



What do women want? Financial advisors who get it

Kelley Holland | @KKelleyHolland



Richard Clark | E+ | Getty Images

When it comes to women and money, there is good news and there is bad.

In the plus column, women are heading more households and making small inroads in the C-suite. Women have also increased their presence on the Forbes list of billionaires.

In addition, research by Boston College's Center on Wealth and Philanthropy found that because women tend to outlive their spouses, overall they will be managing the majority of the \$41 trillion in wealth that will pass to the next generation by 2052.

But when it comes to financial advice, women are not getting the service they want or need. A study by Fidelity Investments found that when couples interact with a financial advisor, men are 58 percent more likely than women to be the primary contact. And while most women say they do not intend to leave their financial advisor if their husband dies, within a year of being widowed as many as 70 percent actually do, according to one study.

"We just continue to have a lot of work do to around this whole front," said Caroline Feeney, president of agency distribution at Prudential.

Feeney recalled a presentation for Prudential financial advisors—both men and women—where they were told about the data on widows.

"From the women there were some smiles, some comments, [but] not largely surprise," she said. "The women cited examples of many times they had been sitting next to their husbands and a salesperson directed the entire conversation at their spouse. They tried to put some humor in it, but they were less surprised. The men were much more surprised."

Not all women want the same thing from a financial advisor, of course. Research by Prudential found differences among women of different ages, income levels and ethnicity. But financial advisors describe several things women tend to seek from an advisor.

"Men are more about fixing things and getting to the bottom line. A woman doesn't necessarily want to get to the bottom line right away," said Kathleen Rehl, a financial planner and the author of "Moving Forward on Your Own: A Financial Guidebook for Widows." Sometimes, she said, a recently widowed woman needs to process her grief and dig through paperwork that has been let go before she can make a plan for the future, and an advisor can help build the relationship by assisting with both.

Rehl said she and other financial advisors she knows sometimes arrange themed events for groups of women so they can enjoy an activity together and then participate in a discussion or have a lesson on a financial topic. Rather than selling a product or completing a transaction, the events are more about building relationships, she said, since that is especially important to women. "We like to learn things. We like to think them through. Like investments," she said.

Kerry Hannon, a retirement and personal finance expert based in Washington, says men and women tend to have different approaches to investing.

"Generally speaking, women don't want it to be a numbers game. We care about the returns and so forth. But this is not a competition. Men typically slide into that mindset a bit more," she said. "Most women aren't generally willing to bet the farm. We don't need the highest return, or the next hot investment. We want a steady, solid return over time. It's an organic, big picture scenario that we're interested in pursuing. We are afraid of losing it all, so we want to keep control and safety at a gut level."

Studies Show Financial Literacy of Women Lagging

Eleanor Blayney, Directions LLC, explains why she thinks it's time for women to step up in their financial literacy, while Terry Savage, author of "The Savage Truth on Money," explains why she thinks women already are managing their money.

One issue for many women is that they may have fewer resources to work with. In the Prudential study, women earned and saved less than men.

There is a confidence gap between men and women as well: In the Prudential study, 78 percent of women rated themselves either as beginners or as needing help in many areas, compared with 63 percent of men.

Still, despite that low confidence, women are only slightly more likely than men to turn to financial advisors. Some 33 percent of men use advisors, Prudential found, compared with 35 percent of women—which inevitably means that a sizable number of women lack confidence in their financial knowledge and don't seek out an expert.

Some women opt to seek out female financial advisors, but that's not a solution everyone can adopt. There simply are not enough female financial advisors to go around: Fewer than a third of advisors are women.

Feeney says that shouldn't be a problem, however. "It's an awareness that needs to continue to be created for all financial advisors that this is the reality, this is the concern," she said.

Prudential and other financial services companies are now trying to better understand how to better serve women, Feeney said. It may well take a while, but looking at the firm's research, Feeney has a goal in mind.

"First and foremost, when we do studies like these we won't necessarily see significant differences between women and men," she said.