



Gender and risk taking: implications for financial firms and regulation

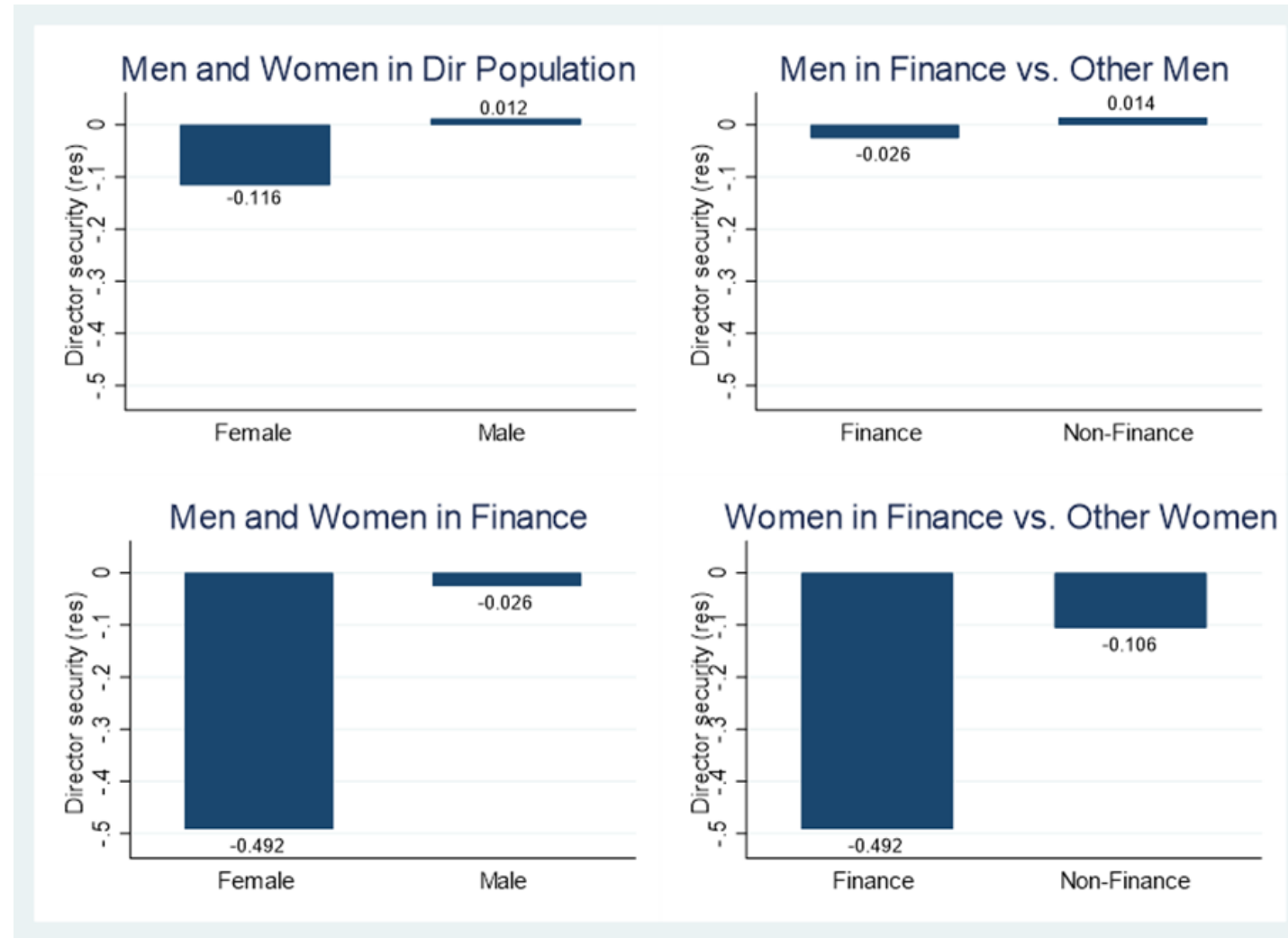
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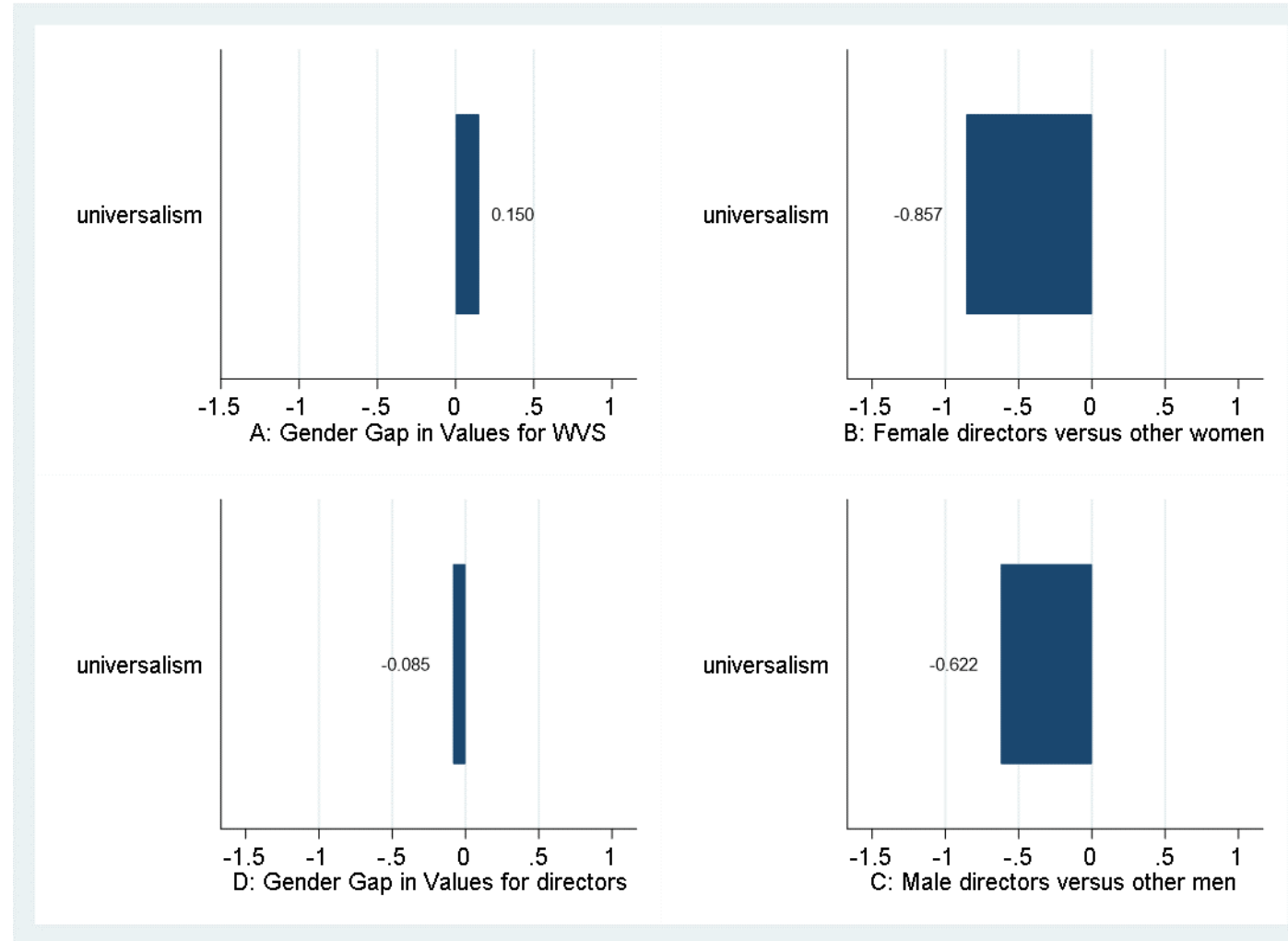
Questions

- Would a better gender mix affect financial firms' decision making, risk behaviour and social responsibility?
- What are gender-specific obstacles for women to attain leading positions in financial firms?
- How may they be overcome?

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Would a better gender mix affect financial firms' decision making, risk behaviour and social responsibility?

- Maybe yes, maybe no.
- Maybe better decisions, maybe worse.
- Maybe more risk, maybe less.
- Maybe more CSR, maybe less.

WHY? Selection matters!

What are gender-specific obstacles for women to attain leading positions in financial firms?

- Standard barriers: biases that women shy away from competition, women are risk-averse,...
- + finance-specific barriers:
 - biases that women cannot do math
 - the structure of work: disproportionate reward to individuals who labor long hours and worked particular hours (Goldin, 2014).

How may barriers be overcome?

- Willingness to question structure of work: is it culture or are jobs indivisible?
- Covid may have helped
 - <https://www.cfainstitute.org/en/research/survey-reports/future-of-work>



Conclusion

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- We are asking the wrong question. We should be asking whether financial firms will benefit from debiasing and removing barriers for advancement.

The answer is clearly yes!