REINVENTING WEALTH MANAGEMENT FOR WOMEN

THE NEW FACE OF WEALTH MANAGEMENT
For much of the wealth management industry’s history, advisement has been based on the preferences of male investors.

In the Baby Boomer era, financial advice was often doled out on the golf course or in the men’s club, places women were not frequenting. As a result, the female half of the wealth equation was typically marginalized.

This can be hard to reconcile in today’s world. In just a few decades, women have become a financial force with impact. Given the increasing number of women who now have careers, head corporations, run their own household, and invest, firms now need to treat women as a key client category.

While many wealth management firms acknowledge this fact, few seem to have adequately changed their advisory model to meet women’s needs. Firms and advisors need to create deep value propositions that resonate with women of all types if they want to remain relevant moving forward.

And women are a market ripe for attention. According to our research, only about half (52 percent) of females feel confident in their investing ability. And this research looked as well at the key preferences of female investors. In the pages to follow, we will not only detail those, but provide you with the beginnings of a road map to win with women in wealth management over the long term.

The current advisory model is not working for women.

According to our research, women are more likely to use dedicated advisors than men, but are less likely to say they are satisfied with their advisors or find them trustworthy (63 percent). As a result, only 61 percent of women reported having a good understanding of their investments and holdings. It is not surprising then that only 41 percent of women say they could invest as successfully as a professional wealth advisor.
### Usage, Satisfaction & Self-Perceived Abilities

#### Investment Style & Trust

- **Use a dedicated investor**
  - Women: 28%
  - Men: 34%
- **Use a hybrid model**
  - Women: 54%
  - Men: 46%
- **Trust advisor to make decisions on their behalf**
  - Women: 69%
  - Men: 63%

#### Confidence

- **Have confidence in own investment decisions**
  - Women: 65%
  - Men: 52%
- **Believe they can invest as well as a professional investment advisor**
  - Women: 54%
  - Men: 41%

#### Communication

- **Talk to advisors quarterly or more about new investing ideas**
  - Women: 63%
  - Men: 48%
- **Talk to advisors quarterly or more about retirement planning**
  - Women: 52%
  - Men: 35%
- **Are satisfied with the service from advisor**
  - Women: 78%
  - Men: 72%

#### Understanding

- **Have a good understanding of investments**
  - Women: 75%
  - Men: 61%
- **Are primarily responsible for the investments in the household**
  - Women: 84%
  - Men: 65%

*Figure 1: Women vs. Men: Investing Profiles Differ*

*Source: Accenture research*
While generalizing an entire gender’s needs is tricky territory, it is safe to say that a majority of women show preferences that differ from those we have traditionally seen in male investors.

Whether women realize it or not, at some point in their investment journey they are likely to need advice on asset protection, sandwich generation pressures, and the impact of lower income and career breaks.

**INVESTING STYLE.** Women are more conservative long-term investors than men. Their primary wealth goals revolve around keeping money safe and saving for long-term goals, primarily retirement. Nearly half (48 percent) of women in our research say they want to preserve as much wealth as possible.

**DECISION MAKING.** When given the choice, women would rather use a self-directed investment portal where they have financial advisor access, but autonomy in decision making.

**FEE STRUCTURE.** A majority of female investors (62 percent) prefer a payment structure that allows them to choose the level of service provided, rather than a set structure where the investor pays a percentage of assets under management.

**WEALTH TRANSFER.** As Baby Boomer women outlive their spouses, they are proving more than willing to move assets in different ways than they did when their spouse was driving financial decisions. Expect them to challenge advice if a strong foundational relationship with their advisor does not already exist. Most make a switch within three years of a spouse’s death.

**COMMUNICATION.** Career-minded women want a new breed of wealth management—transparent, interactive, and with frequent touchpoints. Yet, we found that only 35 percent talk with their advisors quarterly or more about retirement planning or to see if their goals are on track.

**UNDERSTANDING.** Overall, women want advisors who understand their “life pictures” and “financial journeys” rather than just their investments—a key change from the traditional male client.
Women who invest look beyond product performance. Only 42 percent agree with the statement: “I only care about performance, nothing else matters.” They want an advisor who understands their life map and the goals it entails.

Yet, they are not engaging with advisors on the big issues. Despite higher usage, women do not communicate with their advisors or firms as much as they need to in order to support their goals. They have less frequent contact, mostly only annually, and not on critical topics like planning and wealth transfer.

In short, women are not talking to their advisors often enough about the things that matter to them.

- Only 44 percent talk to their advisor more than once per year
- Only 48 percent talk to their advisor quarterly or more about new investing ideas
- Only 35 percent talk to their advisor quarterly or more about retirement planning or to see if their goals are on track

Leading with advice, rather than pushing product portfolios, could help address women’s desires to be better understood by an advisor. Creating groups to address major life events, where women hear not just from advisors but from peers in the same situation—divorce, widowhood, newly launched career—could help. Moving beyond “Investing Lite” seminars to address the real questions and issues women face will help firms better know their female clients, and thus better serve them.

With firms like Ellevest—an advisory firm created specifically for women’s needs—gaining popularity, traditional wealth management companies have not generally dissected their client data using a lens for females—but disruptors like Ellevest are fast changing that.

With firms like Ellevest—an advisory firm created specifically for women’s needs—gaining popularity, traditional wealth management companies have not generally dissected their client data using a lens for females—but disruptors like Ellevest are fast changing that.
FIRST STEPS

TOWARD SERVING FEMALE CLIENTS BETTER

The recent surge in female clients was not unexpected, based on the increasing number of women in the workforce as well as those inheriting wealth, yet wealth management firms still seem unprepared for it. Most have not yet taken concrete steps to accommodate women in their advisory models.

While pivoting an advisory model is no small task, a few first steps could help you better welcome and serve your female client base:

CREATE DEEP, TAILORED VALUE PROPOSITIONS THAT RESONATE WITH WOMEN. Take into account the basic needs expressed:

- Improved education and communication, while allowing for autonomous decision making
- Wealth preservation for the long term
- A more flexible fee structure, allowing for payments based upon level of service used
- Transparency in approach, with frequent touchpoints on life goals

BUILD A NETWORK AROUND SEVERAL KEY SEGMENTS INCLUDING SINGLE PROFESSIONALS, NEWLY DIVORCED/WIDOWED, AND ENTREPRENEURS. Doing so prevents the one-size-fits-all approach that tempts some firms to lump all women into the majority's preferences. A young, single professional and a woman the same age with three children but no career will have very different life journeys—and their advisory network should reflect that.

LEAD WITH ADVICE, RATHER THAN A FLURRY OF INFORMATION ON PRODUCTS. Consider:

- A hybrid advice approach—a robo-centric portfolio with frequent and personal access to an advisor to maximize value
- Educational events to address everything from the basics of investing to the latest trends and opportunities for women with varying appetites for risk based on their life goals
- Women's forums based on demographics or life goals—virtual or in-person—where clients can connect and share challenges, tips and tricks

Female investors are here to stay, changing the wealth management landscape. The question is: Is your firm paying attention? With an increasing portion of the world's wealth in the hands of women, no firm can afford to put female clients on the back burner.

The time to act decisively and inclusively is now. Half of your firm's future client base awaits.
ABOUT ACCENTURE

Accenture is a leading global professional services company, providing a broad range of services and solutions in strategy, consulting, digital, technology, and operations. Combining unmatched experience and specialized skills across more than 40 industries and all business functions—underpinned by the world’s largest delivery network—Accenture works at the intersection of business and technology to help clients improve their performance and create sustainable value for their stakeholders. With approximately 401,000 people serving clients in more than 120 countries, Accenture drives innovation to improve the way the world works and lives. Visit us at www.accenture.com/wealth.

DEFINITION OF WEALTH TIERS

Investible assets, not including value of home

Mass Market: <$250k in investible assets
Mass Affluent: $250k-650k
Emerging Wealthy: $650k-$1.5m
High Net Worth: $1.5m-$10m
Ultra High Net Worth: >$10m

REFERENCES

i  http://www.soa.org/search.aspx?searchterm=Women+outlive+men+and+spend+more+than+11+years+on+average+as+windows

DISCLAIMER

This report has been prepared by and is distributed by Accenture. All data points in this paper are from the underlying study, unless otherwise noted. This document is for information purposes. No part of this document may be reproduced in any manner without the written permission of Accenture. While we take precautions to ensure that the source and the information we base our judgments on are reliable, we do not represent that this information is accurate or complete and it should not be relied upon as such. Opinions expressed herein are subject to change without notice. This document is not intended to provide specific advice on your circumstances. If you require advice or further details on any matters referred to, please contact your Accenture representative. This document makes descriptive reference to trademarks that may be owned by others. The use of such trademarks herein is not an assertion of ownership of such trademarks by Accenture and is not intended to represent or imply the existence of an association betweenAccenture and the lawful owners of such trademarks.