



Five Practical Strategies to Best Serve Your **FEMALE CLIENTS TODAY**

Flip the script to empower your female
clients and strengthen the relationship

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HISTORICALLY, WOMEN HAVE NOT PLAYED THE ROLE OF PRIMARY FINANCIAL DECISION MAKER IN THEIR HOMES.

THIS IS RAPIDLY CHANGING.

While women currently control 30% of US household financial assets, equating to more than \$10 trillion, this number is likely to skyrocket over the next several decades as the baby boomer generation ages. Currently, baby boomers control 70% of US household wealth. Yet, because women statistically outlive men and tend to marry men older than themselves, there will be an undeniable shift of wealth to women in two-person households when their spouse passes. In less than 10 years, the boomers are expected to hold \$30 trillion in assets, and most of it will be in the hands of women.¹

Not only is an enormous shift in wealth coming to aging women, but younger Millennial and Gen X women are also rapidly building their own wealth and making more household financial and investment decisions than they ever have.

Over 30% of affluent millennial and Gen X women are the primary breadwinners in their homes.² In the last six years, companies with three or more women in C-suite positions have increased from 29% to 44%.³ Further, women-owned assets have grown at a rate 1.5 times faster than men's in recent years,⁴ and research has shown that women's portfolios have historically performed better than men's over the same time periods.⁵

¹Baghai, P., Howard, O., Prakash, L., & Zucker, J. (2020, July 29). Women as the next wave of growth in US wealth management. McKinsey & Company. <https://www.mckinsey.com/industries/financial-services/our-insights/women-as-the-next-wave-of-growth-in-us-wealth-management>

²Business Wire. (2021, March). Younger Women Are Increasingly Earning the Title of "Breadwinner." <https://www.businesswire.com/news/home/20210308005652/en/Wells-Fargo-Younger-Women-Are-Increasingly-Earning-the-Title-of-%E2%80%9CBreadwinner%E2%80%9D>

³Baghai, et al. (2020, July 29). Women as the next wave of growth in US wealth management. McKinsey & Company. <https://www.mckinsey.com/industries/financial-services/our-insights/women-as-the-next-wave-of-growth-in-us-wealth-management>

⁴"Womentum!" BofA Global Research, March 2020.

⁵Reuters, "Why women are better investors: study," 2017; Warwick Business School, "Are women better investors than men?" 2018.

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FLIPPING THE SCRIPT

While it's clear that investing in female clients is a wise business decision, serving women with excellence should go beyond doing so for pure financial gain.

To challenge the status quo, women are not a “niche market.” They are over half of the world's population. Yet, women have been underrepresented and overlooked by the financial services industry for far too long. Now more than ever, women desire financial guidance and education. And to do so, they seek out a financial advisor at higher rates than their male counterparts (46% vs. 34%).⁶

Once an advisor has earned a female client's trust, her loyalty is unparalleled. Women are more likely to provide referrals,⁷ and more likely to keep their assets with their advisor if he or she moves firms.⁸

Ultimately, by realigning your practice to better fit the needs of female clients, you are not only positioning your business for growth, but you are empowering women to reach their fullest potential and creating a brighter future for generations to come.

⁶Pershing. “Women Are Not a ‘Niche’ Market. They Are a Significant Business Opportunity.” https://www.pershing.com/_global-assets/pdf/women-are-not-a-niche-market.pdf

⁷Investment Executive. (2019, October 30). How to attract women clients. <https://www.investmentexecutive.com/building-your-business/practice-management/how-to-attract-women-clients/>

⁸Lynch, M. (2020, August 17). Merrill Study - Gender & Advisor-Client Relationships. Merrill Lynch. <https://www.ml.com/women-research.html>

PUTTING PRACTICAL INTO PRACTICE

As their financial advisor, here are five practical strategies you can use today to better connect with, serve, and retain your female clients.

1. DON'T ASSUME

While this principle is beneficial in both male and female client relationships, women have especially been subject to the assumptions that they are uninformed or uninterested in finances and are conservative investors who don't like to take risks. No one likes to feel as though they have been stereotyped or put into a box, regardless of whether both assumptions are correct or not. It's much better to approach clients with genuine curiosity about their investment understanding and financial goals, recognizing that every human is unique and deserves to have advice catered to their individual circumstances.

Beyond a woman's financial situation, it's equally as important to avoid making assumptions about her personal life, including both her goals for family and career. While many women aspire to be wives and mothers, this is not always the case. Cultural norms are shifting rapidly around family structures and, for some, the topics of marriage and children can evoke negative feelings due to circumstances like a past divorce or difficulties becoming pregnant. Furthermore, today, women are often the primary breadwinners in their household, so career aspirations may be equally (if not more) important to her than family aspirations.

For these reasons, it's best to leave assumptions aside and create an open space for the client to share her own story without preconceived notions. This conveys respect and empathy, two critical elements to establishing a foundation of trust.



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2. LISTEN TWICE AS MUCH AS YOU SPEAK

Along with eliminating assumptions, active listening is another key component to earning a woman's trust. There is an age-old saying that explains why we have two ears and one mouth: to listen twice as much as we talk. This is especially true when establishing and maintaining a relationship with a female client. Generally, women build connections through detailed communication and desire to connect with someone's personal side—beyond the realm of business. Jumping right into your financial planning process or your analysis of her portfolio may leave a female client feeling disconnected and misunderstood.

Sadly, research shows that women are more often interrupted by both men and other women while speaking, and thus are less likely to have their opinions heard.⁹ Defy this norm by asking genuine open-ended questions about her thoughts and goals, listening attentively, and then asking follow-up questions to deepen your understanding. If meeting with a male and female couple together, ensure that you provide equal eye-contact with both individuals and equal opportunity for the woman to share her thoughts. Not only will this demonstrate care and authenticity, but this will also save you immense time over the long run by developing a plan that aligns your clients' goals the first time around without needing numerous revisions due to misunderstandings.

⁹West, C., & Zimmerman, D. H. (1979). Sex roles, interruptions and silences in conversation. *Sex Roles, Interruptions and Silences in Conversation*, 327(1 Language, Sex), 1-25. <http://web.stanford.edu/~eckert/PDF/zimmermanwest1975.pdf>

3. REMOVE THE EMPTY CHAIR

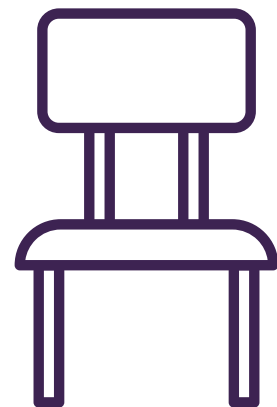
This simple, yet incredibly effective advice comes from a financial advisor with a long, successful history of working with divorced and widowed female clients.

In this advisor's office, like many, two client chairs are facing across from his desk. This setup is perfect for working with couples throughout their financial planning journey. Yet, when a couple gets divorced, or when one partner passes away, the remaining chair stands as a visual reminder of what is missing when the client returns to the office alone. So, prior to meeting with a divorced or widowed client—even those that are purposefully single—the advisor will simply remove the second chair from his office.

While some clients may not even recognize the thoughtful gesture, it is a subtle, yet powerful way of communicating empathy and attention to detail. It also serves as a conscious reminder to the advisor to be sensitive to whatever the client may be feeling when she enters the office.



Three-quarters of women under 45 say they manage their finances on their own, but only half of women over 45 say the same.”¹⁰





4. BE COLLABORATIVE

When working with an advisor, women often desire to play an active role in designing their financial plan rather than simply being told what steps to take. Broadly speaking, when working toward a goal, women tend to strategize from a collaborative—rather than competitive—perspective. They prefer to utilize one another's strengths and find solutions that benefit not only themselves but all those involved.

It is because of this collaborative approach, that it's essential to develop a planning strategy that encourages female clients to actively participate in the process. Empower her to share her thoughts, ideas, and desires and be open to adjusting the plan based on her feedback. Avoid using financial jargon or advanced concepts that may leave her feeling overwhelmed or belittled. Instead, emphasize education, providing straightforward, relevant explanations to her questions and investing the time to ensure she feels confident in her financial knowledge.

Along with an education-first approach, allow ample time for her to decide without imposing immense pressure or urgency. While the process may seem to be moving slowly, once a female client has personally invested in her plan and made a decision, she will be more likely to follow through with accomplishing the tasks necessary to reach her financial goals and trust your guidance without straying from the plan.

5. CULTIVATE COMMUNITY

Creating a culture of collaboration and community within the firm is key to attracting and retaining female clients over time. Women thrive in environments that foster connection and communication, where they can build a social circle and find support toward reaching their goals. Yet, common client events such as a golf outing or a baseball game could unintentionally exclude women who may not have interest in these activities. By hosting women-only events such as wine tastings or educational seminars, you will not only encourage networking among your current female clients and deepen your relationships with them, but you will also highlight your firm's emphasis on empowering women in the community and create a welcoming space to meet new potential clients.

Ultimately, choosing to make women a priority in your practice and planning for their unique needs will reap immense rewards in both the growth of your business and in the success of women for generations to come.

¹⁰Lynch, M. (2020, August 17). Merrill Study - Gender & Advisor-Client Relationships. Merrill Lynch. <https://www.ml.com/women-research.html>

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