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Insecurity Keeps Women from Investing: Fidelity's Murphy

by Kristin Broughton
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When Kathleen Murphy took over as Fidelity Investment's president of personal investing in 2009, she decided to listen more and talk less — a strategy that's not usually her style.

"I very intentionally decided that I was going to go slow to go fast," she said at a Financial Women's Association event Tuesday evening at the law offices of Sidley Austin in New York. "They had been hugely successful without me, so learning about what made the place tick, and how I could help after understanding the culture more was important."

On a visit to one of Fidelity's regional sites, a manager gave Murphy a compilation of recorded customer calls to take with her. It was during the financial crisis, and he wanted her to learn about what customers were thinking and feeling.

"It was such a great idea. I asked him to keep sending them to me," Murphy said.

Five years later, she's still listening. She spends about 20 hours every month doing so.

It's an ambitious goal considering she is in charge of 12,000 employees and oversees $1.4 trillion in assets. But Murphy finds the time on her commute to work and often gets engrossed. "I've been known to drive right past the exit," she said.

"Some of them are heartwarming; some of them are heartbreaking," she said of the calls. "But it keeps me really in tune with the pulse of our clients and our organization."

Throughout the FWA event, where Murphy was interviewed by CNBC's Sharon Epperson, the Fidelity executive also expressed concern about women lacking confidence when it comes to investing.

"Women work really hard to progress in the workforce; they work hard for that money," she said. "But when you take the next step, that's where they lose confidence."

Murphy said that it's a problem, in particular, for young women who are in relationships. Citing company research, she said that one in eight millennial women consider themselves the financial decision-maker in their household.

"The chief reason all women give as to why they're not involved is that they think men are better at math," said Murphy.

To illustrate her point, she told a story about a colleague who brought her daughter, Piper, to work for a day. Her colleague packed a bag of toys and expected her daughter to hang out in an empty cubicle while she worked.

"Piper got to the cubicle, and she never even opened the little bag with the dolls and coloring book," Murphy said. "She sized up the cubicle and said, 'What does it take to get an office?'"

Piper spent the day talking with her mother's colleagues, learning about what it takes to get promoted.

Murphy contrasted that with a lecture she gave a few weeks later to a class of high school freshmen. While playing financial jeopardy with the group, she was stunned when not one girl raised her hand.

"What happens between the ages of six and 14 or 15 with girls, where they clearly are smart enough, but they elect not to participate anymore," she said.

Though women are graduating from college in higher numbers and earning increasingly higher salaries, they still lack confidence in their ability to invest, Murphy said.

"These millennial women, who are graduating in record numbers, who are making so much progress in the workforce, channel their inner ninth grade insecure freshman when it comes to financial matters," she said.
