I don’t need to remind anyone that women are a force to be reckoned with. By 2020, women are projected to control half of the wealth in the U.S. One driver for this is a dramatic increase in their earning power: four in ten women out-earn their husbands which represents an increase of more than 50% from just twenty years ago.

The National Center for Women and Retirement estimates that 9 out of 10 women will be solely responsible for their finances at some point in their lives – clearly an opportunity for financial advisors.

The good news for our industry is that, according to Fidelity research, women aren’t afraid to ask for the help of an advisor: among women decision-makers without an advisor, 49% of those surveyed said they would like to find a financial advisor to manage their assets compared to just 17% of their male counterparts.

But they are also not afraid to take their business elsewhere if their advisor neglects to build a relationship with them: 70% of women fire their financial advisor within a year after the death of their spouse.

Unfortunately, the advice industry has not received high marks on working with female investors. A study by The Boston Consulting Group (BCG) found that women were more dissatisfied with the financial services industry than any other industry. Women reported being treated with disrespect and condescension, and given poor advice specifically because of their gender.

Despite this dissatisfaction, female investors present an opportunity for advisors. Fidelity’s research suggests that:

**Women are more interested in holistic financial planning**

One of the largest disconnects between genders was in their approach to financial planning. Among those who work with financial advisors, women were nearly twice as likely to be interested in holistic financial guidance and planning to meet a specific investment goal.

In contrast, men are focused on investment return – they were nearly twice as likely as women to indicate that they were interested in achieving the greatest return on investment.

**Women are typically more risk averse than men**
When it comes to investment approach, female sole decision-makers were typically more risk averse than their male counterparts. Women were more conservative, with their top five investments being CDs, money market accounts, cash equivalents, individual domestic bonds and domestic bond mutual funds, while men favored riskier investment strategies like individual domestic stocks, which nearly twice as many men as women added to their portfolio in the 12 months prior to the study. Women were more likely to shy away from risky investments and more likely to disagree with the statement “I am willing to set aside a large portion of my portfolio for risky investments.”

**Women may be better candidates for financial advice**

Men and women also differ on how they use financial advice. Women were open to working with advisors, with 44% agreeing that they need professional financial advice more now than in the past, and nearly half of those with no current financial advisor wanting to find an advisor they trust to manage their assets. Women also reported greater loyalty to their advisors: among women using a financial advisor, 45% said they would be very likely to move their assets with their advisor should he/she leave their current firm. Just 23% of men said the same.

Given these findings, it’s important for advisors to recognize that women may have a different set of financial concerns that deserve consideration or may be looking for different investment strategies. More often female investors are looking for their advisor to provide a plan, to listen and hear what they have to say, and to give them time to digest and evaluate their options.

This is an important topic for our industry, and it’s imperative that we help our advisors do a better job engaging with their female clients. This requires time, effort, and a commitment by your entire practice to ultimately generate results. And it’s important to not only engage women early, but regularly to help maintain and potentially grow the relationships.

Success in today’s advice market demands a deep understanding of the end investor and segments with distinct risk tolerances and investment needs. Armed with a better understanding of the attitudes and preferences of female investors, advisors may be able to improve their approach to ensure they are positioning themselves for success.

To help you navigate this shift of wealth and learn more about the differences in supporting female investors, National Financial has put together a valuable set of resources to help your advisors attract, retain, and engage female investors. Contact your National Financial sales or relationship manager or call 877.262.5950 to learn more.

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The Fidelity Millionaire Outlook is a primary research study among U.S. mass affluent and millionaire investors conducted via online survey during the period of March 15-29, 2012. The mass affluent group had investable assets of at least $250,000 or $100,000 if they had an annual household income of $150,000 or more, while the millionaire group had investable assets of at least $1 million; both groups’ investable assets were excluding workplace retirement accounts and any real estate holdings. The results reflect responses from 1,520 financial decision makers with 1,020 of those being millionaire investors. The data reflects a margin of error of +/-3 percent. Fidelity worked with Bellomy Research, an independent third-party research firm, to conduct the study.

2011 Fidelity Couples Retirement Study analyzed retirement expectations and preparedness among 648 married couples (1,296 individuals). Respondents were required to be at least 46 years old, married and living with their respective spouses and have a minimum household income of $75,000 or at least $100,000 in investable assets. Richard Day Research, Inc., an independent research firm, executed the study, which was fielded in May 2011.

“Women Want More (in Financial Services),” The Boston Consulting Group (BCG), October 2009

Fidelity Millionaire Outlook, March 2012