



The Ideal Advisor

Why Women Are the Perfect Fit for the Advisory Industry

Women and Finance



63%

63% of women under the age of 45 are the financial decision-makers in their household, compared to 37% of older women. ¹



70%

of widows switch financial advisors within a year of their partner's death. ²



And yet,
only 15-20%
of advisors
are women⁴



\$30T

\$30 trillion in assets will shift into the hands of US women by the end of the decade. ³

¹Merrill Lynch Wealth Management: "[Seeing the Unseen: The Role Gender Plays in Wealth Management](#)," 2020. ³McKinsey & Company, "Women as the next wave of growth in US wealth management," 2020.

²Ruth Ackerman, Investment News, "Women & investing: Why many advisors are missing out," 2012.

⁴Barron's, "omen Make Great Financial Advisors. So Why Aren't There More?" 2019.

Methodology



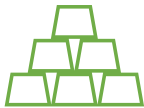
Between June 7th and June 24th, 2021, we conducted sixteen, 60-minute one-on-one Zoom interviews with women financial advisors.



Mix of **years of experience** from 3 to 30+ years



Mix of **channel**: Independent B/D (4), Regional B/D (4), Wirehouse (3), Bank (2), RIA (2), Insurance B/D (1)



Mix of **AUM** from \$10M to \$500M



Mix of **team vs. solo** practice



Mix of **geography** (AL, CA, CO, GA, KY, MA, MD, MN, NY, OR, TN, TX)



Included 3 women of color and 2 LGBTQ women

Views of a Career in Financial Advisory



“

For me, it's just loving what I do and finding value in what I do. The money, it's nice. But I can't get excited about that. I love the work, I love the people I work with. I love my clients. I care about them. When they experience excitement and joy in their life, I could tag along vicariously. How many people get to say that?

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For most women, becoming an advisor was a **second** or **late** career.

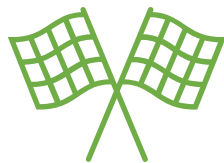
Some had careers that were related or touched advisory.

Banking (3)
Admin in advisory firm (2)
Insurance (2)
Accounting



Others had unrelated careers and wanted a change.

Attorney
Teacher
Retail
Human Resources/Coaching
Manufacturing
International business



Only 2 of 16 started their career in advisory.

- One had a father who owned a firm
- The other was exposed to finance in college

Benefits of Career as Advisor



**Making a difference/
helping people**

That, by far, is the primary motivator for me, is I think I do something that makes people's lives better. I think I'm excited about doing that every day. That's definitely what hooked me and has kept me here.



**Freedom/Flexibility/
Autonomy**

I never missed one of my daughter's track meets, I never missed one of my son's football games. You have that kind of control over your life, and you get to decide who you work with.



Income/stability

For me it's about my family. I worked to provide for my family, success means that I'm able to do things for them and make sure that I can provide for all their needs



**Enjoying the
Relationships**

I think as a woman my approach is more relationship. Doing things that are meaningful to our clients because we get to know them on a much more personal level.

How Career Success Is Defined



1. Steady income/support family
2. Changing clients' lives/
helping clients meet goals
3. Loving what I do
4. Work/life balance
5. Being my own boss/control

I don't see a better profession for women as far as if you're really wanting to grow a career and create a substantial income while feeling really good about what you do and then also have a balanced life, a family and kids. It's a great career.

Challenges and Barriers Facing Women in Financial Advisory



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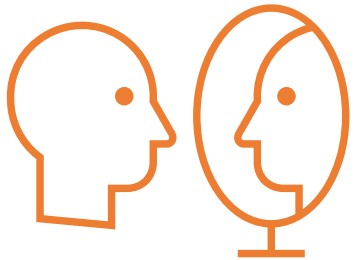
I still think there is a bias towards males. By clients, by prospects, particularly, I'm going to say older men just because of the generational attitudes of older men...there really was a prejudice towards women. It was very hard for women to break in. It didn't matter how smart or how aggressive or how good you were.

”

Misperceptions of Career in Financial Advisory/Self



Some women were hesitant to enter the field because of their own pre-conceived notions about being an advisor...



- Too technical/numbers-based
- Requires sales expertise
- People don't/won't want a woman advisor
- Uncomfortable being "outnumbered" by men
- Confidence - they can't do it/won't succeed
- Worry style won't work (e.g., don't like to pressure/don't say no)

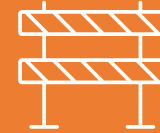
It wasn't an area that I thought I would ever be capable of doing, actually. I just thought that I couldn't do it.

I always had an interest in it. I thought you had to be an old man to do it.



SUCCESSFUL

- Mentorship
- Salary for years
- CFP
- Flexible sales strategies
- Help with book building



CHALLENGING

- Door knocking
- Cold calling
- Salary for months
- On your own/Sink or swim
- Expectation of dropoff

I think part of that is women by nature are more security-oriented, so they want to know that they've got money coming in. Commission is difficult for them especially if they're a primary breadwinner for a family where men tend to be willing to take more risks, personality-wise.



Generally

Most say that **overt sexism now is rare.**

- Most say that the vast majority of clients and colleagues support them and have no bias against women advisors.

However...

Most have experienced at least some instances of **overt sexism** in their career.

More often, they experience **institutional sexism** related to culture and outside perceptions.

- A **lack of representation of women**
- Women perceived as **less credible/lower-performing.**

*The man who is retiring, he'll call me "sweetie" or something like that, and then come back and apologize. I couldn't really care less, but I certainly think that if you're calling me a little name like that, **you don't look at me as your equal.***



This is often compounded with racial and age discrimination for older and younger women and Women of Color (WOC).

Just two stories (of many)...



Business Approach



“

We spend a lot of time together during this prospect phase because I really want them to understand what I do and I want to understand where they are. We're going to have probably three, four, five conversations and we're going to put together a full financial plan. I don't charge for any of this. This is going to be good for both of us because if it is a good fit, we're going to be together for the next 20 years.

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Approach to Financial Advisory



Planning, planning, planning



Ensuring fit/match



More time with the client



Listening



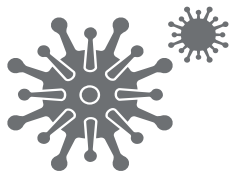
Goal-focused vs. performance focused



Taking time to educate clients



Prepared/knowledgeable



COVID has shifted client interactions to virtual, which is seen as nearly universally positive, as it reduces workload and helps with balance.



- Women advisors do report having a **higher proportion of women clients**, particularly single women and successful women.
 - Sometimes by design; sometimes organic
- Several mention working with many clients **“in transition”** (divorce, widowhood, job change)
- Some also mention having more **clients of color**

I would say 70 percent is probably either a single woman or a woman who is more financially knowledgeable in a couple. I do probably target much more to women. When I do my educational events, I target them more on women's topics.



- Otherwise, client base is similar to men (mix of business also similar)
 - Retiree and pre-retirees
 - Professionals and SBOs

Wholesalers



- Women generally value wholesalers for:



- They are not looking for a social relationship or friend, they want someone who will bring them value in education and ideas.
- Women lament the lack of women wholesalers – when they do have one, they tend to gravitate to her.

Wholesaler Comments



Keeping the conversations on business. I think I get more out of the relationship than trying to confuse those boundaries.

*Listens, follows through. Matches your tone and your pace. I hate to be a cynic, but male advisors, they do want somebody to take them golfing.
I had a wholesaler tell me once that, 'I'm just a paid friend.' Male advisors are more apt to respond to those things. Women are not, in my experience.*

Somebody that's going to come in, explain their product or product line up. They are going to field our questions. They're not going to mansplain or talk down. I hate that. They have offered resources or additional education opportunities or really spend the time understanding my practice and my clientele to then turn around and say, "This is why this may fit." I don't want to feel like the used-car salesman.

I don't need the favors as much as I need the information I need to know as an advisor. What I need to know as an advisor for the product, who it works with, where it doesn't work. A good one will know what to use when, rather than, 'Use only my product all the time because it's the best in the world.' That doesn't help.

Why Women Feel They Are the Ideal Advisor

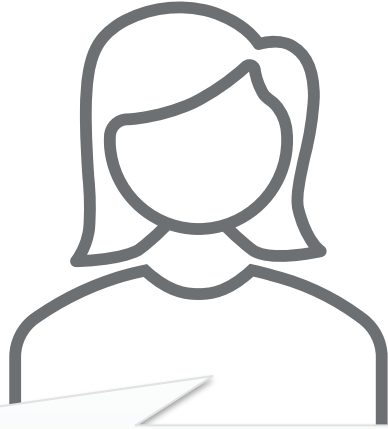


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There's the art and science of what I do. The science is the technical side, the money management. Then there's connecting their money to their value, the purpose, getting to know them on a deeper level so that you're helping them live their best lives possible and there's an art to that that isn't easily learned. It can be, it's not impossible to learn, but I think women just innately have that trait, that they have a jumpstart.

”

What Unique Qualities do Women Advisors Bring to the Table?



I think it's the empathy aspect. I think it's the listening aspect. I think simplifying and breaking down details of financial planning in layman's terms. Women have the ability to explain and understand in a way that I feel like resonates possibly better, at least I feel that way, than a male counterpart

EMPATHY
RELATABLE VULNERABLE
CONNECTION TEAM
DETAIL-ORIENTED EMOTIONAL
EDUCATE COOPERATIVE
COLLABORATIVE
TRUST
WOMAN CARING
HELP CONVERSATION
PERSONAL LISTEN
COMMITMENT
RELATIONSHIP

What Unique Qualities do Women Advisors Bring to the Table?



Relationships/ Connection



I have the ability to connect with people on that, male or female. I bring life events into my conversation. I am not, "Let's talk about business." I do it all. I really want to know the business of course, but I want to forge the relationship first to be sure it's a good fit.

Empathy/ Active Listening



Women are more empathetic. They want to tell you their story before they give you their money and you've got to listen and say, "Look, I've been through some of the same things." I don't tell them that I'm a financial adviser. I tell each of my clients that I'm their life advisor.

Education



I think simplifying and breaking down details of financial planning in layman's terms. Women have the ability to explain and understand in a way that I feel like resonates possibly better, at least I feel that way, than a male counterpart.

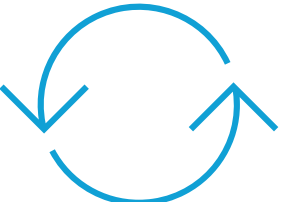
Inclusion



If you have a man [advisor] and he's not even talking to her and she's sitting over here like, "You know what, Buddy? I'm the one who writes the check and you're not even having a conversation with me." You totally disengaged her right here.

Women advisors feel that these strengths lead to better **trust** and better **holistic planning**, and make them **better advisors**.





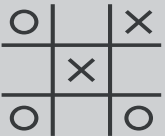
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- Some mention that the **industry is shifting** towards clients wanting more holistic **planning vs. investment management**.
 - This plays into women's strengths and approaches (listening, empathy, and relationships) and can make them an **ideal advisor** in the current environment.

Unfortunately, a lot of the male advisors just have that perspective, or they give the impression that they're not willing to have those conversations, not willing to listen. I love to educate, so I'm constantly explaining things to people that I don't think a lot of advisors do.

- Several note that **men seem to be evolving** their style to be closer to what women have been doing all along.

How Do Women Advisors Feel They Differ from Men?



	WOMEN	MEN
 FOCUS	<ul style="list-style-type: none"> Relationships Goals Holistic Planning 	<ul style="list-style-type: none"> Performance/returns Investments Data
 MOTIVATION	<ul style="list-style-type: none"> Helping people Loving what they do Stable income Flexibility/autonomy 	<ul style="list-style-type: none"> Making as much \$ as possible Production/AUM Awards/being the best
 APPROACH	<ul style="list-style-type: none"> Listening/conversations Personal connection/empathy Education 	<ul style="list-style-type: none"> Confident (pompous) Talk vs. listen (pushy) Fear-based

Most of the male advisors that I know, and this is not meant to be a negative, it's just a fact, they're motivated by money. My success, my financial success is a byproduct, it's not the goal.

Encouraging Women to Enter Industry



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I think it starts at college. I think it starts at high school and college and really getting in. I think we're just not getting the applicants because a lot of women think this is a math job or a sales job. Women are scared off sometimes by both of those types of roles when really this is a relationship job. If you can build relationships and manage relationships, you will be successful. That's really what this is about.

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Overcoming the Barriers to Women joining the Financial Advisory Industry



- | | | |
|---|--|--|
| 1 | I don't know anything about this industry or careers available. | Financial literacy and career education in high school and college |
| 2 | Being an advisor is about sales and/or numbers/analytics. | Communicate that an advisor is about relationships, empathy, listening, and helping people plan and meet goals |
| 3 | It's an "old boy's club," and I'll be outnumbered and not taken seriously. | Visibility and representation of women – in leadership, on committees, on magazine covers |
| 4 | I won't be able to learn, sell, and earn enough to support myself. | Thorough training and a salary for at least 1-3 years; promote benefits of career (flexibility, stable income) |
| 5 | I'll be on my own. | Mentors and teams |

What Can Financial Firms Do?



- ✓ Recruit women
 - Start in schools, internships
- ✓ Women in leadership, committees
- ✓ Women's committees, networking events, programs
- ✓ Onboarding/training
- ✓ Help with leads/building book
- ✓ Mentoring programs
- ✓ Teams
- ✓ Provide resources for moms
- ✓ Provide materials/education for women investors
 - Materials shouldn't "talk down" to women, treat them as a monolith, or treat them as a niche

Implications for Financial Providers



- **This matters:** Women will own **\$30T of wealth** in the next decade. While it is not definitive that women investors **prefer women advisors**, there is some evidence of this, especially with younger generations. So increasing the number of women advisors and making sure you are meeting their needs (as well as the needs of women investors) is critical.



- **Wholesalers:** Women Advisors are **not looking for the social aspects** of the wholesaler relationship. They want someone who is **honest** about where their products do and don't fit, and someone who educates the advisor on their products and the market overall. They also welcome and would gravitate toward **women wholesalers**.



- **What can firms do:** Firms should be **recruiting more women** and making sure they are **visible** and have a seat at the table. Also welcome are **broader messaging efforts** about what a career as a financial advisor is (and isn't), including **financial literacy programs** in schools. They should be offering **infrastructure and resources that meet the needs of women**, as well as events, groups, and **materials that speak to women advisors and investors** without condescending or stereotyping.

Questions & Answers



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