



How women advisors, clients are working through disproportionate financial impact of COVID-19

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The COVID-19 pandemic has had significant economic consequences for many women. For advisors, ensuring these clients remain on track to meet their financial goals has meant helping them refocus their plans and make practical decisions to reflect their current realities.

The pandemic has affected women disproportionately. According to an [RBC Economics report](#) published earlier this year, 12 times as many mothers as fathers left their jobs to care for toddlers or school-aged children in the first year of the pandemic. Furthermore, the report points out that almost half a million women who had lost their jobs during COVID-19 hadn't returned to work as of January, and more than 200,000 were officially considered long-term unemployed that month.

In addition, a [Women's Enterprise Organizations of Canada survey](#) conducted this past spring found that almost half of women entrepreneurs reported COVID-19 has had a negative impact on their business operations and 60 per cent of them indicated their business has suffered a financial loss.

Leony deGraaf Hastings, certified financial planner at deGraaf Financial Strategies in Burlington, Ont., says the pandemic has had a notable impact on several of her female clients – primarily those with school-aged children and those employed in sectors hit hard by the shutdowns.

"Clients in the service and entertainment sectors certainly found themselves needing to withdraw some savings reluctantly to meet their financial obligations as their cash flow has been reduced significantly over the past 20 months or so," she says. "Thankfully, their investments have done well over the past year, so in most cases, we've only had to dip into their growth, not their capital."

Ms. Hastings says she also provided clients with a holistic view of their situations and helped them brainstorm alternative solutions to their challenges.

For example, a couple of clients decided to sell their home in the hot housing market and rent for a year or two to clear up debt while they change course. Others are looking at retraining, starting a home-based business, or are delaying retirement by a few years if they've had to dip into their savings.

Francesca Rea, a financial advisor at Assante Capital Management Ltd. in Mississauga, has several female clients who work in a range of industries – from marketing to hairdressing to massage therapy – and have been affected financially by COVID-19.

The common thread, she says, is that all have realized the importance of increasing their savings and planning for future “what if” scenarios. Clients have prioritized putting money aside for three to six months' worth of expenses and paying down outstanding debt over the past few months, either with remaining government grant funds or with other sources of income within their families.

Ms. Rea also says several clients – whether they experienced a job loss or not – were able to save more as a result of not being able to spend money on travel, going out for dinners or events, or even kids' activities during the pandemic.

“Now, most of them are at the point at which their business has picked up or reopened and they're able to start refocusing on their [long-term financial] plans,” she says.

In addition, Ms. Rea says these clients have also appreciated the support she has provided in navigating the shutdowns and keeping them motivated and focused when they felt it was difficult to do so.

“Sometimes, all I am is just a coach, especially during the hard times,” Ms. Rea says.

In fact, Karin Mizgala, co-founder and chief executive officer of Money Coaches Canada Inc. in Salt Spring Island, B.C., says the pandemic gave advisors an opportunity to provide women affected financially with information and strategies so that they're able to take meaningful action toward achieving their goals.

That can involve looking at the impact of the current work situation on the client's longer-term retirement plans and considering the steps that need to be taken to get back on track when things improve or perhaps discussing whether their expectations need to change, she says.

“It's about highlighting the contextual implications – ‘If you do this, then that [will happen],’” Ms. Mizgala says. “[It] can be a very reassuring and validating exercise because people are amazingly resilient.”

Ultimately, while some women have had the opportunity to re-evaluate their priorities and pivot during this crisis, the reality for most is that it has been a very difficult time that has added more emotional and financial complexity to their lives, Ms. Mizgala says.

For advisors, taking the time to connect with these clients, listen to their challenges, and put their current situation into context can help reduce stress and uncertainty as they look beyond the pandemic.

“We have a responsibility to ensure that women don’t lose that very precarious seat that they have at the economic and financial table, which is being affected right now,” she says.

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