

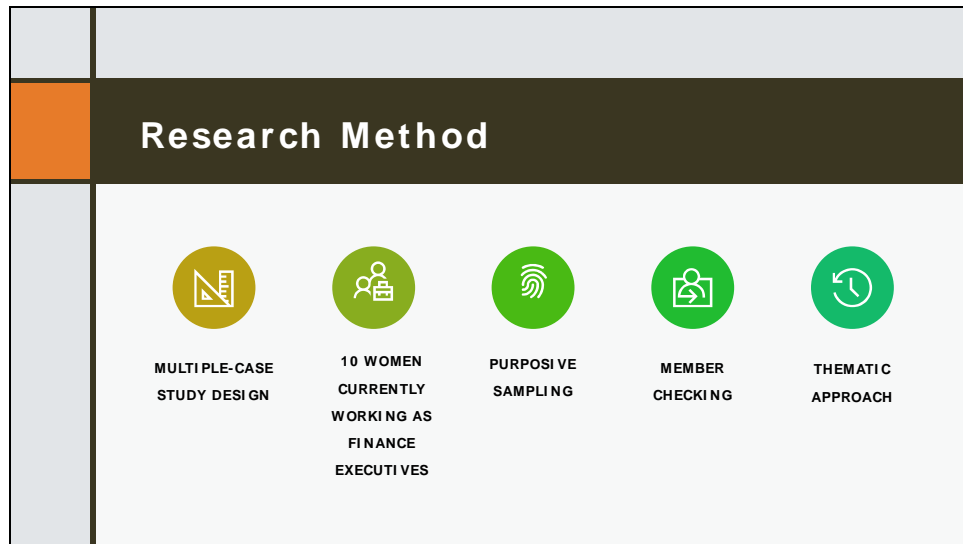
Slide 1

<p>Presented by: <b>Dr. Melissa Renee Dyer</b> Assistant Professor of Business Finance, Accounting, Economics, and Finance Department Chair Limestone University</p>	<h1>WOMEN IN FINANCE</h1> <p>Advice from Female Finance Executives</p>

<p><b>Background for study</b></p>	<ul style="list-style-type: none"><li>• Are the number of women in the finance industry increasing?</li><li>• Women have made great strides in the finance industry but are still dramatically underrepresented.</li><li>• How to increase the number of female finance majors.</li></ul>
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- According to several articles in my lit review, in the finance industry, women have always been outnumbered by men.
- In financial services, women continue to experience a broken rung in the first step of promotion from entry-level to manager. According to McKinsey & Company (2018), only 1 in 5 executives in C-suite positions are women.

<b>Research question</b>	What is needed to encourage young women to study finance as a college major and enter the finance industry?



- Carnegie Mellon University (n.d.) listed ten areas that make up the finance industry: (a) asset management, (b) commercial banks, (c) corporate finance, (d) hedge funds, (e) insurance, (f) money management firms, (g) private equity firms, (h) real estate, (i) real money, and (j) venture capital.
- Participants were from different areas of the finance industry and different areas of the United States.

Interview Questions	
1. How long have you worked in the finance industry?	
2. Why did you pursue a career in finance?	
3. Did you major in finance in college? If no, what did you was your major?	
4. Why did you choose your major?	
5. Were you encouraged or discouraged to pursue a finance major or career? Educators? Family, friends? Employers?	
6. Did you feel you were good at math in elementary and high school?	
7. Do you believe females are encouraged or discouraged to pursue a finance degree or career?	
8. What is your opinion on females in finance?	
9. Do you believe females are encouraged or discouraged in the finance industry?	
10. What would be one thing you believe would encourage more females to major and work in finance?	

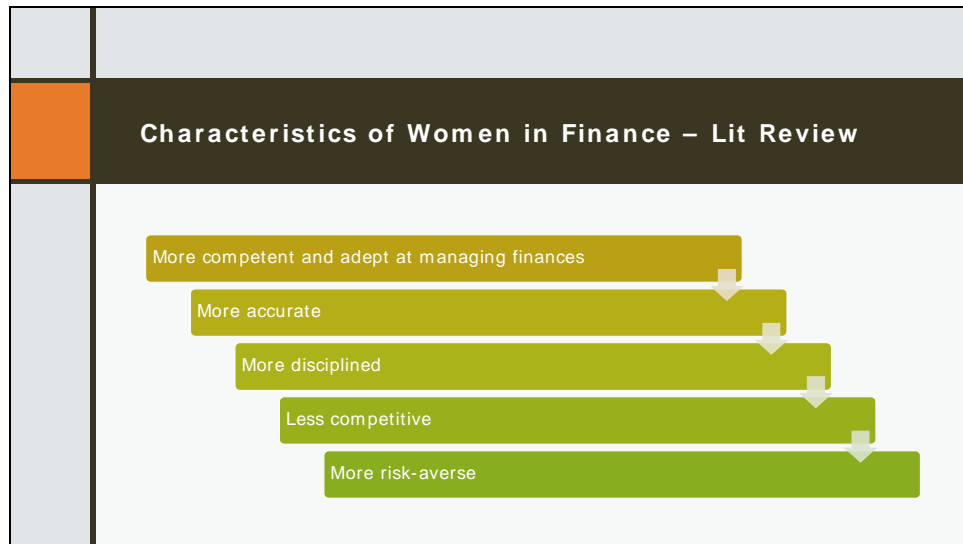


## Who Studies Finance?

Finance is the study of money management and the process of acquiring necessary funding.

- Finance majors are typically male.
- Women lack confidence in math and quantitative skills.
- According to sources, math skills are the main reason for studying finance, but is liking and being good at math the right question to ask?

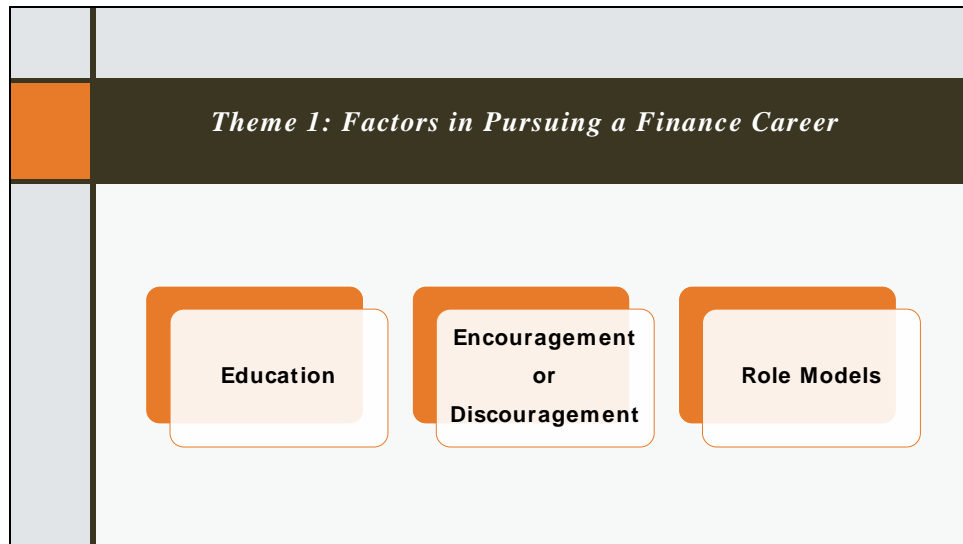
- Porter and Serra (2020) discovered that having female role models made a significantly positive impact on female students in male-dominated fields. However, they also found that due to gender imbalances in these fields, it was difficult for young women to find successful women to emulate.
- On campuses, there is often a lack of support for women majoring in finance. Jones and Merritt (2020) surveyed 17 institutions from the fall of 2019 through the spring of 2020 and found that no programs existed for mentoring female finance students.
- The number of female finance professors is also lower than their male counterparts.
- WITS – Women in technology and science. Host local high school girls. Accounting and finance session. Problem-solving and creative.



Studies have found that:

- Women are frequently more competent and adept at managing finances than their male counterparts (Basilico & Johnsen, 2019; Davis & Garcia-Cestona, 2023).
- They also found that while males tend to be more overconfident in financial decisions, women are often more accurate. Other sources support this in finding...
- Women are more disciplined in their financial risks, and male executives are often more impulsive and reactive in financial matters (Schubach, 2020).
- Women in finance may be less competitive than their male counterparts (Basilico & Johnsen, 2019), but they are more inclined to report bias and reduce mischievous behavior (Ciocan, 2023).
- Women are more risk-averse than men, making them more sensitive to future risks (Doan & Iskandar-Datta, 2020; Hasan et al., 2023).
- Women want more information before deciding and want to balance risk and return (Prajawati & Basir, 2023).

While male CFOs have a greater likelihood of financial misreporting (Gupta et al., 2020), female CFOs exhibit more transparency and are not prone to concealing bad news (Hasan et al., 2023). They are also less likely to experience future crashes in the company's stock price



Education:

- Several articles in my lit review stated that women who pursue a career in finance are also good at math. Seven of the ten participants in this study stated that they were good at math. However, not all reported that they liked or always did well in math.
- One participant, who has worked in finance for over 20 years, stated that she did not feel she was strong in math, but that did not keep her from enjoying working in the finance industry. Another participant said she was good at math but did not like it.
- All the participants felt that finance was more than math and was more about creative problem-solving.
- 8 participants majored in finance. Some chose this path because they were good at math, but others were motivated to work in Finance because of internships or their first jobs.

Encouragement or Discouragement:

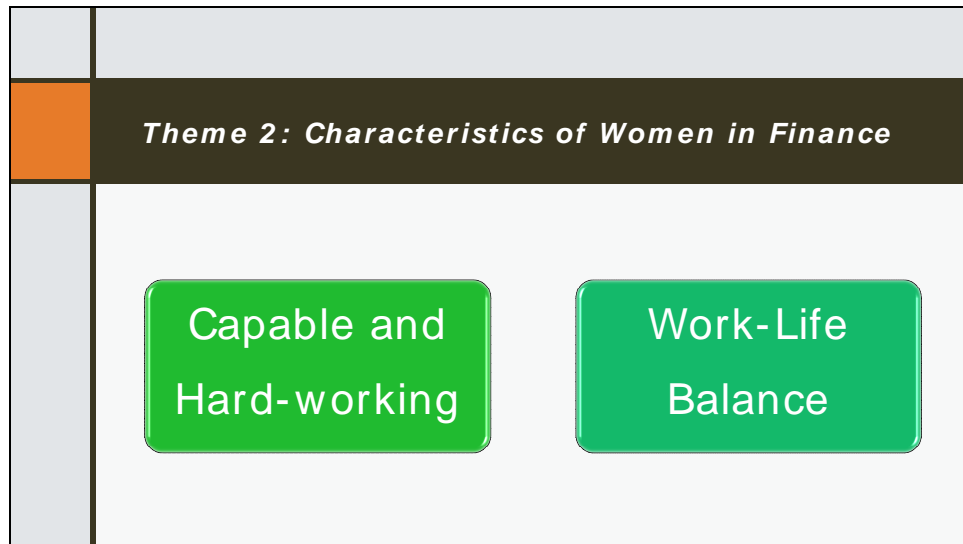
- When asked if they believed women were encouraged or discouraged to pursue a finance major or career, three participants said women are more encouraged today than in the past.
- However, 2 participants felt that women were not encouraged. According to Participant 2, the lack of women in the finance industry indicates a lack of encouragement.
- Two participants stated that women were neither discouraged nor encouraged.
- Participant 6 felt that women were encouraged at entry-level finance positions, but at the senior level, they were often discouraged. She felt this was due to the lack of support and role models at this level.



- Several participants stated that women are often excluded from out-of-office activities, limiting networking opportunities.

#### Role models:

- Every participant in this study discussed the importance of role models for young women in finance. Several participants discussed the specific issues of limited female role models in senior-level positions. Having few senior-level role models affects women already working in entry-level positions or college.
- One participant stated that it is tough to find a female mentor, and senior women are often hard leaders, resulting in them not actively mentoring entry-level females. However, according to Participant 6, senior women have less support themselves due to there being fewer of them. It is a vicious cycle that needs to be resolved.



Based on sources from my lit review, women have proven they are as capable in the finance industry as their male counterparts and positively impact an organization.

Women are very capable and hardworking: According to my participants,

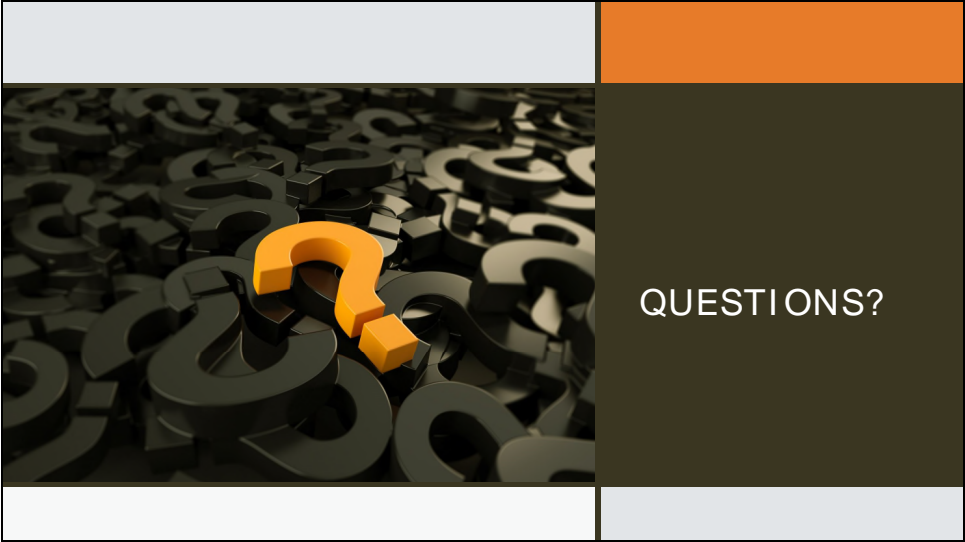
- often feel they must outperform due to a double standard of what is expected of them.
- often overachievers because they must prove themselves.
- bring diverse viewpoints and experiences to an organization, aiding in better decision-making
- women are great listeners and can look beyond the numbers and see how money affects real-life
- women tend to be better listeners and more empathetic, making them a powerful force
- being different from their male counterparts often provides female clients with a level of comfort in financial matters.

Work-life balance: My participants felt,

- work-life balance while working in finance can be difficult
- often older women portray that you cannot be in the finance industry and have a family, which can be a deterrent from finance.
- having to sacrifice family and femininity to work in finance is a myth, but women need to see role models succeeding at having a work-life balance
- implement family-friendly and equal-opportunity policies to avoid unconscious bias.

<b>Conclusion</b>	<ol style="list-style-type: none"><li>1. The greatest need was for more successful role models for young women to emulate.</li><li>2. The second need was to destigmatize and demystify finance</li><li>3. The last need was to provide young women with opportunities for internships in finance</li></ol>
	<p>The information from this study can be used to encourage women from high school through college to consider finance as a major and career.</p>

- The participants felt that these role models need to be at all levels of interaction with young women: teachers, guidance counselors, finance professors, entry-level finance positions, and senior-level finance positions. All participants believed that young women need to see and know that women can succeed in the finance industry. This can only happen with successful women in finance being willing to speak out and become the necessary role models.
- They stated that young women must know that finance is more than math and crunching numbers. The options in a finance career are broad and offer different areas to choose from so a young woman can easily find her niche. Finance is logical and creative. It looks at different ways to solve problems and come up with solutions. According to Participant 1, finance is fun and cool!
- Two participants chose to work in finance because of their internships. Internships provide real-life settings to determine if a specific job type is appealing and suitable. Several participants agreed that an opportunity to experience working in finance would aid in demystifying finance for young women and encourage them to pursue a finance career after college.
- Participant 3 ended the interview with a profound statement. "There needs to be a better understanding of what finance is and how broad the industry is. Young women would benefit from knowing that finance is not only what you see on Wall Street but that there are many different career paths in the industry. By increasing awareness of what finance is and how to be successful, the finance industry would become more accessible and appealing to women."



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