Women and Wealth
Five Practical Strategies for Becoming a More Female-Friendly Advisor

By Kathleen Burns Kingsbury

Women’s economic power is on the rise as more women are inheriting wealth, becoming primary breadwinners, and starting businesses than ever before. Recent data indicate that women are due to inherit 70 percent of the $41 trillion in intergenerational wealth transfers, or approximately $28.7 trillion in assets, over the next several decades (Havens and Schervish 2003). Women-owned businesses contribute $2.8 trillion annually to the economy (Pordeli and Wynkoop 2009); and women make 80 percent of family household buying decisions, including those related to banking and financial services (Brennan 2009).

As women control more of the country’s wealth, they are speaking up about their dissatisfaction with the financial services industry and its historical tendency to cater primarily to male wealth creators. These affluent women want financial services professionals who consider their unique planning and investment needs and approach the advising relationship from a client-centric viewpoint. While some in the industry prefer to treat all clients as gender neutral, clear evidence indicates this is a mistake. Women communicate, relate, and learn differently than men. Therefore, if you want to capture and retain your share of this growing affluent demographic, you need to understand key gender differences and implement practical strategies that demonstrate you are a female-friendly advisor.

Key Gender Differences
Women are socialized and neurologically hardwired differently than men. These differences impact a woman’s view of wealth and her relationship with her advisor. In general, young girls are taught to put others’ needs in front of their own and to define their self-esteem relative to how skilled they are at forming and maintaining relationships. Women view wealth as security for their loved ones now and in the future; therefore, they want to work with advisors they trust implicitly. The female brain reinforces this need for connection, as evidenced by brain scans showing the pleasure centers of women’s brains light up when bonding with others. Interestingly, this same phenomenon does not occur in the male brain during social interaction (Brizendine 2006).

Men enjoy relationships, but they are socialized and neurologically hardwired to value independence and competition over connection. Young men are taught to be self-sufficient and to define their self-worth on their ability to provide for and protect their loved ones. Men often view wealth as a source of status and power. Therefore, they want advisors who can help them win against the market and provide large financial returns. The male brain is wired to compartmentalize facts from feelings, making it less important for your male clients to have collaborative relationships with their advisors.

While the differences between the male and female brain are likely to persist, changes in societal expectations over time may impact gender differences. For instance, clients who were born before 1946, known as Traditionalists, are more likely to believe men should be the primary breadwinners and make most major financial decisions. Members of Generation Y, or those born after 1982, however, are being raised in a society where 40 percent of women are the primary breadwinners in their families and most partners both work outside the home (Mundy 2012). Many more of these modern couples are working together to make, manage, and invest their money. Despite this shift, many of the differences between how men and women think and feel about money remain due to how firmly entrenched these beliefs are in our culture and in our DNA.

It is important not to stereotype an individual client based on his or her sex; however, some truths exist about what it means to be a woman versus a man in our society. Paying attention to these key gender differences and factoring them into your advisor style is what separates a female-friendly advisor from those professionals still working under the old paradigm.

Practical Strategies
How can you shift your advising style to accommodate the needs of affluent women? Here are five practical strategies to help you get started:

Meeting logistics: Sit across from her. Women interpret eye contact differently than men. When someone doesn’t make eye contact, the female brain processes this as a red flag that may indicate danger. Therefore, consistent eye contact with your female client is vital. An easy technique to ensure you have consistent eye contact with your client is to sit directly across from her during meetings. This positioning helps engender trust and allows you to
regularly make eye contact without a lot of extra effort. When seeing her as a member of a couple, seat her across from you and the male client at a slight angle. This reduces a male’s natural tendency to be competitive and allows you to observe the dynamics between the couple as well.

**Meeting management:** Make sure she tells her story. Women connect and build relationships by sharing the details of their lives. Make sure your female clients have ample opportunities to share their stories during every meeting. Practice active listening and reflect back what you hear your client say. Allow your client a chance to clarify the communication and to ask any additional questions. Remember, female brains love details. Be patient if your female client requests more information than her male partner when making a financial decision. She is not questioning your authority, just trying to learn enough so she can make a good long-term decision for herself and her family.

**Communication:** Use analogies and stories she can relate to. Find out what interests your female clients and then incorporate some analogies or stories that resonate with them into your meetings. Does she like to read, knit, play tennis, watch hockey, or listen to music? Whatever her interests, using storytelling and examples framed around these hobbies is a great way to make her feel included and appreciated. Make sure you don’t completely abandon what works for him; simply be aware of what might work for her, too.

**Trust building:** Meet with her individually. Women are socialized to put other people’s needs first and their own needs second. This happens in all areas of life, including in advising meetings with their partners. To make sure you understand her financial goals and objectives, it is a good idea to meet with her individually at the beginning of the couple’s engagement. This meeting is a great way to help her identify and clarify her values, goals, and financial objectives. This may be the first time she has considered her financial needs separate from her family’s and is a great way to start building a foundation of trust with her.

**Performance review:** Tie results to real-life goals and objectives. When you are communicating performance results to couples, make sure you balance her needs with his. Most women prefer to hear performance results relative to real-life goals and objectives. In your regular meetings, make sure you share the couple’s portfolio gains and/or losses relative to how this impacts goals such as saving for the kids’ college, paying for vacations, or funding charitable interests. You still can report results relative to standard financial benchmarks, but know that this may work well for the male client and leave the female client flat. Women can be just as competitive as men, but they view wealth differently, and more often than not they see money as a way to secure their children’s future or fund their dreams.

**Summary**

Women are major economic players and will continue to be in the coming decades. They are inheritors, wealth creators, business owners, and executives. Women are speaking up and letting the financial advising world know that their needs are not being met. This represents both a challenge and an opportunity for you. The challenge is fine-tuning your advising style to incorporate gender differences; the opportunity is to attract more assets under your management. It is up to you if you want to rise to the challenge and become a more female-friendly advisor.

**Kathleen Burns Kingsbury** is a wealth psychology expert, behavioral change specialist, and author of several books including How to Give Financial Advice to Women: Attracting and Retaining High-Net-Worth Female Clients and How to Give Financial Advice to Couples: Essential Skills for Balancing High-Net-Worth Clients’ Needs, which will be published in September 2013. She is the founder of KBK Wealth Connection, a company dedicated to training, coaching, and consulting with financial services professionals to improve client communication, retention and profitability. Contact her at kbk@kbkwealthconnection.com.

**References**


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