



PERSONAL FINANCIAL PLANNING

Women approach investing differently from men.

Tips for Working With Female Clients

BY MAUREEN NEVIN DUFFY

EXECUTIVE SUMMARY

- **WITH THE WEALTH CONTROLLED BY WOMEN PROJECTED** to reach more than \$22 trillion by 2010, the opportunity to provide these women with financial and investment advice is a good one. But to do the job properly, CPAs will need the right communication skills and to understand some key differences between how men and women behave.
- **WOMEN APPROACH INVESTING DIFFERENTLY FROM MEN.** They tend to have some different attitudes about money and decision making. Many women take longer than men to reach decisions, ask lots of questions and like to involve family or friends in the process.
- **CPAs NEED TO LEARN HOW TO COMMUNICATE WITH** women. Men most often break the ice with clients by telling jokes; women don't respond well to that approach. Women also prefer an established method and frequency of contact, be it weekly, monthly or some other interval.
- **BEFORE WOMEN CAN INVEST FOR THE FUTURE,** they sometimes have to get

out from under significant debt. Because these women have tremendous fears about dealing with finances and money and may have been conditioned to believe they don't know enough, they might be afraid of making the wrong decision.

MAUREEN NEVIN DUFFY is a freelance business writer in New Jersey. She is the editor and publisher of the *Corporate Governance Fund Report*, www.cgfreport.com, and the newly launched *CGFR Daily Reports*. Her e-mail address is mnd23cpa@aol.com.

By 2010 the amount of wealth controlled by women will swell to more than \$22 trillion. And, according to TrendSight Group, a market research company in Winnetka, Illinois, by that time women will hold half the *Fortune* 500's top 20 jobs. Even today, the picture is pretty rosy. Internal Revenue Service bulletins show that women already hold \$4.2 trillion in assets according to 1998 data (the latest year available). And that's good news for CPA financial planners. Experts say these women still are largely underserved when it comes to financial and investment advice.

The women's market is important to CPAs for several reasons. Women will inherit significant assets over the next 10 to 20 years. In many cases wealth gathered by their fathers, brothers and husbands will pass into their hands. Others will have wealth they accumulated on their own as small business owners or corporate executives. Many of these women will be seeking sound investment advice because they have little or no training in making investment management decisions. Others who have business savvy are simply too busy to manage their own personal investments. To meet this demand, CPA financial planners need to know that the strategies they use for interacting with male clients may not work as well for female clients. Those who recognize this may reap significant rewards. Vive la différence!

WOMEN AND MONEY

CPAs who want to work with female clients should first understand some of the attitudes that shape their business relationships. Experts tell us that some women

- Associate money with greed.
- Feel guilty about having money.

Women at Work

The typical affluent woman business owner

- Describes her family background as poor or lower or middle class.
- Became a business owner at age 33.
- Has been working for 29 years.
- Went into business for herself because she wanted more freedom and independence.
- Believes corporations offer limited opportunities for

- Equate saving with selfishness.
- Don't feel they have enough money to invest.
- Ask lots of questions.
- Take much longer than men to reach decisions.
- Like to involve family or friends in their choices.
- Want advisers to provide more detailed explanations.

women.

Source: U.S. Trust Survey of Affluent Americans, New York City, www.ustrust.com.

- Combine emotional factors with their investment decisions.
- Want to know what investment asset growth will do for their families beyond just improving the bottom line.
- Often have serious debt problems to overcome before investing for the future.
- Want established guidelines for communicating in terms of both frequency and method.

When working with women clients, CPAs should treat them with the respect they offer all clients. Here is some behavior to avoid:

- Speaking above the client's knowledge level.
- Talking down to her.
- Telling her what she can't or shouldn't do.
- Delaying the return of her phone calls.
- Coming across as cold or impersonal.

At the same time, to be successful there are some things CPA financial planners should do when helping women with their planning needs:

- Spend time chatting to assess the client's knowledge and build trust.
- Explore family needs and her concerns, and if she requests it meet with key individuals such as her friends or family members.
- Emphasize the things wealth can do for her family.
- Be clear and realistic about investment objectives.

If men operate out of fear and greed, then women work from fear, uncertainty and doubt. This is what author Ginita Wall, CPA, CFP, calls "the FUD factor." Some women fear money will make them bad people. Wall points to an AARP study that said 42% of the women interviewed didn't want to be wealthy; in fact they saw wealth as representing the baser side of human nature, as portrayed in famous TV soaps such as "Dallas" or "Dynasty."

CPAs must be alert to these sentiments, says Wall, who has been recognized as a top financial adviser by *Worth* magazine six years in a row and just published her eighth book, *It's More than Money—It's Your Life*, with coauthor Candace Bahr. Consequently, women tend to give money away to their children or to charity and in doing so often undermine their advisers' attempts to

steer the money into investments and other growth opportunities. Once CPAs understand “how women work and what the accountant is up against,” says Wall, they should stress how wealth can help the client and those they love.

READ THE SIGNALS

When working with women, communication skills are critical. Female clients will typically signal their discomfort. That means it’s up to CPAs to learn how to interpret expressions and body language, says author Judith Briles, who explains how in her book *The Confidence Factor, 10 Smart Money Moves for Women*. Women who fidget, don’t make eye contact, seem hostile, anxious or even ambivalent may actually be apprehensive or feeling overwhelmed, says Briles.

One way to keep the anxiety level down is to establish a method and frequency for communicating. “I will call you, or you call me,” says Briles, “weekly, monthly or as needed.” Briles also suggests engaging female clients on “safe” subjects such as movies to relax them and get them talking about their own goals and fears, such as not having enough money to live independently and having to move in with their children.

CPAs should keep the conversation simple, whether in writing or verbally. Briles tells an amusing story of a Miss America she was asked to coach after the woman’s audiences began demanding refunds. Briles found the beauty queen had a tendency to talk fast when she was nervous. CPAs should pay attention when a client’s pitch rises and her speech speeds up. She may be signaling that she’s nervous, which means she isn’t giving her full attention to the important matters at hand.

Men often break the ice with clients by telling jokes, but Briles says most women aren’t wired that way. In fact female planners have to fight the urge to share intimacies with female clients,



PRACTICAL TIPS TO REMEMBER

- To be successful, CPA/financial planners who work with female clients need to recognize the different ways women approach money and investing. Because some women associate money with greed or feel guilty about having it, CPAs should stress to these clients how wealth can help them and those they love.
- When helping women with their planning needs, CPAs must avoid talking down to the client or telling her what she can’t or shouldn’t do. On the other hand CPAs should explore family needs, be realistic about investment objectives and emphasize things wealth can do for her family.
- Good communication skills are critical when working with women. CPAs need to learn how to interpret expressions and body language and act to overcome any misplaced anxiety. Most women appreciate a regular pattern of contact with their advisers be it weekly, monthly or some other interval acceptable to both parties.

since women tend to bond this way. She has seen clients take this to extremes, where they've grown "more loyal to their advisers than to their own money." Women have to learn they've come to you for advice—not to make friends. Briles suggests talking about movies, which are safe and usually don't test social boundaries.

THE EMOTIONAL INVESTOR

Most financial planners are familiar with the impact of emotions on investment decisions. Vince Campanile, CPA, who added investment services to his Neptune, New Jersey-based family accounting business about four years ago, says advisers have to impress female clients with the need for objectivity in investment decisions. Campanile notes that down markets trigger strong emotions to sell holdings. "I take the feelings out of the equation, and we stay the course for the long term," he says. "Women look to financial advisers for guidance because we offer objectivity."

However, Wall warns advisers not to "cut them off at the pocketbook." She says women need to know advisers care about them—not just their money. Wall concedes that women operate from a more emotional base. "Not an illogical base, but emotion and logic together." To better serve a female client, the planner should "understand what's going on underneath." The "solution-oriented" approach to advising doesn't work here, she contends. Under the old sales-oriented method, advisers learned to overcome objections. "Here you're integrating the solution to fit her needs—where she fits into the world and what she believes," says Wall.

DEALING WITH DEBT

Not every client has investment resources immediately at hand. Before women in debt can invest for the future, they have to get out from under that burden.

Understandably, these clients have "tremendous fears of dealing with finances and money," says Glinda Bridgforth, an adviser and author who specializes in helping women get out of debt. Her books include *Girl, Get Your Money Straight* and the *Basic Money Management Workbook*.

"Women have been conditioned to believe they don't know enough, so they fear making the wrong decision," says Bridgforth. They will naturally be more hesitant

Resources on Women and Investing

Publications

- *Basic Money Management Workbook* by Glinda Bridgforth, self-published, 1992.
- *The Confidence Factor* by Judith Briles, Mile High Press, 2003.
- *Girl, Get Your Money Straight* by Glinda Bridgforth, Broadway, 2002.
- *Girl, Make Your Money Grow!: A Sister's Guide to Protecting Your Future and Enriching Your Life* by Glinda Bridgforth and Gail Perry-Mason, Broadway, 2003.
- *It's More Than Money—It's Your Life! The New Money Club for Women* by Ginita Wall and Candace

when hiring an adviser and probably will rely more on references from friends, a strong track record or an existing relationship. Bridgforth, who bases her books and advice on her own experiences, sees investment as the next logical step after debt. This philosophy is reflected in her just-published investment guide, *Girl, Make Your Money Grow!: A Sister's Guide to Protecting Your Future and Enriching Your Life*, with stockbroker Gail Perry-Mason. The book takes a unique approach to freeing up extra cash to make investments. While it's hard to imagine the average investment adviser suggesting a client forgo weekly manicures for monthly ones to free up \$25 or \$50 a month for investing, this is one of Bridgforth's suggestions.

Bahr, John Wiley & Sons, 2004.

■ *10 Smart Money Moves for Women* by Judith Briles, McGraw-Hill, 1999.

Web sites

■ www.ewomennetwork.com. A Web site dedicated to helping women succeed, achieve and prosper through business and career development.

■ www.planforwealth.com. Ginita Wall's tips and resources about money, taxes and divorce.

■ www.trendsight.com. A consulting firm that helps companies improve their communications with women and build sales and market share by tapping into their buying power.

■ www.wife.org. The Women's Institute for Financial Education Web site includes investment and retirement resources for women.

GETTING STARTED

Wall has an interesting suggestion for CPAs that could reduce the initial hand-holding and one-on-one ice-breaking time with new investors. Her nonprofit Women's Institute for Financial Education (www.wife.org) has added money clubs (<http://moneyclubs.com>) to its resources "to empower, advise and comfort women." Although the clubs were launched only in September 2003, some 4,000 people already are signed up worldwide. The organization gives members the resources to run meetings and conduct various exercises, in person or over the Internet, such as those aimed at increasing net worth.

One of the clubs' makeover programs is called "21 Days to Boost Savings." Among its other goals is to help women find an investment adviser. CPA/financial planners can meet women at WIFE seminars and conferences or demonstrate their skills as leaders of money club groups. Although the clubs may meet weekly, in person or online, an adviser may be invited into a particular club only once or twice a year. This still affords them a chance to reach multiple prospects in the women's market.

WORKING WITH WOMEN

Catering to the female investor can be a lucrative market, says Wall. But due to the different

needs of women, particularly the time commitment in working with new investors, it may not be for everyone. This article has touched on only one aspect of working with women—communications. CPAs who want to truly meet the needs of this market also will need to understand how to attract female clients to their practice and what products and services will best meet their particular goals and objectives. However, CPAs will find the rewards from the time spent developing this practice niche can be significant. ■



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