Do Women Make Better Investors Than Men?

Description

Do women make better investors than men? What â??specialâ?• feminine traits or instincts might we have that could potentially give us an advantage over our male counterparts?

While investing success doesnâ??t necessarily boil down to gender differences â?? whether biological or psychological â?? thereâ??s no denying that it has been mostly the men who have been receiving recognition for their investing prowess so far.

Warren Buffett. Charlie Munger. Bill Ackman. Benjamin Graham. Carl Icahn. Peter Lynch. George Soros. Sir John Templeton.

Where are the women?

default watermark

Now, before we jump the gun, perhaps it might be worth understanding why the men have been getting all the attention. After all, if we look further back into history and into the eras where gender roles were more entrenched, men were mainly the breadwinners earning money for the household. Since most women relied on their husbands to support the family, few had money of their own to invest. Thatâ??s my wild guess.

Fast forward to the 21st century and we women are finally acknowledged for our contributions to the workforce, and being fully capable of earning our own keep. We donâ??t need no man to be financially independent.

There are also a small number of female investors who are starting to make their voices heard in the investment world. Take **Cathie Wood of ARK Invest** â?? known for her controversial (bullish) views on Tesla â?? who grew its assets from $40 million to over $18 billion in just 6 years. Her investment journey was anything but easy; for most of her career up until early 2020, she was widely derided on Twitter for her bullish convictions on Tesla. It was only after the electric-car makerâ??s stock surged in 2020 that the world started to take her seriously.

Closer to home, thereâ??s also **Kathy Xu** of Shanghai-based firm Capital Today, who started being recognized after her prescient bets on JD.com, NetEase and Meituan-Dianping helped her turn $18 million into $2.9 billion.

Still think women canâ??t perform better than the men?



default watermark

According to research data published by SMU, there are also some generic differences between female and male investors:

â?? Women spend more time researching their options than men
â?? Women tend to trade less often
â?? Women tend to remain calmer during the crisis periods that unnerve male investors
â?? Female investors prefer to buy underpriced stocks and sell the ones which are overpriced

An analysis of 60,000 users of US online investment-sharing platform Openfolio showed that women investors outperformed men by an average of 0.4%. In 2015, women avoided the worst effects of a failing market and lost an average of 2.5% vs. the 3.8% loss among men.

Hedge funds managed by women in the US returned 59% since 2007, whereas the overall returns across hedge funds stood at 37%. Howâ??s that for female power!

Researchers believe there is some evidence that women have an unusual kind of sensitivity and are extremely skeptical of â??pumpedâ?• investments when prices are rising rapidly. *(Oh, is that why people always call my writings skeptical? Now I can blame it on my gender!)*
Iâ??m not saying you have to be female to be a good investor, nor that females make for smarter investors, but Iâ??ll like to believe it is so ð???

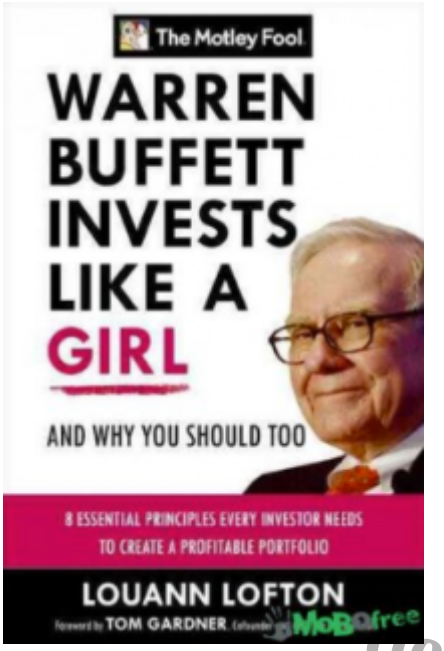


default watermark

But it can get lonely being a female investor in a world dominated by men. On my entire list of Whatsapp contacts, I only have one fellow female friend whom I regularly chat with to discuss stocks and investment ideas. Everyone elseâ?¦is male.

Yes I know, most females only like to talk about makeup, beauty, their OOTDs and fashion, or food. If you donâ??t have fellow female friends to accompany you on this journey, youâ??ll probably want to meet the other like-minded females at events or online communities.

Having a support network is crucial, otherwise you wonâ??t be able to hear a diversity of views and analysis, nor sustain the emotional strength to stay on this journey for the long run. If you lack one, youâ??re more than welcomed to join our support circle in this Facebook Group â?? Women Who Invest.
Still not convinced that your female instincts might just make you a better investor? Perhaps this might give you that extra push:



Till then, ciao, and see you guys after my wedding!

Maybe I should change my name from Budget Babe to Budget Wife, followed by Budget Mom in a few years after that? ð???

default watermark

With love,
BB

Category

1. Investing
2. Stocks