

FINANCIAL PLANNING  
FOR WOMEN

# Guide for Advisors



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**Protective**  
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**TODAY**

I made a meaningful connection.

# Advisor, we have a problem.

It's possible that half of your clients feel underserved, and many are considering finding a different advisor. There are millions of household decision makers out there who need financial advice, but don't know who to turn to. A rising generation with high income potential is beginning to save for retirement, explore investment options and consider life insurance, but without any professional help. They are women, and they are everywhere.

Are you ok with letting these clients slip away?

# Why Focus on Women?

She's your next door neighbor, your lawyer, your child's teacher, or your doctor. She's building her career, her family's future, and a nest egg...but it's likely that she's doing it without the help of a trusted financial advisor. **Here's where you come in.**

Research shows that two out of three women do not have a financial advisor,<sup>1</sup> and of the women who do have help, 70% are considering making a change.<sup>2</sup> In addition, among the one-third of women who actually do have a financial advisor, many are married. And about one quarter of these married women plan to discontinue the relationship with her advisor if her spouse dies.<sup>3</sup>

These startling statistics show that you have a huge opportunity to better serve a large group of clients that you already have, as well as offer a valuable service to prospects that are all around you and need help. For your married clients and prospects, it's important that you become the advisor of choice for **both** parties.

How do you do it? By learning more about who these women are, what they want to achieve and how they prefer to work with you. It's more than just introducing investment and life insurance basics to a group of women at a seminar. It's not about changing the colors of your materials to pink. To better serve women clients, your job is to learn about their unique needs, understand their varied risks, share with them in their hopes and dreams, and meet their desired approach to financial planning.

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## Advisors take notice:

- The number of **wealthy women in the United States is growing twice as fast** as the number of wealthy men.<sup>4</sup>
  - Women **control more than ¾ of the financial resources** in the United States. That's about \$19 trillion.<sup>5</sup>
  - By the next generation, **more families will be supported by women than men.**<sup>6</sup>
  - Women today make up **almost 60% of U.S. college students**, and earn the majority of doctorates and master's degrees.<sup>6</sup>
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In this guide, we will cover the following to help you build a plan to better serve women in meeting their financial goals:

- 1 Understanding the Risks Women Face
- 2 Women's Perceptions of Financial Planning...and You
- 3 Connecting with Women
- 4 Protective's Financial Planning for Women Series
- 5 Next Steps

If you can provide women with the personal attention and coaching they need to achieve their goals, not only will you gain their trust, but you'll benefit from their loyalty. And a happy female client can mean many referrals over time. A female client is likely to refer friends and family members to a trusted advisor 26 times over the course of the relationship, compared to just 11 referrals from male clients.<sup>7</sup> **It's time to find out what *she* wants.**

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<sup>1</sup> Kathleen Burns Kingsbury, *How to Give Financial Advice to Women: Attracting and Retaining High-Net Worth Female Clients* (New York: McGraw-Hill, 2012), p. 4.

<sup>2</sup> Kingsbury, pp. 3, 19.

<sup>3</sup> Nadine Gordon Lee, "Wealth Management Insider," November 18, 2010.

<sup>4</sup> "Advisors' Missed Opportunities with a Key Client Group: Women" *President & CEO Magazine*, [www.presidentandceomagazine.com](http://www.presidentandceomagazine.com).

<sup>5</sup> <http://womensvoicesforchange.org/financial-knowledge-empowerment.htm>, July 21, 2011.

<sup>6</sup> Liza Mundy, "Women, Money and Power", *Time Magazine*, March 26, 2012.

<sup>7</sup> Kathleen Burns Kingsbury, "Six Tips for Helping Financial Advisors Serve Female Clients," *Financial Advisor*, September 14, 2012.

# Understanding the Risks Women Face

Whether you are a male or female advisor, you can benefit from learning more about your female clients. First, you want to understand how their risks differ from men's, and how those differences translate to a different approach in financial planning.

**Longevity.** Everyone knows that women live longer than men, but what does that mean for a woman's financial future? On average, women can expect to live 5 to 10 years longer than their male counterparts<sup>8</sup>, which means they'll need more money to maintain their standard of living throughout retirement. It also means they will have a different set of considerations when it comes to life insurance needs.

**Income.** It has been widely reported that women don't make as much as men. While women are making great strides in closing that income gap, there are additional reasons that a woman may draw a lower salary over time. If a woman earns less than her husband, she may be more likely to relocate for his job (and leave her job), or to take time out of the workforce to care for their young children, aging parents, or relatives with special needs. A lower wage means lower contributions to pension plans, Social Security and the amount available for savings.

**Savings.** Many women you meet with will acknowledge that she should probably be saving more. There are many reasons beyond the stereotypical "shoe shopping habit" that result in lower savings for women. Lower incomes, gaps in employment, and picking up the tab for providing care for family members are just some of the reasons why women may not be putting away as much as they would like.

Longevity, income and savings are just few of the unique risk areas for women. Since this is a segment of the population that spans every generation and demographic, you'll find that each woman you work with will have her own set challenges that may differ from these more broad areas. The key is exploration through conversation. Together you can pinpoint some areas that give your client heartburn. You may find that concerns about healthcare, her projected social security benefits, and expenses related to caring for family members will affect how she approaches financial planning. Once you find out what's important to each client—what worries her, and what inspires her—you can start working together on a plan.

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<sup>8</sup> Eve Kaplan, "Women Live Longer Than Men But Save Less for Retirement," Forbes.com, November 8, 2012.



## Room to grow

- Most women have saved, on average, about **1/3 less than men** for retirement.<sup>9</sup>
- **40% of women have less than \$10,000** in all their investment accounts.<sup>10</sup>
- **41% of women do not have life insurance coverage**, but say that they need it.<sup>11</sup>
- College-educated women can expect to **earn a half-million dollars less** than their male counterparts over the course of a full-time career.<sup>12</sup>
- Only **12% of women** are confident that their current savings plan is on track.<sup>13</sup>

<sup>9</sup> Liz Weston, "Men better at saving for retirement?," MSN Money, May 23, 2012.

<sup>10</sup> Michael Cohn, "Data indicate women woefully unprepared for retirement," Employee Benefit News, November 29, 2012.

<sup>11</sup> "Consumers Overestimate Cost of Life Insurance By Nearly Three Times," LIMRA, April 25, 2012.

<sup>12</sup> Christianne Corbett, M.A., Catherine Hill, Ph.D., "Graduating to a Pay Gap", October 2012

<sup>13</sup> Financial Finesse Special Report: The Gender Gap in Financial Literacy 2011, June 14, 2011

# 2 How Women Perceive Financial Planning...and You

As stated earlier, only about a third of women have a financial advisor. Of the women who do, most—70%—report dissatisfaction in their experience with their financial advisor.<sup>14</sup>

**This begs the question, why don't women like their advisors?**

Here's what women are saying about their financial advisors:<sup>15</sup>

- 1 They make assumptions.
- 2 They seem disrespectful, patronizing.
- 3 Their pitches are too high pressure.
- 4 They are only for the wealthy.
- 5 **They don't understand me.**



While a large group of women say they are dissatisfied, there are still many women who have never worked with an advisor. The most common reason women cited for not engaging an advisor was a feeling that they just did not have enough money to invest (25%). Another 9% of women felt that they “can’t afford it”.<sup>16</sup> Also, while women largely acknowledge their need for more life insurance, they overestimate its cost by almost three times.<sup>17</sup> Clearly, there is a disconnect between what women think about financial planning and what sound financial advice can do for them.

While the feedback above may seem negative, the silver lining is that it draws a clear map for how you can refine your method for working with women, and shows opportunities for you to educate and uncover some pleasant surprises when it comes to financial planning. For example, you don’t need to be wealthy to take control of your financial future, and life insurance doesn’t cost nearly what you may think.

Many women have been strong in articulating qualities they seek when looking for an advisor: a feeling of trust or respect and a focus on the client’s personal goals top the list.<sup>18</sup> Take advantage of this research, and get started on changing your client’s perceptions of financial advisors (and you!) with a personal approach to her plan.

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<sup>14</sup> Reshma Kapadia, “Why Women Get a Raw Deal on Retirement,” *Smart Money*, September 20, 2010.

<sup>15</sup> Brittney Castro, “More Women Need Advisors,” *Advice IQ*, November 11, 2012.

Dorothy A. Voight, “Studies Show Women Unhappy with Financial Advisors,” *Family Law Topics*, October 25, 2010.

Jim McConville, “Women More Demanding of Financial Advisors Than Men, Survey Says,” *Financial Advisor*, February 7, 2012.

Lynne Ford, et al., “Women and Retirement,” *IRI*, January 28, 2013.

Ruthie Ackerman, “Clients From Venus,” *The Wall Street Journal*, April 30, 2012.

<sup>16</sup> Lynne Ford, et al., “Women and Retirement,” *IRI*, January 28, 2013.

<sup>17</sup> “Consumers Overestimate Cost of Life Insurance by Nearly Three Times,” *LifeHappens.org*. April 25, 2012.

<sup>18</sup> Lynne Ford, et al., “Women and Retirement,” *IRI*, January 28, 2013.

# Connecting with Women

When it comes to making valuable connections with women clients and prospects, remember that your communication style is key, whether you are a male or female advisor. We've discussed risks women face and how they feel about financial planning. The next step is learning how to connect with your clients through good communication, understanding their goals, and consideration of their day-to-day struggles for balance.

## FORGET ABOUT SALES. JUST START **TALKING** TO YOUR WOMEN CLIENTS.

Many women are wary of financial advisors who seem to just want to “sell” them something, but they do want a knowledgeable partner to help them become comfortable with the language and techniques of financial planning. Remember that many of your women clients may have years of professional experience in this area, and most have been responsible for their personal or family finances. You have to make yourself and your advice understandable while steering clear of language that might be perceived as patronizing or insulting. Similarly, you cannot make assumptions about your clients' investment styles without talking through all the options—some women prefer a conservative investment strategy, others have personalities (or savings timelines) that demand a more aggressive approach. By presenting yourself as a resource on all things financial, and being available and open for questions, big and small, you can become a trusted partner in building your clients' financial future.



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## Approach her with TLC:

**TALK:** Take the time to talk with your clients.

**LISTEN and LEARN:** Show that you're listening—and learning—by asking follow-up questions that can help you and your client zero-in on her core values and needs. A conversation in which your client is encouraged to think about her goals and concerns is the best way to begin a strategy uniquely tailored to her needs.

**CONSULT:** By being available for your clients concerns and questions, you are providing an invaluable service. Your clients will appreciate knowing they can come to you with questions, even if they are not yet ready to invest.

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## Connecting with Women

### HELP HER DEFINE HER GOALS: WORDS FIRST, THEN NUMBERS.

When asked about their financial goals, many women will respond in value-based terms, while men will often have a concrete savings target or express a desire for a certain rate of return. You may find that your women clients will say that they do not have a specific number in mind, but they want “security,” “freedom,” or “control” over their lives. You can help them quantify what these goals mean financially. A simple exercise that compares actual spending with values can provide some insight into how you can help your clients make small changes that can have a big impact over time.

### REMEMBER, SHE’S BUSY. VALUE HER TIME.

When working with women, it is crucial to remember that they are likely to be among your busiest clients. In addition to putting in the same office hours as their male peers, most women consistently perform a disproportionate amount of nonpaid tasks—child care, housework, and community service are common schedule-fillers.<sup>19</sup> Show that you understand and respect the time pressures they face by being flexible with your meeting times. Meet outside of your normal working hours, agree to meet during the lunch hour, or use a video conference tool for a quick “face-to-face” follow up conversation. Being sympathetic to a woman’s eternal struggle to balance it all—and helping her reach that balance—can lay the groundwork for a long partnership.

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## ESTABLISHING NEW RELATIONSHIPS

A good way to meet and connect with women is by hosting events that give them an enjoyable way to learn more about financial planning, network with other women, and possibly learn something new, all while connecting with a financial advisor. A seminar on one aspect of financial planning with a Q&A session, or a talk by an author or expert can be a central component.

Your clients will appreciate the chance to meet other women who may share some financial advice or success stories. Combining the opportunity to socialize, learn, and plan is one more way to demonstrate your understanding of your clients' limited time.



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<sup>19</sup> Anne-Marie Slaughter, "Why Women Still Can't Have It All," *The Atlantic*, July/August 2012.

# Protective Life's Financial Planning for Women Series

Protective Life has created a program to help you connect with women and get started on better serving their financial planning needs. Focused on three core areas, Protective's seminars and support materials can help you establish yourself as an educational resource for current clients, as well as prospects.

**The series is broken into three areas:**

- *A Woman's Guide to Life Insurance*
- *A Woman's Guide to Investing for Retirement*
- *A Woman's Guide to Retirement Income Planning*

Each of the three segments focuses on a separate target audience with its own planning needs and goals, and offers a client presentation and companion brochure to help educate, engage, and inspire your clients. Along with the seminar and brochure are promotional materials to help you reach out to your clients and prospects. You can find all of the available materials through [www.protectiveadvisor.com](http://www.protectiveadvisor.com). Read more about each segment on the following pages.





## PROTECTING YOUR FUTURE

### A Woman's Guide to Life Insurance

**Target Audience:** While this seminar is designed for women of all ages, prospects most likely to connect with the messaging will be in their 30s or 40s, with children or plans to have children. The presentation will work with women ranging from middle class to affluent, who are single or married, with or without children.

**How this presentation can be effective:** This presentation focuses on the value of life insurance for women across a wide range of ages and circumstances. This seminar highlights relatable, real life scenarios that show how women in different stages of life can benefit long term from adding life insurance to their financial plans.

**Characteristics of this group:** This is a wide range of women with different circumstances who are interested in protecting their family's financial future. These women may be stay-at-home moms, single mothers, working professionals, decision makers, married, single, or divorced. They are likely to be planners, who have researched investment products online. They may be in charge of their family budget, and comparison shop. They are probably on Facebook and other social networks, and are likely to recommend services to friends and family via social media.



## TAKE CHARGE OF YOUR FINANCIAL FUTURE

### A Woman's Guide to Investing for Retirement

**Target Audience:** Focus your invitation list for this seminar on clients and prospects who are in their 30s and 40s. This presentation is tailored for women of this age group who are likely upper-middle class to affluent, and have a wide range of personal circumstances—they may be married, single, with or without children or aging parents.

**How this presentation can be effective:** This will reach a group of young women who are likely to be at a point in life when they are reaching career and personal success. Many of these women may not have begun saving for retirement or feel they are not saving enough, but still rate it as a high priority. You'll have the opportunity to show how making small changes (like the regular investment of the price of coffee—"the latte effect") can have a big impact on their retirement savings. By showing relatable examples, you can be particularly effective with those who think that they cannot afford to save now.

**Characteristics of this group:** These women may be breadwinners, homemakers, decision makers, single, mothers, or all of the above. They may be paying off college debt while saving for their children's education. Many will be well-educated with an interest in investment products and financial planning tools. They shop online for products and services. They appreciate technology and may use it as their primary method for communication with their friends, families and their financial advisors.



## SECURING YOUR RETIREMENT

### A Woman's Guide to Retirement Income Planning

**Target Audience:** Your invitation list should focus on clients and prospects who are in their 50s and 60s and approaching retirement. This presentation is tailored to women who are likely upper-middle class to affluent, and have a wide range of personal circumstances—married, single, divorced or widowed, and may have older or grown children, and possibly grandchildren.

**How this presentation can be effective:** You will be able to reach a group of women who are beginning to think in earnest about ensuring a secure retirement. Some may already have a plan in place, but aren't sure if they have saved enough, or if they have chosen the right retirement vehicles for their needs, or how other resources like Social Security or employer pensions fit into their retirement income plan. This seminar gives you the opportunity to show your women clients and prospects what they can do now to be best positioned for a retirement that is just around the corner.

**Characteristics of this group:** These women may be working or stay-at-home, and may have children that are older or already out of the house. They are also more likely to be divorced or widowed. With older or grown children, they may be paying off their children's college debt, saving for their weddings and thinking about what kind of an inheritance they want to leave behind. Many will be well-educated and already have a 401(k) or 403(b) plan, but are unsure if it will cover their needs. In addition to thinking about the financial side of retirement, they are beginning envision and plan for what their day-to-day lives will be like in retirement.

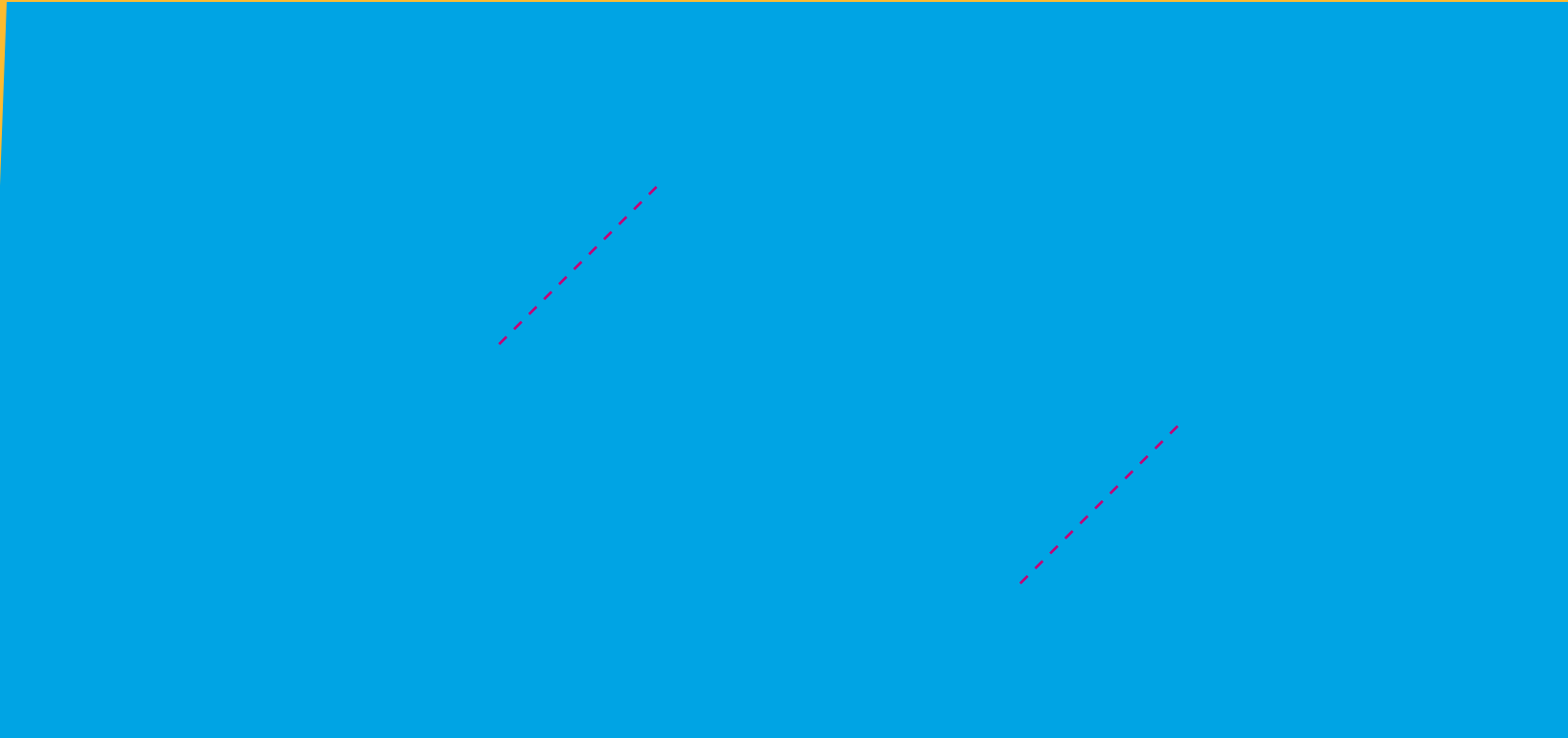
# Next Steps

The Protective Financial Planning for Women series aims to help you with the next time you sit down with a couple on the verge of retirement, a young woman who wants to take control of her future, or a single mom who is considering life insurance. This fresh perspective on better serving all of your women clients can help you guide discussions, seek out information, and move toward a plan that satisfies everyone at the table. By recognizing the unique risks, needs and goals of your female clients, you are ahead of the game, and better equipped to retain her as a client for life.

**Below is a list of next steps as you begin a plan to reach and better serve women in financial planning:**

- Plan a seminar
- Review your current client roster for potential invitees, be sure to review the target audience and demographics suggested for each seminar
- Visit [www.protectiveadvisor.com](http://www.protectiveadvisor.com) to view the available materials
- Talk to your Protective Life representative to learn more about the program, materials, and other offerings from Protective Life

**TODAY**  
I proved that she is valuable.





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