



Wealth Management
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Why financial confidence is key to building the life of your dreams

Ever since I was a little girl, I was determined to be successful. At the age of 12, I started delivering newspapers and I have not stopped working since.

By 30, I was teaching financial advisors about products that would grow and protect their client's wealth, but my real passion was helping them better communicate with women. The industry encourages technical jargon, complicated concepts and solely emphasizes performance. But for women, there is much more.

I have always been comfortable talking about money and investments, but I quickly realized how many women felt overwhelmed when talking about their finances. These were bright, talented, and determined women but when it came to investments, they felt paralyzed. They simply lacked the internal self-belief and confidence in their abilities to manage money.

I have spent almost 20 years in the financial services industry, advocating to help close the gender gaps that exist for women when it comes to money. I believe that as women, our focus needs to shift towards building our financial confidence vs solely focusing on financial literacy.

Before I explain why, let's break these two terms down.

Financial literacy refers to the knowledge and understanding of various financial concepts and skills necessary to make informed and responsible financial decisions.

Financial confidence is the level of self-assurance and belief an individual has in their ability to manage their finances effectively. When someone is financially confident, they feel secure and in control of their financial situation, which can lead to better decision making and reduce stress related to money matters.

There are several studies that link financial confidence vs financial literacy as the key driver of long-term financial success. Why? Because we can have all the knowledge, but if we do not have confidence in our abilities to put that knowledge into action, then the knowledge itself, will not help us achieve success.

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Studies suggest that greater financial literacy might improve intentions towards positive financial behavior, but it does not indicate whether or not people follow through with their plans and take action ([Borden 2008](#)). That it is our self-assured knowledge that represents one of the most significant factors in determining positive financial behaviors ([Courchane in 2005](#)).

So why does that matter?

There is a sizable difference between people's self-assessed knowledge and their actual knowledge. Women are less likely to consider themselves financially knowledgeable, 31% of women vs 43% of men and women are less likely to state that they know enough about investments to choose the right one that is suitable for their circumstances, 48% of women vs 68% of men ([gender differences in the financial knowledge of Canadians](#)). So the gender confidence gap when it comes to money is real.

Building a woman's confidence involves empowering her with knowledge, skills, and resources to take control of her financial life. Here are some actionable steps to take to build your financial confidence.

- 1. Be confident in your abilities:** recognize your worth and believe in your ability to manage your finances. In my almost 20 year career in the financial service industry, in my opinion, the narrative has always centered around telling women what they are lacking, instead of building them up. Embracing a positive mindset and trusting in your ability to make sound financial decisions is one of the most important steps you can take.
- 2. Set clear financial goals:** Define short-term and long-term financial goals. Whether it's saving for a short-term purchase or planning for 30 years in the future, without a clear goal to work towards, you have no way of measuring or success. Remember, the definition of success is individual. I find too much financial advice in the media is generic, making it hard for people to conceptualize and apply sound principals to their unique financial situation. Don't compare your financial journey to anyone else's. We all start at different places and that is ok. Meet yourself where you are at right now but allow yourself to dream big of where you want to go.
- 3. Support networks:** Connect with a community of women who are interested in improving their financial knowledge. Join a financial empowerment group or attend workshops and seminars to share experiences and gain insights.
- 4. Seek professional advice:** There is a lot of negativity in the press surrounding financial advisors and fees. Like any industry, it is important to ensure the advice you are paying for is credible and aligned with your goals and desires. There can be benefits to a "do it yourself" approach but all the clients I work with, although highly capable, rely on my experience and expertise to take the pressure of managing building, protecting, and passing wealth off their plate. They value the advice I provide, and it extends far beyond investment advice. As a woman, I do not mind paying for services I deem valuable. I pay to get my hair done (and pay a premium to someone I can trust), I pay to get my car serviced, I pay to get my taxes done, I pay to have someone guide me on my health and fitness journey. There is a "quick fix" do it yourself solution for all those services, but I value the piece of mind I get from working with a professional. Financial advice is no different. There are many studies that support the concept that people who work with a financial advisor retire wealthier, despite what the commercials might tell you. ([Not Enough People Have Financial Advisers and New Research Shows They Should](#))
- 5. Trust yourself:** You are more knowledgeable than you believe. Don't beat yourself up if you make a less than ideal financial decision, we all make mistakes. Have the courage to keep moving forward in pursuit of your goals.