

30%[†]
understands
my needs

6%[†]
easier
to talk to

8%[†] not
intimidating

FEMALE FACTOR

DO WOMEN CLIENTS SEEK OUT FEMALE ADVISORS?

BY TERRI GOVEIA, a Toronto-based freelance writer

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When Sherri Hoover puts together a presentation for a group of co-ed entrepreneurs or an all-women “wine and wealth” gathering, the advice is the same: get started, get a plan.

But despite identical pitches, the associate consultant at Investors Group Financial Services gets patchy attendance at co-ed sessions, and an overwhelming response to women-only ones.

Hoover notices something else about the women who come into her Vancouver office, where she works alongside her uncle Ross McKenzie. New female clients might attend a joint meeting with Hoover and her team, but things quickly change once her male colleague leaves the room.

“It feels like we’re wrapping up the meeting, and I’ll stay behind to set another date,” she says. “Then all these other questions come out.”

Usually, clients don’t say they’re seeking a female advisor, but “if it’s just me in the room, they’re a lot more open.” The meeting often stretches for another half-hour, with clients saying, “Let’s go

back to this or that.”

Hoover’s experience begs the question: Are women only comfortable talking about money with other women?

Advisors’ experiences on the ground vary. Teresa Black Hughes, a partner at Solguard Financial Ltd, says her female clients mostly prefer female advisors. Even those referred by other clients will make a point of requesting a woman because they think women understand women better, Black Hughes explains.

But for Barbara Stewart, it’s not an issue. Stewart, a CFA and portfolio manager at Cumberland Private in Toronto, commissioned global research firm Angus

[†]Reasons women prefer female advisors (among those reporting that preference).

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Reid to conduct a survey on women and wealth. The resulting 2010 white paper, *The Financial Lives of Girls and Women*, finds women are indeed confident in their financial affairs, and such confidence grows as women get older. And when women seek out advisors, they look for competent firms and shared values, she says.

Nor is gender an issue for Halifax-based advisor Brian Himmelman. Many of his female clients, especially young professionals, come in with a clear idea of their financial goals and simply want an advisor to help with implementation, says the senior investment advisor and CFP at Himmelman and Associates.

For clients who do want female representation, listening skills are high on their list. Many come into Hoover's office unsure about their investment decisions, she says. A female advisor offers a safe space to ask questions.

It's also important to some women that their advisor understands their personal as well as their financial goals, says Black Hughes. And for those seeking information, they want to "feel comfortable in their lack of knowledge and [know] they're going to gain education in the time we spend together."

But providing that education, says Stewart, requires an element that transcends gender—trust. The majority of her book of business originated through referrals. She also re-emphasizes the importance of shared values. "My book [is mostly] dog lovers, athletes and Euphorhiles—you're going to gravitate to people who understand you."

However, notes Himmelman, trust can keep long-term relationships with female clients going after a divorce or spouse's death, even if the business originated with their husbands—a situation he's experienced with

several of his long-time female clients.

Female advisors may have a better sense of the balls a female client has in the air, says Black Hughes. "They [understand] the way to help women manage stress is to provide clear information about the family goals you're trying to achieve beyond the numerical aspect."

Advisors can fine-tune their approaches to female clients by picking the information they relay, finds Stewart's white paper. "Many women prefer to learn the core issues and then outsource the details to a trusted advisor," it states. "When women say they know how to manage their money, for many it means we know how to manage the relationship with our advisors."

And the way women invest is changing. "These days, [couples] keep things separate," Hoover notes. "I have situations where only the wife is a client."

That shift can make an advisor's job more challenging. "It's hard to discount the fact that you're married and have joined assets," says Hoover. "Not knowing the whole picture makes it harder to

do an accurate plan."

Himmelman says personalities, not gender, often dictate who in a couple leads the family's financial plan. "If the wife has a more dominant personality, she tends to lead the finances," he points out. "Sometimes, the female is the CFO of the family."

Female advisors may offer common ground and a sense of safety for women investors, but it's no guarantee the advisor-client relationship will stick. Stewart lost a long-time, older female client to a younger, male advisor. "It was out of the blue," she recalls. "She was moving her money to buy an annuity with a 29-year-old male salesman. It was the opposite [of what you'd expect]—it was going for the male advisor, one who was young and cute. They may not tell you the exact reason they deal with anyone."

Those reasons—money, common values or a shared female experience—may vary, but one factor underscores every good advisor's response to clients' needs. "How I'll be measured is by my competence," says Black Hughes. "And that crosses both genders." ^{AE} **GOVEIA**

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Research* suggests women don't prioritize gender when picking advisors. Investment performance & math skills were at the top of the list. Yet...

...Math + male advisor = female edge

After showing female study participants mock advertisements for financial planning services containing math equations—one featuring male advisors, the other female advisors—the women were less likely to do business with the male advisors.

"The presence of math symbols in combination with a male service provider reminded women that men might hold the stereotype that women are less competent at math," explains Kathleen Vohs, lead researcher on the study.* Yet the same ads without math equations prompted no difference in participants' advisor preference. "Women don't think about gender when looking for a financial advisor, but when cues about math and financial abilities are there, concern about being duped will kick in," Vohs says.

*Source: "Stereotype Threat in the Marketplace: Consumer Anxiety and Purchase Intentions," *Journal of Consumer Research*