Women in Finance
Where in the World Is Gender Equality Gaining Ground?
Contents

01 Editor's Letter

02 Where in the World Is the Best Place to Be a Woman in Finance?

04 Q&A

08 Gender Pay Gap

10 Maternity/Paternity Leave

12 Boardroom Diversity

14 Central Banks

16 Women & Funds

17 Commentary by Helena Morrissey
RESEARCH IS BACKING up what many of us might have already assumed: more women often lead to better results. In our look for the best place to be a woman in finance, we find that diversity has become not just an option but a necessity, especially as most of the world is far from reaching gender parity.

It is true that some countries are making strides. Take Poland, where its comparatively narrow 7 percent gender wage gap could close within the next decade. Yet there are others that are struggling to make a dent: Korea still has a whopping 36 percent gender pay divide.

Nordic countries continue to come out on top in the pursuit of gender equality. Norway has the highest percentage of females on its boards at 39.7 percent, compared with 18.5 percent globally. While Europe is progressing farther than most other regions with its share of female board members, women in the U.S. have gained a much larger percentage of executive positions.

Women are ascending the ranks of finance even in places like Saudi Arabia, a country where the female unemployment rate is more than 34 percent. Just this year, two women have taken top finance positions. In February, NCB Capital Co. Chief Executive Officer Sarah Al Suhaimi was named the first woman to chair Saudi Arabia’s stock exchange Tadawul. Soon after her appointment, Saudi Arabia’s Samba Financial Group announced Rania Mahmoud Nashar as CEO.

Surprisingly, it’s central banks in Southeast Asia that are coming out on top for women in managing roles. And Singapore and Portugal have some of the highest percentages of women as mutual fund managers at 30 and 28 percent.

In this special Bloomberg report, we also hear from women in finance from around the world on how they have broken through barriers, where they stand on boardroom quotas and what they’ve done to rise to the top of a male-dominated industry.

When will the gender pay gap close? Can there be such a thing as too much maternity leave? We tackle these questions and more.

Alison Ciaccio
Bloomberg Reports
Where in the World Is the Best Place to Be a Woman in Finance?

By ALISON CIACCIO

That depends on how you measure it. Our look around the globe highlights countries with some of the smallest gender wage gaps and highest percentages of women on boards, as well as where you’ll find the most women in the c-suite and the longest paid maternity leave. Nordic countries like Iceland and Sweden have proven strong in overall gender equality, according to the World Economic Forum, but other countries are committing to greater diversity as well. See where women are making the most progress.

Iceland
- Ranked first in the World Economic Forum’s Global Gender Gap Index for closing more than 87% of its overall gap across health, education, economy and politics in 2016

Norway
- Highest percentage of women on boards worldwide at 39.7% in 2016 (Global avg. 18.5%)***
- Ranked third for gender equality overall by the World Economic Forum

Sweden
- Highest percentage of women worldwide in executive roles at 37.7% in 2016 (Global avg. 18.5%)***
- Second-highest percentage of women on boards worldwide in 2016 at 27.7% (Global avg. 18.5%)***

Finland
- Smallest male/female labor force participation gap in the OECD at 3% in 2015 (OECD avg. 11%)
- Second-highest percentage of women on boards worldwide in 2016 at 37.7% (Global avg. 18.5%)***

Iceland
- Ranked first in the World Economic Forum’s Global Gender Gap Index for closing more than 87% of its overall gap across health, education, economy and politics in 2016

Luxembourg
- Smallest gender wage gap in OECD at 4.9% as of 2015 (OECD avg. 16%)*

Estonia
- Longest paid maternity leave in OECD at 166 weeks (51.3% avg. pay rate) as of April 2015

Slovenia
- Second-smallest gender wage gap in the OECD at 6.1% in 2015 (OECD avg. 16%)*

Thailand
- Highest percentage of female central bank staff at 63.8% in 2016

Hong Kong
- Insurer AIA Group Ltd. reported that 43% of the top 10% of earners in its company in FY 2015 were women

Australia
- Highest number of female CEOs worldwide with 24 leading public companies in 2016 — representing nearly half of 55 female CEOs globally**
- Highest potential increases in female earnings in OECD of $810 billion if gender wage gap of 18.9% closes, according to PwC*

South Africa
- Highest percentage of female executives in Middle East/Africa region at 14.7% in 2016 (Global avg. 5%), Egon Zehnder***

Chile
- In top 10 of highest percentage of female mutual fund and ETF managers worldwide at 16.1% as of Dec. 2015 (Global avg. 14.4%), according to Morningstar report (Global avg. 14.4%)**

Chile
- In top 10 of highest percentage of female mutual fund and ETF managers worldwide at 16.1% as of Dec. 2015 (Global avg. 14.4%), according to Morningstar report (Global avg. 14.4%)**

Rwanda
- Highest percentage of women-held seats in national parliament at 43.6% in 2016 (Global avg. 23%), according to The World Bank Group

Singapore
- Highest percentage of female fund managers globally at 30% as of Dec. 2015 (Global avg. 14.4%), according to Morningstar**

Australia
- Reserve Bank of Australia targeting 35% of women in managerial positions by 2020, with a longer-term goal of 40%, from its current level of 3%, according to Governor Philip Lowe

U.S.
- Highest number of female CEOs worldwide with 24 leading public companies in 2016 — representing nearly half of 55 female CEOs globally**
- Highest potential increases in female earnings in OECD of $810 billion if gender wage gap of 18.9% closes, according to PwC*

*PwC’s Women in Work Index report covers 33 OECD countries

**Morningstar’s data based on countries that had at least 30 fund-managers for each month since January 2008

***Egon Zehnder’s Global Board Diversity Analysis includes data from 1,491 public companies with market capitalization exceeding EUR 6 billion across 44 countries. A few additional companies were added to ensure the study examined the boards of at least six of the largest companies in each country.

Sources: Egon Zehnder, Credit Suisse, OECD, The World Bank Group, National central banks, PwC
Q&A

U.S.
Erika Karp, Founder and CEO of Cornerstone Capital Inc.

Interviewed by ALISON CIACCIO and DANA PARDINI

Q: What’s your advice for women starting in the finance sector?
A: This is important. You have to be better than all the men. You can’t just be good, you have to be great. And you have to be really, really well prepared. Because when you open your mouth – and sometimes women are less prone to open their mouths in a meeting – you have to pick your spots and then say something really good and really on point. Don’t be shy about that either.

Q: Some people say a woman should act more like a man. What do you think?
A: Women should act like they’re awesome. I don’t think they should act like a man, they should act like themselves. Your awesome self.

Q: Do you feel the culture of this industry has changed over the past year?
A: Not much, and the good part is these post-election marches – we see the face of democracy and that’s very encouraging.

Q: What’s your advice for maintaining a work/life balance?
A: It only exists for moments in time. It’s a pendulum. Try not to stay at one end of the pendulum for too long. And feel it when you are out of control – feel it and listen to it.

Q: Where are we in terms of diversity for women in finance?
A: It’s hard. We have not made enough progress. And still, when you look at some of the financial services companies, and you do see women in what looks like managerial positions, a lot of times it’s legal, HR, it’s tech (happily), more research – but in senior management, we haven’t made that much progress. And here’s something that I worry about – sometimes you’ll see women in financial services companies and they actually are not financial services executives. They’re put in these roles to kind of be danced out there, but do they really know investing?

Q&A

Hong Kong
Monica Hsiao, CIO and Co-Founder of Triada Capital Ltd.

Interviewed by SUZY WAITE

Q: How did you break through into the finance industry? Did you face any extra barriers as a woman?
A: Credit investment/portfolio management is my second career. I had practiced corporate law for several years in New York before switching to finance in London. I was fortunate to have convinced someone to see the additive value of bringing someone with legal skills to the credit investment side.

I did not find blatant barriers simply because I was a woman, but obviously certain perceptions still exist that may be insidiously serving as barriers. I was once told by someone senior that, while he regarded me highly, I might want to reconsider whether I wished to pursue this career path. He had never seen a woman succeed as a portfolio manager and he said that I would never be part of the boys club.

For me, I am not afraid to speak my mind. I don’t spend much time worrying about what I can’t control. I focus only on what I can do to improve myself.

Q: What is your take on board quotas?
A: When I was younger and more idealistic I would have responded that if I were a female candidate up for consideration, I would want to be certain that I would be hired to a corporate board on merit alone rather than as a token female to fill a quota.

Today, given the snail’s pace of progress in changing the face of corporate boards, I believe that it may be too difficult to effect a broader change in corporate culture without a firmer nudge to shift things from status quo. Imposing quotas on boards does not mean having to sacrifice any reasonable selection criteria that’s based on merit.

Q: On maternity benefits, do you find that women don’t take the full leave that is offered due to peer pressure?
A: Everyone should take the maximum maternity and paternity leave available because kids grow up too quickly. As much as you love your job, it will be your kids who you can count on to love you back!

I don’t know if women feel pressured to take less-than-offered leave, but I do know that women feel a palpable fear of being placed on “the mommy track” when we return to work post-maternity leave. I know I did – I didn’t want to

“You have to be better than all the men. You can’t just be good, you have to be great.”
— Erika Karp, Cornerstone Capital
“Imposing quotas on boards does not mean having to sacrifice any reasonable selection criteria that's based on merit.”
— Monica Hsiao, Triada Capital Ltd.

France

Marguerite Bérard-Andrieu, CEO of BPCE

Interviewed by ALISON CIACCIO

Q: How did you break through into this industry? Did you face any barriers as a woman?
A: I spent eight years in the French civil service starting at the Ministry of Economy and Finance in 2004 and latterly as a Social Affairs advisor to the French President of the Republic and then as Chief of Staff for the Social Affairs Minister. In 2012, I moved to the private sector joining BPCE, the French banking and insurance group.

I was fortunate to be surrounded by working women with high-level responsibilities and well-balanced family lives. So I never thought I had to choose.

I have no precise recollection of barriers. But there are many little daily life episodes that prove that progress remains to be made. When you are mistaken for the personal assistant whereas you are leading the delegation; when in a meeting people naturally turn to you to ask when coffee will be served. You have to know how to make your male co-workers understand these situations with humor because, as we say in French, you do not catch flies with vinegar. But you must show perseverance.

Q: What is your take on board quotas?
A: This is an issue on which I have changed my mind. A few years ago, I was not in favor of board quotas because I found them regressive for women. Today, I consider quotas a temporary but necessary evil. A dominant culture cannot be changed without the minority group (regardless of who is the minority), representing a sufficient weight. It is not pleasant. But I am tired of hearing that it takes time to build the necessary female talent pools.

Q: Has the work culture of your industry changed at all? Do you see things getting better or worse on the issue of gender parity?
A: What can most effectively and quickly change work culture is the personal involvement of the top management. This is what happened in our group and it has had a decisive impact. Being inclusive to female candidates for leading roles, setting targets for female recruitments in management positions, having gender equality in internal training programs are all good practices. I also recommend that managers mentor female candidates. Not only will they help them, but it will help these managers understand some of the remaining prejudices. A CEO often becomes more aware of these prejudices when his daughters are entering the workforce. If mentoring can save him and us time, so much the better.

Q: On maternity benefits, do you find that women don't take the full leave that is offered due to peer pressure?
A: I have two young children. I chose not to take a full maternity leave. This decision was not made under pressure. It is a very personal choice, and I do encourage women on my teams to take a full leave.

“A CEO often becomes more aware of these prejudices when his daughters are entering the workforce. If mentoring can save him and us time, so much the better.”
— Marguerite Bérard-Andrieu, BPCE

Japan

Kathy Matsui, head of Economics, Commodities and Strategy Research in Asia at Goldman Sachs

Interviewed by SUZY WAITE

Q: How did you break through into this industry? Did you face any barriers as a woman?
A: I’ve been in the industry since 1990. Frankly it hasn’t changed that much since then in terms of the lack of diversity on sell side research in Japan. I was the only female equity strategist and am still the only one in Japan. I felt I had to prove myself and prove that I could be just as impactful as a man.

I decided to explore topics and themes that were more
“[Japan] has a finite and shrinking workforce population so diversity is not optional – it’s imperative.”

— Kathy Matsui, Goldman Sachs

Q: What’s your advice for maintaining a work/life balance?
A: After I had my first child I decided “work-life balance” is a terrible term. It implies that as a woman, one-third of you must strive to be the perfect wife, one-third the perfect mother and one-third the perfect career woman. I decided to substitute that with the term “work-life equilibrium.” No one I know has a perfect balance in life. My new motto is: “Done is better than perfect” and this has substantially reduced the stress in my life.

Q&A

Canada
Sandra Stuart, President and CEO of HSBC Canada

Interviewed by ALISON CIACCIO

Q: How did you break through into this industry? Did you face any barriers as a woman?
A: I started out as a teller in 1981 at our Hastings & Gilmore branch in Burnaby, BC. The culture of the bank, in all banks, was different then, and it wasn’t necessarily as accepting of women in the commercial and global banking businesses, and in the technology space, as it is today. That said, I think I must have missed the memo on what the typical roles were for women in banking – and in hindsight I’m glad I did, because it could have been a bit daunting at the time.

Q: What is your take on board quotas?
A: We haven’t set quotas for filling positions on our boards, but I am adamant in our insistence on seeing a diverse pool of candidates for roles. Ultimately your selection is subjective, but there’s a framework around how you think about your talent. And that wasn’t there 10 years ago to the degree that it is now. In the past six years, I’ve seen rapid change at HSBC. In 2010, when I was appointed to the board and named chief operating officer, one-fifth of the directors in Canada were female. Now, our board comprises an equal number of men and women, and so does our executive committee. In fact, women make up 50 percent of HSBC Bank Canada’s board of directors and 60 percent of our senior leadership roles, and 47 percent of employees self-identify as being members of a visible minority.

Q: On maternity benefits, do you find that women don’t take the full leave that is offered due to peer pressure?
A: I have never had peer pressure to come back early from maternity leave. I think parental leave should be mandated. It builds empathy in the family and shares the burden of child rearing. The consciousness has started to change in Japan. We have more women working as a percentage of the overall workforce. But more needs to be done to expand child care and elder care capacity and to change the mindset about the roles of women and men in society.

Q: On maternity benefits, do you find that women don’t take the full leave that is offered due to peer pressure?
A: I would hate to think that anyone had succumbed to peer pressure not to do something, but I have found that maternity leave and how long a new mother takes for maternity leave is entirely personal. I have colleagues and friends who couldn’t wait to get back into the office and back on their career paths. I also have female colleagues and friends who

“Do what you love. True passion for what you are doing will get you through even the toughest days.”

— Sandra Stuart, HSBC Canada
Q&A

were always career focused, but once their babies were born, changed their priorities and chose to take their full maternity leave. And a few even decided that they would rather stay at home and raise their children.

Q: Do you find it's possible to have a work/life balance?  
A: It’s measured differently by everybody, but yes, I try to maintain a work/life balance. Of course a role like this requires me to work hard, but like everyone, I have a family that I love and there are some family commitments that are very important to them and to me. During those times, I make sure that work and life don’t overlap. But I know the importance of maintaining a work/life balance, and I try to make sure that my colleagues know this and try to maintain one. I find that this allows them to do the same. “If my boss finds it important to spend time with family, then so can I.”

Q: What’s your advice to women entering the finance sector?  
A: It’s that old adage: Do what you love. True passion for what you are doing will get you through even the toughest days. First of all, you have to want to be in finance, you have to be interested in finance. And like any other sector or industry, you need to keep learning. Professional development is very important. Attend training seminars and conferences, find a mentor who can guide you, join professional organizations and even go back to school. But never stop learning. And growing professionally.

Germany  

Anja Mikus, CIO at Arabesque

Interviewed by OLIVER SUESS, STEVEN ARONS and ALISON CIACCIO

Q: How did you break through into this industry? Did you face any barriers as a woman?  
A: When I started my career as an analyst and portfolio manager with Allianz, I didn’t notice any gender-related issues. The role required me to have a good market understanding, an opinion and to make good decisions under uncertainty in order to add value to client portfolios. I like that kind of challenge. Therefore, I had a good starting point, and some years later I got promoted to managing director.

There is still however, a prevailing attitude among men that can sometimes hold women back in finance, one which exists almost subconsciously. It’s a cultural thing — especially in the fund industry – where people ask, “Can a woman really fill that role, managing hundreds of millions?” Even though their qualifications are the same, a female fund manager will face this question more than her male counterpart. We still haven’t moved on in that respect.

Q: What is your take on board quotas?  
A: Principally, I do not like quotas. I think they are artificial and can be unfair. However, change won’t happen on its own. Until more women are in higher management roles, I do believe unfortunately that we need mechanisms in place to achieve better gender balance at the top table. I support quotas for now, but hope to see a day soon where they are redundant.

Q: Has the work culture of your industry changed at all?  
A: Child care, for example, was much different when my son was a baby. My employer at the time said that a company kindergarten was completely out of the question because “an employer should not get involved in the education of its employees’ kids.” Times have changed a lot since 1993.

The investment industry is, by and large, a forward looking industry and very much client oriented. But it has ignored fundamental changes in society where, over the past two decades, more and more women have taken over management positions across a wide range of sectors.

Equity analysts know that companies with good corporate governance have a significantly better chance of being competitive in the future, and generating sustainable growth. At Arabesque, where we integrated ESG data analysis within a quantitative investment process, it is the ‘G’ — governance — that is one of the most important factors when considering extra financial performance. I’m now at a stage of my career where I want to support other women, and I am therefore a member of the networking organization Fondsfrauen (Fund Ladies). The organization will help to keep the spotlight on diversity in the industry, and to actively push for actions to achieve and deliver better diversity. The fact that less than 7 percent of senior fund managers are women is no longer acceptable.

Q: On maternity leave, do you find that women don’t take the full leave that is offered due to peer pressure? What is your view on paternity leave?  
A: I think it’s better to think first about what is the best solution for the family, and then secondly for the job. With a good and optimized solution in the workplace, then I think the right balance can be found. While I think that peer pressure around length of maternity leave is less of an issue — certainly in the finance industry — than it once was, it’s undoubtedly true that there remains a certain amount of peer pressure around paternity leave. However, attitudes are shifting, with increasing levels of shared responsibility for child care. And that can only be a good thing for everyone.

Comments have been edited and condensed for clarity.

“The fact that less than 7 percent of senior fund managers are women is no longer acceptable.”

— Anja Mikus, Arabesque
Gender Pay Parity Is Closest in Luxembourg, Study Shows

By ALISON CIACCIO

WHEN IT COMES to closing the gender pay gap, the world is still far from achieving parity.

OECD countries may spend the next 95 years, on average, working to close the gap based on current rates of progress, according to a new report from PwC.

“In this day and age it seems unconscionable that women are still paid relatively less than men,” PwC economists Yong Jing Teow and Shivangi Jain write in the consultancy’s Women in Work Index report, which analyzed pay parity in OECD countries.

“Today the average working woman in the OECD still earns 16 percent less than her male counterparts, despite being better qualified,” according to the report.

Throughout the OECD, the pay gap ranges widely: In Korea, the divide is at a whopping 36 percent, according to the report. That compares to the relatively tiny country of Luxembourg, where the shortfall is only 4.9 percent.

The report said governments can address pay gaps through policies that improve access to affordable childcare and create shared parental leave.

There are incentives, the report said, as closing the gap could mean a windfall in the increase of total female earnings by about $2 trillion. For GDP, it could mean a rise of $6 trillion, according to the report.

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<thead>
<tr>
<th>Country</th>
<th>Gender Pay Gap</th>
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<tbody>
<tr>
<td>Korea</td>
<td>36.1%</td>
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<td>Estonia</td>
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<td>Japan</td>
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<td>Luxembourg</td>
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Source: PwC Women in Work Index Feb. 2017
Less Than Half of Top Earners are Women in Parity-Committed Finance Firms

By SIOBHAN WAGNER

WOMEN ARE STILL not equally represented among the top earners at many financial companies, even those in the Bloomberg Financial Services Gender-Equality Index, which have stated commitments to gender parity. These companies provide Bloomberg with data on areas such as equal pay, diversity programs and retention of female employees.

Newcomer to the index this year Hong Kong-based insurer AIA Group Ltd. reported that 43 percent of the top 10 percent of earners in its company in fiscal year 2015 were women. Not all companies in the index reported on this metric.

<table>
<thead>
<tr>
<th>Company</th>
<th>Percentage</th>
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<td>Bank of America corp</td>
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<td>Banco Santander SA</td>
<td>11%</td>
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Source: Bloomberg. *The chart includes index companies that provided information on women in the top 10 percent of earners in fiscal year 2015, narrowed down to the 10 with the highest market cap.

How Long Will It Take to Close the Gender Wage Gap?

<table>
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<tr>
<th>Country</th>
<th>Within 20 years</th>
<th>Within 50 years</th>
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Source: PwC Women in Work Index Feb. 2017

Average years it will take at current rates of progress to close the OECD gender wage gap

95
Can You Have Too Much Maternity Leave? In Europe, Maybe

By LAURA COLBY

If President Trump keeps his promise, the U.S. will join the rest of the industrialized world and provide for some kind of paid maternity leave. As explained on the campaign trail, Trump would give new mothers six weeks off with pay, and American women will still envy their Western European counterparts who get some of the most generous leave policies in the world.

Maybe they shouldn’t. Workers in the U.S. surely get too little leave — nearly three-quarters of companies don’t offer any paid time off for childbearing — but research suggests European women might get too much.

Parental leave policies that extend to a year or two often set women back professionally, says Ariane Hegewisch, program director for employment and earnings at the Institute for Women’s Policy Research in Washington: “It seems to slow down both women’s career advancement and labor force participation.”

In Hegewisch’s native Germany, for example, women can take off as much as three years per child with partial pay. Sure enough, 73 percent of German women return to the workforce. But about half of those workers end up working part-time, earning less and advancing more slowly if at all.

In fact, while World Economic Forum ranks Germany 13th for gender equality overall, when it comes to women’s economic participation, it’s 57th, behind Mozambique and Belarus. There’s still a generally conservative view of working moms, who are sometimes disparaged as “raven mothers.”

Annette Storr, head of public affairs for UPS in Germany, took a year-and-a-half of leave after her son was born. It was too much, she says, “I lost contacts on some projects and my network had changed.” Now she’s helping UPS set up an informal mentoring program for women on maternity leave to create “very loose, but regular contact on a voluntary basis,” Storr says. “It’s what I would have wanted for myself.”

The biggest health benefits from leave manifest in the first six months, says Christopher Ruhm, a professor at the University of Virginia. Longer leaves wouldn’t work in the U.S., at least not now, he said, noting that Europeans have more job protection, stronger unions and much stronger social insurance. “We have such different institutions,” he says. “You’d want to start out cautiously, with a modest leave, then evaluate it.”

Even with legislation, there’s still a cultural barrier. In a survey of more than 25,000 Harvard Business School graduates, women in fields like finance and consulting reported that taking more than six months of leave
hurt them professionally. “Bosses and coworkers draw negative conclusions about women and their commitment,” said Robin Ely, head of HBS’s Gender Initiative.

Amending the federal Family and Medical Leave Act, which allows employees to take up to 12 weeks of unpaid leave, with 12 weeks of paid leave would be one initial solution, said Virginia’s Ruhm.

That’s still less than the minimum of 14 weeks recommended by the United Nations’ International Labor Organization. Trump’s six-week proposal would also only cover biological mothers without employer-sponsored leave.

That doesn’t even come close to the level at which a women might have to worry about adverse effects on her career, says Maya Rossin-Slater, an assistant professor of economics at the University of California, Santa Barbara.

It’s also modest enough to have limited impact on employers. In a study of 104 small and medium-sized companies in Rhode Island, which offers up to four weeks of paid leave for parents and caregivers, the researchers found that maternity leave was “a non-event for employers” in terms of absences, morale, and profitability.

In a survey of more than 25,000 Harvard Business School graduates, women in fields like finance and consulting reported that taking more than six months of leave hurt them professionally.
BOARDROOM DIVERSITY

Boardroom Diversity Advances Even in Some Countries Without Quotas

By DANA PARDINI

GENDER DIVERSITY IN boardrooms of the biggest companies globally continues to advance, albeit slowly, with an average of 18.5 percent of seats held by women in 2016, up from 15.2 percent in 2014, according to international consulting firm Egon Zehnder’s latest Global Board Diversity Analysis. The report studied 44 countries, with 36 showing progress in gender parity in the boardroom.

The representation of women on boards globally is increasing by about 1.6 percent a year, and at that pace, the report said, gender parity is roughly 20 years away.

Of the top 10 performing countries, which range from having more than 20 percent to almost 40 percent of board positions filled by women, only three do not have quotas in place.

Sweden, the second most diverse country in terms of women on boards, reached 37.7 percent in 2016 without the implementation of quotas.

In Italy and France, where quotas were introduced in 2011, the percentage of women on boards has soared. In Italy, the number rose to 32 percent from 8 percent in four years, the report said. In France, it climbed to 38 percent from 21 percent in the same period.

“Targets can be an effective tool,” Damien O’Brien, global chairman at Egon Zehnder said in the firm’s report. “I don’t happen to be a fan of quotas myself, but I can absolutely understand why quotas are going to be adopted. If you are going to champion diversity in the workplace... you need to have a board that mirrors that.”

The 10 worst performers on this scale, none of which have government-enforced quotas, have less than 8 percent of board seats filled by women, according to the report.
**Tipping Point for Boardroom Diversity Is 20 Years Away**

*For gender diversity to have meaningful impact at the board level, representation by three or more women is required to reach the tipping point for change, according to Egon Zehnder.*

**Three Women on the Board in 2011 May Have Boosted Earnings Over Last Five Years**

By SIOBHAN WAGNER

**U.S. COMPANIES THAT** had at least three women on their boards in 2011 may have seen a boost to earnings per share over the last five years, according to a study by MSCI Inc. The research provider said it analyzed U.S. companies in the MSCI USA Index over a five-year period (2011–16). Companies that began the period with at least three women on the board experienced median gains in earnings per share of 37 percent, the study showed. In contrast, companies that began the period with no female directors saw median changes of minus 8 percent in EPS. The study also found that having any amount of women on the board over that period — even if the numbers went up or down — led to median gains in earnings per share.

**Women in Europe Lead in Boardroom, Not C-Suite, Compared With U.S. Colleagues**

By SIOBHAN WAGNER

**WOMEN IN EUROPE** have a greater share of boardroom seats than their U.S. counterparts but c-suite positions are much further from reaching gender parity.

The median percentage for women on boards of companies in the Bloomberg European 500 Index is 25 percent, compared with 20 percent in the S&P 500 Index.

The median percentage of female executives at S&P 500 companies was 14.29 percent, compared with 7.69 percent at BE500 firms.

**A Seat at the Table**

Five-Year Earnings Per Share

Source: MSCI ESG Research

**Europe Is Far From C-Suite Parity**

Source: Bloomberg

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% Women on Board (Median)  % Female Executives (Median)  30%
20%
10%
0%

S&P 500 Index (U.S.)  BE500 Index (Europe)
Women Central Bank Bosses Outnumber Male Peers in Southeast Asia

By DAVID ROMAN

MANY HAILED ZETI Akhtar Aziz’s 16-year tenure as governor of Malaysia’s central bank as a triumph for gender diversity in Southeast Asia. Turns out it wasn’t such a rarity.

Women have become uniquely well represented throughout Southeast Asia’s central banks, the latest available data show. They account for almost two thirds of managerial staff in the Philippines, and at least half in Indonesia, Thailand and Malaysia. That compares with much lower figures at their developed-world peers.

If anything, it may be getting worse elsewhere. At last count, there were 12 central banks led by women, compared with 19 in 2014 when Janet Yellen took over as head of the U.S. Federal Reserve, specialist publication Central Bank News says. In the European Central Bank, 27 percent of managers are women, and it’s targeting 35 percent by the end of 2019. Less than a third of the Reserve Bank of Australia’s managers are female.

“Having central banks with greater diversity could be useful in bringing on board different perspectives and policy approaches,” said Wellian Wiranto, an economist at Oversea-Chinese Banking Corp. in Singapore.

In Thailand, the central bank has long attracted female talent and was run by a woman from 2006 to 2010. Females make up more than half of students of monetary economics at Bangkok’s prestigious Chulalongkorn University, said Pongsak Luangaram, who teaches the subject there and wrote a book on the Bank of Thailand.

Thai women’s “academic performance is generally better than men,” said Luangaram, who said a central bank job is considered to be of high status in Thailand and parents tend to support their daughters if they plan careers there.

That’s in stark contrast to nearby Australia. RBA Governor Philip Lowe recently lamented the lack of girls studying economics and finance in the country. He’s targeting 35 percent of women in managerial positions by 2020.

While the Monetary Authority of Singapore did not provide a figure for women in managerial roles, it ranks well for equality: just over half of its employees are female.

What Glass Ceiling?
Women account for more than half of managers in Southeast Asian central banks.

% of Women in Central Bank Staff % of Women in Managerial Positions

<table>
<thead>
<tr>
<th>Country</th>
<th>% of Women</th>
<th>% of Women</th>
</tr>
</thead>
<tbody>
<tr>
<td>European Central Bank</td>
<td>26.5%</td>
<td>43.1%</td>
</tr>
<tr>
<td>Australia</td>
<td>31.0%</td>
<td>40.0%</td>
</tr>
<tr>
<td>U.S.</td>
<td>42.6%</td>
<td>43.5%</td>
</tr>
<tr>
<td>Thailand</td>
<td>50.0%</td>
<td>54.1%</td>
</tr>
<tr>
<td>Indonesia</td>
<td>56.5%</td>
<td>50.0%</td>
</tr>
<tr>
<td>Malaysia</td>
<td>48.7%</td>
<td>57.9%</td>
</tr>
<tr>
<td>Philippines</td>
<td>46.3%</td>
<td>62.8%</td>
</tr>
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Source: National central banks; Note: Data for Indonesia, U.S. is based on Bloomberg calculations

35%
European Central Bank’s target for female managers by the end of 2019, up from the current 27 percent.
RBA Governor Lowe Says He’ll Champion Women in His Central Bank

By MICHAEL HEATH

RESERVE BANK OF Australia Governor Philip Lowe prides himself on trying to fully answer questions leveled at him in public. It turned out to be a query from his family that flummoxed him.

Lowe’s 15-year-old daughter came home from school with a burning question that would leave an impression on the RBA chief: what was he doing to make sure women have equal chances at the central bank?

“I didn’t have a really good answer at first and she said ‘that’s not good enough,’” 55-year-old Lowe said in his first interview after taking over as governor in September 2016. “So that made me think about where we’re going.”

Since then, Lowe has promoted women to two of three RBA assistant governor roles focused on monetary policy — the first time females have held such positions. The institution has struggled to lift its share of women managers to a third — mirroring a similar challenge throughout Australia’s workforce.

But Lowe’s efforts to further gender equality face a problem: there’s a dire shortage of girls studying economics. For economics, the recent ratio for schools in New South Wales — Australia’s most populous state — was one for every two boys, according to government data. The upshot is that the competition for talented women is intensifying.

“At the end of the day, we can’t all achieve our objectives unless there are more women studying economics,” Lowe said in the interview, in which he didn’t discuss monetary policy. “Companies can compete with one another, and those particular women will do very well, both financially and career-wise, but we won’t all be able to achieve our objectives.”

While the RBA’s female representation is in a similar range to developed-world peers, it lags regional counterparts. Thailand’s central bank had a female governor from 2006 to 2010 and half of 60 executive roles are held by women, while Zeti Akhtar Aziz ran Bank Negara Malaysia from 2000 until last year.

In the Federal Reserve under Janet Yellen’s leadership, some 37 percent of its executives and senior level officers were women in 2015, according to the Fed’s Office of Diversity and Inclusion. Among other peers, Russia’s and Israel’s central banks are led by women.

“Having female executives at the RBA shows young women studying economics that there is a career path to the top if that’s what they want to do,” said Annette Beacher, head of Asia-Pacific research at TD Securities in Singapore. “What I personally hate is groupthink, and so the more diverse your group — whether it be gender or background — the less likely that is, and the more likely you’ll get better results.”

Lowe also believes the need to hire more women goes beyond simple equity, important though that is. Organizations like the RBA are in the ideas business, developing them and seeing if they withstand scrutiny, and that doesn’t work as well in a uniform group.

“If you’ve just got people from the same gender and the same background, the same personality even, then you’re not going to be as good at developing and testing ideas,” said Lowe, who joined the RBA in 1980. “Historically we’ve had a particular way of viewing things and it’s actually worked out OK, but maybe we could’ve done better if we had more perspectives.”

The RBA is targeting 35 percent of women in managerial positions by 2020, with a longer-term goal of 40 percent, from its current level of 31 percent. But it’s facing stiff competition from the nation’s major banks and other financial institutions also striving to boost their female numbers.

Lowe’s ultimate aim is to establish a strong bench of female executives at the RBA, where he began a seven-year term as governor in September. That surely begs a follow-up question to his daughter’s initial one: How long until a woman gets the top job?

“At least six years and nine months!,” laughed Lowe. “Not that I’m counting.”

— With assistance from Suttinee Yuvejwattana and David Roman.
Only One in Five Mutual Funds, ETFs Has a Female Manager

By JUSTIN MORTON, ANNE RILEY and ALISON CIACCIO

FOUR OUT OF five mutual funds and ETFs globally operate without any female managers, according to a report by Morningstar Inc.

Gender parity has not improved much since 2008, and in some countries – including the U.S. – it has actually gotten worse, according to the study of 26,340 mutual fund and ETF managers in 56 countries conducted by Morningstar and released in late 2016.

In the U.S., 9.7 percent of fund managers were female at the end of 2015, down from 11.4 percent prior to the financial crisis. In comparison, women make up 36 percent of lawyers and 33 percent of doctors in the country, according to the report.

Since the report’s release, Madison Sargis, a quantitative analyst at Morningstar and co-author of the report, said its topics resonated with many women in the industry.

“Many female fund managers said the findings of our study were not that surprising and fits into their experiences,” Sargis said in an interview with Bloomberg Briefs on Feb. 22. “Even though this topic has garnered a lot of press attention, when you look at the macro level, not much has changed.”

Of the countries studied, Singapore and Portugal had some of the highest percentages of female fund managers at 30 percent and 28 percent, respectively. India and Poland were at the other end of the spectrum, the report shows.

Women are more likely to manage passive funds than active funds, and they’re more likely to oversee fund of funds as opposed to funds that buy and sell individual securities, Morningstar said.

“We might conclude that with more women managing passive funds, perhaps they are given less responsibility versus men who are managing active funds,” Sargis said.

But does gender diversity matter when it comes to investment returns? Sargis said that is the question that she will attempt to answer next.

“Feedback has been: so now what?” Sargis said. “The next logical step seems to be studying performance by portfolio member’s gender.”

Singapore, Portugal, Hong Kong Have Highest Percentages of Female Mutual Fund, ETF Managers

Source: Morningstar
I MAY BE just slightly biased, but it frustrates me that there aren’t more women in fund management. It’s an intrinsically good career for anyone who wants to be judged on results rather than hours at the desk. I have nine children and know one of the reasons why I have been able to progress is that — admittedly more through luck than judgment — I joined a profession where if you’re good at your job, the numbers speak for themselves. Performance in other sectors is often more about the inputs — both time and navigating politics. I really don’t think I could have achieved the same parallel evolution of my family and career in a transaction-based role, where a deal can be all-consuming.

I’ve found fund management rewarding, too, in terms of meaningful work. Good fund managers serve a useful social purpose: if we do our job well, we can help improve people’s financial health, a vital but often overlooked part of everyone’s well-being. I’ve also been able to speak up on a number of broader societal issues and influence positive change.

But I have to admit that at the moment, the industry is very male-dominated. The numbers are terrible – just 7 percent of U.K. retail fund managers are women, according to Tilney BestInvest. When larger firms publish their gender pay gap statistics from April, we know that our gap will look especially wide – as high as 50-60 percent – because there are so few senior women. These statistics are worse than in most other areas of financial services.

Of course, this starting point is an obstacle when it comes to attracting and developing future female talent. The Future Aspiration Study, research undertaken by the 30% Club involving over 20,000 students at 21 universities, confirmed that female students feel discouraged from applying to male-dominated industries because they fear this will limit their career prospects. Quite rationally, they are more attracted to those industries and employers that seem ahead of the “gender agenda.”

Despite all these challenges, I am optimistic that all this is about to change. I believe that the recent efforts to achieve better gender balance on company boards are just the beginning of a much bigger societal shift. The skills needed to succeed in a networked world, where influence and inspiration are more effective than force, include empathy, building trust, listening to others. These are often described as feminine attributes – of course men can have them too, but neuroscience suggests that women are – on average – more hard-wired to exhibit these increasingly valuable traits.

Of course that’s good news for women across all sectors, but fund management has further impetus to accelerate change. First, there’s now a strong awareness that we have fallen behind in diversity efforts, so there is a new sense of urgency. Most companies realize that they won’t be able to attract and retain the best and brightest young men or women unless they look more modern.

Second, there’s now widespread agreement that cognitive and experiential diversity improve decision-making. Groupthink has proven to be the enemy too many times. Identity diversity – more women, a wider range of socio-economic backgrounds, more ethnicity, all sexual orientations – is a starting place for broadening that all-important diversity of thought.

And third, there’s now a new initiative to help the whole savings and investment industry to move from talk to action, from action to results. The Diversity Project is aiming to deal with the issue to “once and for all” supplement and amplify individual company efforts with a concerted set of programs. These efforts are no longer peripheral to the main event, but aimed at creating the right culture to foster all talent and that needs radical, not incremental, change. CEOs of the firms involved in the Diversity Project are taking an active role, leading within their own businesses and are determined to correct what is now seen as a problem and an anomaly. Over 40 firms and associations are already involved, creating a joined-up approach, and momentum is strong.

So come and join the investment industry – you will be warmly welcomed!