

## Women: Investing With A Purpose

Why Women Investors May Need a Different Approach to Reach Their Goals

# Contents

Executive Summary	4
Women: Learning More, Earning More	4
In the Driver's Seat—Owning Companies, Driving the Economy	5
Woman Investors: What Makes Them Tick	6
How Women Feel About Their Advisors	8
Challenges Across the Spectrum	9
What's Missing in Women's Investment Solutions? Purpose!	10
Conclusion	15
Appendix	16

## In Brief—What You Need to Know in 30 Seconds

- ✓ Women's financial influence is stronger than ever. They control roughly two-thirds of annual spending in the U.S. and 75% of women feel responsible for day-to-day household spending.
- ✓ Women who use financial advisors report high levels of satisfaction and trust, but there is still a need to increase the number of women who use advisors.
- ✓ Women have the same financial priorities as men—retiring comfortably, maintaining their current lifestyle, and covering healthcare costs for themselves or family members—but are not entirely confident they will reach their goals.
- ✓ Women face unique challenges that men do not—statistically they live longer, earn less, have fewer savings, and incur higher medical costs. There is a troubling disconnect between these future realities and many women's current investment risk posture.
- ✓ Women often prefer to structure their investments and savings into pools for specific purposes—they measure success by how well they can fulfill these purposes.

## Executive Summary

In 2012, Pershing issued a wake-up call to the industry by publishing *Women Are Not a 'Niche' Market*, an advisor guide that called for greater attention to the needs of women investors. Since then, financial services companies have ratcheted up their marketing efforts to reach women, and many financial advisors have made a concerted effort to reach out to women, or improve how they serve the women clients they already have.

Nearly three years have passed, and we are pleased to offer another look at how the industry is engaging women investors. We've reviewed recent surveys and created our own unique poll to learn how women feel about financial advisors, their personal experiences with them, and the details of how their investment needs are being met.

We learned that, despite heeding the wake-up call, our industry is still falling short in how it engages and serves women investors. In particular, we have determined that while women are increasingly accessing the investment options and services they *want*, they are not necessarily getting what they *need*—which is an investment approach that addresses their specific concerns, goals and financial dynamics.

This paper provides advisors with a current snapshot of women investors as a powerful opportunity, and explores their attitudes towards investing and advisor performance. It also goes a step further to propose a new approach to helping women achieve the goals that may be most important to them.

## Women: Learning More, Earning More

Trends involving women's education levels and workplace success continue to emphasize the importance of women as an economic force. These trends demonstrate that advisors who focus on attracting women clients should reap dividends in the years to come.

Women are more educated than ever and their earnings continue to increase. Women with high incomes are very likely to be college-educated—93% of women with annual household incomes over \$200,000 have a college degree.<sup>1</sup> What's more, women are now as likely to have graduated from college as men are – 32.0% of women aged 25 and over and 31.9% of men have attained a bachelor's degree or higher.<sup>2</sup> Looking forward, the next generation of women in the workforce will be even more educated. In 2012, younger women between 25 and 32 were 23% more likely to have a bachelor's degree than men in their age group.<sup>3</sup>

<sup>1</sup> Spectrem Group. High Income Women Investors (Brochure). 2014.

<sup>2</sup> U.S. Census Bureau. <http://www.census.gov/hhes/socdemo/education/data/cps/2014/tables.html>. 2014.

<sup>3</sup> Research, Pew. [Online] 2013. <http://www.pewsocialtrends.org/2013/12/11/on-pay-gap-millennial-women-near-parity-for-now/>.

Women are also having great success in the workplace. They now comprise 45% of the total U.S. labor force, and are projected to maintain this rate through 2022.<sup>4</sup> An increasing number of these women are working moms: the proportion of married mothers with children who are employed increased from 47% in 1975<sup>5</sup> to 64.5% in 2013.<sup>6</sup> A parallel trend involves what these working moms earn relative to their husbands. The share of married mothers who earn more than their husbands has increased from 4% in 1960 to 15% in 2011.<sup>7</sup>

Although the working woman's average salary remains 82% that of the average working man's,<sup>8</sup> the younger, more educated generation of women earn nearly as much as men. In 2012, among workers aged 25 to 34, women's hourly earnings were 93% those of men,<sup>9</sup> and single, childless women in their 20's out-earn men by 8% in metropolitan areas.<sup>10</sup> This signals that younger women, as they rise in the ranks, will enjoy greater pay parity with their male counterparts, making them ever-more-attractive prospective clients for financial advisors.

## In the Driver's Seat—Owning Companies, Driving the Economy

Business control is another aspect of women's increasing influence in America. Today, women run nearly a third of U.S. businesses. As of 2014, there were about 9.1 million women-owned businesses in the U.S., employing 7.9 million people, and generating \$1.4 trillion of revenue.<sup>11</sup> Importantly, the number of women-owned firms continues to grow, having risen by 50% between 1997 and 2011. This is 1.5x the nation's overall increase of 34%.<sup>12</sup> This indicates that women need financial advice for themselves and their growing enterprises.

Women also have significant wealth and spending power. Women are estimated to control roughly two-thirds of annual spending in the U.S., which adds up to about \$12 trillion. In a 2013 survey, 75% of women reported that they feel responsible for day-to-day household spending.<sup>13</sup>

<sup>4</sup> U.S. Department of Labor. [Online] 2013. <http://www.dol.gov/wb/stats/recentfacts.htm>.

<sup>5</sup> Pew Research, Modern Parenthood. [Online] March 14, 2013. <http://www.pewsocialtrends.org/2013/03/14/modern-parenthood-roles-of-moms-and-dads-converge-as-they-balance-work-and-family/>.

<sup>6</sup> U.S. Department of Labor. Employment Characteristics of Families Summary. 2014. [Online] <http://www.bls.gov/news.release/famee.nr0.htm>.

<sup>7</sup> Breadwinner Moms. [Online] May 29, 2013. <http://www.pewsocialtrends.org/2013/05/29/breadwinner-moms/>.

<sup>8</sup> Labor, U.S. Department of. *Labor Force Statistics from the Current Population Survey*. 2013.

<sup>9</sup> Pew Research. [Online] 2013. <http://www.pewsocialtrends.org/2013/12/11/on-pay-gap-millennial-women-near-parity-for-now>.

<sup>10</sup> Forbes. [Online] 2014. <http://www.forbes.com/sites/realspin/2014/02/24/childless-women-in-their-twenties-out-earn-men-so/>.

<sup>11</sup> American Express. The 2014 State of Women-Owned Businesses Report. 2014.

<sup>12</sup> American Express. *State of Women-Owned Businesses Report*. 2011.

<sup>13</sup> FleishmanHillard. *A Study of Women's Lives, Lifestyles and Marketplace Impact*. 2013.

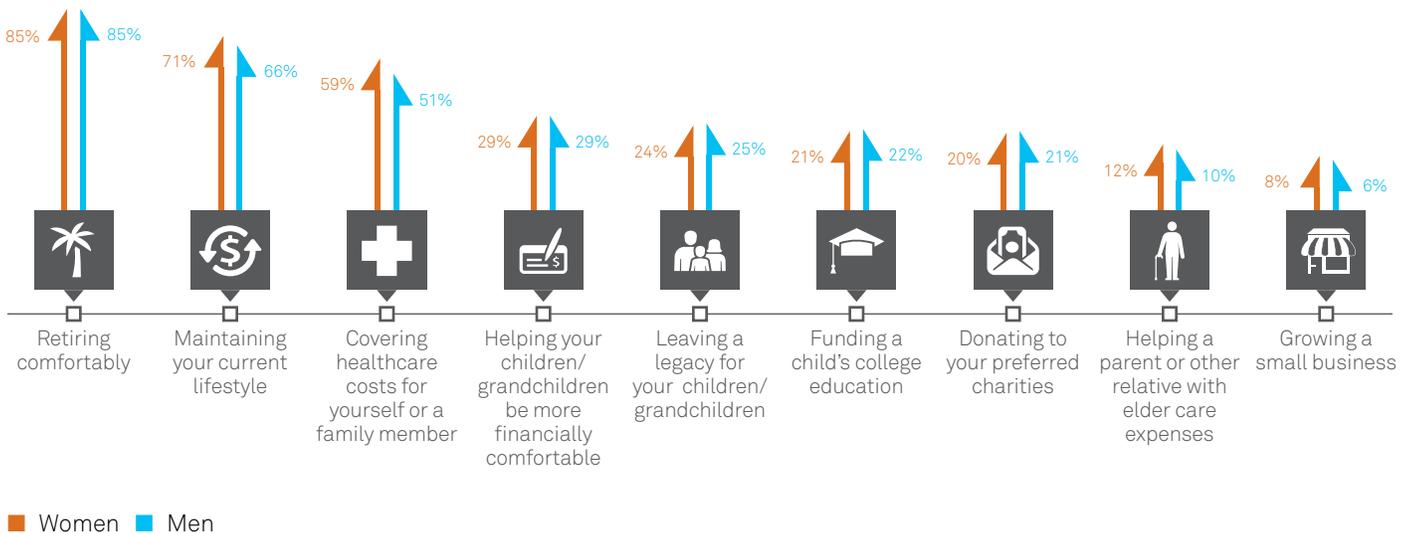
## Woman Investors: What Makes Them Tick

All women investors are different. They span every level of risk tolerance and have different concerns. Still, when surveyed as a group, women investors on average have preferences and behaviors that differ from those of men investors. These differences can help us understand women investors better, without resorting to generalizations or stereotypes.

According to a recent study conducted by Sullivan and Northstar Research Partners, affluent women are slightly less confident in their ability to make successful investment decisions in today's market environment than affluent men. The Sullivan and Northstar Research Partners 2014 *Rebuilding Investor Trust* study was conducted with input from 1,823 investors across the U.S. with minimum total investable assets of \$100,000 (excluding workplace retirement plans). Data was weighted to reflect the U.S. population of \$100K+ investors, based on the Survey of Consumer Finances. The study showed that about 72% of affluent women investors report they are somewhat or very confident in their ability to make successful investment decisions, while 82% of affluent men investors report the same. Affluent women are also more conservative, on average, when it comes to their risk tolerance. In fact, 48% of women investors report being somewhat or very conservative in regard to their household's risk tolerance, as opposed to 36% of men. Part of this difference in risk tolerance may be due to women's longer lifespan during retirement, a period during which investment portfolios typically have lower risk profiles.

Men and women investors share the same important financial goals—the top three for both genders being a comfortable retirement, maintaining one's current lifestyle, and covering healthcare costs for oneself and one's family members (Figure 1). Interestingly, among these top three financial goals, affluent women investors are slightly more likely than men to indicate “maintaining their current lifestyle” as being an important financial goal (71% vs. 66%).

Figure 1. Important Financial Goals: Women Vs. Men



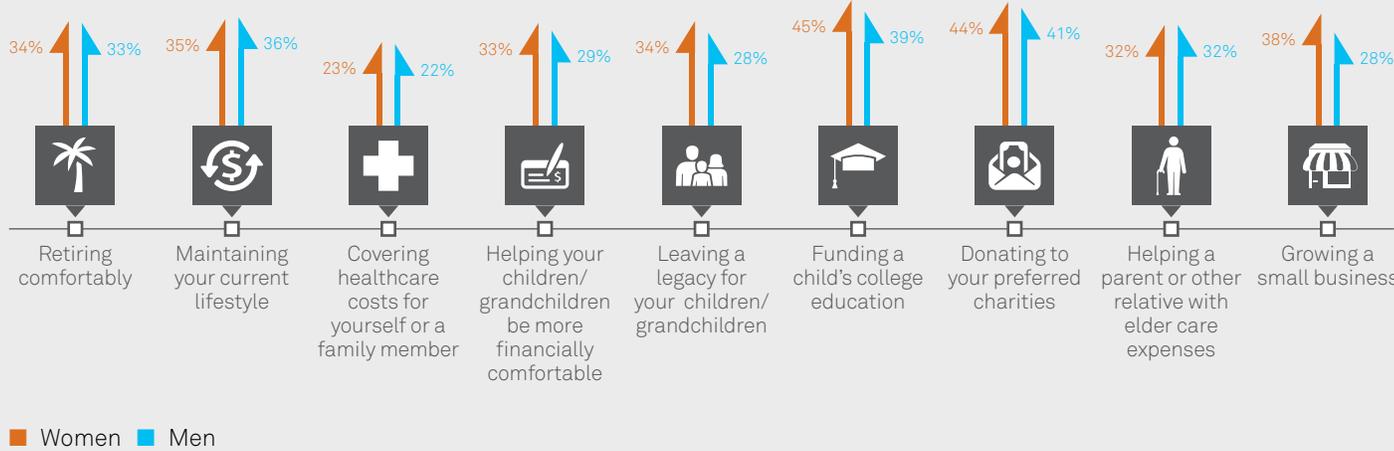
Source: Sullivan and Northstar Research Partners. *Rebuilding Investor Trust* study, 2014.

Health care expenses loom large as a concern for women investors—36% of affluent women are concerned that these expenses, more than any other challenge, will prevent them from achieving their financial goals, while only 21% of men share this top concern. Possibly for this reason, women investors are more likely to identify covering healthcare costs (59%) as being an important goal than men are (51%). Although high-income women have overall higher levels of concern in regard to healthcare costs, they indicate they are less concerned with their own future care than that of their parents and children—52% of high-income women feel their own health is a concern, while 62% of all other affluent investors feel that way.<sup>14</sup>

## What’s the Missing Factor? Confidence!

The Sullivan and Northstar Research Partners 2014 *Rebuilding Investor Trust* study asked men and women about their financial goals and their level of confidence that they might achieve them. Figure 1, on the previous page, shows that, in many ways, women and men have similar financial priorities. However, fewer than half of either group express extreme confidence that they can reach their goals. This may suggest that they lack clarity about the future resources they may need for each of these specific goals. Advisors can play an important role in building confidence—or at least dispelling ambiguity—by helping clients link important goals to actual estimates of the resources that may be needed. This can then lead to concrete action steps and investment decisions.

Figure 2. Confidence in Reaching Important Financial Goals: Women Vs. Men



Source: Sullivan and Northstar Research Partners. *Rebuilding Investor Trust* study, 2014.

<sup>14</sup> Spectrem Group. Future Financial Considerations of High Income Women. [Online] 2014. [http://spectrem.com/Content\\_Press/press-release-january-13-2015.aspx](http://spectrem.com/Content_Press/press-release-january-13-2015.aspx).

## How Women Feel About Their Advisors

What do women value in an advisor? How do they assess advisor performance, and how might their experience as a whole be improved? Why do some women avoid advisors entirely? To explore these answers, Pershing commissioned Harris Poll to conduct an online survey of 808 affluent U.S. adults (including 401 women) in early 2015, the purpose of which was to discover the opinions of affluent investors in regard to their financial advisors and investments. Please refer to the methodology in the appendix for more detail. Here's what we found.

- › ***I'm satisfied with my advisor.*** Affluent women who have financial advisors appear to regard them very highly. 72% say they are very satisfied with their primary financial advisors, compared with 64% of men. In fact, 90% of affluent women who have financial advisors indicated that they are either very satisfied or somewhat satisfied with their advisors. This may suggest that once women experience the resources and counsel of a professional advisor, they tend to appreciate the value added.
- › ***I trust my advisor, too.*** Among affluent women who have a financial advisor, the level of trust is impressively high. In fact, all (100%) of the affluent women who use a financial advisor reported finding their advisor to be either very trustworthy (79%) or somewhat trustworthy (21%). Their male counterpart's responses largely tracked with these findings, with 98% saying that their advisor is either very trustworthy or somewhat trustworthy.
- › ***I'm okay with a him or a her.*** Much has been said of the lack of female financial advisors—perhaps 1/3 of professionals in the field are women. Indeed, the industry has a way to go to bring women—and young people—into the fold. Not surprisingly, since there are fewer women advisors, the vast majority of affluent women who work with a financial advisor—83%—currently work with male financial advisors. Interestingly, 11% of men reported working with women financial advisors, which suggests that women advisors have built books of business that are balanced, and are not solely focused on women clients. Both men and women investors (men 88%, women 86%) who use a financial advisor said that they are equally comfortable working with either men or women financial advisors.
- › ***Softer skills could use improvement.*** The survey gave respondents an opportunity to critique their current financial advisors by selecting from 10 key areas of service. Interestingly, nearly half of affluent women who have a financial advisor (47%) reported that there was nothing that their advisors could improve (only 38% of men responded similarly). By a significant margin, women were less likely to suggest improvements in “picking investments that perform better” (27% of women, 36% of men) or “communication of market events and portfolio fluctuations” (14% of women, 23% of men). Interestingly, there were only three areas of improvement that women tended to highlight more than men: “Understanding my goals” (17% for women, 16% for men); “Listening to my needs” (18% for women, 12% for men); and “Patiently answering my questions” (14% for women, 10% for men).
- › ***Some would just rather do it themselves.*** Affluent women who do not have a financial advisor say that they simply prefer to manage things themselves, with 58% indicating that they like to handle their assets on their own. While this is less than the 70% of advisor-less men who are self-directed investors, this still indicates that many women investors are comfortable going it alone. By contrast, about a third (35%) of woman who do not use a financial advisor indicate that they “don't trust financial advisors to be looking out” for them. This may at first seem to be a major trust gap, yet is a far more trusting position than that expressed by men: 52% of men who don't use financial advisors said that they don't trust financial advisors to look out for them. This male-female difference may indicate that while many women are self-directed investors, they do not rule out the possibility of creating a trusting relationship with an advisor, should the opportunity present itself.

## Challenges Across the Spectrum

The high levels of trust and satisfaction women reported in the survey conducted by Harris Poll create a strong foundation for advisors to move the conversation to topics of deep concern to many women. The fact is that, across the social and financial spectrum, some fundamental factors impact women's financial health, often undermining their security in later years. Here are six factors of particular interest and importance:

- › **Longer average life expectancies**—Women have a longer life expectancy than men. Those who reach age 65 are on average expected to live 2.3 years longer than a man who reaches the same age.<sup>15</sup>
- › **Lower incomes during working years**—As noted earlier, despite greater income parity, women receive nearly 1/3 less compensation than men over their lifetimes.
- › **Gaps in employment**—Women may take off some time to care for aging parents or others.
- › **Lower savings levels**—Women have lower account balances than men. This is a major problem because women retiring in 2012 are expected to spend 15% more time in retirement than men (20.5 vs. 17.9 years).<sup>16</sup>
- › **Higher medical costs**—Women have a higher chance than men of being impacted financially by chronic or terminal illnesses. These expenses, combined with an overall prolonged lifespan, can place excessive pressure on retirement financial resources.
- › **Higher taxes**—80% of women will be single in their final years<sup>17</sup> and as a result, have a higher tax rate than married couples do. Being that married women are also more likely to be the surviving spouse, they may end up managing finances alone when before they may have been managed with the help of their partner.

<sup>15</sup> Social Security Administration. [Online] 2015. <http://www.ssa.gov/planners/lifeexpectancy.htm>.

<sup>16</sup> OECD. Expected years in retirement. *Society at a Glance 2014: OECD Social Indicators*. s.l. : OECD Publishing, 2014.

<sup>17</sup> Manisha Thakor and Sharon Kedar, *On My Own Two Feet*, 2007.

## What's Missing in Women's Investment Solutions? Purpose!

For many women, despite gaining greater access to financial advice and investment options, there is still a missing element in the process: the *purpose*. Women often prefer to structure investment and savings into pools for specific purposes relating not merely to their own security but to the well being of others. A clearer line of sight between specific purposes and investing behavior can be a powerful motivator for finding the best products and services, and adopting a risk posture to help them pursue the future while mitigating the challenges women uniquely face in their later years.

Let's explore four common purposes for which women invest and why they may require a different investment approach to achieve them. We will provide a few ideas for advisor actions that may help women take the right steps to pursue these purposes effectively.

### Purpose 1—Retirement

Statistically, women can look forward to longer lives than men—and that's certainly a good thing. But, as a consequence, they also spend more time in retirement, and need to finance living and healthcare expenses that will last longer. This higher demand for retirement income is in direct conflict with statistics that show that women, on average, have lower lifetime savings than their male counterparts.

Beyond this savings-longevity conflict, there's the question of insurance in cases of difficult or prolonged illness. One study found that only 18% of high-income women report having a long-term care policy, whereas 27% of all other investors do.<sup>18</sup> This may flow directly from the fact that only 39% of high-income women say they worry about having someone to care for them in their old age, while 51% of all other affluent investors feel that way.<sup>19</sup>

### What Advisors Can Do

Retirement is probably the number-one purpose for which women invest, and can be the most daunting and elusive. When meeting with women clients, focus part of the conversation specifically on retirement, rather than on investments in general. While they may already have suggested a desired retirement date, you can help them work through a theoretical timeframe for their retirement years. Clearly, there is no calculus that can precisely deliver income projections when lifespan is unknown. Thus, the goal is to replace some of the ambiguity with meaningful numbers, which naturally leads to discussions of risk tolerance and investment strategy.

If you're concerned that the risk discussion might be the third rail of investment advice, you'd be justified. When high-income women are asked what might cause them to consider switching advisors, 38% of them specified "advisor does not understand my risk tolerance," while 30% of all other affluent investors felt the same way.<sup>20</sup> Women investors seem also to be more sensitive to short-term losses—35% of high-income women say losses over two years would be a reason for them to consider changing their advisor, whereas 24% of all other affluent investors said that would be a reason.<sup>21</sup>

While advisors can't push clients to adopt a more aggressive investment approach, they can play an important role in illuminating how a too-conservative approach might under-deliver vital income in retirement. It's a vital discussion. Women clients are ill served when the topic is avoided.

<sup>18</sup> Spectrem Group. Future Financial Considerations of High Income Women. [Online] 2014. [http://spectrem.com/Content\\_Press/press-release-january-13-2015.aspx](http://spectrem.com/Content_Press/press-release-january-13-2015.aspx).

<sup>19</sup> Ibid.

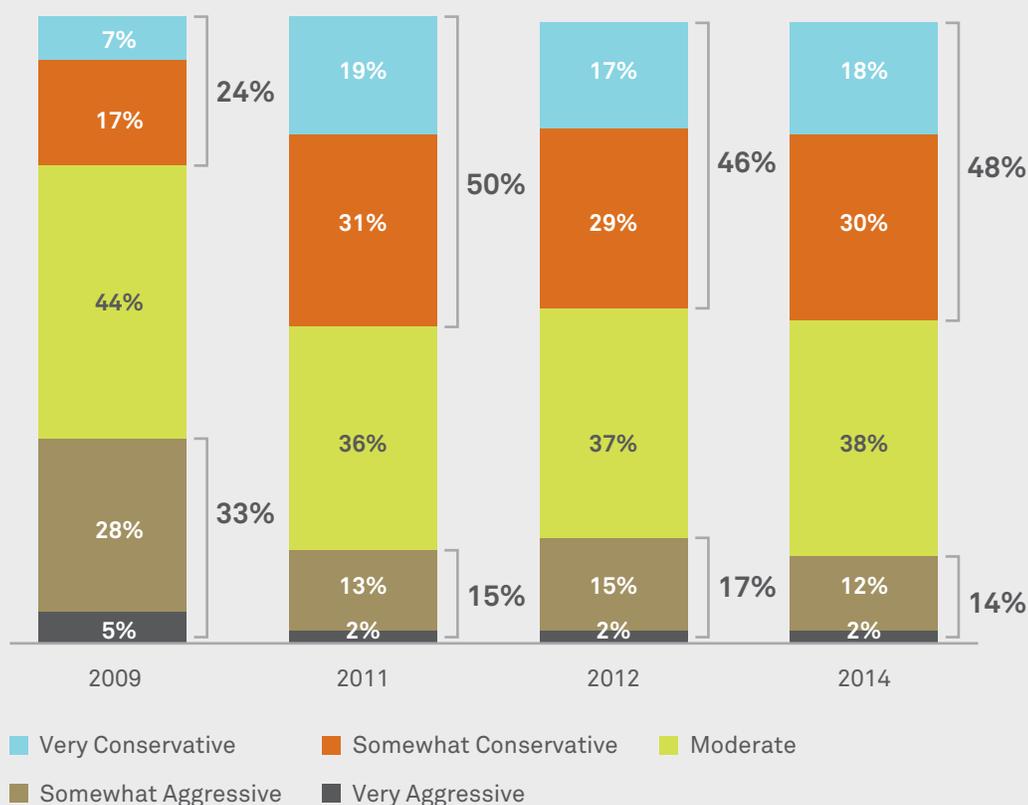
<sup>20</sup> Spectrem Group. What Bothers High Income Women? [Online] 2014. <http://spectrem.com/Content/high-income-women-bothers.aspx>.

<sup>21</sup> Ibid.

## Women and Risk—The Sobering Reality

The Sullivan and Northstar Research Partners 2014 *Rebuilding Investor Trust* study confirmed what appears to be a “new normal” for women investors and their appetite for risk. Nearly half of women (48%) characterize their households’ risk tolerance as either very conservative or somewhat conservative. This percentage has roughly held steady since 2011. By contrast, in 2009, only about a quarter of women characterized their risk tolerance the same way. In essence, despite improvements in the markets in recent years, women remain locked in a conservative stance—at least for now. This makes it even more critical for advisors to discuss the topic of risk with women investors, to help them reframe their view of today’s investment landscape and its implications for retirement planning.

Figure 3. Investor Risk Profile: Women



## Purpose 2—Education

For many women, securing higher education opportunities for their children can be a critical, but overwhelming goal. Urgent near-term financial needs, combined with persistent pressure to save for retirement (which might last a very long time), can make college savings an also-ran in the family budget for many years after a child is born.

And, like retirement, the cost of college seems to be on an ever-increasing slope. It's little wonder that women worry about the costs. About 47% of high-income women are concerned with financing their children's education, while 25% of all other affluent investors indicate concern about this topic.<sup>22</sup>

While federal and private loans can play an important role in setting the stage for college, some women may be tempted to defray college costs through 401(k) loans, which is allowed under the law. Such a strategy, however, can further degrade a woman's ability to save enough for a retirement that, statistically speaking, may already last longer than her savings can fund.

### What Advisors Can Do

College funding is one of the main purposes behind women's investing, yet they may allow it to be overshadowed by retirement considerations. When meeting with women clients, devote time specifically to questions about college for children. As with retirement, you can make some assumptions about college target ages of the children and, perhaps, funding needs based on educational goals and tuition cost trends. For many clients, the resulting savings requirements may be alarmingly high, so be ready to provide context regarding the role that financial aid and loans might play. While there are investment programs specifically designed for education, it's less important to provide an immediate product solution. What's critical is to demonstrate that you understand that college is a key investment purpose for your client, and that you are able to help the client envision, quantify and financially prepare for the exciting college years.

## Purpose 3—Flexibility

In recent years, the term "flexibility" as it applies to women has focused mainly on the workplace—that is, women often seem to be interested in employment arrangements that let them be productive and successful, while preserving their ability to address care of family or personal matters without career penalties. More broadly, however, many women seek more financial flexibility in their lives, as manifested by easy-to-access liquidity that gives them breathing room should their lives be seriously disrupted by matters beyond their control.

It's little wonder that women want a little financial breathing room. They are commonly the ones who absorb most of the pressure in the "sandwich" between their children and older parents. Between raising children, or caring for older relatives or friends, women might spend as much as a decade or more out of the workforce. Employment gaps, combined with other factors, put many women at a disadvantage when it comes to job security or competing for new positions. With a financial cushion they can enjoy more freedom to seek work challenges that excite them, rather than making money the primary objective of employment decisions.

<sup>22</sup> Spectrem Group. Future Financial Considerations of High Income Women. [Online] 2014. [http://spectrem.com/Content\\_Press/press-release-january-13-2015.aspx](http://spectrem.com/Content_Press/press-release-january-13-2015.aspx).

Another major reason for women's desire for greater financial flexibility is the possibility of divorce. In recent years, common wisdom has suggested that half of marriages end in divorce. What's more meaningful for financial advisors, however, is the divorce rate in households with incomes that allow for investing behavior. The fact is that divorce is common in U.S. households with above-average incomes—in 2002, 31% of marriages in households with income exceeding \$50,000 had ended in separation or divorce within 15 years.<sup>23</sup> Those with better educations also experience the difficulties of divorce: 38% of married women with education beyond high school eventually separated or divorced.<sup>24</sup>

These statistics should be particularly alarming to advisors because women who divorce their husbands are very likely to leave the couple's investment advisor behind, as well. In the same vein, widows often have little loyalty to their deceased husbands' advisors: more than 70% of married women leave their financial professionals within a year of their husbands' deaths.<sup>25</sup>

## What Advisors Can Do

When working with single women clients, take the time to explore the topic of financial flexibility. Ask questions about the potential for eldercare demands in the coming years. Similarly, if they have children, talk about their current challenges in balancing child-raising responsibilities with work demands. Ask if they worry about the consequences at work if either their parents or children suddenly required time commitments that surpassed what an employer's policies might allow. Determine whether these clients would entertain investment options that could provide financial flexibility through liquidity, or other means, and thus pursue this important purpose.

With women who are part of couples, this conversation is also valuable. If you are working with a traditional husband and wife, you can focus on generational care-giving responsibilities and how they might impinge on the couple's earning and saving power. Chances are that you have already addressed survivorship questions as part of your advisory process, but there's an opportunity to pose what-if questions regarding a wife's ability to sustain short-term financial stability if the husband should die.

<sup>23</sup> Bramlett, WD and Mosher, MD. Cohabitation, Marriage, Divorce, and Remarriage in the United States s.l.: National Center for Health Statistics, 2002.

<sup>24</sup> Ibid.

<sup>25</sup> Financial Advisor Magazine. "The Emerging Profile of Women Investors."

## Are You a Keeper?

For many advisors, so-called “couples clients” are actually male clients with significant others who may or may not participate directly in investment conversations. Invite your client’s spouse or partner to face-to-face meetings, and when meeting be sure to engage them. Ask yourself: do you believe that you have a strong relationship with both husband and wife, particularly among the over-65 group? Take the time to direct questions to both spouses and include everyone in the conversation. Ask for women’s email addresses so that you can directly communicate.

### Purpose 4—Legacy and Community

While the vast majority of women are consumed with retirement, education and financial flexibility challenges, those with significant financial means have an additional purpose for investing: making a difference in their communities and for future generations.

When it comes to giving away wealth, women make it a significantly larger priority than their male counterparts. Women contribute an average of 3.5% of their wealth to charity—nearly double the 1.8% that men contribute.<sup>26</sup>

Women also play a significant role in shaping the financial realities of the next generation. They are often the stewards of family wealth, controlling 70% of intergenerational wealth transfer in the next 40 years.<sup>27</sup>

#### What Advisors Can Do

Women are more interested than men in having an impact on their communities, and have outsized influence on how future generations may experience family wealth. Chances are that advisors who have wealthy women clients already are pursuing discussions about legacy, or assisting with broader estate planning work. However, you may have women clients of slightly lesser means who also view their personal legacy as an important purpose for investing. Even a seemingly small step—such as an investment directed exclusively toward funding modest gifts to people or organizations down the road—would make your client confident that her impulse to do good is backed up by action.

<sup>26</sup> Barclay's Wealth, “Tomorrow’s Philanthropist,” 2009.

<sup>27</sup> Boston College’s Center on Wealth Philanthropy, 2009.

## Conclusion

Far from being viewed as a niche market by the financial services industry, women are increasingly at the center of marketing and communications efforts designed to meet their investment priorities. Amidst this activity, however, an important fact is being overlooked: Women's purpose for investing may be different from that of men in some cases, which demands that advisors explore personal goals, concerns and trade-offs with greater directness and rigor.

Perhaps the most critical conversation advisors must have with women investors relates to risk. There is a troubling disconnect between women's existing risk posture and their anticipated future financial requirements. In essence, to meet goals for children's college funding and financial flexibility, as well as prepare for retirement, women need an appropriate asset allocation—even if, on a visceral level, they may prefer the safest route to investing. While broaching the topic of risk may seem perilous, this is perhaps the greatest contribution that advisors can make to their women clients.

Our industry as a whole needs to step up to the challenge: to give women investors what they need, not merely what they want. This will require a paradigm shift that places women's purposes for investment activity at the forefront, rather than focusing attention solely on more general financial goals and associated products and solutions. Women are eager to share their perspectives about why they invest and what they hope to achieve for themselves and the people and causes they care most about.

It's up to us to get the right conversations started.

# Appendix

## Methodology

The Harris Poll survey was conducted online within the United States by Harris Poll on behalf of Pershing LLC between January 26 – February 4, 2015 among 808 U.S. adults with investable assets over \$100,000. This included 407 men and 401 women; and specifically 249 men who use a financial advisor, and 249 women who use a financial advisor.

Figures for age, gender, race/ethnicity, education, region, household income and investable assets were weighted where necessary to bring them into line with their actual proportions in the population. Propensity score weighting was also used to adjust for respondents' propensity to be online.

All sample surveys and polls, whether or not they use probability sampling, are subject to multiple sources of error which are most often not possible to quantify or estimate, including sampling error, coverage error, error associated with nonresponse, error associated with question wording and response options, and post-survey weighting and adjustments. Therefore, the words “margin of error” are avoided as they are misleading. All that can be calculated are different possible sampling errors with different probabilities for pure, unweighted, random samples with 100% response rates. These are only theoretical because no published polls come close to this ideal.

Respondents for this survey were selected from among those who have agreed to participate in our surveys. The data have been weighted to reflect the composition of the U.S. adult population. Because the sample is based on those who agreed to participate in the panel, no estimates of theoretical sampling error can be calculated.

*For the purposes of this report, the term “affluent adults” refers to U.S. adults with investable assets over \$100,000.*

*These statements conform to the principles of disclosure of the National Council on Public Polls.*







## WE ARE PERSHING. WE ARE BNY MELLON.

Pershing, a BNY Mellon company, and its affiliates provide global financial business solutions to advisors, asset managers, broker-dealers, family offices, financial organizations, fund managers and registered investment advisory firms. A financial services market leader located in 23 offices worldwide, we are uniquely positioned to provide advisors and firms global insights into industry trends, regulatory changes and best practices, as well as shifts in investor sentiment and expectations. Pershing provides solutions—including innovative programs and business consulting—that help create a competitive advantage for our clients.

### PERSHING LLC

As the New Model Clearing Firm™, Pershing LLC provides a broad suite of financial business solutions so advisors and broker-dealers can drive their business forward in a dynamic industry and regulatory environment. We are the #1 clearing firm in the U.S.\* and our clients range from full service, institutional and independent firms to self-directed and bank-affiliated broker-dealers and span the globe. With a keen eye on delivering dependable operational support, robust trading services, flexible technology, an expansive array of investment solutions, practice management support and service excellence, our solutions help advisors and firms manage their businesses efficiently and serve their clients effectively. Pershing LLC (member FINRA/NYSE/SIPC) is a BNY Mellon company. To learn more, visit [pershing.com](http://pershing.com).

\*Based on number of broker-dealer clients, *InvestmentNews* August 2013.

---

©2015 Pershing LLC. Pershing LLC, member FINRA, NYSE, SIPC, is a wholly owned subsidiary of The Bank of New York Mellon Corporation (BNY Mellon). Trademark(s) belong to their respective owners. For professional use only. Not for distribution to the public.



[pershing.com](http://pershing.com)

One Pershing Plaza, Jersey City, NJ 07399

GB-PER-WI-3-15

**Pershing**®



BNY MELLON