



TALKING ABOUT WOMEN AND WEALTH WITH SOPHIA LERCHE- THOMSEN

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CLAIRE [00:00:00] Nothing in this podcast is financial advice, and when investing, your capital is at risk. (Upbeat music begins)

SARAH [00:00:10] Welcome to the OBU podcast, a place for people who are changing what it means to be an angel investor. We'll be talking to business owners who have taken investment and angel investors who are putting their capital, their wisdom and their networks to work to grow, diverse-founded businesses. The world of investment is changing and we're inviting you to learn how. Welcome to the OBU podcast.

(Music gets louder then ends)

CLAIRE [00:00:42] So it was only two years ago that our guest today, Sophia Lerche-Thomsen, trained as a financial advisor. And since then, she's won Investment Week's Wealth Manager of the Year in 2022, and she's been named a Times' Top-rated Advisor in 2023. Sophia also invested in OBU last year, and she's a passionate advocate for women's wealth and financial empowerment. We're delighted to welcome Sophia to the OBU podcast.

(Segment music change)

SOPHIA [00:01:12] Thank you so much for having me. I'm so excited to be here.

SARAH [00:01:15] We're super excited to jump into this conversation with you because it just feels like there's so many different layers to this conversation about wealth, women and financial planning and angel investing. So where we'd love to start is with the idea of the gender wealth gap. So can you just describe for our listeners what the gender wealth gap is and for you personally, why you're so passionate about closing the gender wealth gap?

SOPHIA [00:01:43] Yeah, it's really important. And before I get into that, I'll just explain sort of the three main reasons why I became a financial advisor, because it links in to that. So the first reason is because I've spent most of my career in big corporates and I've been working in financial services for around ten years now and working in big corporates in finance often resulted in long hours. I didn't put my mental health first and unfortunately I actually suffered from burnout whilst I was working in a previous big corporate role. And that really made me assess, you know, what I wanted to do going forward. And that's why I retrained as a financial advisor because I want to have a better work life balance. And this comes on to my second reason, which is that I really want to have a family one day, hopefully, and want to be around if



I can, and therefore just have that time in the evenings and the mornings – it's really important to me. And then the third reason is really to close the gender wealth gap. So we talk a lot about the gender pay gap in the UK, and that is still a big issue, not just in the UK but in countries all over the world. And it does link to the gender wealth gap. But in my opinion, the gender wealth gap is worse and it's more of a problem. And when I was doing some research to find some statistics around it, I was actually surprised at how little information there is online and how it's not covered that much, particularly in mainstream media. There is a lot of coverage on the gender pay gap, which is important, but limited coverage on the gender wealth gap. And what that looks like for my clients and for society really comes down to two main areas. So the first is investors starting their investment journey. So the statistics that I did find showed that in the UK on average about 10% of women hold a stocks and shares ISA and that's compared to 17% of men. So that's nearly twice as many men that hold a stocks and shares ISA than women. I mean still both of those statistics are low. I'd like to see those numbers a lot higher. But also then we see it in sort of the 60 to 65 year old age bracket, which is pensions. And this is really when it becomes a problem. So if my clients come to me at retirement age, so that's really anything from 55 plus, on average women have a pension about a quarter the size of men.

CLAIRE [00:03:57] Wow.

SARAH [00:03:57] That's a huge difference, isn't it?

SOPHIA [00:03:59] It's a huge difference. But also it's a real problem for women because statistically we live longer. So actually, statistically, we need a pension larger so that we can, you know, sustain ourselves throughout retirement. So that's something that I really want to help change.

SARAH [00:04:14] Right? So you've got those kind of personal motivators for developing your own brand as a financial adviser and then also that kind of macro piece around societally, there's a big problem for us to solve here when it comes to women money and building wealth, whether that's for the short term and how we want to live our lives or whether it's about the future and preparing for retirement.

SOPHIA [00:04:40] Yeah, exactly. And I think it all interlinks, you know, together. But the main reason why I'm so passionate about the gender wealth gap is because, and I always say this to my clients, investment – it's the same with pensions – it gives you freedom of choice.

SARAH [00:04:54] Yeah.

SOPHIA [00:04:54] And when a client comes to me and they have to stay in a job that they don't like or a relationship they don't like for financial reasons.

SARAH [00:05:02] Right.

SOPHIA [00:05:02] And I want to try and be preventative as opposed to reactive and help people get themselves to feel financially secure, close the gender wealth gap so that people and particularly women in this conversation have freedom of choice.



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I want to try and be preventative as opposed to reactive and help people get themselves to feel financially secure, close the gender wealth gap so that people and particularly women in this conversation have freedom of choice.

CLAIRE [00:05:14] Yeah, yeah. If you are engaging with women at the point of retirement and the pot is only so big, then the choices are maybe more limited in what they can do next. Whereas if you can – I was going to use the word intervene – but if you can support them much earlier on in that journey so that they have greater awareness of their financial choices in their twenties and in their thirties, the chances are their opportunities when they get to retirement are so much more as well.

SOPHIA [00:05:41] Exactly. You're completely right. When somebody comes to me at retirement age, it's a very reactive approach. I make the best out of the situation that I'm handed and I can still have an influence. And I hope that, you know, from having a conversation with me, my clients feel that they have a better understanding as to what their retirement income is likely going to be like. And, you know, do they need to continue working throughout their retirement or can they stop? And so that's an important conversation. However, I really want to focus on the proactive approach, which is... giving people this information, you know, whilst they're young and they have time on their side to make a difference. And that is really closing that gender wealth gap from the start. And particularly, you know, people in their twenties and thirties starting their investment journey. That's why I started my Instagram page in lockdown because even though I've been in financial services for ten years and I'm a chartered financial analyst by background, you'd think that I would know this information on personal finance. But I never learned it, even though I was doing all the exams and I was in the industry. And so when I was retraining as a financial advisor, I was learning all of this information and I thought, Why do we not know this?

SARAH [00:06:44] Right?

CLAIRE [00:06:45] Yeah.

SOPHIA [00:06:45] And this needs to be out there in society. Another part of, you know, my mission is to get financial education into schools. But that's a separate piece. And I'm actually going into school tomorrow evening to do like a careers evening, but there's only so much that I can do. So through the power of social media, I really want to provide people with the information and they can make an informed decision and help close that gender wealth gap so that we do see women at retirement on, you know, the right size pension, not only for themselves, but I guess in comparison to men as well.

SARAH [00:07:15] So let's dive into some of this know-how quickly, because we talk about savings and then we talk about investment. And you've mentioned kind of ISAs and pensions. For anyone listening who's not sure, can you just kind of describe that difference between savings and then I guess what we're focussed on here, which is that investment and developing wealth.

SOPHIA [00:07:34] It's a really good question. So I always break it down into three separate pots of money and this is essentially how I approach a financial plan for a client. So the first pot is your monthly pot. That's where your income comes in and your expenses goes out. That is the first stage of your financial plan. So it's getting your income higher than your expenses and paying off any debt, particularly if it's high interest debt. So that is the first stage. Now, I love the fintech apps out there that can really help with budgeting. So I use Revolute and Monzo



and put everything through that and that can really help track my expenses. Once my income is higher than my expenses, or I get clients income higher than their expenses, they can move to the second pot, which is the second stage of a financial plan and this is savings. So this is cash, essentially. And before you even think about investing, it's really important to build up your cash pot.

CLAIRE [00:08:22] Yeah.

SOPHIA [00:08:23] I recommend having about three times your monthly expenses in an emergency pot, and that is in cash. Yeah, but if people have families, then I tend to be a bit more conservative and have, say, six months worth. And that's really to dip into if your income suddenly stops, you know, particularly if you're the main breadwinner for your family, that's really crucial. But it's also there to cover you against unexpected expenses. So at the moment, a lot of my clients are going into their emergency pot because of the cost of energy bills and mortgage rates going up. So they're actually using these savings for that. Then it's worth having another pot, which I call a sinking fund. Really, this is for anything that you've got to spend money on in the next five years. This could be a wedding, this could be a house deposit, this could be a baby, this could be, you know, maternity, you know, whatever it might be. If you need to dip into that pot of money within five years, I would say good financial planning is to keep that in cash. And once you've got your cash pots developed, then you can start thinking about investing. Now, the reason why I recommend doing it that way round is the benefit of cash is that it's essentially a risk free asset. However, nothing is risk free because you've got inflation risk with cash. So inflation in the UK is 10% at the moment. On average, if prices are going up by 10% a year and the interest that you're earning on your cash account is going up by 2% a year, you're losing 8% in real terms, in terms of what you can buy with that cash. And a lot of people aren't aware of that. They might not see the value of their cash account going down, but actually inflation is eroding it. One of the best ways to protect your money from inflation is by investing it. However, there are risks involved with investing. That's why I do recommend seeking financial advice or, you know, going to different platforms that can help you. And whenever you think about investing money, it really should be for five years or longer. And that's because the short term market volatility we saw that in 2022 and history has shown us that over five years investments have tend to outperform inflation to protect your money from being eroded by inflation and achieve growth, which is the goal of investing. In terms of what investments you can make, you've got property, you've got your pension, you've got your stocks and shares ISA, that's sort of the three main products that most people will have and look at. Your stocks and shares ISA is just invested into the markets. So it's invested into various companies.

SARAH [00:10:38] It's just fascinating, isn't it? Because to your point about educating at school age, even just that simple framework that you set out there, you kind of think, goodness, if that was actually taught in schools and we had that framework and then went into our careers with that framework, just financial wellbeing and therefore mental health and all of the kind of knock on and ripple effects would be so much more positive. But I think that's a really helpful framework as we now dive into investing in a bit more detail.

CLAIRE [00:11:09] We were talking in the office just the other week around, why is it that the topic of money still feels like the taboo subject? So it feels like in the last few years, with the help of Davina McCall – thanks, Davina – we're really overcoming conversations like the

menopause which previously were off limits. And kind of pregnancy, child care. There are so many systems that I feel like women are really beating down the door to say we need to have good conversations about this now. But when it comes to wealth, money, finances, it still feels like it's a taboo subject for us. So I'd love to know... Where do women go to start talking about their wealth? What barriers do you think are in the way for women when they are not talking about it over a glass of wine, over dinner with their friends? What's getting in the way of us having better conversations?

SOPHIA [00:12:01] It's a really good question and it's something I think about a lot because when I look at my own friendship group, we never talk about money. And the only time I ever really comes up is if people ask me about my job or my Instagram or, you know, what I'm doing. But even then, it's not really a conversation around financial planning or investments is just more about the role that I do. And I was thinking, why is that? And I think it must be to do with societal norms that we've just kind of become accustomed to. It was only in 1975 that it was the last year that women needed a male signature to open a bank account. That was not long ago. And even if you weren't around, you know, when that was happening, your parents or grandparents would have been and therefore have passed that down without meaning to. We've got unconscious bias and the narrative is, is that women are bad with money. And I was looking at a study recently that again, is to do with mainstream media because I was looking at a study that analysed the topics of... or the themes of topics in women's magazines. 65% of the themes when there's articles published about money in women's magazines is all around budgeting and helping women not be so impulsive and women are overspenders... And it's that focus. So it's again reiterating that narrative that women are bad with money, which is in my opinion then therefore causing women to lose confidence around money. Whereas if you did the same analysis on men's magazines, around 70% of the topics when talking about money was around investing and how it was seen as, you know, a masculine quality to invest and to take risk and invest and make money. So just those narratives as well, I think are still ingrained in us. The good news is that I do see things changing and that's really exciting. So I last year had been invited to a number of different groups to talk at - and they were a result of women coming together and creating a community and wanting to talk about money. And I think the way us women communicate best is through a community. We like to share ideas with each other. And I've been invited to women's WhatsApp groups, say mums groups, for example, locally, where they sort of share information on, you know, their own personal financial debt journey, particularly focusing on family financial planning and also face to face mums groups. So, you know, I've been sat in living rooms around the UK chatting to mums on the sofa and just having an open discussion and I really saw there was something there. I've also been at the WI a few times, which has been great, but then I started creating my own free events for women to come along to, so say where I live in Henley on Thames, there's a lovely children's shop and they've got an event space. So on Thursday afternoon, there's two timeslot, So Thursday afternoon and also after bath and bedtime in the evening, I just created the space for women to come along to for free and either have a coffee or a glass of wine and just chat about finances. And it's been amazing, the response and reaction. And a lot of women have said in the group, I didn't feel comfortable necessarily having this conversation with, you know, either men in the room or with a male advisor. And yes, that's a bias in itself. But I think women tend to want to work with women and tend to want to be able to have that support as well with the community around them.

SARAH [00:15:27] It's interesting, isn't it? There's a stat and I forget the exact percentage, but something like kind of 80 or 90% of women leave their financial advisor when their husband or partner dies because they don't feel that their life experience is understood or they're being advised in a way that relates to them feels kind of gettable. And I guess that's what you're saying. It's kind of we need to change not only the content of these conversations, but actually where the conversations are happening. We were at an event a few weeks ago and Trinny Woodall was talking about her business and this idea of when you go for investment as an entrepreneur, the research shows us that men are asked to talk about the upside and kind of investment and growth for that business whereas women are asked to talk about, well, how are you going to protect for the downside. And that's what you're relating to in terms of that magazine content. And I think there's just this whole shift needed around... Actually, women aren't risk averse. We're not bad with money. We can do investment and we can do growth. But those conversations aren't happening. There is no space. So it's really exciting to hear you talk about the different ways in which you're designing that conversation and taking the topic of money to women where they're at rather than expecting women to... Well, we always joke and kind of say expecting women to step onto the golf course because that's where conversations about money happen.

SOPHIA [00:16:52] Yeah, it's so true. And it's creating those communities for women to sort of get together and come to and feel like it's a safe space for them to ask questions that they have been thinking about, but also learn from each other. And I'm very open on social media with my own personal financial journey to help break the stigma around money. And it's funny, when I moved to Dubai and I was working in financial services in Dubai for a number of years, there wasn't really that stigma around money like we have in the UK. I was quite surprised at how open people were with how much they're earning, how much they're investing – and women as well. So that was actually when I was going out with my friends, I knew all of my friends were earning and you know how they were doing. And in the UK we don't have that. So by sharing my own journey, I hope that it encourages people to have these conversations. And I often get messages from people saying, I've screenshotted your post into our Mums WhatsApp group and our mums WhatsApp group has become about finance as a result of that. So it's just playing your small part where you can and helping people break down the stigma.

CLAIRE [00:17:56] But what you provide though actually is a bridge. So where it's hard for women to maybe start those conversations themselves within their friendship groups or their WhatsApp groups, if you can provide some interesting content or pose a question or help them think about it, and I can share that into a group that helps me play a role without really having to be the expert or, you know, start a conversation that might otherwise feel awkward for me because instead I'm going, There was just this really interesting post from Sofia. You should take a look. I think you would find it interesting. So you provide the bridge into the conversation, which helps more women have these conversations.

SOPHIA [00:18:35] Yeah, that's true. I didn't think about it like that, but that is true. It gets the conversation going as opposed to relying on somebody to bring it up themselves, which is difficult because you almost don't know where to start with this topic. There's so many different avenues you can go down and it can be really overwhelming.

SARAH [00:18:51] Yes. So you mentioned a moment ago the social media post where you did a kind of end of year summary. And within that post you talked about the fact that you had

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made an angel investment into our business, into Obu. Can you just give us some background in terms of why you personally became an angel investor and why that was something that was important for you to do?

SOPHIA [00:19:15] Yeah, so I've been dipping my toe in the world of private investing for a while and just making these small investments here and there, towards companies where the themes I really resonated with. So one of them is, you know, creating more equality, particularly in financial services and getting more women to be investors to close the gender wealth gap. Another theme that I'm passionate about is climate change and sustainability. And the reason why when I was introduced to you both and we had that conversation, I was so keen to be a part of your journey and become an angel investor myself is because I felt like I could actually make a real impact and it was an investment with a purpose. Whereas before, particularly in my stocks and shares ISA, for example, if we compare it against that, you know, that's all in publicly traded companies. Yes, I can invest in companies that I believe in, but I don't have a voice at the table and I can't really see the change happening or I can't influence any change. Whereas being an angel investor gives you that voice. You know, the fact that I'm on this podcast today with you both is incredible. And I can hear, you know, how your journey is going and how you know, the company updates and when they happen. And it just aligns with that purpose piece, which is why I do what I do anyway. But why I invest is very much aligned with that. And I see a lot of women have that same ethos when it comes to investing. A lot of my female clients will ask, you know, the why behind the investment piece say, Well, what's that company doing? You know, why is it good? They want to know that their money is invested into the right places. So that's why I think angel investing could be an amazing space for women – it's just the education side of it.

SARAH [00:20:58] And I think you've highlighted something really important around when people are weighing up investment decisions. It's not necessarily just about the potential for financial return. It's actually... what's the purpose of this business? What impact is this business trying to have? And can my capital as an investment into this business, potentially enable that impact to grow and to scale? And the research shows us that that tends to be how women will weigh up their angel investment opportunities. So is this aligned in terms of purpose? Also, do I feel that there's maybe skillset or cheerleading or door opening that I can offer and will then look at that financial return, which I think is just such a balanced way to look at investment. And actually hopefully what it means in the long term is that we end up with businesses that are not only good for our economy, but actually they are having a positive impact, whether it's on our planet or people or local communities. I think that's really exciting, if more people make investment decisions with that framework that you've described.

SOPHIA [00:22:04] Definitely, and I see that a lot with my female clients. As I said, when I'm going through what their portfolio looks like and the different investment opportunities that are available to them, including angel investing, that piece of what the impact of that company is going to have, you know, on the wider economy in terms of society and the environment is so important to them. And I'm not saying it's not necessarily important to men either, but I see that conversation coming through a lot more with my female clients. Another reason why I wanted to invest was because I wanted to do more for my client base. And my client base is made up of many female entrepreneurs and business owners, and I love being a part of their journey with them, but I am limited as to how much I can do because I can't get them funding.

It's not part of my job role. Whereas if I can partner with a platform, like yourselves, whereby I can then now refer them to that platform so that they can take their business to the next level and as their advisor, I can support them along the way.... you know, that's amazing. You know, selfishly, it's huge for me because I get a massive reward from that as well. And in terms of, you know, seeing them grow, but for them, it's an opportunity that they might not have even known was available to them. So it's a really nice synergy. And with any investment that I, you know, you want to do as a particularly an angel investor, it's important to have that in place.

SARAH [00:23:26] I have to say I think our pitch conversation with you was one of our most enjoyable because I think there's there's so much kind of – and probably because of programmes like Dragon's Den – there's this idea that pitch meetings are very intense and you're sweating in the corner of the room and it's not really a conversation. Whereas our conversation with you was so joyful that it was kind of, Well, you care about this and we care about that, and isn't that exciting? There's a real opportunity here. And for Claire and I, whenever we think back to that conversation, I think you were kind of signed and sealed in our investment round, after half an hour.

SOPHIA [00:24:02] It's so funny because my background is Chartered Financial analyst so I'm technically trained to do, you know, discounted cash flow modelling and spreadsheets, but I do not invest in that way. I did not do that. (all share a laugh)

CLAIRE [00:24:16] Yeah.

SOPHIA [00:24:16] I do it based on my gut feeling. And also based on the founders and their approach because you have to be aligned to not only how they operate as a business, but their vision for the business as well. And we were just so aligned with that straight away. We could have been talking for hours about, you know, our shared interests and changing the way things are that I just knew it was the right investment without having to do with their modelling and numbers. (giggles)

CLAIRE [00:24:43] Yeah. Which is nice, right?

SOPHIA [00:24:45] (whilst laughing) Yeah!

CLAIRE [00:24:46] And we didn't have to talk to a wall before we said yes. (all laugh in agreement) Yes, we'd love to have you as an investor.

SOPHIA [00:24:52] Ah, thank you, I'm very pleased to be on board.

CLAIRE [00:24:55] You've touched on a few points there around what you took into consideration when you made the investment decision in Obu. For women who are starting to think about angel investing and how they might approach that themselves,

where do you suggest they start? What's the kind of starting point and things they might want to think about?

SOPHIA [00:25:15] The first point is, which is my financial advisor hat, which is just checking that you're in a position where you can be an angel investor. Yeah. So making sure you do have enough in cash and that if you are going to be investing, you know, it is for a minimum of five years at least. Now I know there's different rules depending on how long you have to invest for as an angel investor, depending on the scheme. But I always have that five year time horizon in mind. Once you're ready to make that next move, it's also about looking at your portfolio as a whole and thinking about, you know, how much can you afford to lock away – because it might be longer than five years before you get that investment back. So that's the technical side of it. But then it comes on to the interesting side, which is – make a list of all the topics and themes and areas that you're interested in. You know, what I always say to my friends, when a topic comes up at a dinner party and you suddenly find yourself really engaged and you know you can put the world to rights, that is the sort of company that you want to be investing in is something to do with that. We all have a purpose here. We all have a passion. And if you can find a company that is aligned to that, then it could be a great opportunity for you to be an angel investor and create some change.

CLAIRE [00:26:26] I love that as a benchmark. It's like, what do you get excited about over a conversation at dinner?

SOPHIA [00:26:31] Yeah.

CLAIRE [00:26:32] That's just so much more real than... I will work my way through this list of companies who might be taking investment, which can be quite dry and also quite hard to interpret sometimes as well. There's lots of jargon, I think, in the in the investment world. And if you're new to angel investment, understanding the terminology – you know what's a cap table, what does SEIS stand for – can be really overwhelming. And instead, if you're led, I think by... What are the kind of conversations I enjoy having? Okay, which are the organisations operating in those spaces? That's a really... I was going to say heart-led way of going about investment, which seems to suggest it's not head-led and women are really, really smart, but it's a really passionate way of engaging with an investment opportunity, rather than just looking at what's the capital return.

SOPHIA [00:27:21] For me, it keeps the door open and I think when you try and go down the technical route straight away, it can often shut the door because it becomes too overwhelming and as you say, there's a lot of jargon and then it just becomes... I'm not even going to sort of try just because it's there's so much to learn around the jargon and the technical side. If you keep the door open and have that heart led approach first, then you can do the technical analysis afterwards and seek financial advice or seek professional help or talk to your community network if you have one as well, just to run things past them. But at least it means that you're keeping these sort of your eyes open for opportunities as and when they do come. And you're not just shutting the door straight away because it can be overwhelming. And I remember when I first started in financial services ten years ago and I had to take notes for meetings and I had no idea what any of the words meant. And it's all acronyms as well, which makes it even more difficult. It's honestly like learning another language and so don't feel bad

if you don't understand, because even people in the industry (giggles) often don't understand and it's just all jargon. And a great website is Investopedia and I always had Investopedia up and so I just, there's like a Google search on Investopedia or equivalent, and I just put every single acronym into there and it came out with a really easy explanation and it took me years. I'm still learning.

SARAH [00:28:42] Right and for anyone listening actually, we'll add in the notes for this episode links to some of the websites we've mentioned. We also have on our website a kind of glossary of terms, because I think you're right, you can feel like a minefield, but actually it would be such a shame if that terminology was the thing that stopped someone investing - kind of a shame for that small business and that entrepreneur, but also for them as individuals because investing does provide that opportunity for developing and growing wealth. And of course there is risk associated with it, but it is a pathway that we really want to encourage more women to inform and educate themselves about, because of the opportunity it provides in terms of impact, but also wealth generation and wealth creation. So we will add those links in to the notes for this episode.

SOPHIA [00:29:33] I'm probably misquoting here, but I remember reading a quote from Warren Buffett, which is how he invests money, obviously one of the most successful investors in our time. And he said, 'never invest into a product that you wouldn't use yourself'.

CLAIRE [00:29:47] Yeah.

SOPHIA [00:29:47] Or you wouldn't buy yourself. And again, I know that seems simple, but actually it is so true. And if you are investing an angel investor into a product based business, you know, are you a user of that product? What is your experience as the customer using that product? Things like that are really actually you don't think they're important in making an investment decision, but they are because if you don't like the product or if you didn't like the service, then you know, it's unlikely that that business is necessarily going to be successful, so that's also a good first step.

SARAH [00:30:14] I think it was one of the founders and creators of Netflix recently added a post to his social media that talked about this idea of... through all of the investing that he's done, particularly if it's early stage investing, so when a business is just starting out, actually just looking at numbers is not that great an indicator for which one of these businesses will be successful or not, because when it's early stage, there's so much that is still unknown. And so for him, when he thinks about angel investing, it's about which entrepreneurs does he want to take a punt on in terms of, I really care about what they're trying to do in the world, and I believe in them as founders. Like I believe that they're creative enough to tackle the problems. I believe that they're resilient. I believe that they don't walk into the room thinking they own all of the answers. Actually, they're happy to collaborate with people, and that's what you invest in. Which, to Claire's point, doesn't mean you ignore the numbers, but actually when it's early stage investing, it really is about that purpose piece. And do I care about what they're doing and do I believe in them as people and a founding team to make that change happen, which I think is a lot of what you're describing about in terms of becoming an investor in us. It was... it sounds a bit strange sitting here like we're blowing our own trumpet! (all burst into laughter)

SOPHIA [00:31:39] It's true though! Because if the same proposition came to me with different founders that I didn't necessarily have that instant connection with and didn't trust as much as I trust you both, would I have made the investment? Because even though it still aligned to... my, you know, purpose and ethos, which is to create a level playing field in the investment space and get more female entrepreneurs access to funding and more female business owners. But if I didn't have that connection with the founders or trust in the founders, I wouldn't have probably made that investment. So it is really crucial part.

SARAH [00:32:12] Yeah.

SOPHIA [00:32:13] And for you, I'm sure you want to make sure that your investors are also aligned because it's going to make your life easier as well if your investors are aligned in the same. You know, if you had an investor that was very tight on the numbers and putting a lot of pressure on, I think that can also for women that do want to raise funding.... finding the right investors is also really important to make sure that they're aligned and on that journey with you.

CLAIRE [00:32:36] Yeah, absolutely.

SARAH [00:32:38] I think that's one of the things we're really excited about disrupting when it comes to, again, this idea of pitching. Because what we've been discussing here is actually there's a relationship that is developed between an entrepreneur and founding team and their investors. So it's not about kind of lobbing a pitch deck into a dark hole and you may or not may hear back or you may not hear back. Actually, it's about how can we develop a relationship and understand what you care about and what we care about. And you know, that role that you have as entrepreneur, which is to describe the numbers and the business case and the kind of commercials and business model. That stuff is crucially important, but it just feels as though what's been overlooked for so long now is this idea of... it's a relationship. And actually if you have entrepreneurs and angels working together who really care about that purpose, the likelihood for success of that business has just got to be greater because it's more people who give a shit about that business being successful. And I know for us, when we look at our cap table and the investors that we've got, including you, we just feel so supported by all of you and we know it's not a transactional piece. Actually, you care as much about the people that we're serving and helping to be successful as you do about when am I going to get the financial return from this investment – that feels so different.

SOPHIA [00:34:08] Yeah, I think it also, and correct me if I'm wrong, but it takes the pressure off having to deliver short term numbers. And actually the focus is on the long term mission, which is what a sustainable – how a sustainable business is created. And so when we had a conversation around, you know, what your plan is for the business, that was very obvious to me as well. And then that made me feel comfortable because I know you're not focusing on the short term, you're focusing on the long term, which is to create, you know, this amazing platform for female business owners and create a level playing field – and hope that I can bring a lot of my female clients on board, which is amazing.

SARAH [00:34:48] It's exciting. We can't wait to launch.

SOPHIA [00:34:50] Yeah, I need it to be launched! Can't wait.

CLAIRE [00:34:52] You know you are a disruptor in your own right and you are breaking the mould in terms of the role that you're playing in the financial and wealth management industry, which is amazing. And we need more people like you, I think coming into the financial or wealth industry to start new kinds of conversations. What are the kind of topics you feel are important for women to start exploring and embracing when it comes to wealth management and financial planning?

SOPHIA [00:35:24] So one of the other reasons I chose to become a financial advisor is because we need more diversity in the industry, and that's because our client base is so diverse. The UK population is a diverse population, whereas the financial advisors in the UK are not diverse. And as I said, people tend to relate to people that have been in a similar experience as them and trodden the same path. And most of the feedback I get from my female clients is that they want to only work with a female advisor, and I know that there is a bias in that. But what I love about the industry is that all us advisors are qualified. We're all able to give advice, we're FCA regulated. But we all have our own personalities and I'm not going to be the right advisor for everyone, but the clients that come to me, I am the right advisor for them and they're the right client for me and we need a diverse range of advisors to encourage more people to seek financial advice and planning because everyone can benefit from it. So that's really important and we have a long way to go in terms of creating that diversity. In terms of the topics that women tend to talk to me about and that we put a plan in place for, the main one is maternity cover. So if you're employed in the UK, you know, hopefully your employer has a good maternity package for you. If you do decide to have a family and take time out of work. Normally it's not necessarily the case and you go down to statutory maternity pay after a certain amount of weeks, and then you have your baby and then you've got time, obviously deciding, you know, when to go back to work if you do decide to go back to work. But it's that financial element that comes into it. The cost of nursery in this country is outrageous.

CLAIRE [00:37:11] Yeah.

SOPHIA [00:37:12] So for most of my clients, it's that time period between starting to think about planning a family... before they can get their first child into primary school, it's really expensive in terms of your income likely dropping, extra cost of childcare or nursery if you do want to go back to work. So that's a big part of the financial plan that I do for a lot of my female clients. And also for, as I said, I work with lots of female entrepreneurs and business owners and I'm self-employed myself. This is an issue that I face because if I stop working, I stop earning and I go down to the maternity allowance, which I think is £156 a week.

CLAIRE [00:37:50] Not enough.

SOPHIA [00:37:51] Not enough. And that's really difficult because it means do I delay having a family so that I can build up my business? But do I want to delay having a family to build up my business? It's a conversation that I'm having in my own head, but I'm having with a lot of my clients as well. So good financial planning can help with that because you can save and invest for that moment, so that you don't have to necessarily make the decision at the time based on finances because you've planned ahead for it. But it's, you know – that's the best case scenario is to plan ahead. But life is unexpected and these things happen.

CLAIRE [00:38:26] That can be a long five years, that kind of time between your maternity leave maybe, and them going to school. And I think what's really interesting in going back to that very start in the framework you described is, establishing those pots of cash, so here's your savings, here's your emergency fund, to then here's your kind of future planned event fund. So having children maybe or buying a property or whatever it is – that does require so much more forethought. And so being able to bake that into your plans in your twenties is going to be so much more beneficial to you by the time you get to the point where you need to access those funds.

SOPHIA [00:39:06] Exactly. It's that second part of the financial plan, which is that cash element and building up your cash pot. So you've got your emergency pot and then it's thinking about upcoming costs in the next five years. And for me, I'm getting married in September, which is amazing..

CLAIRE [00:39:19] Congratulations.

SOPHIA [00:39:19] And it's very expensive. (giggles of agreement in the background) So that's what I'm focusing on at the moment. But I just had a conversation with a client last week and she's thinking about baby number two. So we've now put a plan in place for her to save a pot of money for baby number two. Now that's going to cover maternity, but it's also going to cover, you know, cost of having baby number two. And anyone can do it. You don't need to reach out to a financial adviser to do this plan. And it is... we all live very busy lives. And it's I know it's probably the last thing that you want to do is sit down on an evening after work and think about, you know, what potential cost do I have on the horizon and then work backwards. But it can really help in terms of the planning aspect. And a lot of my clients, you know, separate to their parent piece, but a lot of my clients are, if they're not female entrepreneurs already, they are working, but their goals are to become entrepreneurs themselves because they've got amazing business ideas and they want to create something. And so a lot of the plan is then around investing or saving a pot of money for them to be able to leave their employment in the future and actually get that business off the ground.

CLAIRE [00:40:23] Having that financial runway to then really make a go of it because you need time. It doesn't happen overnight. You need time to really get your feet under the table.

SARAH [00:40:32] I think what's really exciting about that is, and we see this with... so the entrepreneurs that we work with who are raising investment for their business, part of their motivation for growing a business that could scale that they then exit in the future, is that actually that will then provide them with a wealth pot and then they can allocate some of that to angel investing in the next round of businesses. And I think this idea of it kind of becomes circular. It's kind of actually money is an enabler and the more we can support more diverse people to generate wealth, that then is just a good thing in terms of the level of equality we'll see in the world and globally, the types of products and services that are designed for a broader range of people. And I just think it's really exciting when we start to think about wealth generation and kind of putting that conversation on the table rather than it feeling like it's taboo or there's nowhere that I can go to you to ask those questions or to do that planning.

SOPHIA [00:41:37] I believe everybody should be born being able to learn the knowledge on how to create wealth, because wealth is how you achieve financial freedom. And a lot of people focus on getting a high salary or generating a high income. And that's great because it's part of the financial plan that income funnels everything else. It helps you put up your cash savings, but most importantly, it helps you build up your wealth piece. And that's done through investing. So when people ask me, 'What do I do as a financial planner', it's the same thing as a financial advisor, wealth manager. We just the industry likes to make it confusing by calling us different names (giggles of agreement in the background). I help people invest their excess income and excess cash into wealth through angel investing, through stocks and shares, through pension, whatever it might be, through property. And then we use that wealth pot to generate additional income. And it, as you say, it's then funnelling the rest of the plan. So it really is about focusing on that wealth piece. Like you say, it's an enabler and therefore, you know, if my clients build up their investments over the next ten years, for example, they could then generate natural income from that investment pot could help towards the cost of childcare, or could help towards the cost of them leaving full time employment or going part time so they can start their own business. It just enables everything. And that's why I am a bit of a geek and I love investing, but it's because it gives people freedom of choice in the future. And that's why I'm so passionate about people having access to this information so that they can make these decisions and create the financial plan so they can get that.

CLAIRE [00:43:05] Amazing.

SARAH [00:43:06] And Sophia, where can people find out more about you?

SOPHIA [00:43:10] The best way is to follow my Instagram page, which is @sophia_financial_planner. I provide lots of free content and financial education. I do live Q&A sessions once a month, so you can join, ask me any questions that you might have. Always just feel free to send me a message. And I do offer free chats as well. So I would love to, you know, for you to reach out, to have a conversation. I am also on LinkedIn as well, but I do recommend following my Instagram page.

SARAH [00:43:44] Amazing. It's been so great talking to you today. We've obviously had lots of conversations with you since that first pitch conversation, which as we know now, that just means a nice chat. But we're really delighted that you're an investor on our cap table, and we're just really excited this year about the impact that we're going to be able to have together in terms of empowering more women to generate wealth. So thank you for being a guest with us today.

SOPHIA [00:44:11] Thank you so much for having me. I've loved this conversation and I'm really excited to be part of your journey.

(Upbeat music builds again)

SARAH [00:44:19] For more on how we're reimagining investments and entrepreneurship across the UK, come and follow us at The Obu Podcast. More real conversations with entrepreneurs and angel investors who, with their capital and their businesses are changing the world for the better.

(Music gets louder then ends)