

Gender differences in the knowledge and use of Fintech products: is there a role for transparency?

Alessandra Tanda

University of Pavia

Women in Fintech and AI - Tirana
21 September 2022

Team and acknowledgement

- Research run with Maria Iannario (Università di Napoli-Federico II) and Claudia Tarantola (University of Pavia)
- This work acknowledges research support by COST Action 'Fintech and Artificial Intelligence in Finance - Towards a transparent financial industry' (FinAI) CA19130 through Virtual Mobility Grant.



Motivation and research questions

- Fintech provides a wide set of tools to increase financial inclusion and finally close the gender gap. Nevertheless, due to the gap in technological and mathematical competencies by women, it could also have the opposite effect

This research aims to

- evaluate via surveys distributed online to European retail investors the level of knowledge of fintech applications and new AI tools
- if there are any differences due to the gender in this level of knowledge.
- whether previous investment experience in traditional and Fintech products are influenced by gender per se or via the moderator effect of degree in STEM, mathematical or scientific aptitude
- The final aim would be to understand whether increased transparency can reduce gender gaps. To this end, we collect information on past performance and transparency of ETF from the KIIDs publicly available on the European stock exchanges' websites and in the future we will test if this information can drive the investment decision of investors, and any gender differences in this process.

- survey submitted to European retail investors in English
- type of information collected: demographic, knowledge of Fintech and AI, usage of Fintech tools, financial competences, mathematical and STEM competencies

Gender of the respondent (representative family member, e.g. parent) *

male

female

non binary

other/prefer not to respond

age of the respondent *

La tua risposta

Family unit (select number of family members including respondent) *

1 person

2

3

4 or more

the following situations corresponds to yours? *

- collect information available through KIIDs manually on a sample of ETF.
- past performance, level of risk, fees

Key Investor Information

This document provides you with key investor information about this fund. It is not marketing material. The information is required by law to help you understand the nature and the risks of investing in this fund. You are advised to read it so you can make an informed decision about whether to invest.

123 Fund, a sub-fund of ABC Fund SICAV (ISIN: 4321)
This fund is managed by ABC Fund Managers Ltd, part of the XYZ group of companies.

Objectives and Investment Policy

Joint description of the objectives and policy of the UCITS in plain language (not copy-out of the prospectus)

Essential features of the product which a typical investor should know:

- main categories of eligible financial instruments that are the object of investment
- a statement that the investor may redeem units on demand, and how frequently units are dealt in
- whether the UCITS has a particular target in relation to any industrial, geographic or other market sectors or specific classes of assets
- whether discretionary choices regarding particular investments are allowed, and whether the fund refers to a benchmark and if so which one
- a statement of whether any income arising from the fund is distributed or reinvested

Other information if relevant, such as:

- what type of debt securities the UCITS invests in
- information regarding any pre-determined pay off and the factors expected to determine performance
- if choice of assets is guided by growth, value or high dividends
- how use of hedging / arbitrage / leverage techniques may determine the fund's performance
- that portfolio transaction costs will have a material impact on performance
- minimum recommended holding term

Risk and Reward Profile

← Lower risk
Typically lower rewards Typically higher rewards Higher risk →

1	2	3	4	5	6	7
---	---	---	---	---	---	---

Narrative explanation of the indicator and its main limitations:

- Historical data may not be a reliable indication for the future
- Risk category shown is not guaranteed and may shift over time
- The lowest category does not mean 'risk free'
- When the fund is in the lowest category

Narrative presentation of risks materially relevant to the fund which are not adequately captured by the indicator:

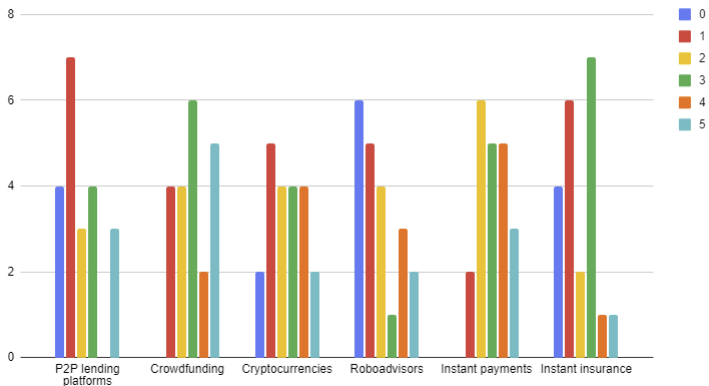
- Credit risk, where a significant level of investment is made in debt securities
- Liquidity risk, where a significant level of investment is made in financial instruments that are likely to have a low level of liquidity in some circumstances
- Counterparty risk, where a fund is backed by a guarantee from, or has material investment exposure through contracts with, a third party
- Operational risks including safekeeping of

Results so far...

Survey

- Few responses yet
- examples include

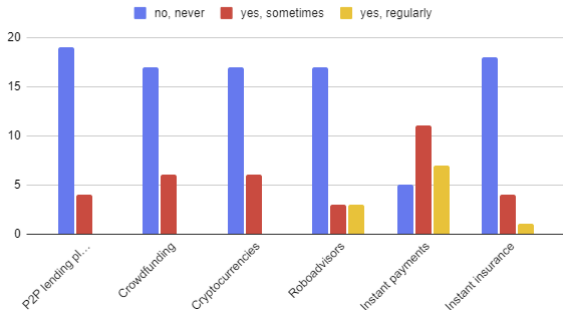
What is your level of knowledge of the following services/instruments? (0=I don't know; 5=I know them perfectly)



Results so far...

Survey

Have you used any of these?



Results so far...

ETF information

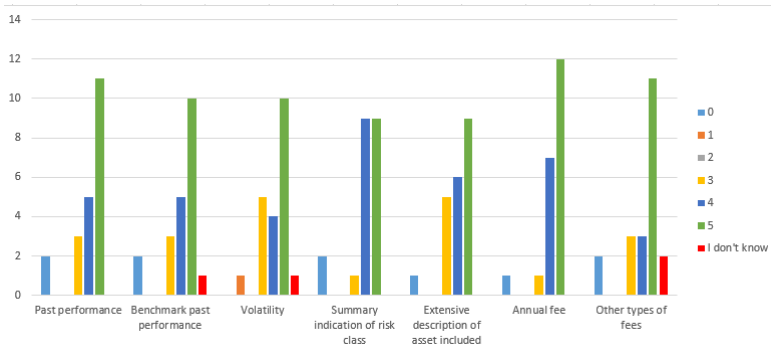
Tab.1) Descriptive statistics on fees applied by 21 ETFs

	n of ETF applying the fee	average	std. dev	min	max
purchase fee	8	3.14%	0.83%	2.00%	5.00%
redemption fee	7	2.71%	0.70%	1.00%	3.00%
management fee	21	0.19%	0.08%	0.05%	0.33%
performance fee	0	N.A.	N.A.	N.A.	N.A.

Source: Authors' elaboration on ETFs' KIIDs

Results so far...

ETF information



Conclusions and further steps

- We want to investigate the role of gender and STEM competencies on the knowledge and use of Fintech tools and AI methodologies
- After collecting a good (higher!) number of responses through the questionnaire, we will elaborate results
- Further research will try to connect information availability (transparency) and its moderating role in reducing the gender gap in Fintech and AI



Thank you!