Girls that Invest

Your guide to financial independence through shares and stocks

Simran Kaur

Creator of the global #1 Investing Education Podcast

Table of Contents

List of Tables

List of Illustrations

‘A new take on an old boys club. Forget everything you've heard about investing and get stuck in to learning the oldest profession we've ever been excluded from. I dare you to read this book and NOT see yourself as an investor.’

Natalie Ferguson, CXO, Hatch

‘By the end of the introduction of this book, I had decided that I'm buying a copy for my niece. I would do this even before I gave her a copy of my own money book. You need to buy two copies of this book, trust me. I couldn't stop reading. Sim drew me in and she will draw you in, too! You're going to learn so much and be so encouraged with your financial future.’

Glen James, author of *Sort Your Money Out & Get Invested* and host of the *my millennial money* podcast

‘An empowering perspective on investing.’

Brooke Roberts, co-CEO, Sharesies

‘This is an incredible read, making the investment world accessible, understandable, and most importantly, fun. Sim has distilled key topics into bite size pieces, turning a subject that overwhelms many into one that invites you in.’

Brianne West, founder and CEO, Ethique

Girls that Invest

Your guide to financial independence through shares and stocks

Simran Kaur

WILEY

First published in 2022 by John Wiley & Sons Australia, Ltd

42 McDougall St, Milton Qld 4064
Office also in Melbourne

ISBN: 978-1-119-89378-3

NATIONAL LIBRARY OF AUSTRALIA

A catalogue record for this book is available from the National Library of Australia

Cover design by Alissa Dinallo
Cover background and internal page opener images: ©Voin_Sveta/Shutterstock
Internal design and figures by Chris Shorten/Wiley

Acknowledgements

To my father, Pushpinder Singh, for teaching me the importance of education.

To my mother, Gurpreet Kaur, for teaching me the power of faith.

To my best friend, Sonya Gupthan, for teaching me to believe in myself.

About the author

Simran Kaur is a financial columnist, international TEDx speaker, and founder of *Girls That Invest*, the number-one global podcast aimed at increasing financial literacy for women and minorities everywhere.

Sim's powerful voice as an advocate and educator has resonated worldwide, with the *Girls That Invest* podcast featured across the globe by *Vogue* (India), Business Insider (US), ABC News (Australia), CTV (Canada), University of Oxford Women in Business, *Glamour* magazine, and many more. In her home country of New Zealand, she's appeared on Newshub, The Breakfast Show, The AM Show, 1 News TVNZ, The Spinoff, Radio New Zealand, and Māori TV, and she writes a regular stock market column for news provider Stuff.

As a speaker, Sim has been invited to share her advice for would-be women investors internationally, from a TEDx talk to events sponsored by government agencies, global corporations and universities.

Girls That Invest was founded on the principle that investing should be for everyone. It aims to break down the misconceptions, demystify the jargon, and offer a step-by-step pathway that women everywhere can follow to start growing their hard-earned money — because it's only through financial independence that women can be truly free to make their own choices and take charge of their lives.

Girls That Invest has now become an online phenomenon: through her podcast, investing master classes, and social media platforms like Instagram, Simran has created a vibrant, supportive online community where women can come together to learn and to share their experiences and ideas.

The lessons Sim herself has learned about how you can think about, live more confidently with, and grow your money are now shared in this book. In *Girls That Invest: Your Guide to Financial Independence through Shares and Stocks*, Simran will take you through the basics of why and how to start investing. More than that, she invites you to join the global Girls That Invest community — a place where you can join the conversation with other beginner investors, from all different backgrounds, who are ready to create a better, more secure future for themselves and their communities everywhere.

‘If you educate a woman you educate a village’

The nine-year-old analyst and me

The world of investing wasn't one I grew up in. My first memory of the stock market took place on the school playground in my fourth year of primary school. A friend was telling me excitedly how she understood what those company charts on the news meant — you know, the ones with all the green arrows with numbers next to them. Her dad had explained to her how to read the stocks on the TV and she seemed pretty proud of herself.

'What is this "investing" thing?' I asked myself. I too had seen those tables with the dollar signs next to companies like Apple or the USD. I knew what Apple was, I knew what USD was, but nothing made intuitive sense.

That evening I went home eagerly waiting for the 6 o'clock news to arrive so I could ask my dad the same question. He tried his best to explain the ups and the downs and the trends, but I just didn't get it. Looking back, I don't think he quite understood it either. But when you're nine you don't think that way. You assume you're just not smart enough for it.

> *It's not for me.*
>
> *I'm not good with numbers.*
>
> *I'm just naturally bad at maths, I could never invest!*

Or, my favourite,

> *Look at me, I'm no rich man in a suit, I don't belong here.*

These were the thoughts I had about myself, about money and about the world for the next 15 years. I knew I was somewhat smart — at least in academia. But investing just didn't. Make. Sense. So it must just be me, right?

The next run-in I had with investing was in my first year of university. I was waiting in line to get into a lecture when a classmate told me about a student he knew who paid off his medical school loans through investing — while still at university. I was studying science at the time, and at that point I didn't even know what a supply and demand graph looked like.

‘How'd he do it?' I asked, in awe of the possibility of graduating debt- free and how so much money could be made in the market.

‘His dad works in finance,’ my friend replied.

‘Well my family doesn't work in finance, so I guess I'll never know how to invest’ somehow seemed like the most logical thing to say at the time.

Let's unpack that for a moment: I didn't bother to open my mind to the possibility of asking more questions. If I didn't understand something, why didn't I ask? There are so many questions now that I would have asked:

Who was he?

How did he do it?

Could I talk to him?

Was this something I could learn?

Was there a book or resource his dad could recommend?

Instead, young Simran shut down the idea of investing before she even gave herself a chance to explore the concept further. She didn't believe she was capable of learning, so she didn't bother trying. That was my second run-in with investing, yet, despite being older than nine, my response was still the same:

> *It must be me. I'm just not smart enough to understand how to invest.*

The world of investing has never really opened its arms to women or minorities. At best it's maybe looked over its shoulder at us and given a shrug. Or perhaps reluctantly invited us to the party hoping the invite would somehow get lost in the mail. Financial education has been scarce, and it has not been accessible. The jargon is full of heteronormative, classist and guilt-inducing language. No wonder no-one is listening.

It's a concept women and minorities around the world are all too familiar with. With a number of studies showing only 16 to 20 per cent of women invest, and with women only having 44 cents for every dollar of men's wealth (according to the US 2019 Survey of Consumer Finances, conducted by the Federal Reserve Board), we're lagging behind when it comes to financial wellness and growth.

We've all heard of the wage gap, where women who are in the same field with the same experience are making less than their male colleagues. But very little attention is given to the wealth gap. When we aren't making enough and aren't investing enough, we see a much larger, much more damaging financial gap with cis white men on one side and, quite frankly, everyone else on the other.

You may have assumed that women and minorities just aren't good with money, or we just aren't smart enough to handle it. The truth is our relationship with money goes much deeper. Centuries deeper. Despite what our inner voice has been telling us, it has less to do with us and more to do with the way the world has worked, up until now.

You might THINK you're bad at money because you don't feel you're ‘naturally good with numbers’ but maybe it's a result of:

- institutional and structural barriers
- money media not representing us
- a culture of shame around discussing money.

Let me break it down.

Institutional and structural barriers

A lot of us view our lack of financial literacy as a direct result of our own intelligence, much like I did in the past. I had the privilege of attending the best public schooling in my country, and yet the concepts of personal finance and investing were never introduced to us. The only financial education I had received up to that point was when representatives from a bank visited our school and handed out free piggy banks.

We're quick to blame ourselves for our lack of financial literacy and yet fail to recognise that we've had years of financial autonomy shaved off compared to our male counterparts. How can we compare our experience against that of people who have had a thousand-year head start? The financial industry was created for men, by men. The jargon, terminology and systems were, intentionally or not, created to serve people like themselves. Women weren't on the boards of directors when the modern banking and investment systems were created, nor were there any people of colour chiming in with their experiences to create a more inclusive, holistic system that would go on to benefit everyone who used it.

Women around the world weren't able to do even the most basic financial planning for most of modern history.

During the 1700s in the US and UK, British common law allowed for husbands to have complete control of any property a woman brought into the marriage. Progress was slow: in 1771 women were allowed to have a voice on how husbands managed their joint assets. How generous. Women weren't able to open up their own businesses either. In 1787, women in Massachusetts, US, were allowed to run their own businesses, but this was more about taking over for their husbands when the men had to go to sea. It wasn't quite a feminist act. It's also important to acknowledge that in the US these laws only applied to 'women of European descent', not all women — African American women were still without basic human rights during this time and were completely kept out of the financial sphere.

It wasn't till 1900, only 120 years ago, when women in every state in the US were able to control property. In Australia and New Zealand, it was 1884. In the UK, it wasn't until 1922, and in India, 1956. That's only one to three generations ago where the women in our families could control their own property.

Only in the 1960s and 1970s were women able to open up a bank account, get their own credit card or even get a mortgage.

Before the US *Equal Credit Opportunity Act* passed in 1974, single, widowed or divorced women in the US still had to bring in a man to co-sign credit applications. Women in Ireland could only own their own homes after 1976. Single women in New Zealand were being denied mortgages even as late as 1982, some being told they needed their father to co-sign. How can we expect to know how to invest when less than 50 years ago we couldn't even open up a bank account? Even to this day, women in certain parts of the world still struggle to access their full financial rights. While there are no laws in countries like Saudi Arabia prohibiting women from buying or renting property, there are many hurdles they must jump if they try to do this without an approving male guardian.

Until quite recently, buying property and investing in shares were not on the list of things women could do to generate wealth. They had to rely on their fathers, husbands and brothers to take care of their financial wellbeing. Inheritances were still largely given to the male child, and in some corners of the world these practices are still occurring.

We have missed out on thousands of years of financial discourse. Fathers passed this information down to their sons, but why tell your daughter the importance of investing or saving when she can't even open up a bank account alone?

Still, this doesn't mean women weren't smart with money. In many cultures, including the South Asian culture I grew up with, grandmothers and mothers would collect gold jewellery as a hedge against inflation — a concept investors now incorporate into their stock market investing strategies with gold. They would then pass it down to their daughters when they left their village for marriage. No bank account? No problem. Gold is a valued commodity, and one that can easily be liquidated for cash in case of an emergency.

You see, women always knew the value of money, always knew the importance of investing and always passed down their version of financial literacy to their children. Replace ‘gold’ with any heirloom, whether it be silver, copper, jewellery or cutlery, and you'll quickly realise this was happening in many cultures; women invested in the commodities available to them. Our grandmothers and great grandmothers knew the importance of being financially independent. We've always been good with investing, despite living in systems that were trying to keep us out. But now is the time for us to learn about the formal financial structures that used to be unavailable to us.

Money media not representing us

Mainstream media have done a great job at portraying the credit-card loving, shopaholic woman. Millennials and Gen Z in particular grew up watching these classics: Alicia Silverstone in *Clueless* portrayed a character completely out of touch with her finances, and clever Carrie Bradshaw in *Sex and the City* was still somehow not clever enough to afford a down payment on an apartment.

Why?

Due to buying too many shoes.

I watched *Confessions of a Shopaholic* as a child and vividly remember the scene where Rebecca, the protagonist, is so moved by a green scarf she sees in a shop window that she must have it, despite being debt-ridden. ‘You just got a credit card bill of $900 — you do not need a scarf,’ Rebecca tells herself, but ultimately ends up splitting the payment across four different credit cards. I received the message that that was how I was meant to act.

The messaging didn't change as I grew older; in *The Wolf of Wall Street*, the two largest female roles in the ‘financial movie of the decade’ show that women either think money is evil and want no part of it like Jordan Belfort's first wife, Denise Lombardo, or are gold diggers who would leave a man if he lost his wealth like his second wife, Nadine Caridi. There is no in between. The only notable female trader in the office depicted in the movie agrees to have her head shaved in front of the trading floor for $10 000 so she can use the money to get D-cup breast implants. Let me make it very clear that cosmetic surgery itself is not the issue. But through the male gaze the movie depicted this woman, the one representative for women on the trading floor, as nothing but a frivolous spender. In reality, a female broker winning $10 000 would have likely considered investing the money.

Money media speak to men about growing their wealth and portray it as a masculine trait. Articles directed at men talk about investing strategies or encourage debates about the latest cryptocurrency, while articles directed at women tell us about a new hack to save $10 a week on groceries. And it's not just anecdotal: a 2018 analysis by Starling Bank in the UK scanned over 300 finance articles and showed 70 per cent of money media directed at men discussed investing, while 65 per cent of money media directed at women were about spending less. Women are told financial planning is complex, threatening and ‘a minefield’. Men, on the other hand, are encouraged to speak about portfolios and take on risk, and themes of strength and power dominate. This encouragement of men to take on more risk and of women to be mindful and have a scarcity mindset is damaging to what young women expect their relationship with money to look like.

The visual content in articles about money pushes this narrative further. In 2021, social representation expert Professor Shireen Kanji at Brunel University audited image libraries to explore how women were being displayed. The results were not surprising: finance articles targeting women showed photos of women smiling next to a piggy bank, displaying a childlike concept of money. In fact, women were nearly four times as likely to be depicted like children compared to men. Yet men were shown in suits, making financial deals or having multiple screens in front of them. Men were more likely to be shown holding notes, while women were more likely to be pictured with pennies in their hands. In couple photos, which were largely of cisgender heterosexual white couples, women were shown to be watching as the man handled the finances. There was also an overall lack of diversity, again pushing the outdated, classist stereotypes surrounding money. These depictions really do matter; how we see people around us can negatively affect what we believe we are capable of.

I ran into this myself on a live TV interview. As I was speaking about breaking down the barriers to investing for women, the network chose to use images of men in suits and overcomplicated graphs as B roll visuals. I'm sure it wasn't intentional, but the irony of using those images to illustrate what I was speaking about was telling.

At a surface level, this may not seem like a big deal. But after years and years of consuming content that subtly tells you money is too hard to grasp, you start to believe that investing is complicated and only for men, while women are just inherently bad with money, or, worse, we're just not interested in our financial futures.

There is very little female representation within the world of investing itself. In 2016 in the US, only 11 per cent of decision-makers in venture capital were women, according to the 2016 NVCA Deloitte Human Capital Survey. Only 14 per cent of mutual fund managers globally are women, according to the 2021 Morningstar analysis of global fund managers. And in the US, only 31 per cent of financial advisers are women according to 2021 US Bureau of Labor statistics. That same study shows that in only 2 per cent of American households do mothers take the lead in investing, and the figures are just as bleak in other parts of the world.

Sallie Krawcheck and Cathie Wood, both upper-class white women, are the only female investment powerhouses that we have in a sea of Warren Buffetts, Charlie Mungers, Benjamin Grahams and Peter Lynches. Representation is powerful, and until we have more women and minorities in the mainstream showing us what investors can look like, we will continue raising another generation of young women who believe that they aren't capable of being good investors.

A culture of shame around discussing money

Money is still seen as a taboo subject, one even parents are uncomfortable speaking about with their children. We grow up being told you don't ask people about their age, religion, politics and *especially* not money. For some odd reason I was stubbornly immune to these messages. I would always query my parents about our finances: how much did mum and dad make, how much did it cost for them to buy a home (back when home ownership was affordable), what was the cost of the car and why did they buy a cheaper old one in cash rather than a nicer car with a loan?

Whenever I visited the homes of friends who had money, I'd always ask what their parents did for a living so I could understand how they got to where they were. I have to admit I was a bit of a nosy kid, but to me the secrecy surrounding money never made sense. Knowledge is power. I would find those conversations both fascinating and helpful in growing my own money mindset — my relationship with how I viewed money — and understanding what steps other people took to get to where they were. Especially if I wanted to get there.

I truly believe keeping silent about money benefits no-one but those who are already powerful.

By keeping silent about money we only make it harder for women and minorities to get paid more, to negotiate better, to learn how to invest; by keeping money as a taboo topic, we only make it harder for more people to understand how wealth creation works. Who's benefiting from our silence? Not us.

I love referring back to a panel that included Sallie Krawcheck, where they discussed the fact that in our culture 61 per cent of women would rather speak about their death than their money (according to the 2018 Age Wave and Merrill Lynch report, 'Women & Financial Wellness: Beyond the Bottom Line'). A woman in the audience disputed that claim. In response, Krawcheck asked her: 'Cremated or burial?'

'Cremated.'

Krawcheck then asked, 'What was your income in the last year?'

Silence.

When we create a narrative saying 'speaking about money is wrong' or 'wanting money is wrong', we prevent thousands of people who didn't grow up with financially savvy parents, teachers or relatives from accessing financial literacy. While I agree with the sentiment that schools should make financial literacy compulsory, teachers are already up to their necks in planning, organising and transmitting information in highly underfunded circumstances. Conversations about money shouldn't solely be the burden of the schooling system.

Instead, we should be encouraging conversations about money in our own circles and communities; there are so many benefits to speaking up. Knowing what your colleagues make can be used to make sure you're not falling victim to the wage gap. Knowing what your seniors or mentors make opens up the doors to understanding what the current ceiling looks like. Speaking about the process of buying a home, what a mortgage entails, the benefits of credit cards and even what the stock market is, aren't necessarily conversations you'd have over coffee with your relatives or even your best friends, yet they are crucial to breaking down these barriers of financial literacy.

Everything is unknown until we talk about it, and the only way to understand it is to open up the dialogue about money.

Money makes you ~~rich~~ free

I came to this realisation at a party. I was 13 years old, and my family and I were at a celebration for a wealthy family friend who had recently started a business. I didn't feel particularly money-minded then and, if anything, this uncle always seemed to be worried and busy. I associated money with evil and guilt — it was something that had to be taken off the backs of other people. On some level I believed that there was only so much money available, so for you to make money it had to be taken away from someone else. That would not be me. I didn't want to be considered ‘money minded’. I personally wanted to spend my time enjoying my life, not chasing dollars and cents.

A woman I had never met came over and, in true ‘aunty’ fashion, asked me about my future and what I wanted to do with my life. I can't remember a lot of what she said in that conversation in between mentioning multiple times that her son was in medical school, but one thing did prick up my ears: she said I really needed to study hard, get a well-paying job and become financially independent. Because then, ‘no matter what happens in your life, whether it be a bad job or a relationship, you can walk away and say no’.

I thought about that conversation a lot after the party. I hate to admit that, eventually, I forgot her name, I forgot what she looked like, what she was wearing and where the party was held, but I never forgot what she said. In order to have more control in my life, in order to have the freedom to live in alignment with my goals and values, and in order to be able to walk away from situations that did not serve me, I needed to be financially free.

I realised it wasn't wrong to care about or be ‘focused on’ money. Money affects every aspect of our lives. It affects our life expectancy, our health outcomes, our access to better resources. It affects our stress and mental health, our relationships with our families, partners and children. It affects our ability to enjoy our day-to-day activities, but, more importantly, it affects our freedom, our choices and what control we have over our lives.

It doesn’t make sense for all of us to walk around pretending like we don’t care about money.

The truth is, regardless of how you politically identify, in our capitalist society, money matters. Not for the finer things in life, but for the freedom it provides you. Sure, this book could be about how to overthrow the capitalism system, but we haven't figured that one out just yet.

If you work a job, pay taxes, pay rent or a mortgage, exchange your time for money and exchange your money for basic necessities like water, housing and goods, you are contributing to a thriving economy and (likely) a capitalist society. And if you're helping it grow, it's about time you