

MONEY SMART WOMEN


How Women Approach Investing

Liz Ann Sonders, chief investment strategist at Charles Schwab, says women know who they are as investors -- for example, whether they're aggressive or risk-averse.



Liz Ann Sonders, 53, is currently the chief investment strategist at Charles Schwab. *Courtesy Charles Schwab*



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Among her many career accomplishments (including appearing on the cover of *Kiplinger's*), Liz Ann Sonders, currently the chief investment strategist at Charles Schwab, was a regular panelist on PBS's *Wall Street Week With Louis Rukeyser*. Before she made her first appearance in 1997, Rukeyser asked whether her parents were in the financial industry. No, she replied. "Then get them to understand what you're talking about," he said.

No piece of advice has influenced her more. "I try to write and speak in a way that people can understand," says Sonders, 53. In that spirit, she recently came to Washington, D.C., to address a gathering of women. I spoke with her to get her perspective on the role of women in finance (and her latest market outlook).

What's it like to be a high-powered woman in the financial industry? Being female is a huge positive. I can see how it might be a problem if you wanted to be the CEO of a company like J.P. Morgan, for example. But I don't have many glass-ceiling bruises on my head. Doing what I do, there's an advantage to not being a middle-aged guy.

How did you get started in the business? It was a fluke. I graduated with a double major in political science and economics and went to live with my grandfather in Brooklyn while I looked for a job in New York City. I was intrigued by Wall Street and ended up working with [the late investment adviser] Martin Zweig in 1986. His firm had only 60 employees and it just felt right. I was there for 13 years.

Have you ever experienced any bias because you're a woman? When Marty was weaning himself away from the day-to-day business, our public relations firm wanted another person in the public eye. A male colleague suggested me, but the PR person said he "wasn't sure a pretty face would be taken seriously on TV." So they groomed a male colleague. Months later, I made my first TV appearance in 1997—and immediately got a call from *Wall Street Week*.

Does being a woman influence how you look at the markets? Yes. Call it female intuition, but it's a more pragmatic way of looking at the world, without the gambler mentality.

What do you see as the strengths of women investors? In general, they tend to have longer time horizons than men. They're more methodical and more disciplined in their approach. And they're better at self-reflection. They understand who they are as investors—whether they're aggressive or risk-averse.

What about their weaknesses? I meet a lot of women not in the financial business who feel they've lost an opportunity to learn about investing and there's too much to catch up on. But it's never too late. Women are absorbent sponges and willing to admit they're just learning.

How do you invest your own money? Largely in index funds or ETFs invested tactically across all asset classes—domestic and foreign stocks, large and small companies, REITs, commodities, currencies and fixed income. A decent chunk of our retirement will also be funded via whole life insurance. We like its protection-for-life trait, along with the level premiums and cash value. We also have real estate investments.

What is your “intuition” telling you about the current market outlook? What had been standing out for much of this bull market was how little enthusiasm investors had. But lately the questions I get at client events have become much more optimistic and opportunistic, almost to the level of “frothy.” I wouldn't mind seeing some healthy pullbacks in the interest of keeping sentiment from the type of euphoria that could signal a market top.