any point in your life, including when you get married, have children, or if your spouse is transferred to a new location, for example. Women have also been taking professional breaks in recent years to upskill or further educate themselves. Of course, taking a career break means accepting a loss of income. Savings and investment income are imperative during these times, and to give you the option take these important breaks.

[Host]

Those are some great points, [Kiran]. What do you think, [Shweta]?

[Shweta answers]

[Host]

That's so true. But getting started isn't always easy, is it [Kiran]?

[Kiran]

No getting started with investing can be challenging, as many of us may have already experienced. When you don't really understand financial and inflation risk, you may spend your money less wisely. You may save it in your bank account. This, of course, comes with its own set of problems, as money held in savings accounts earns such low rates that it loses purchasing power over time due to inflation. Money invested in the stock market, on the other hand, can outperform inflation and significantly grow your money over time, with of course risks involved

[Host]

Growing your money over time IS so important indeed! What are other things that women should consider, [Shweta]?

[Shweta answers]

[Host]

It's definitely a sad statistic, but in some way, it also encourages me because it is indicative of the growing independence of women.

Also I've been around long enough to know that one of the most important things that any of us can do is to plan and invest for retirement. What are your thoughts in this regard, [Kiran]?

[Kiran]

When it comes to saving for retirement, it's important to be cognizant of the fact that, on average, women earn 83 cents for every dollar earned by males. That means we will likely not save the same amount as men, even if we save the same percentage of our income. Women also have a longer life expectancy than men. In other words, our reality is that, when women save money without an investment strategy, less money must last longer.

[Host]

That's a very smart way to explain it, [Kiran]! What do you think about saving our money in our bank account, [Shweta]? Or maybe under our mattress instead?

[Shweta answers]

[Host]

That makes a lot of sense, [Shweta]. Now that we know the WHY behind investing, could you tell us more about HOW to go about it please.

[Shweta answers]

[Host]

Interesting. So, it sounds like women are really risk adverse then? What do you think, [Kiran]?

[Kiran]

That's not exactly correct, [Host]. In fact, women spend more time examining their financial options, according to research. Although, when it comes to investing, women tend to take on less risk than males, but it doesn't mean we're risk-averse. Rather, we're simply more inclined than males to take proper risks with our assets, thus resulting in higher investment results.

Women don't tend to chase hot ideas or trade on the spur of the moment, and these are the practices that help our portfolios grow. Women are also successful at accomplishing proper diversification to help protect our money, regardless of market conditions, because we are more likely to have practical, age-based asset allocations.

[Host]

I didn't realize that, [Kiran]. What else do you know about how women tend to invest, [Shweta]?

[Shweta answers]

[Host]

Oh we women are so smart, aren't we!?

Also is it true, you are less likely to witness huge swings in your portfolio values because women approach risk differently, resulting in more consistent growth over time? Do you agree with that, [Kiran]?

[Kiran]

I do, indeed. In fact, I think it's pretty clear that we women are better investors than men. But still, we do need to keep some points in mind so that we retain our investing advantage.

[Host]

Interesting. Can you give us an example of what [Kiran] means, [Shweta]. I think that would be really helpful.

[Shweta answers]

[Host]

Wow. Those numbers really do inspire me to take investing seriously! And they really make you think about the importance of starting early. What else would you add, [Kiran]?

[Kiran]

I would advise, quite simply, to have strong investing basics in place. Even if you aren't a stock market expert, understanding the fundamentals can help you articulate your goals and better understand what's going on with your money. You can invest in a variety of vehicles, including stocks, bonds, mutual funds, and more.

[Host]

Yes there are definitely lots of investing options. Can you give us a bit more background on stocks, [Shweta].

[Shweta answers]

[Host]

That's a really good way to explain how stocks work, [Shweta]. What about another important asset class called bonds, [Kiran]?

[Kiran]

Bonds, often known as fixed-income investments, are common holdings in most investment portfolios. In basic words, a bond is a loan from an investor to a borrower, such as a firm or the

government. A bond's market value might fluctuate over time but not generally by very much. The major pros of investing in bonds include:

- Bonds are a generally safe investment.
- Bonds pay interest at set rates and times that are predictable.

Bonds have lesser return potential than stocks or other risky assets, but they are more stable.

[Host]

Great bond description, [Kiran]! Maybe you could tell us a bit more about mutual funds, [Kiran]. They are an investment that I hear a lot about.

[Kiran]

That's probably because mutual funds are one of the best investment vehicles on the market, [Host]. In short, mutual funds pool money from a number of different investors and then invest it all together. Then, investments are made by professional fund managers based on the mutual fund's mandate. Large-cap mutual funds, for example, will exclusively invest in large-cap equities. So, if you invest in a large-cap mutual fund, you know exactly where your money is going.

With mutual funds, your direct responsibility is not as high as other investment types because the fund manager and their team are responsible for conducting detailed research and analysis, and they invest your money based on this extensive research.

[Host]

It seems to make a lot of sense to have a full-time professional doing this technical work, [Kiran]. There are many other investing options, like real estate, and cryptocurrencies, for example. But I think we should save these more complex options for another day!

So, ladies! I hope you have learned a lot about investing in this podcast, and that you understand that it's very important for you to invest your money so you can enjoy the future that you have always dreamt about. Many thanks to our special guests for their invaluable tips.

And thank you to all of our listeners! Keep joining us for our every episode and we will continue to bring more informative episodes!

Thank you!