



How Financial Advisors Mistreat Women

(And What Women Can Do About It)

By Amy Fontinelle
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Since the 1950s, women have increasingly assumed the breadwinner role in the household, yet many of them still don't seek out financial advice. Instead, they rely on friends and family, according to a 2013 survey by TIAA-CREF, the leading retirement provider for teachers, researchers and other academics, while men are more likely to use websites and online tools.

Why? According to some women in the financial services business, it's because banks, brokerages and other related firms don't treat women with respect. "Wall Street is largely male-dominated, and much of the language we use about money is very ego-based and women don't relate well to it," says Hilary Martin, a financial advisor and strategist with San Jose, Calif.-based Family Wealth Consultants, Inc., a registered investment advisor. "Traditionally, women haven't taken an active role in their investments and financial planning. That fact is changing, but the truth is that it is changing slowly."

We talked to several women who work in the financial services industry as financial planners, advisors and asset managers about the biggest problems they've observed in some financial advisors' treatment of women and how women can proactively address these issues.

Problem 1: Some advisors patronize female clients.

Some male advisors say things to female clients that are the verbal equivalent of patting them on the head, says financial planning specialist Emily Boothroyd of Westport Resources, an independent investment firm in Westport, Conn. They assume the woman wants to spend all of her money on clothes, or that her preference is to take care of the home and children over working. They will respond to women's investment questions with comments like "you don't need to know about that," and "that's for us to worry about," she says.

Solution: Interview potential advisors carefully.

Women can minimize their chances of ending up in a patronizing client–advisor relationship by examining the structure of a potential advisor's firm and by interviewing potential advisors carefully.

"Are there women at their firm? Do you see women represented in leadership? That can be one clue about the overall culture this person works within—one that may or may not have trained them sensitively and thoroughly about how to effectively work with female clients and the unique concerns they bring to the table," says Elle Kaplan, CEO and founding partner of New York City-based Lexion Capital Management. Kaplan says her company is the only 100% woman-owned asset management firm in the United States.

If women are only in administrative roles, "keep that on your radar and ask questions in the interview," Boothroyd says.

“Usually you can tell a lot about a firm by simply observing the office atmosphere. How are the women working within the firm treated? If you’re sitting in a meeting with your advisor, and he yells for one of the ‘girls’ to get him some coffee or something similar occurs, it may be an indicator of how he feels about you as a client.”

You can also get an idea of how a male advisor might feel about his female clients by asking some questions that should indirectly reveal his true colors. By asking about his family, you might learn how he feels about his wife, daughter or mother, Boothroyd says. She also suggests asking him to talk through a time when he had a client who was concerned about the market. “If he rolls his eyes or complains about people who worry too much, imagine how you’d feel if you were in that situation,” she says. Another test she suggests is to pick a financial concept and ask him to explain it to you. See how he addresses the issue, and whether he checks to make sure you’re following his explanation.

Women shouldn’t rule out male advisors, as plenty of them understand the importance of developing client relationships with women.

“As I’ve spent the past year traveling around the country presenting to and talking with Fidelity’s advisor-clients, many times it’s the male advisors who come up to me and ask how they can do a better job working with female clients,” says Laura Kogen, vice president of practice management and consulting for Fidelity Institutional Wealth Services. “Or, they often share a story about how their firm has learned the importance of engaging with their female clients and the spouses of their male clients, who, up until that point, may have been leading the relationship.”

Problem 2: The advisor only communicates with the woman’s husband.

Some advisors see the man in the relationship as their client and ignore the wife, even when the wife wants to be involved.

“One client came to us after a long relationship with a firm that began when she and her husband were younger. After her husband’s death, a new advisor had been assigned to her portfolio, and she was never fully informed of the transition,” Boothroyd says. “In fact, the new advisor never offered to meet with her; instead, she had to reach out several times to request a meeting. After several failed attempts to meet with the advisor, she simply decided to make a switch.”

Martin says the financial industry’s bias against women is so ingrained that even some financial software for managing customer relationships is set up in a way that makes the wife play second fiddle. One software package she was offered only allows the advisor to input one primary client, which means the woman is often entered as the secondary client. The advisor is forced to choose which spouse to communicate with primarily, and it’s usually the husband.

Assuming that a husband prefers to ignore his wife in the financial discussion is a bad idea, Boothroyd says. An advisor risks angering not just the wife but also the husband by acting this way and isn’t likely to get the couple’s business.

Even some female advisors focus more on the male household member, says Kelly Livers, a Certified Financial Planner and regional branch executive for Charles Schwab’s southern region. “It’s an educational opportunity for the industry and something that Charles Schwab focuses on in the way we train and recruit our client-facing employees,” she says.

Women who visit an advisor with their husband shouldn’t settle for being ignored or treated as secondary. Here’s how to tell if the advisor considers you an indispensable part of the relationship.

“If you’re there with your husband, does the advisor automatically assume your husband is the breadwinner and that you’re the conservative investor who loves to spend money?” Boothroyd asks. “Take note of cues that make you comfortable or uncomfortable, and don’t ignore them. This is a huge part of your life, and you’re entitled to be taken seriously.”

In your first meeting, look for an even distribution of eye contact and questions from the advisor to you and your husband, she says. Also, women can help set the tone of the meeting by speaking up and making their needs apparent and important. She suggests talking with your spouse before the meeting about presenting a unified desire for both of you to fully understand and participate in your financial plan.

“The right advisor will respect that you and your partner are a team.” Kaplan adds. “If your advisor excludes you or speaks only to your spouse in meetings, then you need to say something. If not to the advisor, then bring it up to your partner.”

“For many advisors it simply starts with better listening and paying attention to both people in the room,” Kogen says. Fidelity uses a financial compatibility quiz to help advisors improve the dialog with their coupled clients. This quiz helps both partners in the relationship learn about each other’s attitudes toward money and discuss their financial attitudes and goals together with their advisor.

Problem 3: Advisors treat single women as if they are clueless.

“During my decade-long career on the Street I was strongly disappointed to see time and again training materials that featured women’s concerns only as shallow and often belittling stereotypes,” says Kaplan. “Women are frequently the CFO

of the household, and most women will be solely responsible for their finances at some point throughout their lives,” she says.

Solution: Work with an advisor who will empower you.

“Your advisor should make you feel comfortable and empowered. Saying ‘I’ll take care of you’ is condescending and plays into tired stereotypes about women and money,” Kaplan says. “The right advisor will explain things in a way that is respectful, relatable and clear.”

Boothroyd says advisors need to make sure women feel informed and educated about their choices and the advisor’s recommendations. “Most of my female clients prefer to learn about their portfolios, and would rather not stay in the dark,” she says. “I have a policy for all clients, wherein I ask them to stop me at any word or concept they are not entirely comfortable with and we discuss it.”

“Advisors should take the lead by asking questions, communicating regularly and offering education where it seems appropriate,” Boothroyd says. “Clients can assist their advisors by asking questions if they’re not 100% clear on an issue, and by providing feedback about the relationship.”

You should expect your advisor to treat you with respect, to educate you about your portfolio and overall financial plan, and to communicate with you regularly and engage you in the conversation. Don’t tolerate being blown off when you call for a meeting, or having your questions brushed off when you contact your advisor.

Should Women Hire Female Financial Advisors?

Given the stereotypes about women’s attitudes toward money, some women, both single and married, might wonder if they should avoid male advisors or male-dominated advisory firms.

“There may be certain benefits to speaking with a female financial advisor such as a general comfort level in discussing common financial concerns women have,” Livers says. Women live longer than men and, even if they have been married, they are likely to outlive their husbands and need help in financial planning as they age.

Still, having a high comfort level with you advisor is more important than gender. Studies show most women are gender neutral when it comes to discussing their finances, says Livers.

The Bottom Line

“Women make excellent, savvy investors, and there is no reason to think, as a woman, that you don’t or can’t understand financial matters,” Kaplan says. In the same way that women have taken charge of so many other important aspects of their lives, from health to family to career matters, finances should be no different.