



# Raymond A. Mason School of Business

WILLIAM & MARY

LEADERSHIP & BUSINESS PODCAST

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## EPISODE 174: MOLLY NISSMAN – THE PSYCHOLOGY OF WOMEN INVESTORS

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### Female Speaker

From William & Mary in Williamsburg, Virginia. This is Leadership & Business, produced by the William & Mary School of Business and its MBA program. Offered in four formats the full-time, the part-time, the online, and the executive MBA. For more information, visit [wm.edu](http://wm.edu).

### Ken White

Welcome to Leadership & Business. The podcast that brings you the latest and best thinking from today's business leaders from across the world, sharing strategies, information, and insight to help you become a more effective leader, communicator, and professional. I'm your host, Ken White. Thanks for listening. How do you invest your money? Chances are, your gender plays a role in where you invest, how you invest, and the results you generate. When it comes to wealth management, there are considerable differences between the approaches men and women take. Molly Nissman is Vice President, Wealth Management, and Portfolio Manager at UBS Financial Services in Norfolk, Virginia. She spent her career helping people get the most from their money. She was on campus recently for the annual Women's Stock Pitch and Leadership Summit hosted by the William & Mary School of Business and its Boehly Center for Excellence in Finance. She took time to talk with us about women, men, and investing. Here's our conversation with Molly Nissman. Molly, thank you very much for sharing your time. Welcome.

### Molly Nissman

Thank you, Ken. It's so nice to be here with you and in Williamsburg and at William & Mary today.

### Ken White

And it is quite a day. You've been a part of the Women's Stock Pitch and Leadership Summit. Tell us what you did today, what it was like.

Molly Nissman

Oh, these young women are amazing. They are so smart and organized, and tenacious. There were four teams. I was a judge for a stock pitch and four teams from all over the country. And the women pitched a particular stock, and they did the research and the presentation, and it was all by Zoom, which worked fabulously and just so impressive. These young women are so much smarter than I ever was at that age.

Ken White

I was going to ask you. Did you do any of that when you were that age? Were you into looking at stocks like they are?

Molly Nissman

No, not at all. The only thing that I did was, and I became a stockbroker, which now they call us financial advisers. But back when I was a teenager, I would watch my mother chart stocks on paper on the kitchen table, and she would talk about trends and products and businesses. And I guess that made an impression on me because when I graduated from college, I thought, oh, I think I want to be a stockbroker.

Ken White

Did you study it in school?

Molly Nissman

I was a government major, and I minored in economics. So can't really go to school for being a stockbroker financial adviser. And I was the Treasurer of my class in high school a couple of times. So I don't know if that counts, but.

Ken White

So how did you get into the field?

Molly Nissman

I got very lucky. I knocked on the door of Merrill Lynch in Norfolk when I graduated from college, and I was 21 years old. And I told them I wanted to be a stockbroker and the office was full of men. And I was 21 years old. And they said, well, you can have a job as a margin clerk, and you have some experience with numbers. So I took the job, and that was back when the margin calls were calculated by hand. And so I did that for a year. And then there was an opening in the commodity section of the office that Norfolk was a big grain hub and livestock hub back then. And there were ten commodity brokers trading with the different companies like Smithfield Foods and Purdue. And they needed an assistant. So they brought me in as their assistant. And then I did that for a year, and I told them I

wanted to be a trader. So at age 24, I became a commodity trader and did that for 20 years.

Ken White

Wow.

Molly Nissman

And then, after that, I had small children at home, and I needed some more flexibility. And it was extremely stressful job, exciting definitely but stressful. So I made a career change and started with PaineWebber, which is now UBS, and began as a financial adviser with my sister. And we targeted women investors, and that was 25 years ago.

Ken White

Wow.

Molly Nissman

So as I said, I got very lucky with the twists and turns of my career. So I've only worked for two companies in my whole life.

Ken White

And it was male-dominated then. Still, fairly much pretty much male-dominated today?

Molly Nissman

Yes. That's such a great question. It really is mostly still male-dominated. And I think only 20% of the financial advisers still are women. That really hasn't changed that much over the years. And I think there are a couple of reasons. One of the reasons, I think, is because of the way that we're compensated. We're compensated by selling financial products, and the other way we get paid is assets under management. And so we don't get credit for helping our clients with their financial plans or creating a successful college funding plan, or helping them decide about long-term health care. That's definitely part of our job as consultants, but we don't physically get paid for that. And I think women are not motivated by money and how much money they make. And so it's definitely a problem. Definitely a dichotomy in how we get paid and how we take care of our clients. I think physicians have that problem now also. They're on a time clock, but they have to take care of their patients and do diagnoses on them and care for them. There's not enough time.

Ken White

Interesting. Do you think it could possibly change with time going as we move forward?

Molly Nissman

I think it can change. The other issue, I think, for why there aren't that many women, as many women in our business as financial advisors. I think that one of the issues is the markets are always open, which is a good thing because we want the markets to always remain open. But it's hard to take vacations. It's hard to take maternity leave. And I didn't have maternity when I had my children, my young children, there was no maternity leave. You didn't get paid because you were on commission. So that was problematic.

Ken White

Yeah.

Molly Nissman

And so, for women who might want a family and flexibility to go to your child's soccer game or tennis match or take a vacation, it's very difficult. And it's changing because the way that financial advisers are working now is they're working more in teams, which is much more of just a better model. So you might work under a team with two or three or four different advisors, maybe, who are more senior. And that way, you can learn, you can grow, you can have different expertise on your team. And, of course, that's better for clients.

Ken White

Sure.

Molly Nissman

Definitely better for clients. And as Adam Grant, who's the best-selling author, talks about that, group decisions are better than single-person decisions. That's definitely the case when you have a team. So I think that trend is going to help women get into the financial services industry more.

Ken White

Yeah. Time will tell.

Molly Nissman

Time will tell. That's right. Time will tell.

Ken White

And there are certainly differences in the way men and women invest as well, correct?

Molly Nissman

Oh, yes, absolutely.

Ken White

So, for example, and we call this what the psychology of the investor basically. Right. For example, we know, according to most reports, that men invest more so than women, a higher percentage of men. Why is that?

Molly Nissman

I think that is changing, but that trend is a slow trend. But I think you're right. I think, for the most part, more men tend to invest, at least in the traditional stock and bond markets, than women. I think it goes back to women have not controlled their financial destiny very long. It wasn't but 100 years ago where women couldn't vote or own land.

Ken White

Sure.

Molly Nissman

So that trend takes a long time to change. And I also think that men are much more willing to take risk. That's in their DNA. They're the hunter-gatherers. Their job is to go out and hunt and protect the family and to take those risks. And that, I think, translates into taking risks in the market. They're much more from what I've seen. They're much more willing to take a gamble. They want to make a killing. They want to do the quick win. And that's not necessarily bad. I've heard from women, I'm not going to invest in cryptocurrency until they get the bugs out. I'm not going to invest my hard-earned money in this until I can be sure that it's going to survive. So, yes, there is a difference. I think a lot of it is just the difference in genetics.

Ken White

We'll continue our conversation with Molly Nissman in just a minute. Our podcast is brought to you by the William & Mary School of Business. If your organization is interested in retaining your best people, consider enrolling them in one of our MBA programs for working professionals. William & Mary's online MBA, part-time MBA, and executive MBA programs are designed for the professional who works full time. So both the employee and the organization benefit. Show your employees you care by investing in their growth. Check out the MBA program at William & Mary at [wm.edu](http://wm.edu). Now back to our conversation with Molly Nessman.

Ken White

What about where men invest, and women invest? What are some of the differences there stocks, gold, and so forth? Is there a difference that you see?

Molly Nissman

Yes, I have seen a difference. I think women have been much more drawn to investments like bonds, which produce an income stream, predictable most of the time predictable, reliable income stream, not as volatile as stocks. And that's more comforting for women who aren't as willing to take risks with their money, but they are willing to invest in stocks, and they're much more willing to hold the stocks for the long run. And so that makes them better investors. It's hard to quantify, but because they're looking at the long run and they're willing to invest for that long term, that gives them a better outcome in the end. And that just goes back to what we talked about, about the men wanting the quick kill, the quick win, the gamble.

Ken White

But much of what we read is saying that women outperform men.

Molly Nissman

Yes, and I do think that's true because they are willing to commit their money for the long run and leave it in place. That's the key because if you're getting in and out of the market all the time, you're going to miss a lot of the upward movement. So it's tempting for sure, especially lately when you've seen these huge decreases and increases in the market, the volatility because of the pandemic, and because of the Ukraine situation. It's very tempting to say, well, I'll just get out for a few days and buy things back when the market is down three or 4%. But what happens is nobody can predict that. And so, most of the time, you're better off to leave everything, have a plan, leave everything in place, continue to add money as you can add money, and stay with it for the long run. And women are really good at that.

Ken White

Who's better at seeking advice from a professional like you? Do men tend to do that more so than women, or women do that more so than men?

Molly Nissman

Oh, that's another great question. I hope I won't get in trouble with this one. I think women, it's the same thing. We are really good at outsourcing. And just like you would hire a CPA to do your taxes because you don't want to do your taxes and you don't want to learn all the tax rules, and they can do it a lot faster than you can and more efficient and less likely to get audited. It's the same concept with financial investments and investing. I think women are willing to say I'm willing to pay somebody for their expertise, and that will save me time and money over the long run. And I think men, it's a bit of a macho situation where I can do this myself. I'm smart, and the men are smart, and I think both men and women can invest themselves. If you have enough time and it's a full-time job, if you have

enough time, I do think you could do it yourself, but I think men are probably more likely to say, I want to do it myself, I can do it myself, and I don't need help with it.

Ken White

We've seen the pandemic affect women differently than it has affected men. I mean, as soon as we saw people leave work, it was the women who were leaving work in the early part of the pandemic versus the men. Has the pandemic affected the way women have been investing over the last couple of years? Have you noticed anything?

Molly Nissman

Yes, it has. It's made it difficult for women because women were the ones who lost more jobs because they make up a greater percent of the service industry. They also were the ones who were more likely to stay home with the children because the children are out of school. And so when you've lost your job, or you're working part-time because you can't work full time, because you have to get home at two o'clock when your children get home, or you have to help them on their Zoom homework, you don't have as much money to invest, and that's problematic. So, yes, I think the women more likely to make more conservative investments. They had less money, less money to invest, less money to live on, so definitely affecting them more than men in this situation.

Ken White

You may have inadvertently answered it earlier, but what advice? You've been working with these young women during the stock pitch competition. Right. Women that age coming out of college, what advice do you have for them once they start getting that regular paycheck? And in terms of investing, what's your advice?

Molly Nissman

This is definitely my favorite question. My advice would be very clear would be you've got to start now and save money, and you've got to do that with discipline and regularly and be frugal in your lifestyle. And remember that down the road, you're the only one who's going to be in charge of your destiny. And the earlier you start investing, the better. And always remember to buy quality. Buy quality stocks, buy quality bonds, buy quality real estate, because when the markets turn down, which they always do, real estate, we have downturns. That's a long cycle. Stocks and bonds have their different cycles. There's always some kind of downturn. Quality will hold up better, so in all things, stocks, bonds, art, precious gems, cryptocurrency, do not buy any sloppy cryptocurrency. That's a highly technical term, even furniture. Nobody wants to sit on a lumpy sofa for 20 years. So you want to buy quality for sure. And that if you invest regularly and commit yourself for the long term and continue to add money, even if it's only a few hundred dollars a month, you will be a very successful investor.

## Ken White

That's our conversation with Molly Nissman, and that's it for this episode of Leadership & Business. Our podcast is brought to you by the William & Mary School of Business, home of the MBA program offered in four formats, the full-time, the part-time, the online, and the executive MBA. If you're looking for a truly transformational experience, check out the William & Mary MBA program at [wm.edu](http://wm.edu). Thanks to our guest Molly Nissman and thanks to you for joining us. I'm Ken White. Wishing you a safe, happy, and productive week ahead.

## Female Speaker

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