

Engaging Women Clients



Successful financial planners need to connect differently with women. Though women may have similar financial needs to service, they need to be approached differently.



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It is a well known fact that the number of wealthy women is on the rise. Today, women are acquiring greater personal wealth through professional ventures, business ownership, escalating salaries, and inheritance. They are also making their own financial decisions, from household budgeting to money management. For financial planners, this is a target segment that despite having similar financial issues as men do, poses a different challenge that they need to adapt to for a successful practice.

In my several years of practice as a financial planner, I have often been puzzled the way successful women; be it executives or entrepreneurs shun taking decisions regarding their personal wealth. They seem to get into a comfort mode when it comes to their finances by passing the decision making to the men. Despite contributing significantly to the family wealth, financial decisions are taken by men. One can draw comfort from the fact that numerous studies and research indicate that this is not an Indian phenomenon and is universal across the world.

It is true that financial management along with dispensing financial advice has long been a male bastion. It is also true that women have special needs when it comes to financial planning and as planners it is imperative for us to address their

needs by engaging them better. Considering that on average women earn less than men and that they are more likely to take time out of the workforce to raise children or take care of elderly relatives. The fact they live longer, they need to more involve in the entire financial planning process.

A lot of the bias that women face with finances is cultural. For instance, several generations of women have grown up learning cooking or how to manage their home along with their mothers; whereas men have grown up with the exposure on finances be it earning, spending or investing hearing about it from their fathers. Even for the career women generation, earning and spending has come in easy, but investing remains a male bastion. The gender bias in the upbringing has meant fathers and husbands manage finances without involving women with their own finances as much as they should.

Such inexplicit conditioning has resulted in most women avoiding making the effort to learn the basics of financial management. What adds to the mystery is the fact that many have a thriving career, contribute considerably to the household earning significant sums of money. What does this mean for us financial advisors? A huge, but untapped potential. While none of us doubt the huge potential 'women clients' present; we need to develop an approach that suits

and works when addressing women clients. And it will be worth making the effort to address women differently because in the long-run women make better clients.

Connecting with women is very different from men and it is the primary issue that planners need to accept. We need to sensitise ourselves to the fact that women are genetically different and their approach towards financial goals is a lot different from men. For instance, women are fine with taking debts as long as it is a long-term debt for asset creation. So, it is very common to find women home loan takers who are very regular with repayment just the way it is very uncommon to find women running credit card outstanding.

So what do women want? This is something that many planners would want to know, the answer to the question will differ by generation, profession, and wealth. However, I shall share some of my experiences in connecting with women clients which I feel works with them.

Communication

Women like to be listened to. It is always good to do some background search on your prospective client or client before actually meeting them. I start by making it a point to acknowledge them being successful in their careers and profession and vocation. This becomes easy when one relates to one's own experience as a career woman, mother or home-maker bringing us on the same platform.

Once the comfort is established I talk to them in the same way I would like to be talked to by my lawyer or gynecologist. While the tenor of the conversation is professional it is done sans terminology and jargon with anecdotes and examples that one can relate to. For example, I like my doctor who takes me through life style related ailments and it leading to a bad heart condition over someone rattling about high cholesterol that can lead to coronary artery blockage.

I strongly believe and feel my clients also prefer concepts to be explained in a manner using terminology that they are familiar with. For instance, budgeting is something that comes easy to women, considering their involvement in running a house. One should use such threads to make it easy for women to understand managing financial budgeting or cash flows. Moreover, I make it a point to address all concerns, queries irrespective of how basic or trivial they may appear. The focus is to make them feel 'empowered' and 'accepted' by being involved fully with the entire process.

Putting a price to goals

Goal setting is an aspect that is critical in financial planning, when working with women; financial goals need to be laced with emotional consequences. For instance women relate better to a secure future than being told about retirement planning. Similarly, instead of stating child's education needs, securing the child's future finds instance approval. Being care-givers, financial security is very close to them, women understand the virtues of savings and investing for a better future and are more likely to work assiduously towards it.

Recast financial goals with emotional or psychological outcomes, such as gaining financial control or achieving financial freedom which may seem hard to monitor but is no less meaningful to women. So, financial protection through insurance or achieving security through a house purchase finds easy association leading to setting financial goals for the same and investing towards them.

Recommendations

There is a huge difference between analysis and advice with analysis aiding advice. As planners, we present intricate financial plans supported by worksheets, graphs and detailed notes that can run into hour long meetings. However, women are not interested in intricate analysis and charts; they first need to trust the planner. This is a process that I have found can take any amount of time. Just the way, we planners do a background on the client, women more often try finding out about planners abilities

before engaging them as advisors.

Once the trust is established, women go with the proposed financial plan and do not continuously evaluate the performance of the plan. They also do not doubt the planner's expertise once the trust is established and are more likely to go with the advice given to them, which does not necessarily have to be pages of excel sheets and numbers. However, the advice needs to be clear, accurate and reliable.

A women-friendly practice does not call for drastic changes in the financial planning approach; after all financial plan rests on the age of the individual, their financial goals with their income and cash flows. The base of financial planning remains the same with the role of the planner taking a shift to suit the client, women in this case. So while trying to engage women clients, we need to ensure that they feel empowered, accepted and comfortable. More importantly they feel 'safe' and 'cared- for' in our hands.

TIPS FOR ENGAGING WOMEN CLIENTS

To be successful, financial planners who work with women clients need to recognize the different ways women approach money and investing. Their psychology or dealing with money is very different from men. For instance they will be most concerned about financial security before considering other financial issues.

- When helping women with their planning needs, planners must avoid talking down to the client or telling her what she can't or shouldn't do.
- Planners should explore family needs and be realistic about investment objectives and emphasize things wealth can do for her family.
- Good communication skills are critical when working with women. Planners need to learn to interpret expressions and body language and act to overcome any misplaced anxiety.
- Most women appreciate a regular pattern, so contact with them at regular intervals, be it monthly or any other interval that is agreed upon by you both.

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