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## 7 Rules for Serving Female Clients



As financial services firms and advisors seek to identify the demographic trends that will shape the landscape of our industry over both the near and long term, more and more of them have come to realize the growing prominence of women in our economy.

Not only are more women working, but they are increasingly earning higher salaries. For the first time, females make up nearly [50% of the American workforce](#) -- and the number of women earning \$100,000 or more increased 14% from 2008 to 2010, according to the most recent available census data. That's 3.5 times the rate of growth for men.

This trend, of course, is nothing new. Industry observers have been commenting on the growing concentration of assets among female investors for years. Even so, many advisors are still struggling to effectively address the opportunity of working with more women investors.

As female advisors with a large number of female clients, we believe many advisors may need to think more critically about their overall approach to marketing and managing client relationships. Best practices in these areas -- even strategies that have worked for years -- may need to be re-evaluated and, in some cases, re-taught. And some things that didn't work in the past may now have new relevance given the rapidly changing landscape.

We suggest that advisors use the following seven guidelines to better serve female clients:

### 1. BE MORE PATIENT

The sales cycle is frequently longer with female investors. If male investors tend to be more impulsive, their female counterparts are very deliberate.

Think of other differences in purchasing behavior. Men might go to one store and buy a shirt off the rack without trying it on, but women? Not so much. They typically survey the landscape, visiting multiple stores before ultimately finding a shirt that is priced well and fits just right.

The same basic principle applies to choosing a financial advisor. It might take several meetings, but they'll choose one that is the right fit.

### 2. FOCUS ON BUILDING RELATIONSHIPS

Like most investors, women want a financial plan that will both address short-term obligations and potentially achieve long-term goals. But unlike some men, women tend to place an added emphasis on having a true strategic partner -- one who not only offers a high level of stability and support but has a full appreciation of the client's entire personal situation.

Building chemistry and understanding client needs is important, but so is a willingness to take the time to nurture such needs.

### 3. EMPHASIZE TEAMWORK

We believe female clients feel more comfortable with a team-based approach. Advisors should look for ways to involve these clients in every part of the financial planning process -- educating them about key issues and empowering them to make decisions for themselves.

This serves two purposes: It elevates the clients' understanding of their own financial situations and, just as importantly, it gives them greater confidence in the advisor, who has taken the time to provide the tools to put them in ultimate control.

#### **4. CLARIFY INVESTMENT GOALS**

As part of the process, advisors should seek to organize the client's investments into categories, with each emphasizing different retirement milestones at different intervals down the road. Break down complex strategies that may otherwise seem overwhelming, and instead make them more intuitive -- allowing clients to understand how investments and objectives are aligned.

When someone starts a vacation fund or college savings account, the earmark can provide clarity; the client knows where her money is going and how she will eventually spend it.

Do the same thing for clients who are planning for retirement.

#### **5. BE MINDFUL OF DUELING NEEDS**

Be aware of the colliding forces in your female clients' lives. Many successful, career-minded women wind up taking ownership over their older parents' health care. And often, this happens at precisely the same time their children begin to head off to college.

This leaves professional women in the middle, looking for ways to support both obligations. Advisors that are able to anticipate this dynamic early on will best be able to help their female clients navigate these dueling, complicated sets of needs.

#### **6. SKIP THE SALES PITCH**

For the most part, female clients are put off by aggressive, pushy sales pitches. They tend to be especially skeptical of any pitch that incorporates a level of subtle intimidation, or suggests that the offer represents a limited or 'once in a lifetime' opportunity.

Women are more likely to forgo the potential for outsized returns in favor of a clearly defined financial plan. In their portfolios, short-term outperformance is usually less important than knowing that their financial needs will be met.

#### **7. UNDERSTAND THE FAMILY DYNAMIC**

Many high-net worth female clients are childless. Many are single as well. Because of this, your female clients may have specific planning needs -- an adequate way to address elder care, for instance. Single clients who have no intention of getting married or having kids need to have the proper amount of long-term care and disability insurance in place should they need to rely on outside help as they grow older.

Additionally, even though these clients might not be married or have direct heirs, they could have long-term partners or other important people in their lives that they want to take care of after they die. So make sure they understand the need for an estate plan. Otherwise, families will fight over assets and the state will get involved -- and for many women, minimizing potential conflicts after they are gone is nearly as important as making sure their own financial needs are met.

Most clients, male or female, basically want the same things: to pay off debts, perhaps save for their children's college education and retire comfortably. There's little doubt, however, that men and women tend to approach these goals -- and the financial planning that goes into achieving them -- very differently.

Advisors that fully understand these different approaches will be best positioned to effectively serve clients of both genders -- which, given the shifts in the financial landscape mentioned above, will be a tremendous competitive advantage moving forward.

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#### **Read more:**

- [Smarter Ways to Market to Female Clients](#)
- [3 Tips for Appealing to Female Executives](#)