



# Empowered

# The Empowered Financial Professional

Research-based best practices to help optimize  
your approach with women and couples.

# Empowered: Women and retirement

In 2017, and again in 2021, North American sought to better understand women – the way they approach retirement, how they work with financial professionals, and what they want you to know about their needs, goals, and preferences. Why? Because the health of your professional relationships with the women in your book of business can contribute to the long-term health and growth of your business, too.

Take a look at the stats. Whether due to preference and aptitude – or because of the death of a spouse or divorce – **90% of women at some point will take on sole responsibility of their household finances<sup>1</sup>**, and currently, **women drive 70-80% of all consumer purchasing decisions<sup>2</sup>**.

Think about the women in your life, your book of business, the next generation of women heading into the workforce – are you ready to help encourage and support them at all stages of financial empowerment?



“The **first and most important thing** to understand about **marketing to women** is that marketing to “*moms*” or “*daughters*” or “*single women*” **isn’t enough**.

**Women are complete, multi-faceted people** who have *diverse interests* and *a variety of life experiences*.”

– “6 rules you need to follow if you target a female audience”, *Inc.*<sup>3</sup>



# Practice management tips for the Empowered age

By talking to women, men, and the financial professionals who serve them, the Empowered research revealed how women feel about retirement compared to men, and some of their preferences when it comes to working with financial professionals.

Now, we're helping to make it easy for you to apply these findings and best practices with your clients and prospects.



Setting new relationships up for success			Strengthening existing relationships			
E	M	P	O	W	E	R
Education	Meaningful relationships	Purposeful guidance	Ongoing support	Welcome uncomfortable discussions	Examine your habits	Responding to what you know

# Setting new relationships up for success

## Education

Prospective clients may tell you they have a good understanding of financial concepts and retirement options. But the insurance and financial services industry is rich with jargon and acronyms, and you'd be wise to begin each relationship with basic education – using language familiar to anyone – no matter their level of understanding.

Our research suggests that consumers may have an inflated sense of knowledge about the retirement process. In other words, confidence level may not be a strong predictor of knowledge level.

To find out how women specifically felt about their retirement knowledge and awareness of the retirement process, we asked them how strongly they agreed with three statements:

- I feel as though **I am knowledgeable** about the **retirement process**.
- I feel as though **I am aware** of **retirement savings options** available to me.
- I feel **financially secure**.

### To what extent do you agree with the following?

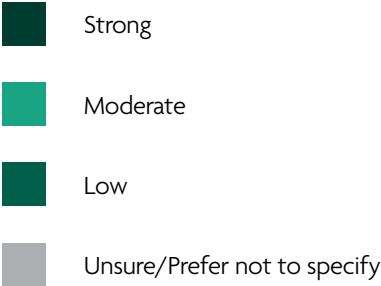


**Scale**  
Scale is 0-10  
0 = completely disagree;  
10 = completely agree

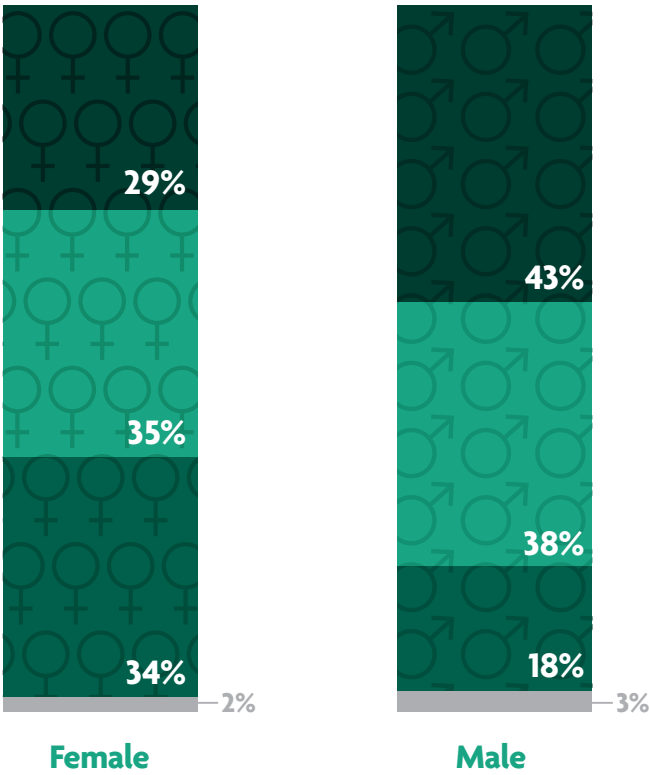


Over a third of consumers feel confident with their current retirement plan. Consumers were asked how confident they feel about their current retirement plan, to which **34% rated their confidence as a 9 or 10**. Males significantly indicated a stronger level of confidence in their plan than females.

## How confident do you feel with your current retirement plan?



**Confidence ratings (strong, moderate and low)**  
Scale: 0 - not confident at all, 10 - extremely confident  
Strong (9 or 10 ratings), moderate (7 or 8 ratings), low (0-6 ratings)



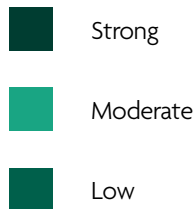
Overall, **women** surveyed were **less confident** with their retirement plan **compared to men**.



## Agent perspective

Agents perceive their clients' knowledge of retirement prior to working with them to be very minimal, especially female clients. Agents believe their female clients have less knowledge about retirement than their male client counterparts.

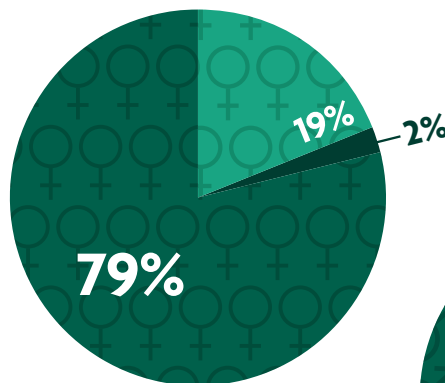
### How knowledgeable were your clients about the retirement process and options available to them prior to working with you?



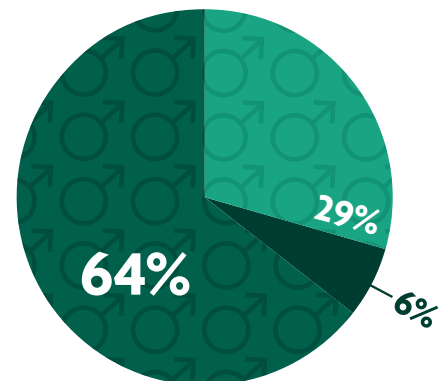
#### Confidence ratings (strong, moderate and low)

Scale: 0 - not confident at all, 10 - extremely confident

Strong (9 or 10 ratings), moderate (7 or 8 ratings), low (0-6 ratings)



Female clients



Male clients

Agents were asked an open-ended follow-up question to explain **why they believe female clients are less knowledgeable than male clients**, to which they mentioned:

- Single female clients tend to be **widowed** and **weren't heavily involved in their finances** until the passing of their spouses.
- Due to the **males being more likely to be the decision makers** in the partnership
- Females tend to **not be as involved with the finances** and financial planning compared to males
- Simply **not as interested in financial planning** compared to the males



## Meaningful relationships

When you deliver what really matters to clients, it can strengthen your relationships and helps allow you to spend less time and energy on things they don't value.

**The women we talked to said the most important financial professional or agent characteristics are:**



**Financial savviness and expertise**



**Reputation**



**Communication ability**



**Personal interactions**



**Partnership and knowledge sharing**

Areas where **men outranked women** on the importance of certain characteristics included: **gender, marital status, and familial status.**

### **Tip:**

That isn't to say that personal connections or chemistry, gender, marital/familial status, and other characteristics aren't important, because to individual consumers, they could really matter. **However, be careful not to underestimate the importance of your expertise.**

## Purposeful guidance

It's clear that women are seeking someone they trust to provide information and guidance. Out of the women we surveyed, **25% said they go to their partner** to learn about retirement savings, another **24% ask friends or family**, and **21% have used their employer as a resource** to learn about retirement savings.

The good news is that **37% of the women we talked to also sought out their financial professional for advice**, so establish yourself as an educational resource in their life early on, and they'll likely continue to seek your guidance.

### What resources do you use to learn about retirement savings?



**37%**  
My financial  
advisor



**26%**  
Online  
resources



**25%**  
My partner



**24%**  
Friends  
or family



**21%**  
Employer



**15%**  
Previous  
experience



**13%**  
News or  
media sources



**11%**  
Friends or family  
who work in  
financial services



**8%**  
Books

Results shown may not represent 100% of responses. Remaining responses indicated 'other' as their answer.

## The guidance they want

When it comes to providing the right guidance, asking the right questions off the bat will help ensure you're setting the relationship and the client up for future success.

At your next meeting with a female prospect, embrace it as an opportunity to learn what you might not have thought to ask. If you're meeting with a couple, make sure to treat each person as an individual, seeking both perspectives.

### Alongside the list of questions you may normally ask to assess their needs, a few more to consider are:

- ☑ What are you **seeking** from a financial professional?
- ☑ What are your **expectations** following the first meeting, second meeting, etc.?
- ☑ If it's a couple, what is each **partner's role** with the household finances?
- ☑ What **factors** affect how and why you make **financial decisions**?
- ☑ What's your **biggest non-financial concern** and objective?
- ☑ How do **you prefer to communicate**, and what day/time works best?
- ☑ Is there anything else **you feel would be helpful** for me to know?

## We asked agents to explain the process they take in guiding new clients about the retirement planning process.

### Here's what they said:



"Analysis, **understanding**, implementation, and review."



"**1. Get to know them**, concerns, fears, level of understanding finance, what their goals are.

**2.** Show that I welcome **questions**.

**3.** Gauge their **experience** and **understanding** of financing concepts/terms/products.

**4.** Understand their **timelines** and **goals**; how they view money/assets.

**5.** Calculate the **family dynamics**: between couples, their elderly parents, their children and possibly their grandchildren."



"**Relationships** and **communication** are important. Approach from an **educational standpoint**, not a sales standpoint. **Listen** and make sound decisions and let them think about it."

# Strengthening existing relationships

## Ongoing support

Whether from divorce or the death of a partner, most clients will have to make a decision on whether to continue their professional relationship with you at some point in their lives. That's why it's critical to make sure each client is individually satisfied with the level of support you provide.

Out of the group of women we talked to, **75% gave a strong rating when asked how satisfied they were with their current financial professional**. Not surprisingly, when asked how likely they would be to **recommend their financial professional to a family member or friend, 72% gave a strong rating**. If you apply these numbers to your business – that as many as one in three clients could be unhappy – you might see the need to enhance your focus on strengthening existing relationships.



## We asked financial professionals to explain their process in assisting more established clients.

### Here's what they said:



"Consistent **communication** and **review** of current plans."



"I typically **ask fewer basic questions** with more established clients and pivot to **advanced concepts** and **more thorough investing options**."



"I already know their personal financial objectives, so my interactions are more about showing them **where they are currently on the road map** established earlier and then making recommendations on **how to stay on track** as markets and other opportunities change."



"**Keeping them on track** with their goals, **why we set the plan** up to begin with and are the **goals being met** and addressed."



## Welcome uncomfortable discussions

Finding that a client is not fully satisfied with your service or relationship does not have to end the relationship. In fact, it's a great opportunity to sit down with that client and address the areas they felt didn't meet their expectations.

Everyone has blind spots, and by welcoming uncomfortable discussions, you could learn something that leads to great change and lasting health in your business. Consider giving an anonymous survey to your existing clients or simply asking them how you could improve the next time you see them.

In our research, the consumers who gave a low satisfaction rating spoke up about a few things that could improve their relationship with their financial professional:

- **Access:** Make sure you're reachable and easy to get ahold of.
- **Understanding:** Listen and understand what the clients want and how they're feeling.
- **Communication:** Don't forget to follow-up and reach out more frequently.



## Examine your habits

To analyze how you work with women approaching retirement, you have to first take a look at your communication and relational habits.

One idea is to tally the number of women you serve individually, and compare that to the number of men you serve individually. How many couples do you work with? Within those couples, is your relationship stronger with one person?

### Using your last 10 new clients or prospects as an example, jot down some notes on:

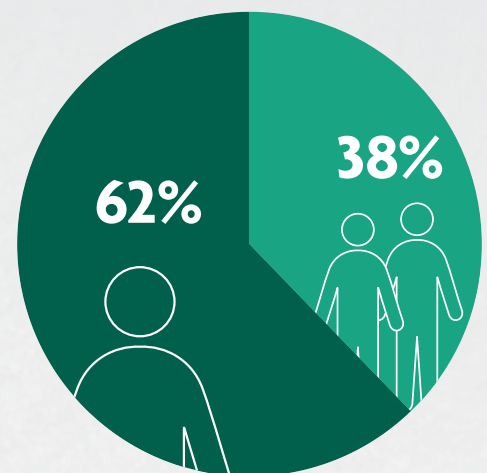
- ☑ The ratio of men to women to couples
- ☑ If a couple, which partner reached out first
- ☑ How each person/couple found you
- ☑ What scenario(s) led to their interest in working with a financial professional

You might find a fairly balanced book of business, or you might find your time is overwhelmingly spent helping men with financial needs. If you're wondering what a good ratio might look like, keep in mind that **the U.S. population is 51% women<sup>4</sup>**.

Our research shows that **62% of agents** we surveyed indicated that with couple accounts, they **typically interact with one partner more than the other**.

## What usually occurs when you interact with couples?

- One partner typically interacts with me most
- Both partners interact with me equally



We then asked these financial professionals open-ended questions on why they interact with one partner more than the other, and in what case would they interact with the other partner.

Here's what they said:

*Why they interact with one partner:*



"Generally, **one person** in the household **takes the lead with the finances**. They both attend the meetings and listen but **one will feel more comfortable** making the decisions."



"**Division of labor** within the couple. **One partner** typically **handles financial matters**."

*Situations where they'd interact with the other partner:*



"For **portfolio reviews**. Also, for **simple changes** if both are not available."



"Mostly at **tax time**."



"Only if that **partner wanted to**."



"I attempt to keep **both members informed of activity** via phone calls, reviews, and emails."



"If **primary spouse** becomes **incapacitated or dies**."



"Regular and **annual reviews**."

For those financial professionals who indicated they interacted with both partners, we asked how they managed communication with multiple individuals on an account.

Here's what they said:



"I always do **group communication** to keep all individuals involved so **nobody is left in the dark**. It could be emails, meetings, Zoom calls, etc."



"I want to have **both involved in decisions**. I will **ask the one not talking as much** how they feel about it."

**Tip:**

The lesson here is to **tailor your approach** to the **expectations of each individual** to support them the way they want to be supported.

## Responding to what you know

In visualizing these common scenarios, here are some things you could consider to help create better relationships.

### Navigating new relationships

**Scenario 1:** A couple is about to visit your office for the first time. The first few exchanges were with the husband, on the phone, and you'll soon get a chance to talk to his wife for the first time. What's important to remember?

#### You may want to:

- Address both partners equally.
- Allow each partner to give an individual answer to every question you ask.
- Seek to understand each of their concerns, needs, and objectives.
- Go slowly for the benefit of both parties, taking the time to educate and address knowledge gaps.

#### You may want to reconsider:

- Assuming he or she has a certain level of knowledge, regardless of what they tell you.
- Assuming one, the other, or both will be the primary account owner.
- Underestimating the importance of your expertise and strategic vision.

### Leading group discussions

**Scenario 2:** Convinced of your role to help empower women and their finances, you host a presentation with a goal to inform and hear from local women about financial matters. What are some things to keep in mind?

#### You may want to:

- Encourage a lot of questions.
- Be genuinely concerned with informing them for their own empowerment.
- Ask for referrals at an appropriate time.

#### You may want to reconsider:

- Assuming their level of knowledge.
- Trying to “market” to women, instead connect with them.

**Did you know?**

**Women** will make **26 referrals** to their financial professional on average throughout their lifetime, compared to **11 referrals** by the **typical male client**<sup>5</sup>.





For years, the insurance and financial services industry ignored, underestimated, and poorly served women. Working with women became a major **blind spot**, and likely, you may have some **opportunities for growth in your business**, too.

But with these tips in your tool box, you'll be **better equipped** to navigate new relationships and strengthen existing ones – helping **ensure your book of business** can be **healthy and thriving** for years to come.



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Methodology

The general consumer study was conducted Jan.-Feb. 2021, and included 622 total respondents, both men and women, age 40 and above. The agent study was conducted Jan.-Feb. 2021, and included 339 contracted agents including both men and women. The term advisor is used in a general sense and may refer to any type of agent or financial professional.

Analysis is for educational purposes only. The experience of the participants of the 2021 Study may not be representative of the experience of all.

Neither the company, nor any agents or advisors acting on its behalf, should be viewed as providing legal, tax or investment advice.

- 1. Five Reasons Women are Taking the Lead in Financial Planning, by Daniel M. Choi. Aug. 8, 2017. Forbes
- 2. Stop Marketing To Women With Ads Created By Men: Five Ways To Do Better, by Danielle Wiley. Jan. 31, 2020. Forbes.
- 3. 6 rules you need to follow if you target a female audience, by Margarita Hakobyan. March 10, 2017, Inc.
- 4. QuickFacts. July 1, 2016. United States Census Bureau.
- 5. 4 Ways to Reach Women Clients through Financial Education, by Jeannine DeFoe, April 21, 2021, New York Life Investments.

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The term financial professional is not intended to imply engagement in an advisory business in which compensation is not related to sales. Financial professionals that are insurance licensed will be paid a commission on the sale of an insurance product.