

The Investing Habits of Canadian Women and Men: A Data Analysis of Mylo Users

March 2018

A word from Phil Barrar, CEO

We started Mylo with the mission of helping Canadians achieve their financial goals, but we recognize that, when it comes to money, there isn't a level playing field for men and women in this country.

There are a few key factors contributing to financial inequality between men and women in Canada. Perhaps the biggest problem is the serious gender wage gap that exists here and around the globe. In fact, the most recent census shows that Canadian women [earn \\$13,740 less](#) per year than Canadian men on average. That means that women are earning only 83 cents for every dollar that men earn.

What's more, we see that Canadian women have different attitudes towards investing than men, namely that women [favour safety as an investment strategy](#) and are more likely to look for security instead of opportunity when selecting investments. Since riskier investments generally have higher expected returns in the long term, this means that on average, women are less likely to grow their invested wealth at the same pace as men over time.

Lastly, it seems that Canadian women also [score lower on a financial literacy](#) test than men. This is unfortunate because other research shows that women make savvy investors. [One study](#) found that women who do invest saw slightly higher returns than their male counterparts.

We looked at our Mylo user data, and saw some trends, which we're sharing here in the hopes that it will further the conversation about equality.

All Canadians should have equal opportunity. For us, the work starts at the office. We are committed to employee pay equity and everyone on the Mylo team is remunerated on the same pay scale based on experience and talent, regardless of gender.

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We're also dedicated to improving financial literacy in Canada. Many of our users tell us that saving and investing spare change towards a financial goal is the first positive step they've ever taken towards building smart money habits. Now they are learning about financial concepts such as risk, return, compound growth and diversification for the first time by interacting with the Mylo app (even though Mylo investment accounts are fully managed by our experienced portfolio managers). We've also just launched our online magazine, [The Roundup](#), where we will publish a steady flow of educational content and practical advice for Canadians looking to learn more about how to achieve their financial goals.

Our goal is to make investing accessible to all Canadians by removing monetary barriers: For just \$1 a month, anyone can start investing with just spare change, regardless of how much they know about finance.

We're hopeful about the change that we are witnessing, and we're excited to be contributing to a movement that is leveling the financial playing field by empowering a generation of Canadian women to achieve their financial goals.

Sincerely,

Philip Barrar
Founder & CEO, Mylo

PS:

To celebrate **International Women's Day**, we want to help women start investing. Create a new Mylo investment account this March and get \$10 towards your financial goal when you use the promocode **IWD2018** to sign up. [Start investing spare change today](#)



The Investing Habits of Canadian Women and Men

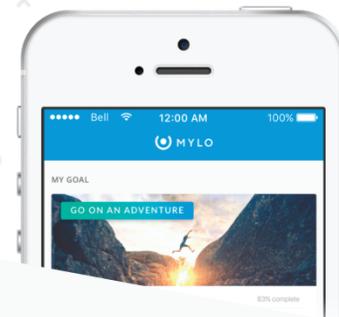
A DATA ANALYSIS OF MYLO USERS

SUMMARY

To better help Canadians achieve their financial goals, it's important to understand their attitudes about investing and finance. We analyzed our user data to look at how Canadian women and men set financial goals and think about saving and investing.

Our analysis revealed three key differences between women and men:

- 1** Women set smaller financial goals.
- 2** Women report having less knowledge about investing.
- 3** Women display lower risk tolerance and are more likely to select an investment strategy that generates income and avoids loss than a higher risk, higher return strategy.



METHODOLOGY

We ask every Mylo user a standard set of “Know Your Client” questions to learn more about their financial goals, investment knowledge and risk tolerance so that we can select a suitable, diversified investment portfolio for them. We looked at how an anonymized, random sampling of over 15,000 users answered these questions to learn about their approach to investing. For our analysis of financial goals, we looked at data from a random sampling of over 30,000 Mylo users.

SETTING FINANCIAL GOALS

Every Mylo user creates a financial goal to invest spare change towards, like buying a house, paying down debt or traveling the world. While an individual's Mylo goal may not be entirely representative of their overall financial goals, it can perhaps give us a glimpse at possible differences between how women and men set financial goals.

Women set lower financial goals than men.

Overall, women are setting goals that are 52% smaller than the goals that men set.

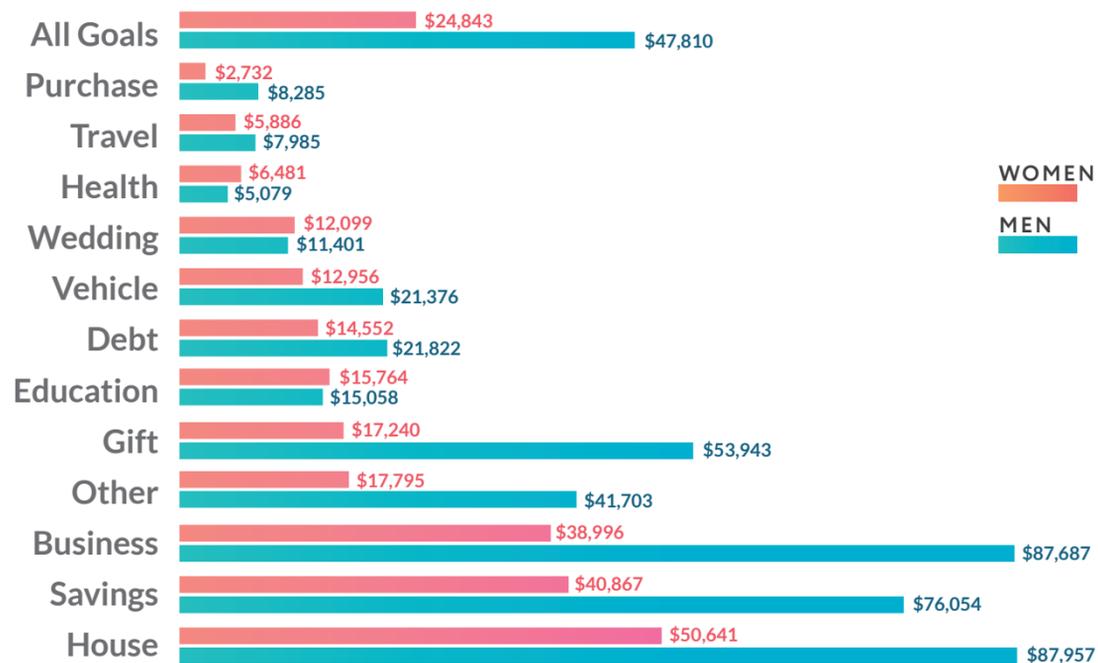
\$47,810

AVG. GOAL VALUE
FOR MEN

\$24,842

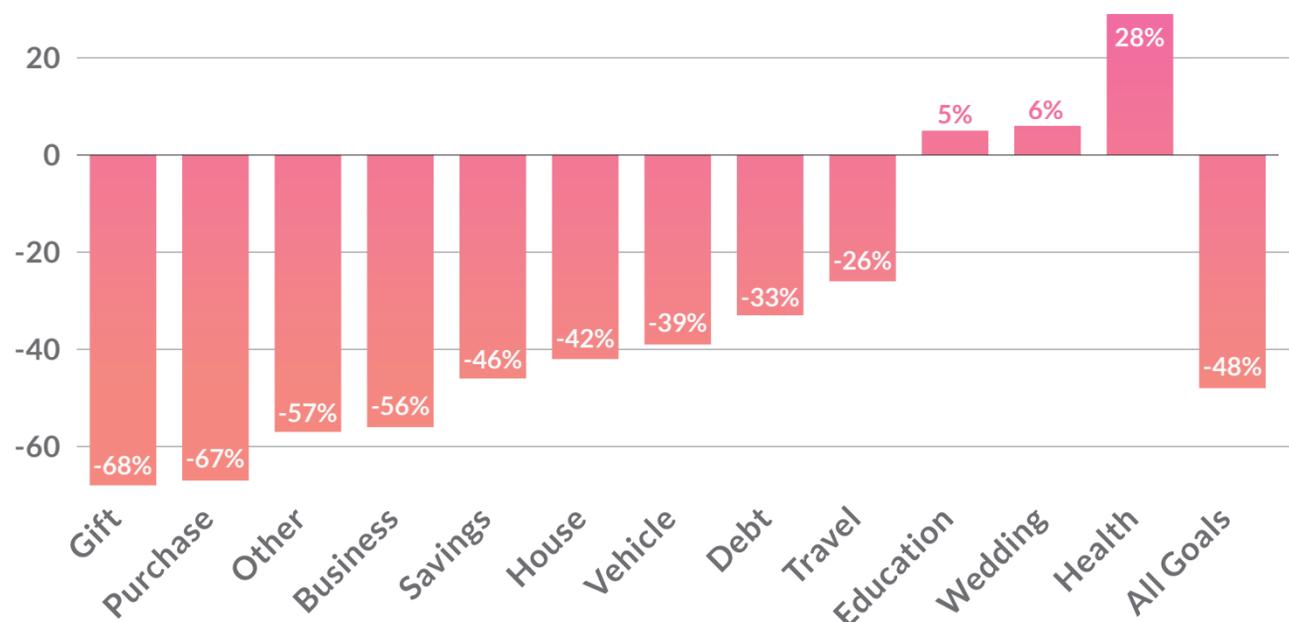
AVG. GOAL VALUE
FOR WOMEN

AVERAGE MYLO GOAL TARGET AMOUNTS BY GOAL TYPE



Women set smaller financial goals across all goal categories except for “Education”, “Health” and “Wedding”, where they set goal targets that are only slightly higher than men.

DIFFERENCE IN GOAL TARGETS OF MYLO USERS



The top three goals for all Mylo users, regardless of gender, were “Saving”, “Travel” and “Paying for a House”.

It is important to note that our analysis did not compare income level to goal value, so it is unclear if the disparity in goal setting between women and men is a reflection of the widely reported gender wage gap. It is also possible that men simply set more ambitious (or perhaps less realistic) financial goals.

SELF-REPORTED INVESTING KNOWLEDGE

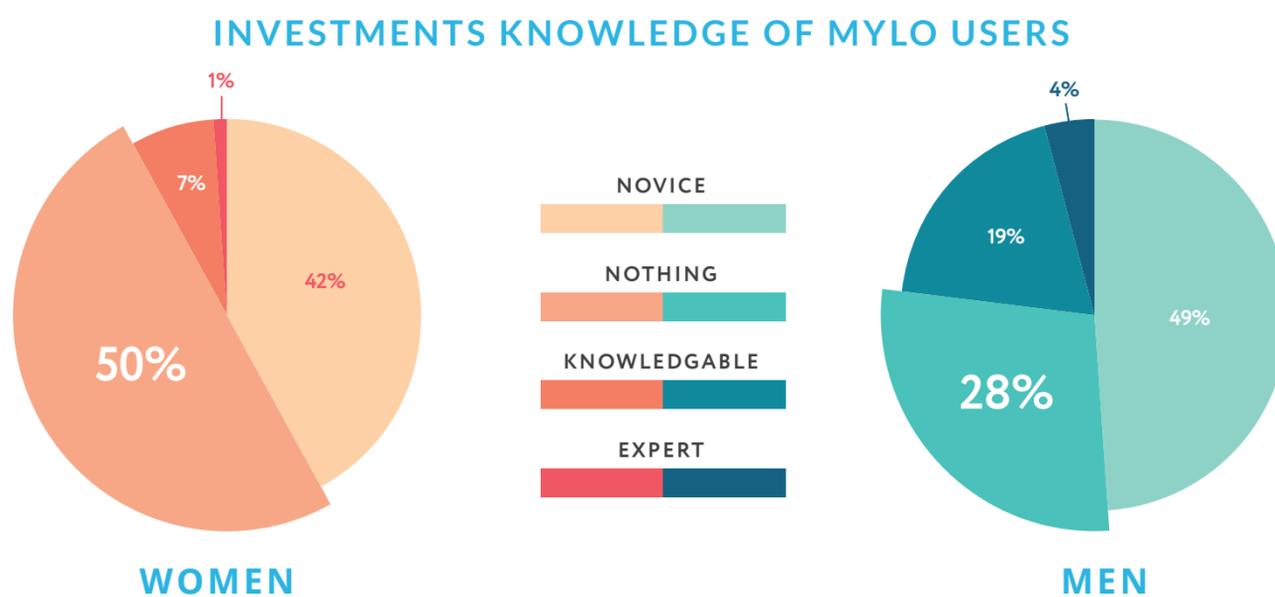
QUESTION:

What is your knowledge of investment?

- I do not know anything about it.
- Minimal. I am a beginner.
- I am knowledgeable.
- I'm an expert.

Women are less likely to claim they are knowledgeable about investing.

In fact, women are **twice** as likely to say they “*don’t know anything*” about investing. Only 8% of women said they are knowledgeable or an expert when it comes to investing, whereas a quarter of men said the same.



It's important to underscore that this data does not measure actual investment knowledge, just the knowledge that users self-report. In the future it would be interesting to compare this self-assessment with knowledge-based questions to determine whether women are accurately judging their own investment knowledge, or are simply more modest about their knowledge than men.

INVESTMENT STRATEGY

QUESTION:

What is your approach to investment?

- I have a long-term perspective.
- Highest risk, for potential higher return.
- I do not want any loss whatsoever.
- I want additional income.

Women are half as likely to favour high risk for their investment strategy.

Forty percent of women choose an investment strategy that generates additional income and women are about half as likely as men to select a high risk strategy. However, they are twice as likely to decide to avoid loss than men, which suggests that women are more risk averse.

This can have several implications with respect to how much women may grow their investments over time. This data could be a reflection of the fact that women earn less than men on average, or it may simply indicate that women are taking a low-risk approach to investing to favour the achievement of financial goals that have a shorter time horizon.

INVESTMENT STRATEGY OF MYLO USERS



REACTING TO POOR MARKET PERFORMANCE

QUESTION:

Your investments have fallen in value, how do you react?

- Sell everything to stop my losses.
- No reaction. It happens!
- I would invest more.
- Sell some to reduce my losses.

Women are more likely to sell than buy when investments are down.

Over half of women (59%) and 51% of men would do nothing if their investments fall in value, however women who do react to a drop in value react differently than men.

A quarter of women (26%) said they would either sell some or all of their investments while only 16% of men would do the same. On the other hand, only 15% of women would buy more when investments fall in value, compared to 33% of men, who are more than twice as likely to buy on weakness.

These responses suggest that women have a lower risk tolerance and are less likely to take advantage of risky opportunities in the market.

HOW MYLO USERS WOULD REACT IF INVESTMENTS FALL IN VALUE

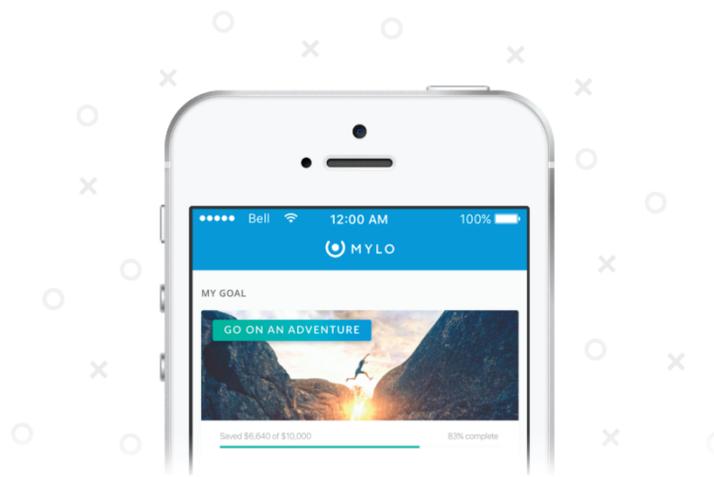


IN CONCLUSION

To better understand the attitudes and behaviours of Canadians in relation to investing and finance, further research and analysis is required, but one thing is clear: there are distinct differences between how women and men set financial goals, and how they approach investing in order to achieve these goals.

ABOUT MYLO

Mylo is the investing app designed to help Canadians achieve their financial goals by rounding up their purchases and investing the spare change. Spend \$3.25 on a coffee and Mylo rounds that up to \$4.00 and invests the \$0.75 in a fully managed, diversified investment portfolio. Mylo makes investing affordable and accessible for all Canadians, regardless of how much money that have or their level of knowledge of investing.



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