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Women and the Economy:

From the Political to the Personal

Highlights from Citi and Mintz Levin's International Women's Day Event featuring a panel and discussion of Citi's Women in the Economy II report, economic issues affecting women, and strategies for closing the gender parity gap.

By Sheri Qualters

Thursday March 8, 2018, 5 pm

Panelists and Speakers:

Dana Peterson, Citi US Economist and
Co-author, Citi's *Women in the Economy II*

Heather Smith, Portfolio Manager and Lead
Sustainability Research Analyst, Impax Asset
Management LLC/Pax World Funds

Alexandra Taussig, Senior Vice President and
Leader of Fidelity's Women Investors Initiative

Introductory Speaker:

Heather Finn, Director, Citi US Equities

Moderator:

Meredith Leary, Member, Mintz Levin

Women have become an indispensable part of the US economy over the past several decades, yet they continue to lag far behind men on a range of key metrics. The all too familiar list includes labor force participation, wages, investing, and corporate and board leadership roles. The underlying causes, likewise, are well known: societal attitudes and norms, long-standing corporate practices, and federal government policies.

To explore the issues and possible solutions, a trio of women speakers and panelists from diverse segments of the financial services industry gathered for Citi and Mintz Levin's International Women's Day Event Focusing on Women in the Economy.

The topics included a deep dive analysis into why Canada is so far ahead of the United States on these metrics; the steps women (and men) can take to increase women's participation in financial markets; and how a mutual fund company that specializes in sustainable investing is utilizing shareholder proposals to foster corporate change.

Citi US Equities Director Heather Finn opened the evening with brief remarks about International Women's Day, which has its roots in the early 1900s, and a look at data confirming the lack of gender parity around the globe. Throughout the event, Mintz Levin Member Meredith Leary guided the discussion by posing questions to the panelists related to how

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the private sector and individuals can help close the gender equality gap.

Dana Peterson, Citi US economist and co-author of Citi's *Women in the Economy II*, presented data from the report. One key finding projected a 6% boost to gross domestic product (GDP) in advanced economies over the next decade — provided those countries implement gender parity measures. Peterson illustrated the impact of such measures with an analysis of the differences between the United States and Canada on this issue, even though the two nations have similar economies and histories. Canada claims a higher rate of female labor force participation and a lower gender wage gap thanks to tax reform implemented three decades ago, an equal pay law, and parental and maternity leave benefits mandated or provided by the government. These types of interventions are critical because it would take 150 years for North America to close the economic gender gap without them, said Peterson, pointing to World Economic Forum data. On the flip side, promoting gender parity will help advanced economies expand — despite their significantly lower pace of economic growth compared with emerging economies — and could narrow the skills gap facing US employers.

"Everyone is looking for incremental GDP growth," Peterson said. "If it means doing basic things to incorporate women [into the economy], why not do them?"

Looking at the issue from a microeconomic perspective, speaker Alexandra Taussig, Fidelity Investments senior vice president and leader of the company's Women Investors Initiative, addressed how increasing women's comfort with investing is an essential component of women's economic empowerment.

Although a high percentage of women report not feeling confident in their investing skills and too often hold back from getting more hands-on, about 20 studies show that women often exhibit better investment strategies than men, Taussig said. She

explained that women tend to stick with investments over the long-term, which can be valuable as the power of compounding is a powerful benefit of investing over time.

While a major focus of Fidelity's efforts are on promoting institutional change to increase women's engagement in investing, including through women's leadership group programs and changing how the company's advisors interact with callers, Taussig also emphasized the importance of individual actions. Those already comfortable with investing can encourage more women to start saving for retirement at an early age or to save more, she said. She added that men need to be part of the solution by ensuring that the women in their lives — including anyone they mentor — are as financially prepared as possible at every stage of their lives.

Altering societal norms also requires changing corporate policies and practices. Panelist Heather Smith, the lead sustainability research analyst at Impax Asset Management LLC for Pax World Funds, discussed how shareholder proposals can trigger public companies to make changes. So far, 12 of Impax's 14 pay equity proposals have prompted the target companies to enhance their pay equity disclosure, and seven of the nine companies that received a board diversity proposal have since added women to their boards, Smith said. Adding a sole female voice to a board isn't enough, she added, noting that a critical mass of women who can effect change at a company is at least three individuals or 30% of a board or management team. Companies interested in more diverse boards can make strides toward that goal by looking beyond the C-suite for candidates. That includes instructing their search firms to keep looking if they don't present any women or diverse candidates, Smith said.

"People think of gender equality as a zero-sum game. It's not. We need to tell companies that diversity is a business imperative," Smith said.

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