

YOUR ACTIVE WEALTH PODCAST

CEO Series: Celebrating Women in Wealth with Veronica Dagher

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Featuring:

Catherine Keating, Global Head of Wealth Management, BNY Mellon

Veronica Dagher, Award-Winning Journalist, Author and Podcaster

VO [00:00:01] Is your wealth strategy supporting your long-term goals? Welcome to *Your Active Wealth* with BNY Mellon Wealth Management, where we offer insights that can help you move closer to your goals. We'll tackle timely topics through the lens of the five pillars that comprise our Active Wealth framework, Invest, Spend, Manage, Borrow and Protect, and provide guidance on navigating the unpredictable, to help you build and sustain wealth.

Catherine [00:00:32] Hello and welcome to a special edition of *Your Active Wealth*. I'm your host, Catherine Keating, and I have the great privilege of being the CEO of the Wealth Management and Investor Solutions divisions at Bank of New York Mellon. And today is International Women's Day. It's a day to celebrate the many social, professional and political accomplishments of women. And so I'm delighted to have Veronica Dagher on our podcast today. Veronica is an award-winning Wall Street Journal reporter who covers personal finance. She's the author of the book, "Resilience, How 20 Ambitious Women Used Obstacles to Fuel Their Success". She created and hosts the Wall Street Journal podcast, "Secrets of Wealthy Women". And along the way, she's revolutionized how women think of personal finance. Veronica, welcome to the *Your Active Wealth* CEO series podcast.

Veronica [00:01:29] Thank you so much, Catherine. It's a pleasure to join you.

Catherine [00:01:31] Veronica, I'd like to start with your book and the theme of resilience. Resilience is obviously a very important quality for investment success. What did you learn about resilience from the women you profiled in your book?

Veronica [00:01:46] So what we found in the podcast and also in the e-book was resilience was a through line for so many of these women, whether it came to their careers, their personal life and their finances. Now, I think it's probably potentially easiest to see the importance of resilience when you're an investor, right? You have days like we've had recently, lots of ups and downs in the market. Do you have the resilience? Do you have the long-term focus to be able to hold the course when things get tough? I think some of the best investors do. They know how to keep their long-term goals in mind. And some of the wealthiest women I've spoken to have been able to do that. In terms of career longevity, too, they've been able to have that resilience when they have moments when they're not doing so well. Maybe they lost their job, maybe their business fell apart, but they had the courage and the ability to reinvent themselves, often to pivot to something new and just to keep going, even when times get tough.

Catherine [00:02:51] And your book profiled 20 women across industries. You had women from media and fashion and health and wellness and real estate and philanthropy and advocacy and more. Yet none of them were in the asset and wealth management field, but you've gravitated to personal finance as a career. Can you share your own story about how you came to focus on personal finance and on women in particular?

Veronica [00:03:19] Sure, I think we might have some of this in common, Catherine. When I was 11 years old, my dad died suddenly leaving my mom a widow. She was raising myself and my brother, who was 13 at the time, and she unfortunately didn't know anything about finances. She didn't know how to write out a check. She didn't know where the investments were. She didn't understand assets or liabilities. All of those sorts of things she had to learn from scratch during the most difficult time in her life. I have this image of her sitting at the kitchen table with my aunt sitting on one side and her friends sitting on the other, teaching her how to write a check, how to open the statement from some of the financial companies, what all of this means? And they're teaching her this among my mom crying, among tears, and I was thinking to myself, this is the most difficult time to be learning about finance, about running a business, understanding how markets work. You don't want to be doing this at such a vulnerable time. And so I said to myself, I'm never going to let this happen to me. And so I didn't, and I learned what I could. But to my mom's credit, she taught me. So she went from knowing pretty much nothing when I was 11. But by the time I was 18, she was really up to speed. She could have probably been a financial advisor. I mean, she was talking to me at that age about the importance of a 401(k) and not having credit card debt and always having some sort of job to be able to support yourself and to understand your investments. All those things she was telling me at a very young age. And so her example and her suffering unfortunately spurred me to action and got me passionate about encouraging other women to take hold of their finances, take interest in their personal finances and become educated investors.

Catherine [00:05:14] Veronica, you're absolutely right. We do, it turns out, share an event that brought us to the fields that we're in. And in my case, my mom was widowed when I was eight and I was the oldest of three kids and I watched her go back to work and then go back to school and get a graduate degree. I watched her buy her first car. Now my mom ultimately remarried, so I was very lucky. I had a second father in my life, but there was a period when I didn't. One of the things that I've noticed about our industry is that often women are drawn to it because of an event. It could be the death of a parent. It could be a divorce. It could be the loss of a job. And of course, we want women to be drawn to personal financial success regardless of an event. And so that's why I think that it's so important for you to do what you do, making the industry visible, for us to do what we're doing today on this podcast. And I think also for showing that we do work that matters. Consumers are 70% of the economy. Individual investors are actually 70% of the financial markets. And if we do a good job in sustaining their financial success, we sustain the economy and the markets. So it's really important work and it's wonderful the way you make it visible to so many people. Actually, little known bit of history. I would say there's an event that caused Bank of New York Mellon to be in the wealth management industry at all, and that event was the death of Alexander Hamilton, the founder of Bank of New York Mellon. He left a widow, Eliza and seven children. And although he founded this great company that's still here 238 years later and his name is on our money in this country, he didn't leave a lot of wealth. And in the 1800's version of Go Fund Me, wealthy New Yorkers put money aside and trust. People think it may have been the first trust in this country for Eliza and the kids, and so it's actually an event, interestingly enough, that got us to focus on women and financial health over two centuries ago.

Veronica [00:07:02] Interesting history.

Catherine [00:07:04] Very interesting history. So let me move on. In your work with women and wealth, how do you see women engaging with investments? Do you see any themes or trends with how women engage with investments?

Veronica [00:08:32] I think some of that is changing. I think there is more of a focus, especially on younger women wanting to get involved in looking at investments. Now, many of the younger women I've spoken to and I'm talking women in their 20's, there is, and I think part of this is the Reddit culture, and part of this is TikTok culture, more interested in the hot stock that I recall than when I was younger. I don't remember being so

fascinated by the latest hot stock when I was in college. Where some of the young women I'm speaking to today do have that interest. Not all of them, and some people are like, oh, that's not such a great thing. But I wonder there might be some positive to this because they have some sort of interest versus no interest at all. And while you got to be careful in terms of the media that you consume and where you get your information, your financial information from, I'd rather have a young woman caring about what's happening with the stock that they're fascinated with, then not caring at all. So I think there's been some progress. I also think there's still some hesitation, too, among women to get involved in the markets. Now, part of that is women traditionally have over indexed for how much cash they hold. And there's this misperception that the more cash you have, the more secure you are. We're in this inflationary environment now that having more cash is actually potentially more detrimental than it was just a year or two ago. So I think there's some education to be had in various communities, women included. I think I see more interest, though, from a younger age, which is a positive sign.

Catherine [00:9:05] I agree with you, Veronica, that engagement in the markets is really important. And it's important for a fundamental reason, and that is that the way corporate America saves for retirement has changed over the last 25 years. You know, if you think about our parent's generation, they probably retired with a pension plan. For most of us, that's no longer the case. We have our 401(k) plans, were responsible for guiding them and accumulating our own savings for our own retirement. So I agree with you that engagement in the markets is very important. And I also agree that sometimes women have a perception that investing is risky. And yet, as you pointed out, not investing can be risky. So very important. Because you cover personal finance, you know investing by itself, however, is not enough for financial success. What else do you think that individuals and women in particular need to focus on beyond investing to ensure that they've got financial success over time?

Veronica [00:10:04] You need to know your entire balance sheet. So what you own, what you owe, all of those things are important. Have that emergency fund. Have your financial goals, both short and long term. I think it's important to make that financial plan, to spell out how you think you're going to fund your later years, how you're going to help take care of your family if that's one of your goals. Making those plans and getting organized early on can save you a lot of stress down the road. So that health care piece, that financial planning piece, taking care of these emergency short-term needs, such as having that emergency fund. All of those things are important for women as they look ahead to solidify their financial future.

Catherine [00:10:48] I love your comments there and in particular your focus on health because we encourage women to think of their financial health the way they would think of their broader health and wellness. And if we think about health and wellness, what do we do? We hire trusted advisers, doctors. We try to do the things that we can to promote health ourselves. We stay active. We try to eat right. We try to sleep right. And most of all, we go in for regular checkups. Well, if you think about it, financial wellness is actually pretty similar. I tell people, think of yourself as if you were the CEO of a financial enterprise that's you. You and your financial future is the enterprise. And what does every CEO want? They want a chief investment officer. We already talked about it, right, to engage and help engage with the markets. But we also want a chief financial officer. What do CFOs do? They help guide on borrowing. You mentioned that, spending and actually taxes, managing for after tax returns. And so we encourage women to think of themselves as the CEO of their financial enterprise, the enterprise that's them, and have a CIO and a CFO. But I think your focus on wellness is so critically important.

Veronica [00:12:00] Oh, thanks. I think that's a growing trend, too, among a lot of the financial firms incorporating that wellness side of planning and especially in the younger generation, too. You know, we see so much about wellness at work and balance and flexibility. I think that all plays into people's finances to try to figure out what's the overall best strategy for their entire life, and that encompasses their finances, but also their health in the long term.

Catherine [00:12:29] I couldn't agree more. And in fact, we've come to start calling it life-balance instead of work-life balance. We call it life-balance for all the reasons that you mentioned. Let me ask you another question, though, because you do look at the industry very closely in your work. Is there anything that the industry should do to make it more welcoming to all types of employees?

Veronica [00:12:50] Some of the firms I've been seeing are doing more on social media. They are doing different types of outreach on different platforms like LinkedIn or TikTok to try to recruit, and that's making it a more appealing choice.

Catherine [00:13:04] So I'm hearing a bit of visibility there then right? Raising visibility?

Veronica [00:13:08] Yeah, so I think raising visibility, also playing up things like work-life balance, as we mentioned, but also things like philanthropy. This younger generation are interested, of course everyone's interested in making money, but they also want to make sure what they're doing matters, that there's a mission, there's a purpose. There is an overlying way to help people and the work that they're doing. And so I think if firms can connect those dots directly by saying this is the philanthropy our firm is doing, this is the way we're giving back. Here are the volunteer days we're offering. Here's a way for you to make an impact and help. And also, by the way, this is how our business helps people's lives and changes people's lives. Think you can make people feel good about that. That can help change the perception in terms of recruiting those younger candidates.

Catherine [00:14:07] So those are great points. You talked about work-life balance. We need to show that this is viable as a career if you want to have the kind of work you want in your life but the other things that you want in your life. And one of the interesting things that I think will come out of this pandemic is more flexibility than the industry's ever had. I date myself all the time by saying 1999 changed my life because the BlackBerry came out and I had two little ones at home, and it was the first time I could read my email without being in the office. Fast forward to 2022 and look what we've learned over the last two years, how much more flexibility we can have, and we're certainly committed to retaining that in our business model going forward. But I also think to your point on values is really important. I think all of us as companies are trying to make those very visible. But one of the things we've done here in wealth management is to try to showcase the values of some of our clients. We have a "Do Well Better" video series that shows some of the great work that our clients are doing in their communities.

Veronica [00:15:05] Nice. That can be inspirational for people, for sure. Knowing that these are people who've been successful and are giving back. I think that's part of the appeal of what the "Secrets of Wealthy Women" podcast brought to the table as we show that aspirational aspect of what you can achieve when you are massively successful. And it's not just buying the latest car or plane. And all those things are fun, but like, how can you help other people and how can you change the world? And the more we can show those examples, especially in the environment that we're living in right now, it's really powerful.

Catherine [00:15:41] So let's go to that. The secrets of wealthy women. What secrets can you share with our listeners today?

Veronica [00:15:50] Oh, so many. So many. Well, one of my favorite guests on the show and in the book was Barbara Corcoran. As you know, she's a real estate mogul, and she was on Shark Tank. She's got a great personality. Really enthusiastic, energetic. And one of her secrets. Well, she has so many secrets, but we're talking about International Women's Day today. And her big secret was when you're doubting yourself as a woman, when you're questioning do you deserve a seat at the table? Should you be there? Ask yourself, what would a man do? Would he ever say, do I deserve a seat at this table? Do I deserve a pay raise? Do I deserve to get that promotion? And generally speaking? He probably may not say that. And so she said, challenge yourself. Also have this positive self-talk. So whenever you find yourself doubting yourself, say those positive affirmations. It may sound a little quirky, but whatever you know, I'm smart, I'm talented. I deserve to be here. Review your past accomplishments. Have those in your arsenal. So on those days when you're not feeling so confident or not feeling so good about yourself, you can go back to them and say, you know what? I am good enough. I have just as I am, and I have accomplished things and I am just as good as anyone else in this room.

Catherine [00:17:20] So self-affirmation and confidence and reminding ourselves of what we've accomplished and what we can do. That's great advice. What else? What are some other secrets that you've learned?

Veronica [00:17:31] Rebecca Minkoff. She's a fashion designer. You might have some of her handbags or some of her clothes, and she started her own business when she was in her 20's. She didn't have a lot of money. She

had very few connections. She had a lot of doors slammed in her face, but she kept going. She kept asking for help. She kept looking for referrals. She kept trying to network. She kept talking to people. Even when she was hearing, no. Even at one point she had Con Edison, she lived in New York City, knocking on her apartment door saying, you owe us, otherwise all your electric is going to get turned off because the bill had gotten so high. She was in a very dark, difficult place. But she kept going. And all that networking paid off. Eventually, someone saw her work, it got put in, one of her bags got put in a movie. She met the right person. She was on a television show. All these things eventually fell into line because she kept going and she kept asking for help and she did not give up. And now she's a huge success. You can see her work in various department stores and online.

Catherine [00:18:42] So it sounds like persistence is another one from Rebecca. As you said, sticking with it, asking for referrals, asking for help. Really important and actually important for investors to, not just businesspeople, but investors. How about how about another one? Can you give us a third one?

Veronica [00:18:56] Oh, sure. Gloria Steinem. She is the women's rights activist. She's an author. She's pretty well-known out there. And she said something, which I thought was interesting. She's known as one of the people who was really pushing the women's movement forward and saying things like, got to be asking for equal pay. But she said, if you do what you love, it increases your chances of monetary success. So I thought that was a very interesting point. It's been the case for me. I'm wondering what you think of that because it seems like some of the really successful people I've spoken to are the ones who have followed their passion, even though maybe some people in their family or some other people in society said, oh, that's a crazy idea. They went for it anyway, and they broke some of those stereotypes.

Catherine [00:19:48] I think that is very insightful and I agree with that. I tell people, you have to figure out what puts your spring in your step every morning. What is it that gets you out of bed and makes you excited to do what you do? And I know for me, I'm very excited about financial markets, even when they're challenging, as they are. Very excited about that. But really excited about the chance to help people have better financial futures. And that puts the spring in my step every day. So those are really great takeaways around confidence, around persistence, around passion and finding something that you love. Let me switch to leadership and women as leaders. How do we help support more women and their desire to become leaders in their fields? And I would say, even in our industry, what do you think? You look at us very, very closely.

Veronica [00:20:38] The good old advice of having mentors and having sponsors. I think sponsors more so than mentors at this point because we've seen in the financial industry so many women enter, right? Almost I think perhaps more than the guys or almost equal to the amount of guys. But when they get to mid-career for various reasons, they're leaving the room, generally speaking. And some aspects of finance, this is happening more than others. And so I have to ask yourself, why are they leaving the room? Well, the flexibility plays a part in it. But I think also some of that not being tapped on the shoulder from the higher ups saying, you know what, I see your work, I see what you're doing. Let's talk about your career. Let's help you get to that next level, that managing director level or whatever level you're trying to get to. Having sponsors, whether they're female or male, recognize that talent in the middle that is promising and you want to grow within your organization. I think that's part of it. I think also a big part of it too, not everyone who's a manager should be a manager. And so I think we're losing a lot of people. There's that old saying people don't leave jobs, they leave managers. Well, I think that's the onus is on companies to make sure the people you're putting in management roles are those right people who can coach and mentor people and grow their careers and aren't sabotaging other people's careers, are giving them that encouragement and seeing their potential. Making sure your management is properly trained and not just getting management positions because it's the next logical step for their career. I think that's a big part of growing the workforce as well, keeping women in the game.

Catherine [00:22:22] I couldn't agree with you more. We are a company that has four core values: excellence, integrity, leadership and diversity. Diversity is one of those core four values. And why is it? Because the data is just so very clear that diverse teams tend to have lower costs of capital. That diverse teams tend to have better investment results. That diverse teams tend to have better sales results. It's such an important business imperative, and it's one of our core values as a company, but having it as a value, as you noted in your

comments, isn't really enough. You've got to have a culture that supports it, which includes all the things that you said attracts people. You know, D-E-I, diversity. Who do you have? Who are you interviewing and hiring and attracting and promoting? You know, I think of the "D" as the who? I think of the "I" as the how? What's your culture? What are the processes, small and big? How do you run a meeting? How do you make sure everybody in the room has a chance to speak? How do you run your promotion process so you're sure that you're being fair and looking carefully at everybody? And I think of equity, the DEI equity as really feeling that you belong here and that you think you can succeed. But it is work every day to have that commitment and to live that culture every day. And it's something that has to be very, very important to your company, I think. I can't thank you enough for spending a little bit of your International Women's Day with us, for sharing your insights on women. Your insights on personal finance. And frankly, your advice for us and the industry. We welcome it. We appreciate it. And I can't thank you enough. Thank you and congratulations, Veronica, on everything that you've accomplished.

Veronica [00:24:10] Oh my pleasure. It's been great to be here. Thank you, Catherine.

VO [00:24:15] Thank you for listening to this episode of *Your Active Wealth*. Be sure to subscribe to this podcast on Apple Podcasts, Spotify, Google Podcasts or Stitcher and visit bnymellonwealth.com to view the latest insights on the subjects that matter most to you.

As of September 2023, Ben McGloin is no longer working at BNY Mellon Wealth Management.

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