Women Are Not a ‘Niche’ Market, They Are a Significant Business Opportunity

INSERT PRESENTER NAME
Women Are a $12 Trillion Market Advisors Cannot Ignore: Pershing

Advisors Conversations With Women Need to Change

Warning to Advisors: Ignore Women's Market at Your Peril

Financial Advisers Who Ignore Women’s Market Are Making a Mistake

5 Ways Financial Advisors Can Engaged Women Clients
Women in America Have Evolved

1950s: Working women needed a male guarantor to obtain a mortgage.

1960s: Women could not get a credit card in their own name.

1980s: U.S. tax code required a wife’s income to be reflected on her husband’s tax form, while a woman had no right to be informed of her husband’s income.

1985: An employee could no longer “waive” his or her spouse’s rights to survivor’s benefits unless the spouse agreed in writing.

TODAY: (details not provided in the image)
It is Time to Change the Conversation

Source: Time Magazine, March 2012
Why Should You Care?

Women comprise nearly half of the U.S. workforce.

47% Female
53% Male

Women make up 51% of the population.

Three in 10 working wives outearned their husbands – an increase of more than 50% from 20 years ago.

Women make up almost 60% of U.S. college students and earn the majority of doctorates and master’s degrees. Some experts predict that in 25 years, law and medicine will be female-dominated professions.

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3 Source: The Richer Sex, Time Magazine, March 2012
“And just why do we always call my income the second income?”
Why Should You Care?
Women-Owned Businesses and Their Economic Influence

More than eight million businesses were women-owned in the United States in 2013¹

Women-owned businesses have a total impact of $3 trillion annually. That is more than the gross domestic product of:

- France
- Italy
- United Kingdom

In households where:
- The husband brings in more income, buying decisions are made equally
- The wife earns more, she typically makes twice as many buying decisions than the man²

Sectors likely to benefit from women’s expanding power include food, health care, education, child care, apparel, consumer durables and financial services³

¹ Source: www.womenable.com, State of Women Owed Businesses, 2013
³ Source: The Power of the Purse: Gender Equality and Middle-Class Spending, Goldman Sachs, August 2009
Why Should You Care?
Women Are More Open to Professional Advice

46% of women millionaires and 82% of women ultra-high-net-worth investors sought financial advice

Women said they were likely to seek professional advice*

34% of men said they were likely to seek professional advice*

Why Should You Care?
Women Are Less Satisfied Than Men

<table>
<thead>
<tr>
<th>INVESTOR SATISFACTION SCORES BY GENDER</th>
<th>Total</th>
<th>Men</th>
<th>Women</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>COMMUNICATION</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Clarity of communications</td>
<td>72%</td>
<td>76%</td>
<td>68%</td>
</tr>
<tr>
<td>Communicating in a sincere way</td>
<td>72%</td>
<td>76%</td>
<td>69%</td>
</tr>
<tr>
<td>Providing perspective on the economy and markets</td>
<td>58%</td>
<td>60%</td>
<td>57%</td>
</tr>
<tr>
<td>Acknowledging they know how I feel</td>
<td>60%</td>
<td>62%</td>
<td>58%</td>
</tr>
<tr>
<td>Making me a smarter investor</td>
<td>55%</td>
<td>60%</td>
<td>49%</td>
</tr>
<tr>
<td>Helping me with financial topics beyond investing</td>
<td>52%</td>
<td>56%</td>
<td>48%</td>
</tr>
<tr>
<td>Demonstrating how working with them is better</td>
<td>57%</td>
<td>60%</td>
<td>54%</td>
</tr>
<tr>
<td><strong>MANAGEMENT</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Leaders of the firm being visible</td>
<td>58%</td>
<td>59%</td>
<td>56%</td>
</tr>
<tr>
<td>Leaders of the firm being open and honest</td>
<td>65%</td>
<td>68%</td>
<td>63%</td>
</tr>
<tr>
<td><strong>SERVICE</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proactively reaching out to me</td>
<td>57%</td>
<td>60%</td>
<td>55%</td>
</tr>
<tr>
<td>Addressing concerns promptly</td>
<td>75%</td>
<td>78%</td>
<td>72%</td>
</tr>
<tr>
<td>Taking time to review my portfolio and suggest changes</td>
<td>60%</td>
<td>62%</td>
<td>58%</td>
</tr>
<tr>
<td><strong>PRODUCTS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Clearly articulate downside risks of investments</td>
<td>62%</td>
<td>66%</td>
<td>57%</td>
</tr>
<tr>
<td>Alerting me to products that may meet needs</td>
<td>63%</td>
<td>65%</td>
<td>61%</td>
</tr>
<tr>
<td>Educating me on what products I am buying</td>
<td>64%</td>
<td>67%</td>
<td>61%</td>
</tr>
<tr>
<td>Being transparent about all product fees and charges</td>
<td>70%</td>
<td>72%</td>
<td>67%</td>
</tr>
</tbody>
</table>

*Women rated advisors and their firms lower in every category of performance.

More than 70% of married women fire their advisors within one year of their husbands’ death*

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Chart: Sullivan Trust Study. Conducted online from December 2010 to January 2011, with input from 1,290 investors across the U.S. who had minimum total investable assets of $100,000 (not including workplace retirement plans). Data weighted to reflect the U.S. population of $100K+ investors, based on the 2007 Survey of Consumer Finance

Why Women Should Care?

- **92%**
  
  The percentage of female retirees that have not done the financial planning necessary to live comfortably for their full lifespan\(^1\)

- **71%**
  
  The percentage of women who report being either very or somewhat concerned about providing for their own or their spouse’s long-term care needs\(^2\)

- **53**
  
  The average age of widowhood

- **4**
  
  The number of years U.S. women outlive men\(^3\)

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\(^1\) Society of Actuaries, 2010
\(^2\) The MetLife Study of Women, Retirement, and the Extra-Long Life, September 2011
\(^3\) Society of Actuaries, 2010
Why Women Should Care?

- **53%** The percentage of women without a spouse

- **51%** The percentage of Manhattanites who live alone. Of them, 56% were women

- **85%** The percentage of women over the age of 65 who will live alone by 2020 and be responsible for their finances

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1. US Census, America's Families and Living Arrangements: 2013
2. U.S. Census, 2010
3. American Academy of Orthopedic Surgeons, Position Statement 1144
What Can You Do? Women Are Not a Niche….
But, There Are Niches Within the Women Demographic

Positive Approaches

- Acknowledge the importance of women and avoid “targeting” or “selling”
- Acknowledge that women are a distinct, important group that requires specific focus

- Some women are single professionals that cannot obtain the same benefits as married women
- Women in same-sex partnerships have a significant need for financial advice
- Women with special-needs children also require services provided by their advisors
- Others seek an advisor due to a dramatic change in their lives
“If Something Were to Happen to Him, Would She Call Me?”
Ways You Can Take Action

Start with couples where you do not have a relationship with both partners

- Request that both parties be present at your next meeting
- Treat women as equal partners in the relationship
- Honor the way women make decisions
- Host couple-friendly events or workshops to further reinforce your interest in the wellbeing of both partners
- Ask questions of each party and listen to each voice
What Women Should Do?

- Be confident: If you are not comfortable with finances, start learning
- Be concerned and take an active role in money
- Seek help from an advisor
- Stop apologizing, you have to right to know
- Make economic empowerment a goal!
Points to Keep in Mind About Communications

**Do Not Assume**
- Take the time to understand her needs and goals holistically
- Avoid stereotypes

**Tune In**
- Become acquainted to the various life circumstances that bring female clients

**Prepare to Educate**
- Ask questions
- Listen for concerns
- Don’t talk down

**Be Transparent**
- Be very clear, straightforward and understanding. Explain risks
- Build trust by building relationships

**Qualities of Good Communication**
- Women expect to make a certain amount of eye contact\(^1\)
- “Reading” people – women note nonverbal clues\(^2\)
- Most important interpersonal quality? Listening skills!\(^3\)

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\(^1\) Internal Revenue Service, latest available data as of 12/31/2005 (based on 2001 data)

\(^2\) The Trend Sight Group, 2006.

Benchmark Yourself! Ask Yourself These Questions

Among married clients, advisors who have the phone number or emails of both members in a relationship

Among married clients, advisors who often meet with both clients in the relationship

Among clients in same sex relationship, advisors who communicate equally with both members in the relationship

*Investor of the Future, Pershing. Data in the report is based on survey results conducted online from February 14 to March 1, 2013, among U.S. advisors at least 25 years of age, sampled from the Harris Interactive Panel of Financial Advisors.
Take a Page from Women Advisors

Among married clients, advisors who have the phone number or emails of both members in a relationship

Female: 88%
Male: 78%

Among married clients, advisors who often meet with both clients in the relationship

Female: 80%
Male: 71%

Among clients in same sex relationship, advisors who communicate equally with both members in the relationship

Female: 73%
Male: 61%

*Investor of the Future, Pershing. Data in the report is based on survey results conducted online from February 14 to March 1, 2013, among U.S. advisors at least 25 years of age, sampled from the Harris Interactive Panel of Financial Advisors.
Next Steps

Evaluate current client base

- Opportunities to engage affluent women
  - Working
    > Professionals, Corporate executives, Business owners
  - Retirees
  - Suddenly Single
    > Widows and divorcees
  - Married
    > Wife of largest client? Wife of largest prospect?

Evaluate your value proposition—does it resonate with women?

- Top three factors and levels of importance for women when selecting a primary financial advisor*
  - Personal chemistry (91.7%)
  - Focus on client’s personal goals (87.5%)
  - Feeling of trust (82%)

Address Unmet Needs

Target key inflection points during a women’s life as a reason to deepen the relationship

- Divorce
- Death of a spouse
- Marriage, home purchase, promotion, birth of first child (Life Insurance)

Consider use of estate planning and building relations with next generation/children in the family

- Women are the gatekeeper of the family’s emotional lives
  - Include children as 70% of boomer women will outlive their husband\(^1\) and 80 - 90%\(^2\) of all women will be solely responsible for their own or their family’s finances at some point in their lives
- Estate and financial plans provide roadmaps for next generation

Act on the untapped potential to help with financial education, and provide services that cater to female life events

- Will she call me if something happens to him?
  - Life and family emergency plan

Conduct events that resonate with women

- Examples:
  - Jewelry event
  - Face Lift and Financial Lift
  - Outreach, Women on Boards, Entrepreneurs

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2 http://www.wisewomen.org/index.php?id=1&page=Home
Be the change that you wish to see in the world.

Mahatma Gandhi
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