WHAT FEMALE BREADWINNERS WANT

A Nuanced Approach to Wealth Management Services

By Kathleen Burns Kingsbury

Many affluent women remain dissatisfied with the financial services industry despite a plethora of initiatives aimed at providing more female-friendly products and services. O’Connor and Ettinger (2015) found that 86 percent of women say the advisory profession is not serving them well and 66 percent of women who work with advisors say they are unhappy with the service they provide; in contrast, 90 percent of men say that the advisory profession services them well. Part of the problem may be that many advisory programs stereotype women as one homogeneous group called “the women’s market.” The reality is that women, similar to men, are a diverse group of individuals with unique planning needs. What they want from advisors is a more nuanced approach to managing their wealth.

Women represent more than half the population and control $11 trillion in investable assets. They make up 48 percent of the millionaires in the United States and are forecast to hold two-thirds of the nation’s wealth by 2030 (O’Connor and Ettinger 2015). These clients are business owners, caretakers, executives, entrepreneurs, inheritors, mothers, daughters, divorcees, widows, and wives. They are diverse in culture, race, ethnicity, religion, and sexual orientation. These women wear many hats and juggle a multitude of responsibilities. Many are financially astute, engaged in managing and accumulating wealth, and tired of being characterized as disinterested and dependent on wealth-creating partners.

Female Breadwinners: An Overlooked Business Opportunity

One of the fastest growing, yet often overlooked, group of female clients is breadwinners. Prudential Insurance Company of America (2014) reports that up to 44 percent of women are primary breadwinners for their families. Clients who are primary breadwinners tend to be well-educated and take the lead or share in financial decision-making. Some are executives with household names such as Marissa Meyers, chief executive officer of Yahoo, and Sheryl Sandberg, chief operating officer of Facebook. Others don’t make headlines but have overcome similar barriers to achieve career success and provide for their families. Having a trusted advisor saves them precious time and gives them peace of mind.

Too often these women are viewed as secondary in the advisory relationship, simply because they are females. The result is many don’t seek the counsel they deserve or they stay with an unsatisfactory advisor. A 2015 study conducted by the Family Wealth Advisors Council asked breadwinning women to rate their satisfaction with their advisor-client relationship. The average ranking was a five out of 10—indicating there is a lot of room for improvement.

The good news is advisors who are able to fill this service gap are successfully growing their practices. Women typically are loyal clients, and they refer twice as often as their male counterparts. Therefore, gender intelligent, credible wealth managers reap rewards for the time they take to understand the complex and often chaotic lives these women lead.

Help Relieve the Pressure

Every female breadwinner is different, but all of them work in a society that remains ambivalent about women in power. They are judged daily for their career aspirations and, if they are mothers, their parenting skills. They work for corporations that typically don’t provide adequate support and flexibility to make balancing home and work responsibilities easier. When surveyed, 40 percent admit to feeling pressure to downplay their primary breadwinning status with friends and family (O’Connor and Ettinger 2015). Some have partners who stay at home with the children, but many work long hours and continue to do the majority of elder care, child care, and housework. They are stretched so thin that they find it challenging to find time to do longer-term financial planning. Thus female breadwinners want wealth managers who appreciate the stress they are under and provide strategies aimed at relieving some of the pressure.

When it comes to better serving female breadwinners, wealth managers need to think like Jeff Bezos, founder of Amazon. The secret to his success was offering busy people convenient one-stop shopping coupled with a sense of community. Amazon even started a niche group called “Amazon Mom” in 2010 and partnered with other Internet companies such as Zappos and...
Quidsi, the parent company of Diapers.com, BeautyBar.com, and Soap.com, to capture more of the marketplace (Lee 2011).

Wealth management is a different business than retail, but this holistic approach to selling to women is transferrable. Female breadwinners value comprehensive services delivered with a team approach. Male clients also might benefit from this service model, but it resonates with women because they are hardwired and socialized to be relationship-oriented. Typically, women thrive when connected to a community where they can discuss concerns and brainstorm solutions. They want advisors who can provide this type of forum and collaborative approach. Surprisingly 60 percent of advisors do not offer this type of team approach, despite the fact that a majority of female breadwinners say it is important (O’Connor and Ettinger 2015).

When evaluating your current team or putting together a new one, remember to think outside the box and find professionals who can assist you in helping solve the myriad challenges breadwinning women face. Include traditional services such as banking, estate planning, and insurance, as well as nontraditional services that specifically speak to the challenges and concerns of female breadwinners. Nontraditional offerings may include, but are not limited to, guidance on negotiating compensation packages, referrals to executive coaches and family wealth consultants, or leads on eldercare specialists. Remember, these women are not satisfied with the industry as it currently operates, so these out-of-the-box services will differentiate your firm and attract more affluent women to your practice. Once on board, these women can trust that your firm understands their issues and can be part of the solution.

In addition to the services you offer, show these prospects and clients that your firm has a commitment to gender equality and diversity. Hire both male and female wealth managers and advisors and, whenever possible, have teams that are diverse in age, race, ethnicity, religion, and sexual orientation. Diversity sends a powerful message to clients, especially female breadwinners, who have worked for many years to succeed in a male-dominated business world where they still are the minority.

Appreciate Key Differentiators
Female breadwinners have one thing in common—they are career-focused and under pressure—but they are more than their jobs. Key differentiators include age, race and ethnicity, life stage and circumstances, and money mindset. Each of these differentiators impacts what individual female breadwinners want from their advisors. For example, a widowed breadwinner who is 50 years old and the mother of three young children may be focused on college planning and how to prepare the next generation to responsibly receive wealth. A 32-year-old female executive who is engaged to be married may need ideas on how to raise capital to fund a business idea and help finding an attorney to draft a prenuptial agreement. This is why a personalized nuanced approach to financial planning pays off.

A full review of each key differentiator is beyond the realm of this article, but the following are a few factors to keep in mind:

**Generational Differences**
Many affluent female breadwinners are baby boomers, born between 1946 and 1964, whose lives were influenced greatly by the women’s rights movement. They worked hard, and many still do, to compete in a male-dominated business world. Divorce rates for this generation are high and rising, creating demand for services related to divorce (Kennedy 2012). Many boomer women are sandwiched, caring for elderly parents as well as children. Unlike their frugal traditionalist parents, they spend money more freely. They are also more likely to use financial professionals than women from younger generations (Prudential Research Study 2014).

Generation X, those born between 1965 and 1976, entered the workforce as company loyalty hit an all-time low. Corporate greed and political scandal contributed to this generation being less trusting and more skeptical. Raised during the technological boom, Gen X was the first generation to use personal computers at their first jobs. Many of these women delayed having children to focus on their careers, and some decided to forgo parenting all together. When working with advisors, they can be distrusting and need concrete data to support recommendations.

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**STRATEGIES FOR WINNING OVER FEMALE BREADWINNERS**

- **Accommodate their busy schedules.** Make meeting times and locations convenient. Consider meeting for breakfast so your client can take care of financial matters before a demanding workday begins.

- **Be efficient.** Time is a precious commodity for these women, so don’t waste it. With input from the client, set an agenda before each meeting and stick with it. Start and end each appointment on time.

- **Listen more than you talk.** Executive women spend most of their days listening to others. Foster trust by providing a safe environment where they can discuss personal and professional challenges. Don’t focus on solutions; instead, ask curious open-ended questions and then listen to the answers.

- **Facilitate difficult conversations.** Assist female breadwinning clients in having important, and sometimes difficult, conversations with their partners. Topics can vary from who will be responsible for the bulk of the household chores and childcare to how to manage money in public.

- **Practice a team approach.** Show a collaborative spirit and offer services with a team approach. Make referrals to outside professionals when needed. Whether you make a referral for a compensation attorney, an executive coach, or a housekeeper, know that each referral reduces female breadwinners’ stress and increases their connection with you.
Millennial breadwinner women were born between 1977 and 1995 and raised by well-intended, yet overly involved parents. Older generations entered the workforce between the ages of 16 and 21, but most millennial individuals delayed working until their mid- to late twenties (Dorsey 2010). As a group they are tech savvy, entrepreneurial, and were influenced greatly by events such as September 11th and the 2008 financial crisis. They want advisors who combine technology with personalized services and who return calls almost immediately because instant gratification is a way of life.

Race and Ethnicity
The majority of research studies that address questions of race and ethnicity focus on low-income women and families. Nevertheless, diversity is an important factor to consider when advising affluent women. For example, a breadwinning Latina may face added social and cultural pressures whereas an Asian female breadwinner may be comfortable as a financial decision maker given her cultural background. It is important that advisors are sensitive to these differences and how they may impact the advising and financial planning process.

Life Stage and Circumstances
A fair amount has been written about women in transition and how life-stage influences financial planning. It’s worth noting that larger proportions of executive women compared to non-executive women are single, childless, and/or not married. This life circumstance impacts their concerns about the future. Those without children and partners feel more pressure from their firms to work long hours and from their family and friends to help out. Despite their wealth, many are concerned about maintaining their standard of living in retirement and their ability to pay for health care and housing as they age.

The majority of women in their prime career years are juggling caretaking responsibilities with work. Female breadwinners are no exception. In fact, due to their influence, they may also be providing for extended family members. For most the ability to help friends and family is a primary financial driver and it is often why they accumulate wealth. When researchers at the Center for Talent and Innovation asked women what wealth meant to them, 90 percent of respondents age 40 and older said financial security for “self and family” (Turner Moffitt 2015). The percentage dropped only slightly, to 72 percent, for those under age 40. Therefore, when advising female breadwinners, it is vital to appreciate their holistic perspective and evaluate how their widespread caregiving responsibilities influence their ability to take care of themselves in the long run.

Money Mindset
Female breadwinners, like all clients, have thoughts, feelings, and beliefs about money that influence how they make, manage, and invest their resources. This is called a money mindset. Advisors who can identify clients’ money mindsets are better equipped to understand the motives behind their financial behaviors and decision making. As a result they can develop customized financial plans that are more likely to be successful.

There is no one money mindset for a female breadwinner, so it is important for wealth managers and advisors to feel comfortable and have skills in this area. This requires an appreciation for the nontechnical aspects of finance and an understanding of how money mindsets help guide the wealth-planning process. Women in particular want to discuss their emotions as they relate to money, wealth, and planning. Therefore, asking curious open-ended questions to learn more about their money mindsets is a great female-friendly exercise. The key is to actively listen to the answers and work toward gaining a clear vision of the client’s family money messages, personal money experiences, and vision for the future.

The number-one complaint women make about advisors is they don’t listen. Show female breadwinners that you care about more than their assets. Ask about their upbringing, background, lifestyle, and personality and really listen to their answers. This approach fosters trust and sets the stage for a client engagement based on more than facts and figures.

Focus on Education and Philanthropy
It is a myth that high-earning women are financially confident due to their career success. In reality, these women want to learn more. Sixty-two percent of those with advisors say they are not as knowledgeable about their finances as they would like to be and 19 percent admitted to not being knowledgeable at all (O’Connor and Ettinger 2015).

Female breadwinners’ desire to learn more about investments represents an opportunity for wealth managers to attract new clients and keep current clients satisfied. For existing clients, take time in the next meeting to inquire about confidence levels and the desire to learn more about a particular facet of their finances.
of finance. Then collaborate on a personalized education plan to achieve learning objectives. With prospects, articulate your firm's interest in educating women on financial matters and share real-life examples they can relate to. Because women typically like to learn in groups, consider hosting seminars that speak to female breadwinners' financial fears and concerns. One wealth-management firm started hosting seminars that taught participants how to best evaluate and negotiate compensation packages. It was so successful they have a series of them and always have a waiting list.

Philanthropy also resonates with women. Most wealth-management firms incorporate charitable giving in their discussions, and this particular group is very receptive. Women like to use their wealth to improve the world and often are the primary decision maker when it comes to how much and where to donate. In fact, 71 percent of women who are primary earners make more than 75 percent of the charitable-giving decisions in the household (O'Connor and Ettinger 2015). Whether prospecting or working with existing clients, discussing charitable giving strategies is often a successful approach.

Facilitate Money Conversations with Their Partners
For female breadwinners who are married or in committed relationships, being the main earner can make many things at home more complicated. The women's movement resulted in many more women working outside the home, but it did little to change the perception of what it means to be a family. Our society still purports that men should earn more money than women and mothers should stay at home with their children. A survey conducted by Pew Research Center (Parker and Wang 2013) reported that 75 percent of Americans believe that “mothers should not work or work only part time.” The same survey revealed that 70 percent of respondents believe that fathers should work full time.

A classic example of how this plays out for a couple when the wife earns more is when they go out to dinner. Waiters are trained to deliver the check to the man at the table, reinforcing that he should be the provider in the family. But what if his wife makes more? Torabi (2014) discusses this dilemma and how it was solved in her relationship. As the primary breadwinner in the family she pays all the bills. However, her husband found it very uncomfortable to publicly let her pick up their dining tab. After discussing their feelings, they decided that he would have a credit card to use in these circumstances. She still paid the credit card bill each month with her earnings, but this strategy helped reduce the tension in these situations.

When a woman makes more than her male spouse or partner, simple financial acts can become complicated. Even nonfinancial tasks can be a source of tension. Who cooks dinner, cleans the house, and takes the kids to after-school activities? More than half (55 percent) of male business leaders have wives who do not work outside the home, but only 12 percent of women business leaders enjoy the same luxury (Fairchild 2014). Many women find delegating tasks and openly discussing money with their partners challenging. Therefore, it’s not surprising that more than 70 percent of female breadwinners want their advisors to help them communicate with their partners as part of their wealth-management engagement (O’Connor and Ettinger 2015).

To provide this important service, select an advisor on your team who is comfortable acting as a coach, counselor, and mediator and has a healthy dose of patience. The right professional is trained in conflict-management skills and can tolerate emotional discussions. Most couples benefit simply by having a neutral party present when discussing difficult issues. Other couples may best be served by a referral to a family wealth manager.

To be effective facilitating these conversations, a wealth manager needs to be aware of his or her own thoughts and beliefs about how couples should make, manage, invest, and gift money. This is called the “advisor couple mindset.” Similar to a money mindset, the couple mindset is influenced by one’s family history, cultural background, and personal experiences managing money in partnership. Every advisor’s couple mindset is slightly different and there is not one way to think about couples and money. The key is to be aware of potential blind spots or biases, which is vital to successfully facilitating these wealth conversations. For example, an advisor with

THE ADVISOR COUPLE MINDSET

Finish the following statements to start to identify your advisor couple mindset:

Couples and money are __________________.

The perfect couple is __________________.

The most important lesson my parents taught me about couples and money is __________________.

Women who control the family finances are __________________ and men who control the family finances are __________________.

Couples who fight about money are __________________ and couples who don’t fight about money are __________________.

Source: Kingsbury (2014)

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the mindset that a stay-at-home dad is weak based on his decision to be a caretaker may unconsciously align with the female breadwinner and be unable to maintain a position of neutrality needed to help them resolve their differences. However, if this same advisor is aware of this blind spot, he can make sure he gives each partner an adequate opportunity to voice concerns and help them find a solution that is respectful and equitable.

Summary
Female breadwinners are affluent and economically powerful clients that have been overlooked by past industry efforts to better serve women. Many of these women are eager to learn more about wealth management and are looking for advisors who take a more nuanced, personalized approach to working with them. The wealth-management firms that make a concerted effort to understand the many influences and pressures in their lives and create strategies to address their complex needs will rise to the top.

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