



# The “W” Factor: Women in investing

March 2, 2020

*Whether you’re recruiting new talent for your firm or looking to grow your client base, women are key to the growth and evolution of the financial advice industry.*

**In this article, industry thought leader Suzanne Siracuse shares her views on how and why advisors should close the gender gap.**

It’s ironic that while diversification is a commonly used term in investment management, the financial services industry does not always apply the concept to team culture and dynamics. Yet, in order to best serve all types of investors, a financial advisor’s practice should be representative of increasingly diverse investor and workforce demographics. Leading firms are starting to realize the important part that diversity and inclusion play in their business, both with their top talent and with their clients.

## Recruiting and developing female advisors

Approaches that advisors should adopt to recruit more women to their practice:

### Change the hiring process

Don’t just institute the same process you used in the past — it’s important to be intentional about how you message and where you place that message. The language you use is critical to how people respond, so evaluate your messaging and make sure you research the best places to reach women. What are they reading? What organizations or events do they go to for networking? Financial advice has evolved to a “how can I help you?” profession, so make sure this is clearly communicated in the way you describe your business. Also, take into consideration people’s future potential when hiring, not just their past experience. This will cast a wider net to find more promising candidates.

### Create the right culture

If you can create a culture that enables all individuals to thrive — where diversity of thought is rewarded and inclusiveness is a core value — it will increase your chances of recruiting new female talent and retaining your top women. The first step is to have a diverse leadership team. When you have women in leadership roles, it allows your firm to recruit other women more effectively and ultimately develop younger generations of women who need to “see it to be it.”



Columbia Threadneedle Investment  
Team

Having a mix of both male and female leaders encourages diverse viewpoints, which can lead to more thoughtful and improved outcomes.

### **Provide professional development**

Investing in continuing professional development is important to everyone — and women value this highly. Put mentoring programs in place, support networking or study groups and provide educational opportunities. Women appreciate a firm that invests in them and their advancement.

### **Benefits are key**

Family leave policies, flexible working hours and the ability to work remotely when necessary all resonate with women advisors. Make sure you take these factors into consideration when selecting your benefit plans and implementing firm policies.

### **Serving female clients**

Understanding how to best serve women is a critical growth strategy for advisors. Women are estimated to control over \$22 trillion of personal wealth in the U.S.<sup>1</sup> Many of them want and need the guidance of a financial advisor to help them make important life and investment decisions.

### **Understand what women care about**

What do women look for in an advisor? Keep in mind that investing is personal, and every woman requires different things depending on where she is on her life journey. Examples of these journeys include starting a new job, getting a promotion, widowhood, divorce, reentry into the workforce and retirement. Despite these variables, there are a few consistent areas.

First and foremost, advisors need to be good listeners and take the time to ask questions and learn as much as they can about a woman's situation before making recommendations.

Women also want a more holistic financial-planning approach focused on achieving their goals; they respond well to a tailored plan aligned with achieving their life objectives, and not just focused on investment performance.

### **Longevity and retirement**

It's important to keep in mind that on average, women tend to live five years longer than men.<sup>2</sup> Longevity is a positive thing, but it can also create financial challenges. Women spend 36% longer in retirement<sup>3</sup> — while 80% of men are married when they die, 80% of women are single.<sup>4</sup>

These statistics highlight the need for women to have a solid financial plan in place, allaying the fear of outliving the money they've saved for retirement. Advisors have an opportunity to put together a program that will alleviate fear from the planning process and help set women up for a comfortable retirement.

Since almost 70% of widows change their financial advisor within two years of their spouse's death,<sup>5</sup> it's important for advisors to have a good relationship with both partners. This sets them up to better serve the couple and also helps them to maintain the surviving partner as a client.

Advisors can be an important resource to help women achieve their financial goals at every life stage. And by listening and understanding what's important to female clients, advisors can achieve better outcomes in their practice.

*Suzanne Siracuse specializes in advising financial services firms on innovative business strategies, distinctive marketing programs and impactful advocacy initiatives around diversity, financial literacy and next gen talent.*

<sup>1</sup> Bank of Montreal's Wealth Institute 2015

<sup>2</sup> The CDC study on Mortality in the United States 2017

<sup>3</sup> Age Wave 2018

<sup>4</sup> Prudential study 2011

<sup>5</sup> Women of Wealth study 2012

