

Finance & Planned Giving

C-suite women surveyed appreciate female financial advisors

LORI R. SACKLER

Women and men, pay attention.

Women around the world pull the purse strings. Women control and influence upwards of \$20 trillion, or 27% of the world's wealth. Here in the U.S., their decision-making correlates to 39% of the nation's investable assets.



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Because women are increasingly influential over money matters – studies find that up to 66% identify themselves as the primary decision-makers over their household assets – we need to take a closer look at the issues affecting women vis-a-vis their wealth. How do they view their own personal financial management?

With an eye toward better understanding the challenges and needs of contemporary women entrepreneurs and executives, I interviewed a cluster of female executives in U.S. private and public corporations to gain their insights.

Successful women feel strongly about working with female financial advisors, perhaps because women understand other women and the processes — and obstacles that had to be overcome — for success.

“Many male financial advisors have traditionally overlooked the female investor,” said Deborah Rosado Shaw, senior vice president, chief global diversity and engagement officer of PepsiCo. “Women want to be understood, listened to, and asked, ‘What are your priorities?’ Advisors would be well-served by listening and communicating directly to the female experience.”

Kellie McElhaney is adjunct assistant professor at the Haas School of Business at UC Berkeley and John C. Whitehead Faculty Fellow in Corporate Responsibility. For her, having a female financial advisor was particularly important during her divorce.

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“I learned firsthand how important it is to understand your finances, whereas I had always deferred to my husband. Now, I have a close relationship with my advisor; she understands my profession, children, and values. That’s very important to me.”

Andrea Turner Moffitt, author of the new book “Harness the Power of the Purse: Winning Women Investors,” agrees.

“An advisor who has an inclusive style by taking time to understand, educate, create a safe space, and help clients align life and financial resources — is hugely differentiated and more likely to earn the trust and loyalty of clients,” says Turner Moffitt, senior vice president, Center for Talent Innovation and co-founder of Plum Alley Investments.

Not only do women like other female financial advisors, it’s a great industry for women to get more involved in. Shelley O’Connor, co-head of field management, Morgan Stanley Wealth Management, says her industry is the “ideal business for women.”

Women make great financial advisors because they “are willing to listen, take time, and create a safe zone to ask a lot of questions.” And, female advisors can more easily balance their work and family lives given the flexibility and local emphasis of the job.

For financial advisors, the strategy of catering to women is self-serving, too. When male clients pass away, their widows are very likely to fire their advisors; in fact, statistics show that some 70% of women leave their advisors within a year of their husband’s death, precisely because they felt ignored.

It's a shift, considering that men traditionally have been the breadwinners and the ones to manage household finances. Not so anymore; another recent survey that found that just over half of women with at least \$25,000 in investable assets share in financial decision making with a spouse or partner, while nearly half make financial decisions on their own.

We must also keep in mind that for women to be successful, their personal finances need to be in place, and their financial advisors need to communicate about more than just investments. As Turner Moffitt notes, "Women are seeking a greater basket of goods from their advisor. Women want to feel connected between money and career, workplace and community."

Over the years Rosado Shaw has seen many instances of women who make "big money" but don't have the right advisors to help them understand wealth-building. Her advice to professional advisors? "Challenge your assumptions about who women are and the assets they control. You just might find a few more well-heeled clients!"

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