

# What women want: Connecting with female investors

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# Agenda

Why are women important investors?

How can you better relate to female investors?

What actions can help you connect with female investors?

# Why are women important investors?

# Women have significant assets

Portion of personal wealth held by women in the United States\*

**51.3%**

Portion of North American millionaires who are women\*\*

**37%**

Portion of married women with an income equal to or greater than that of her spouse†

**48%**

\* Sasha Galbraith, 2011. *Financial services: The industry women love to hate*. Accessed June 4, 2013, at <http://www.forbes.com/sites/sashagalbraith/2011/03/18/financial-services-the-industry-women-love-to-hate/>.

\*\* Capgemini and Merrill Lynch Wealth Management, 2011. *World Wealth Report*.

† 2014 U.S. *Trust Insights on Wealth and Worth(R)*, Bank of America Corporation. Accessed at <http://www.ustrust.com/survey>, February 2015.

# Women's assets will continue to grow because of:

Businesses

Education

Inheritance

**9.1 million**

Women-owned  
U.S. businesses\*



**\$1.4 trillion**

Revenue generated  
from these businesses\*

Women-owned businesses employ more than twice as many people as 3 of the nation's top employers—McDonald's, IBM, and Wal-Mart—combined.\*\*

\* 2014 State of women-owned businesses report: A summary of important trends, 1997–2013, 2013. Accessed September 24, 2014, at <https://d8a8a12b527478184df8-1fd282026c3ff4ae711d11ecc95a1d47.ssl.cf1.rackcdn.com//us/small-business/openforum/wp-content/uploads/2014/08/14OFW-GN-E-StateOfWomenReport.pdf> (Commissioned by American Express OPEN.)

\*\* Alexander E. M. Hess, 2013. Ten Largest Employers in the U.S. Accessed September 24, 2014, at <http://247wallst.com/special-report/2013/08/21/the-10-largest-employers-in-america/3/>

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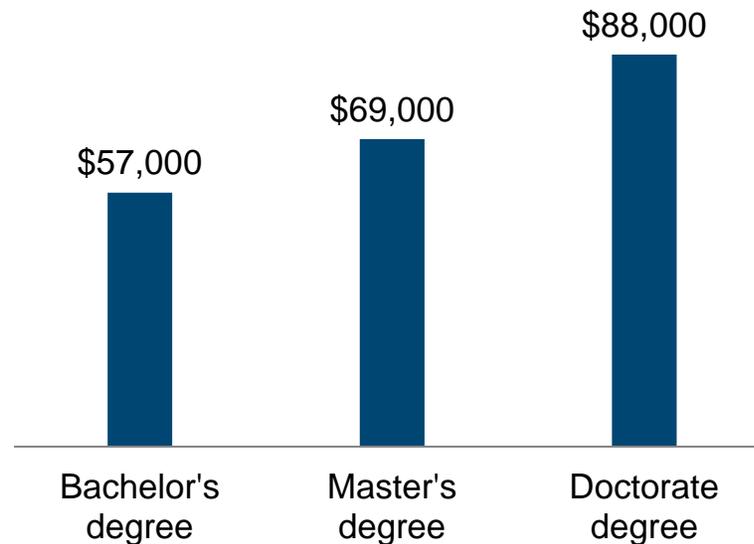
## 60%

Graduate degrees earned by women\*

## 53%

Doctorate degrees earned by women\*

Median income in the U.S.\*\*



\* Institute of Education Sciences, National Center for Education Statistics. Degrees conferred by sex and race. Accessed June 3, 2013, at <http://nces.ed.gov/fastfacts/display.asp?id=72>.

\*\* Tiffany Julian and Robert Kominski, 2011. *Education and synthetic work-life earnings estimates*. Washington, D.C.: U.S. Census Bureau. (American Community Survey Reports.)

# Women's assets will continue to grow because of:

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## \$41 trillion

Intergenerational wealth transfer over next 40 years\*

\* John J. Havens and Paul G. Schervish, 2003. Why the \$41 trillion wealth transfer estimate is still valid: A review of challenges and questions. *The Journal of Gift Planning* 7(1):11–15, 47–50.

# Women are decision-makers

- Women make about 70% of household buying decisions, including those related to banking and financial services\*
- Nine of ten women will manage their finances alone at some point in their lives\*\* because of their tendency to:
  - Marry later in life†
  - Divorce ††
  - Outlive their husbands ‡

Average age of widowhood: **59.4 years**††

Women's life expectancy: **81.3 years**‡

Proportion of widows who leave their financial advisor within a year of their husband's death: **70%**‡‡

\* Michael J. Silverstein and Kate Sayre, 2009. *Women Want More: How to Capture Your Share of the World's Largest, Fastest-Growing Market*. Boston, Mass.: Boston Consulting Group.

\*\* Noreen Beaman, 2012. The gender trap: Male advisors may be missing a practice-building opportunity with advice-directed women. *Investment Advisor*. (Published by AdvisorOne.)

† D'Vera Cohn, 2011. *Marriage rate declines and marriage age rises*. Washington, D.C.: Pew Research Center. (Social & Demographic Trends.)

†† Rose M. Kreider and Renee Ellis, 2011. *Number, Timing, and Duration of Marriages and Divorces: 2009*. Washington, D.C.: U.S. Census Bureau. (Household Economic Studies.)

‡ Institute for Health Metrics and Evaluation 2009, *Life expectancy by county and sex (US), 1989-2009* Seattle, Wash.: University of Washington.

‡‡ Kristan Wojnar and Chuck Meek, 2011. Women's Views of Wealth and the Planning Process: It's Their Values That Matter, Not Just Their Value. *Advisor Perspectives*.

# Women are loyal and more likely to refer

“Would you move your assets and relationship along with your financial advisor if he or she left his or her current firm?”

Percentage responding yes\*

45



23



Average number of referrals in a lifetime\*\*

26



11



\* *Fidelity millionaire outlook, 2012*. Boston, Mass.: Fidelity Investments. (Insights on Advice.)

\*\* Delia Passi, 2006. *Winning the Toughest Customer: The Essential Guide to Selling to Women*. Chicago, Ill.: Kaplan Publishing.

How can you better relate  
to female investors?

# Understand women's approach to investing

Women differ from men in that they:

- Report feeling dismissed or condescended to because of their gender\*
- View investing as a means to a goal, rather than an achievement in and of itself\*\*
- Are more risk-averse than men†
- Value collaborative decision-making ††

\* Michael J. Silverstein, Kosuke Kato, and Pia Tischhauser, 2009. *Women want more (in financial services)*. Boston, Mass.: Boston Consulting Group.

\*\* The Boston Consulting Group, 2011. *Creating loyal relationships with women*. (Commissioned by The Vanguard Group.)

† Barclays Wealth, 2011. *Understanding the female economy: The role of gender in financial decision making and succession planning for the next generation*. (In cooperation with Ledbury Research.)

†† *Fidelity millionaire outlook, 2012*. Boston, Mass.: Fidelity Investments. (Insights on Advice.)

# Understand what women want from an advisor

Satisfied female clients are more likely to have an advisor who:

- Efficiently manages the relationship
- Understands them
- Creates a safe space for candid discussions
- Educates them
- Helps them align investment and life goals
- Communicates well



Source: [http://www.talentinnovation.org/\\_private/assets/HarnessingThePowerOfThePurse\\_ExecSumm-CTI-CONFIDENTIAL.pdf](http://www.talentinnovation.org/_private/assets/HarnessingThePowerOfThePurse_ExecSumm-CTI-CONFIDENTIAL.pdf).

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# Engage

Meet with couples together

Focus on both spouses equally

- Body language
- Eye contact
- Direct questions to both



# Communicate

## Talk less, listen more

- Don't dwell on credentials, experience, and performance
- Don't jump in to offer a "fix"
- Ask:

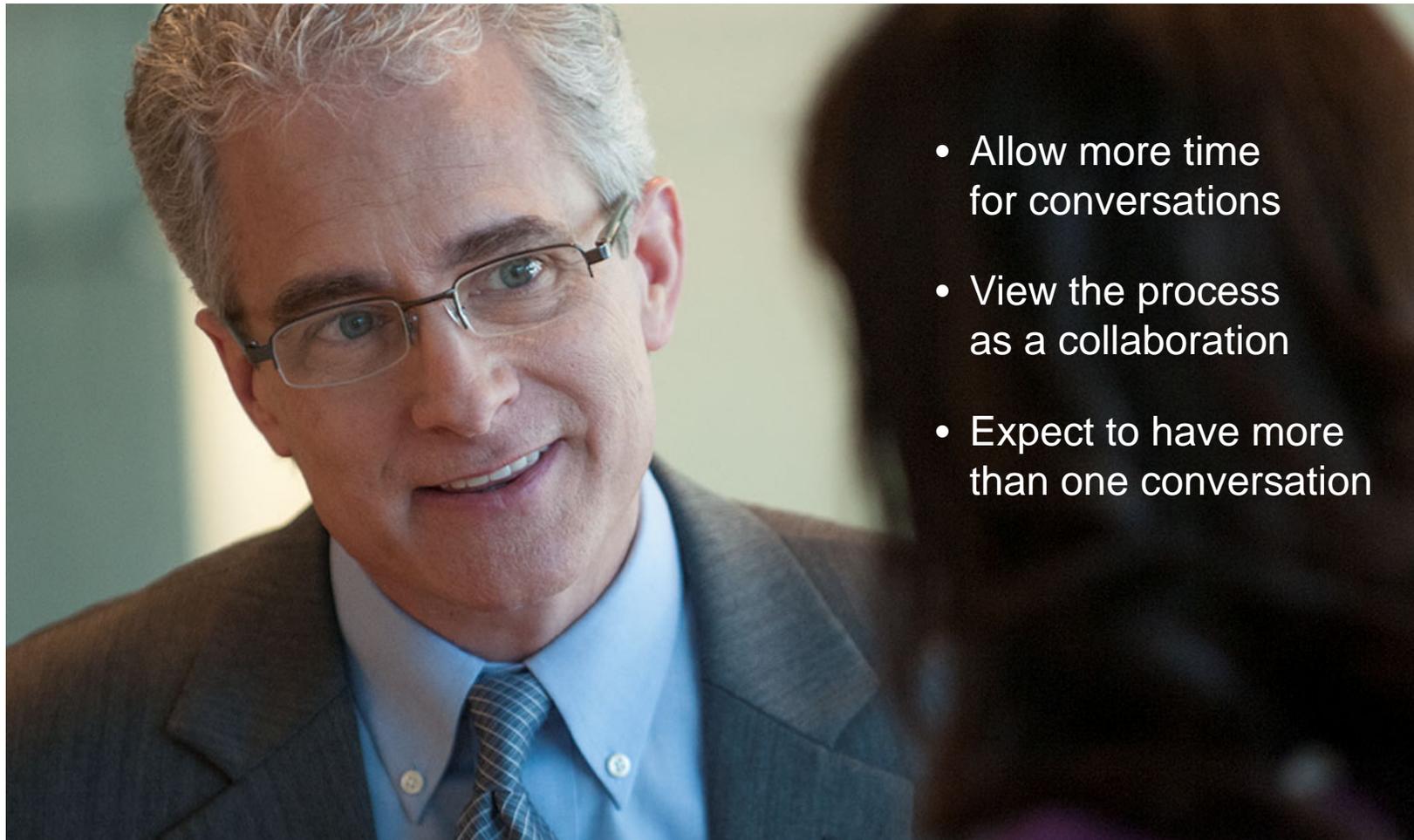
### Open-ended questions

- What does money mean to you?
- What did you learn about money when you were growing up?
- How do you envision your life 15 years from now?

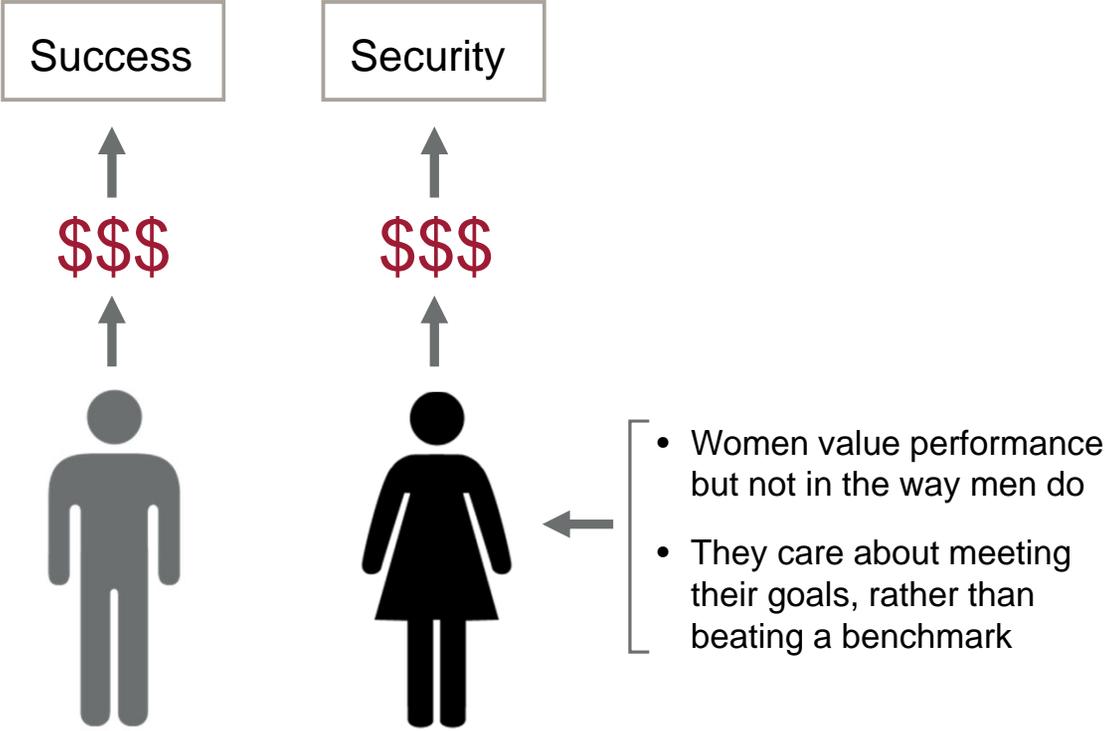
### Follow-up questions

- What is it about traveling that's important to you?
- Tell me more about your mother's health care needs
- What made you decide to start your own business?

## Expect to answer a lot of questions



# Frame the conversation around her goals



# Pay attention to language\*



\* The Boston Consulting Group, 2011. *Creating loyal relationships with women.*

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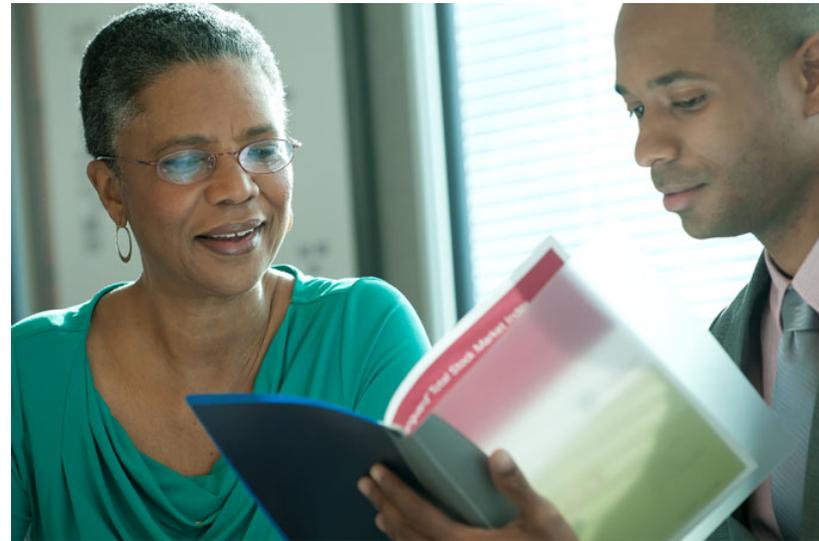
# Educate

- Recognize different levels of interest and knowledge
- Use real-life stories to illustrate a point
- Host informal workshops for women

What actions can help you  
connect with female investors?

# Engage with existing female clients

- How well do you engage her?
- How well do you know her?
- Does she actively participate?



# Focus on communication

## Written

- Newsletters, emails
- Designations

## Interpersonal

## Environment

- Events
- Office

# Attracting female clients

- Evaluate the profile of your current clients
- Determine your target female client
- Leverage your female clients' networks

# What women want: Connecting with female investors

# Important information

All investing is subject to risk, including possible loss of principal.

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