

Financial Advisors and Female Client Retention

Preliminary research to uncover bias in private wealth
management

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<p>Abstract:</p> <p>In the last ten years, financial advisors in the United States have had difficulties with retaining their female clients. The problem advisors have is that the financial industry has historically been made up of males, and their clients have historically been males as well. This makes it harder for female clients to connect with their advisors in a male-based industry. The author explores the research question about why financial advisors have a problem to retain their female clients. Her hypothesis questions if financial advisors have a problem with female client retention because they have an unintentional bias towards them and therefore choose to focus on male clients instead of females. The hypothesis is answered through four interviews; three advisors, and one author. Previous literature gathered from articles, reports, studies, etc. are compared to the interview results. The hypothesis is incorrect. The results show that the advisors interviewed do not have bias against their female clients. However, these results cannot be generalized to all advisors. Further research should be done for one single private wealth management firm, instead of interviewing advisors from different firms. Many advisors from one firm should be interviewed in order to gather a definitive answer to the hypothesis.</p>	
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1 INTRODUCTION

1.1 Background and motivation

In the last ten years, financial advisors in the United States have had difficulties in retaining their female clients. The problem advisors have is that the financial industry has historically been made up of males, and their clients have historically been males as well. This makes it harder for female clients to connect with their advisors in a male-based industry. Studies and reports by Prudential, Wells Fargo, etc. have raised awareness to the growing epidemic of losing female clients since 2006. However, there is no definitive answer on what advisors are doing incorrectly. Considering the history of the industry and the gender gap that is occurring, the author's aim is to see what effect gender has on financial advisors and the way they conduct business with their clients; specifically their female clients.

The author worked as a part-time intern in the sales department of First Trust Portfolios (FTP) June-August of 2015. FTP and its affiliate First Trust Advisors (both associated as "First Trust" or "FTP/FTA") is a company established in 1991 with the purpose of offering better ways to invest. They offer investment products and advisory services. The author was asked to write a report for Marie McClughen, from First Trust Advisors, about how financial advisors can retain their female clients. Although FTP is not a private wealth management firm, they work closely with wealth management firms. FTP holds "Due Diligence" conferences every few months, and invites their biggest firms (Morgan Stanley, Merrill Lynch, Wells Fargo, etc.) and their best financial advisors to hear from key speakers about current financial topics. The author wrote the thesis for McClughen that she will present at one of FTP's Due Diligence conferences in late December. The thesis will assist those financial advisors attending the conference to understand how they can retain their female clients.

1.2 Aim of the study and significance

The aim of the study is to investigate if financial advisors do not retain their female clients due to bias advisors have against them. Losing female clients has been a problem in firms such as Merrill Lynch, Wells Fargo, Morgan Stanley, etc. and this topic has become public since 2006. However, little has been done to combine facts of why women are important to financial advisors and how financial advisors can change their practice in order to retain them. Throughout the thesis, the author will investigate if advisors have bias towards their female clients.

The main research question is: Why do financial advisors have a problem retaining their female clients?

Hypothesis: Do financial advisors have a problem with female client retention because they have an unintentional bias towards them and therefore choose to focus on male clients instead of females?

1.3 Limitations

The author will limit the thesis topic to the U.S. because this problem is not prevalent in Finland or other European countries. The author chooses to investigate female client retention because this is where the biggest problem lies in the financial services industry. Female clients are defined as ages 35+ because these women generally have money in savings and are prepared to pay for services with financial advisors. Retirement and payments that go towards kids are also things that women are preparing for, thus making advisors' services relevant to this age group. There is little to no literature supporting gender on the term 'financial advisor'. This means that the author will assume that financial advisors and their behaviors with clients are genderless. However, the author will discuss whether this is true once she analyzes her results. The author is limited to only 3 advisors for interviews because she does not have access to all advisors in different companies. She chooses to interview advisors from credible private wealth management firms. The author will also limit the subject to retention, not attraction of female clients. The author will limit the financial advisor sector within private wealth management because this sector has had difficulty with female client retention.

1.4 Methodology and material

The author uses a comprehensive literature review of business books, articles, and journals for her theoretical framework. Secondary data concerning client retention strategies is from David Mullen's book, *The Million Dollar Advisor*. The author uses secondary data from Wells Fargo's research on how female clients are necessary to an advisor's practice and how an advisor can specify his/her practice to females as well. Other secondary data comes from articles and interviews found online that showcase why advisors should not have bias towards female clients. Definitions for business terms as well as theories used in the thesis are mostly gathered from business books and by using the Internet. Quantitative data concerning retention rates, statistics, etc. are found using the Internet on reliable databases PriceMetrix, U.S. Bureau of statistics, Select USA, as well as using articles, journals and other sources online. The author uses the book *Research Methods for Business Students* by Saunders, Lewis and Thornhill to guide her in analyzing the secondary and primary data. Primary research is done through qualitative data collection in the form of interviews to find out if the hypothesis is correct. Financial advisors are interviewed from Merrill Lynch, Morgan Stanley and Stifel Nicolaus. The author also interviews the author of the book, *The \$14 Trillion Woman*, Tony Dileonardi. The same 11 questions are asked for each advisor, while Tony Dileonardi has a separate set of questions.

1.5 Structure

The next section is the Literature Review. This section discusses details on terms used throughout the thesis and provides theories on the different concepts the author uses. In sections 2.6-2.9 of the literature review, the author outlines and dives into more background information that will allow financial advisors, and readers, to understand why it is important that financial advisors retain their female clients. It is necessary for the author to expand on women in order for the thesis to have importance; without women being necessary to financial advisors, the thesis has no significance. After the theoretical framework, the methods are introduced and the interview results are discussed. Finally, the discussion and conclusion section summarize the main points the author uncovers throughout her research.

2 LITERATURE REVIEW

The theory points to ways advisors have bias towards female clients; reasons why advisors should let go of bias and retain female clients, and methods that advisors can retain their clients. First the definitions are presented, paired with an expansion on complex terms. Then the literature reveals how advisors currently have bias, which is followed with facts why advisors should not view females as less important clients. Finally, the literature dives into the methods that advisors can use to retain their female clients.

2.1 Definitions

Financial advisor (FA): “A professional who helps individuals manage their finances by providing advice on money issues such as investments, insurance, mortgages, college savings, estate planning, taxes and retirement, depending on what the client requests” (Investopedia, 2010).

Breadwinner: “One whose earnings are the primary source of support for one’s dependents” (TheFreeDictionary.com, 2015).

Legacy planning: “Legacy Planning is a more holistic approach to estate planning. It is the creation of a definitive plan for managing your total wealth while you're alive, distributing your estate how you choose after your death, and a clear plan to pass on your legacy. Your estate includes all assets of any value that you own” (Ambler-keen.com, 2015).

2.2 Financial Services

The financial institution has many services available to its clients. The industry can range from taxes to taking out a loan, but every institution “is an establishment that conducts financial transactions such as investments, loans and deposits” (Investopedia, 2012). The author chooses to focus on Private Wealth Management because this is the sector that often focuses its attention on male clients instead of the females as well.

2.3 Financial Advisors—Private wealth management

There are different positions that financial advisors can occupy in the financial services industry. In order to better understand the thesis, one must understand the terminology used throughout the report. Financial advisors can be split into ten or more categories; however, the author only focuses on the most relatable category to this topic: financial advisors working in private wealth management. Although there are different advisors in this industry, the author uses the term “financial advisor” in reference to private wealth managers.

According to Investopedia (2012), “Private wealth management is an investment advisory practice that incorporates financial planning, portfolio management and other aggregated financial services for private individuals, not for corporations, trusts, groups or other types of clients”. For example: a high-net-worth individual who either does not have the time, or does not have the knowledge, may hire a private wealth manager to put together an investment portfolio that will help the client reach his/her short and long-term financial goals. This most often happens through investment products that the advisor will suggest according to the client’s needs. Private wealth managers that have a strong relationship with their clients often take steps above their defined role and offer advice with loans, mortgages, retirement, etc. However, the most successful advisors pick a niche they are most knowledgeable or most comfortable with and target clients in those niches (Forbes.com, 2014). An advisor may specialize in clients who are retired, or individuals with a net-worth of over \$10 million, etc. Private wealth management is popular with wealthy clients because the advisors are paid through a percentage of the client’s assets under management—which is called a “fee-based” advisor. Because of the way they get paid, clients are more likely to trust what the advisor suggests considering that there is less bias since there is no commission for the advisor. The likelihood of the formation of a strong relationship increases as well because the advisor will be honest to keep the client since he/she gets paid through the client’s assets. Thus, the advisor tries to give the client the best options available. The most typical term for a private wealth manager is financial advisor because they advise their clients on all things finance. Kevin Peters, an advisor for Morgan Stanley Wealth Management, said that “[I] must know the ins and outs of taxes, trusts, stocks, bonds, estate planning, and, most of all, people” (A Day In The Life Of A Wealth Manager, 2013). Considering that

most clients are high-net-worth individuals, there is a lot of competition for them. That is why the advisor must always be ready to answer his clients' questions, concerns, or ideas with how to handle their money.

There is a lot of money involved in this industry. The finance sector—including insurance—in the U.S. was worth \$1.26 trillion of gross domestic product in 2014 (Selectusa.commerce.gov, 2015). Within finance, there are financial services. In 2011, the U.S. had a \$23.0 billion surplus in financial services and insurance trade, exporting \$92.5 billion in financial services alone, in 2011 (Selectusa.commerce.gov, 2015). According to Select USA, “the industry offers the greatest array of financial instruments and products to allow consumers to manage risk, create wealth, and meet financial needs”. However, there has been a history of ignoring female clients in the financial services sector. A loss of female clients may bring down the overall wealth the financial services industry holds; especially when females control \$14 trillion of U.S. wealth (as cited in Marketwire, 2015).

2.4 Client or customer

There are differentiations between the terms “client” and “customer”, especially when discussing the financial services industry. A customer is defined as an individual or organization that buys a product or service whereas a client is referred to as a customer of services (Doole, Lancaster, Lowe, 2004 p.26). Clients are not referred to as customers or consumers in financial services because there is a difference between these two concepts

Table 1 Difference of customer and client (Doole, Lancaster, Lowe, 2004 p.26)

<i>Customers</i>	<i>Clients</i>
Can be nameless to the supplier	Require personalized recognition by the supplier
Are often served <i>en masse</i>	Need to be served on an individual basis
Can be served by anyone available	Will require to be served by the profes-

	sional they have chosen
Usually have no relationship with the provider	Perceive they have a personal relationship with the provider
Usually look for the best deal	Are often prepared to pay a huge premium to guarantee solution of the problem

In this industry, particularly in wealth management, clients depend on the personal relationship that is provided by the advisor. The advisor knows the client’s name, his/her goals, his amount of wealth, what he wants, etc. A customer looking to purchase goods or services can be nameless to the supplier; there is no personal relationship. Customers also look for good deals, which means the best price or the best quality for the price. Clients may consider price when choosing an advisor, however, they are willing to pay a higher amount in order to guarantee the best solution to the problem. (Doole, Lancaster, Lowe, 2004 p.27).

2.5 Gender differences

Gender influences have been a big factor in marketing, retention rates, consumer behavior, etc. since the turn of the century. It started when the need for easier housekeeping caused a development of products for the home, focusing on the male-female differences of marketing (as cited in Costa, 1991). The investigation of gender differences has continued to today, and studies have been done to see how male-female differences affect services. Differences in brain activity can lead to how women and men express themselves through relationships with their advisors. Women and men also interpret how an advisor (or anyone) behaves towards them, which can affect retention rates.

2.5.1 Scientific gender differences

First of all, men and women function differently due to their brain activity. Men and women hear, see, and react in various ways—of course all people are different, however, the general studies on brain activity can be applied to most of the population. For

instance, when men hear people speak, only the left side of their brain activates (WebMD, 2005). For women, however, both hemispheres of the brain show signs of activity when listening. Because of this, women tend to have stronger language skills, whether when speaking different languages or in simply having a conversation with a friend. Studies have also shown that men are less adept than women at encoding facial differences and determining vocal intonations (WebMD, 2005). While women are focused on relational aspects of people, due to their brain activity, men tend to lean toward numbers as they demonstrate dominance in areas of the brain involved in math and geometry. After a study with more than 500 children, researchers concluded that an 8-year-old boy's brain resembled the brain of a 12-year-old girl when it comes to mathematics (WebMD, 2005). Females' hemispheres are also organized more symmetrically versus men having more specialized hemispheres (Saucier and Elias, 2001). Because of this science, women tend to focus on small details when gathering information or processing what they see. Men view the big picture and focus on few details, allowing them to simplify a decision making process (Phillip and Suri, 2004). The way men and women communicate is also affected by brain structure and activity. For instance, relationships and social context are more important to a woman as they place more value on interpersonal relationships than men do (Belenky et al., 1986).

2.5.2 Client gender differences

The scientific differences between genders can be applied to how men and women will respond to interactions with a financial advisor. Investment News conducted an interview with Cathy Curtis, founder of Curtis Financial Planning and with Sheryl Garrett, founder of the Garrett Planning Network. These two advisors have know-how on maintaining and growing relationships with their female clients. Curtis states in the webcast interview that there are several differences when discussing a portfolio with a man and a woman. She says, "Men love to see results...and might say something very metric-oriented or math-oriented in the way they communicate" (Investmentnews.com, 2013). On the other hand, a woman might respond, 'I feel really confident that we know where we're going' and may focus more on security and what the money means to her family, instead of focusing on the exact math of the investment (Investmentnews.com, 2013). This is more about having positive results so that there is *security* for her and her fami-

ly, not only to have results to make money. Garrett also explains that in her experiences, men also tend to react quicker and are more willing to make changes in his portfolio while women tend to think about a change over a longer period of time (Investmentnews.com, 2013). Women love results too, but typically not in the same way. Women do not generally like to rush into a decision, because they know there are hundreds of options—which implies they are going to search for the right option before they commit. This can help an advisor to be careful with the language he/she uses when meeting with a couple. Garrett explains that in her practice, she makes sure to communicate with both spouses to make sure she understands how to advise the couple together, not just the husband or wife separately (Investmentnews.com, 2013). Considering the female’s brain functions leaning towards trust and relational relationships, an advisor’s advice and contact with the female brings importance to retention factors. As women also focus on interpersonal relationships as stated in 2.4.1, an advisor must acknowledge and form a relationship with the female client in order to gain her trust and retain her as a client.

2.6 Women and Advisors

The relationship women and advisors have can be beneficial to both parties if the relationship is based on good communication and respect. The history of financial services, however, can lead many advisors to stay stuck with a negative bias towards female clients. This history still affects advisors and women today, as old habits in the industry can lead to difficulty in communication with female clients.

2.6.1 History of financial advisors

The financial services industry has historically been made up males, which makes it more difficult for women to be understood. Out of all personal financial advisors, women only make up 25.7% of the industry (Catalyst, 2011) causing three-fourths of the industry to be run by men. Hillary Martin, a money behaviorist and financial advisor says that the “The financial community is largely male-dominated, and much of the language they still use about money is very ego-based and women don’t relate well to it” (Paradi and Filion, n.d.) This is because it is difficult to change what history has made the industry to be: male-based with entrenched habits and attitudes towards women. The ad-

visors who have been in the industry long enough are used to conducting business with their successful male clients, rarely paying attention to their female counterparts (Paradi and Filion, n.d.) This makes it hard for advisors to change their view of women and accept the fact that women indeed do have money and give input with their household finances. Some advisors do not realize that 33% of men use a financial advisor while 35% of women use one (Holland, 2014). Women use advisors more than men do, thus female clients should be given at least equal attention that male clients receive from their advisors.

2.6.2 Women and advisors today

Considering how the financial services industry has historically been male-oriented, it's no wonder that advisors have problems with connecting to the female client. The message an advisor sends to a woman starts with the first day they meet each other. When an advisor meets with a married couple, the advisor will 58% of the time speak to the male as his/her primary contact (Waymire, 2014). This may lead to problems considering that 40% of women are the primary breadwinners in the family. If the advisor is speaking to the male, not acknowledging the fact that the female may be earning an equal (or larger) amount of money, this advisor may lose the couple to someone else. Of women who work with a financial advisor, two-thirds report being misunderstood or neglected (Morgan Stanley, 2015). Advisors must realize that 95% of women will be their family's primary financial decision maker at some point in their lives, which means that even if the husband connects with the advisor, if the wife feels subordinated, the advisor may lose the couple to another firm. In fact, 70% of women fire their advisors within a year of their husband's death (as cited in Barrett, 2015). *Cannon Financial Institute* concurs that the biggest trigger for female client loss is an advisor's inability to form a relationship with both spouses (as cited in Barrett, 2015).

The Boston Consulting Group (BCG) also did a study that reveals that 73% of women report being unhappy with the service they receive from financial services industry (as cited in Paradi and Filion, n.d.). The reason why women feel unhappy is because of the treatment they receive from a mostly male-based industry. In fact, women believe that their "gender is a key factor in the disrespect and condescension they often experience from the financial services industry" according to a 2010 BCG study (as cited in Paradi

and Filion, n.d) that explores women's experiences with financial advisors in private wealth management. These are some ways that advisors unintentionally cause their female clients to feel unsatisfied: making women feel stereotyped, giving them "dumbed-down" materials, assuming the husband handles the finances, etc. according to the Women Report by BCG (as cited in Paradi and Filion, n.d). These characteristics can be seen through little mannerisms that occur daily in the financial services industry. Some advisory firms unintentionally market to women in a demeaning way such as using phrases such as "aim higher" (implying women do not have high goals), using the color pink to attract women, or viewing women as a niche market, when in fact women make up 50% of the American population (Paradi and Filion, n.d).

Advisors that realize they are stuck in a place of bias and condescension can take steps to prevent habits that lead to having poor retention rates with female clients. Understanding what women are worth in society, at work, and at home can help advisors to respect and retain their female clients.

2.7 Women and Work

There are various reasons why financial advisors should not only focus on their male clients, and rather pay equal attention to their female clients and commit to retain them. Throughout the last 50 years, women's roles in society have changed. The labor force, which was once controlled by men, is now made up of equally talented and financially successful women. Women are working in the labor force and have thus become equal or main earners in households all over America. In 2013, the nonagricultural sector (percentage of female population ages 15+ in total nonagricultural employment) for females was at 48% (Data.worldbank.org, 2015). This means that nearly half of females were working in industries such as oil production, mining, manufacturing, construction as well as in services such as wholesale, retail trade, restaurants and hotels, financing, insurance, real estate, etc. (Data.worldbank.org, 2015). Although females have historically been most active in nursing, education, and care positions, they have increasingly become active in other job sectors. In 2012, the professional and business services sector was made up of 41.2% females and 58.8% men and from recorded accountants and auditors, 60.9% were female in 2012 as well as 53.5% of financial managers (Dol.gov,

2015). Because women are involved in the workforce, they can make equal amount of money to men, making them prime clients for financial advisors.

2.7.1 Women and business

Women have become involved in businesses owned by men, yet have also become entrepreneurs of their own. Financial advisors can take advantage of the entrepreneurship and business mindsets of women all around the U.S. by developing a professional client-advisory relationship with them. According to the U.S. Department of Labor, 1 out of 11 American women own a business and in 2012 the U.S. had approximately 9 million privately held and women-owned firms (Fiddner, 2015). Women-owned businesses have expanded and grown in the last decade and have also become successful. From 2002 to 2007, the total sales and receipts of women-owned privately held firms totaled \$1.2 trillion; the growth rate (46%) also exceeded men-owned firms by 18% (Coleman and Robb, 2014). The growth and success of these firms has continued to increase, as the 9 million firms owned by women in 2012 were responsible for \$1.4 trillion in sales (Coleman and Robb, 2014). The way women and men conduct their businesses has varied throughout the years as women have leaned towards owning smaller businesses with more focus on home-based micro businesses (5 or less employees). Forbes stated that in the last 20 years, women have been starting businesses at a higher rate than men (Forbes.com, 2015). The growth the economy has seen from women-owned businesses hasn't plateaued; growth is expected to increase rapidly in the next decade. Forbes estimated in 2012 that out of the 9.72 million new small business jobs that are expected to be created by 2018, women will create over half of them (Forbes.com, 2015). The National Foundation for Women Business Owners also concurs with the expected growth and stated that women-owned businesses are out-growing regular owned businesses by 3 times (Leyes, 2015). The wealth women own now will also continue to increase, which will require more attention from financial advisors.

2.8 'Breadwinner' woman

The influence of women seen in the workforce is also present in homes as more power is shifted to the women in American households. Single women, married women, and

mothers are all an equal part of the workforce; mothers have increasingly become more available to work, thus earning an income and becoming sole or primary earners in households. In 2012, 70.5% of all mothers with children 18 years of age and younger participated in the labor force (Dol.gov, 2015). The number of U.S. working mothers since the 1960's has quadrupled, and according to *Pew Research*, 40% of mothers were their families' primary earners in 2014 (Lodge, 2014).

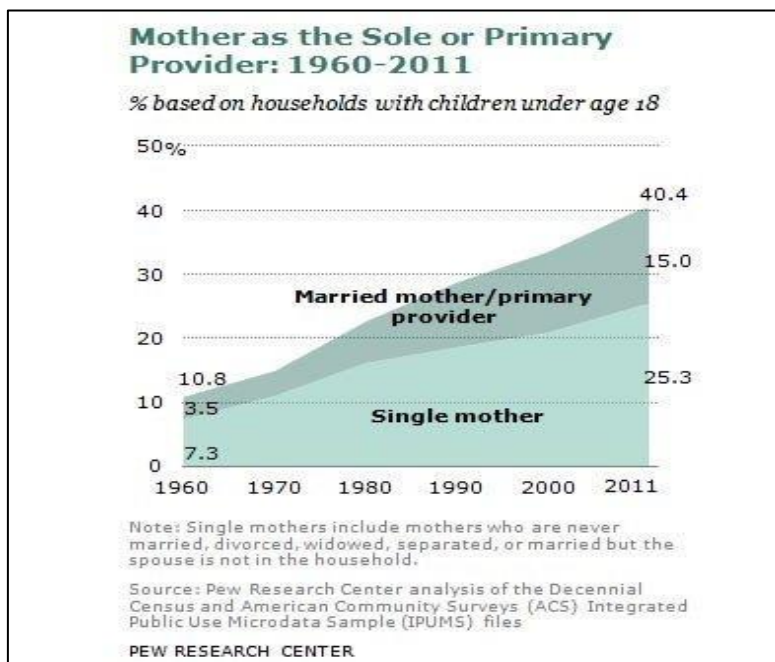


Figure 1 Mothers as providers (Dol.gov, 2015)

In these families—more often white, degree holders, and middle-aged—the average family income with the wife earning more than the husband, is \$80,000 (Rampell, 2013). Because of the increase of women desiring to work, there has been an escalation of stay-at-home-dads in households or families where both parents are providing income. The number of stay-at-home-dads was at 1.45 million in 2013, according to the Bureau of Labor Statistics; however, some of these fathers claimed to work either from home, or part-time while staying with their children (National At-Home Dad Network, 2015).

2.8.1 Household decision making

With more females becoming the breadwinner in the family, females make more decisions when it comes to household finances, purchases, retirement planning, etc. Women are also the primary consumers in the United States. Women have influence over household purchases and may have the final vote when it comes to the purchases made by her spouse and kids. However, women are not always spending their own money. Women drive 70-80% of all consumer purchases, as they are “multiple markets” in one (Brennan, 2015). This means that they are not only purchasing items for themselves, but also for anyone living in the household. Considering how many females today are a part of the sandwich generation—caregivers for both their children and parents—there is a wide variety of needs and purchases they make on a daily basis. Some women can make purchases for up to 8 people; depending on how many kids she has as well as if she is the main caregiver to her parents. Not only are they making simple purchases such as food, clothing, and basic needs, they also have extended their purchasing expertise into the workforce as 53% of all corporate purchasing agents are women and they even sign 80% of all checks written (Leyes, 2015). Financial decisions are also made involving the female of the house. *Boston Consulting Group* did a study that revealed that when it comes to financial planning, 84% of affluent married women are directly involved in the decision making process (LLC, 2015). Because of these statistics, financial advisors can find many reasons to retain their female clients.

2.9 Women and Wealth

In the last few decades, women have begun to own more of the total U.S. wealth. There are women CEO’s, leaders, board members, employers, and employees making money from the businesses women have started and been a part of.

In 2014, the wealth of the richest Americans increased again. Men and women alike grew their wealth. Women haven’t reached the same statistics their male counterparts have; yet their numbers are steadily growing. According to *TheForbes500*, women accounted for 12% of the list, which equaled to \$237.5 billion. At a fraction of the total *Forbes500* wealth, the 10 wealthiest women on the list are still worth \$169.9 billion; this

means there was an 8.5% increase in wealth from 2013. (As cited in Jedeur-Palmgren, 2015). Women's wealth goes beyond the few richest women in the U.S. and many companies and analysts have been predicting the overall wealth of women for years. BMO's latest study released in March 2015 is about women's wealth. According to the study, *Financial Concerns of Women*, women now control 51% of the national wealth (BMO Wealth Institute, 2015). This means that 14 trillion dollars of American wealth is in the hands of females, today. Studies have also shown a growth in this wealth. The study goes on to say that the wealth women have now will grow to \$22 trillion by 2020 and *Financial Planning* stated that "by 2030, women will control two-thirds of the nation's wealth—a result of strong organic growth rates buoyed by trillions in generational and spousal transfers" (as cited in Liebel, 2014). The wealth transfer is also occurring because of the fact that women live longer than men do. From Alzheimer's to heart attacks, elderly sicknesses take a hold of more men than women all over America. In 2013, there was a 2 to 1 ratio of women and men at the age of 85 years and older, women outnumbering men 4 million to 2 million (as cited in Copeland, 2015). Today, 7 out of 10 currently married American women will become widows at the average age of 59.2, as the average life expectancy of females is 81.2 years and 76.4 years for males (Copeland, 2015). This is one of the main reasons there is a transfer of wealth going on in the U.S. If advisors only focus on their male clients, they are losing trust with the female spouse (or single woman), which can further drive the female client to fire her advisor when she is in charge.

2.9.1 Divorce

The wealth transfer can also be caused by marriages in the United States that end in divorce 40-50% of the time (American Psychological Association, 2015). This leads to a transfer of money between spouses especially if there are kids involved. Most commonly, whoever is the main income-earner in the family is going to lose the most money during a divorce; this also depends on how tame the divorce is. Men also have an unfair advantage since the woman is usually given immediate parental custody, thus requiring the male to provide child support (up to 15% of income per child). Most men experience a loss in their standard of living in the years after a divorce, as well, a loss about 15%–40%, depending on circumstances. (Waite and Gallagher, 2015). This comes from pay-

ing child support, alimony, giving up their house/car, court orders, depositions, etc. that may occur during a divorce. If there is up to a 50% chance that a couple is going to divorce at some point of their relationship, the advisor must make sure that his/her relationship is stable with both clients so that neither of them leaves during a split, and the transfer of money between spouses will still stay within the advisors control.

Considering the amount of money, control, and influence women have at work, at home and in their personal lives, advisors that are not retaining women as clients are at a disadvantage. However, there are still advisors in the business who are not attempting to gain an understanding of what they may be doing wrong with their female clients, or how they can improve their relationship with them. So what can an advisor do in order to limit the percentage of female clients that feel “unhappy” with the service provided? The next section covers retention strategies given by professionals in the industry.

2.10 Client retention in private wealth management

Client retention is a necessary part to a financial advisor’s private wealth management practice. An advisor will lose time and money if a client leaves within a year, because client attraction is a costly process. PriceMetrix’s Fourth Annual State of Retail Wealth Management Report—a report analyzing 40,000 advisors and \$3.5 trillion in investments assets—shows how much an advisors’ asset and revenue growth increases with retention from clients as a household (see Fig. 2).

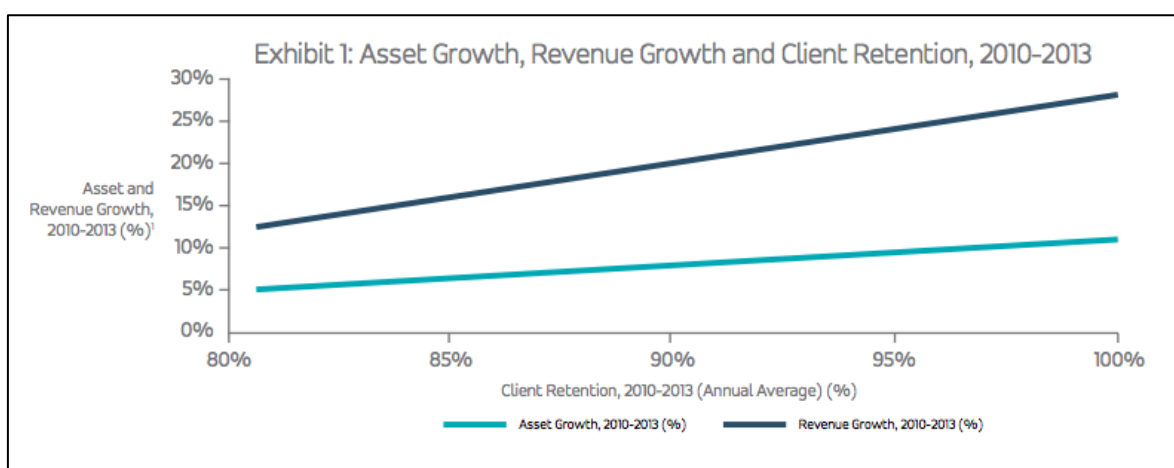


Figure 2 Client retention and asset growth (Pricematrix.com, 2013)

An average advisor has a retention rate of 94%, which means his assets will grow by nearly 10% and revenue by about 25%. According to the data collected from 2009-2013, “the most critical time period for advisors to focus on client retention and attrition risk is from the one-year mark to the four-year mark in a client relationship” (Pricematrix.com, 2013).

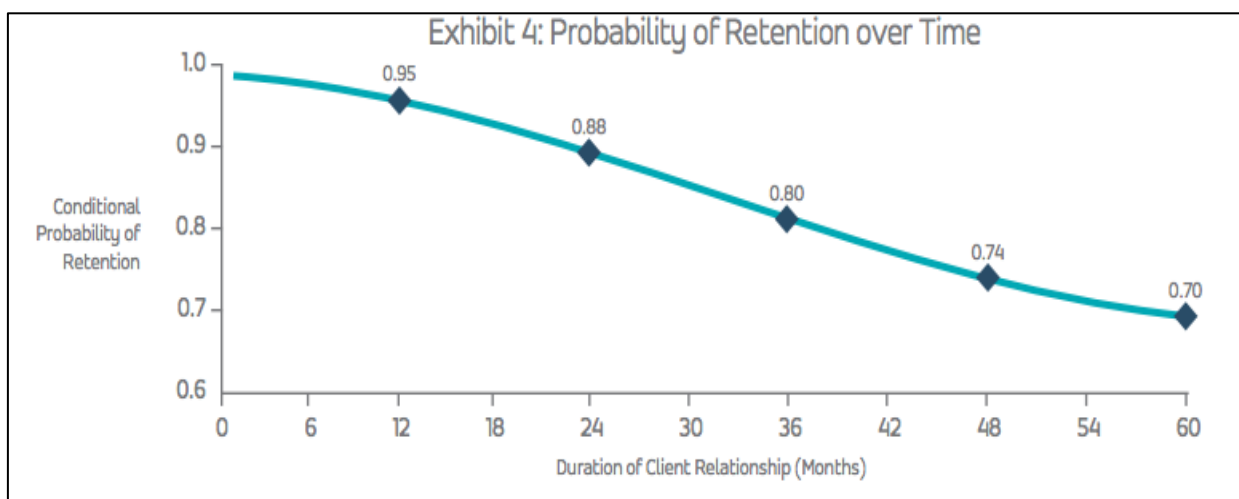


Figure 3 Probability of Retention (Pricematrix.com, 2013)

There is a phase in the first year of a client-advisor relationship where retention rates are at .95 at 12 months. This “honeymoon” period between the entire household and the advisor ends between 12-48 months of the relationship, where retention decreases to .74 (see Fig. 3). During this time, most clients begin to see whether their advisor has met their needs in a successful way. If the client is not satisfied, he/she will leave after the 12-month mark. If a client or household stays with an advisor for 5 years, he/she will most often stay with that advisor for the long-term. A problem that advisors have is forgetting to make as much effort with their clients as they do in the first 12 months of the relationship. (Pricematrix.com, 2013). According to an article from Forbes by Andrew Klausner from AK Advisory Partners (Klausner, 2014), client retention for advisors dropped, which accumulated for 5% of negative drag on growth. Average household client retention rates dropped to 90% in 2013 (PriceMetric.com, 2013), which is below the average advisor retention rate of 94%. PriceMetric does not give details between male and female client retention because they look at the entire household. However, the amount of influence women have on household financial decisions has been made clear in the previous sections of the literature review.

2.11 Retention Strategies

As advisors have difficulties in retaining their clients after the ‘honeymoon period’ mentioned in section 2.5, there are various books, articles, and information that advisors can use in order to prevent a loss in clients (especially female clients). David Mullen is a financial advisor and author who is an expert in retention strategies. These are basic strategies that are genderless and can be applied to any client. However, in order to increase female client retention rates, Wells Fargo’s report on women and wealth is discussed in section 2.6.2.

2.11.1 The Million Dollar Advisor

In order to have a base for client retention strategies in private wealth management firms, the author uses secondary data. David Mullen is the author of *The Million Dollar Financial Services Practice* and *The Million Dollar Advisor*, which uses client relationship know-how from 30 top financial advisors in the U.S. Mullen, has been in the financial services industry since 1980. He has personally worked with, recruited, and trained, etc. more than 100 advisors that manage millions of dollars’ worth of assets. To write the book, he interviews 15 top advisors in order to get their insights and advice on client retention. The interviews are conducted in person, and some of them last over two hours. Mullen summarizes the interviews and combines them into distinct chapters within his book. The focus in this section of the thesis however is only with retention rates and what Mullen and his colleagues have uncovered throughout their years of practice as financial advisors.

In his first book, *The Million Dollar Financial Services Practice*, he outlines the key facts an advisor needs to focus on to drive retention. Although client retention is at an overall low, there are strategies advisors can use in order to increase their retention rates. Mullen states that client contact is the most essential part to retention. The client should be contacted at least once a month, that’s a minimum of twelve contacts per year. These client contacts can assure that the client and advisor have an understanding relationship with each other, and the advisor can continue to satisfy his/her customer’s needs. An advisor must also limit the amount of clients he/she has in order to make sure

that he has time to contact each client on a personal level. Mullen also gives five simple steps that each advisor must do with his clients to guarantee higher retention rates:

1. Portfolio performance consistent with client goals and expectations
2. Effective problem resolution
3. Frequent, proactive client contact
4. A broad relationship
5. Ensuring that the new-relationship experience is positive

Using the data Mullen has gathered an advisor can use these techniques in order to drive retention rates upwards. However, retention rates do not only depend on making pre-calculated steps; it also involves trust, which is critical to an advisor's success. One of the top advisors Mullen interviews, called "Mike", even observes, "The connection between me and my clients is based on a very fragile relationship. One misstep, one misjudgment, one self-centered movement putting your interests over your client's, and decades of hard work can go out the door" (Mullen, 2008 p.143). Trust cannot be built in an office or meeting setting alone, as well. The interviews Mullen conducts showcase many options that top advisors take in order to continuously build trust-worthy relationships with their clients. He uncovers that clients are in their best "mood" or mindset doing activities they like. Therefore, he suggests that advisors meet with their clients outside of the office and do activities their clients like such as golf, tennis, eating, etc. The advisor's job is to find out what the client likes, and then make an effort to bond over that activity. This increases trust. Once a personal relationship is created, business will become easier and more long-term Mullen's interviews show that advisors are most successful with their clients when they give time to their clients, and do it in a manner that is best for the client (Mullen, 2008 p.150). Even though short-term decisions are usually most beneficial to the advisor, if retention rates are to be kept over a long-term period, sometimes the advisor will lose money during the short term. For example, one of the interviewees said that "often the best advice for a particular client is to do nothing with their money, or delay the purchase or sale of an investment...while this advice translates into a loss of commission in the short term, you are building a relationship of trust in the long term" (Mullen, 2008 p. 146).

2.11.2 Female client retention strategies

Wells Fargo has been effective at tailoring their practice not only to men, but also to their female clients in order to sustain good client retention rates. They have a report called “Women, wealth, and your practice” that gives advice to their advisors on how to attract or retain their female clients. They gathered this information using reports from Think Advisors, Forbes, Sallie Krawcheck, the book *The \$14 Trillion Dollar Woman*, Financial Study, the book *The Middle-Class Millionaire*, and more. They also have know-how from their own top advisors who have had success with their female clients.

The first topic that Wells Fargo discusses in their report is about what women want and need from their financial advisors. They have main points that summarize what women across the U.S. have said they want from their advisors. Women like to have collaboration with their advisors and working in partnership is what most women want (as cited in *Women, wealth and your practice: Attract women of wealth, 2014*). This method helps to keep women involved in the investment education and implementation process. The more engaged a client is, the more likely he/she is to stay with that advisor (as cited in *Women, wealth and your practice: Attract women of wealth, 2014*). Conversation and building trust is another valuable way an advisor can connect to the female client. Wells Fargo suggests that advisors share how they work with their other clients because women like to know they are not alone” (*Women, wealth and your practice: Attract women of wealth, 2014*). The report also goes on to say that a deeper bond can be made with a female client through listening to the woman’s worries and concerns around money, and then explaining to her how she can attain her financial goals (*Women, wealth and your practice: Attract women of wealth, 2014*). These are all little steps that advisors can implement into their advisory practice in order to become more connected with their female clients.

The report then goes into ten additional ways that advisors can grow their relationship with their female clients.

1. Uncover multigenerational challenges by involving the female client’s daughters and mother in the meetings—this will give the advisor the status of a family advisor, thus increase retention rates.

2. Gain insight into the expectations of women clients by inviting a group of female clients to a lunch where they can ask questions from financial experts in a casual setting.
3. Hold an event for female clients that shows how much you appreciate them and to learn more about them outside of financial meetings.
4. Review family values such as their life goals and what their intentions are during meetings.
5. Determine who has gone through an experience (or will go through an experience) that will impact the woman's finances. Make her the primary focus and explain the ways that she can get through this difficult time.
6. Review her portfolio because women are less likely to update their financial plans annually.
7. Make financial plans in small action steps so that it's not as overwhelming to the client, and this also helps empowerment and trust in the advisor.
8. Discuss retirement and savings because this issue is a leading concern with women ages 50-68.
9. Make frequent contact with both spouses, especially if the female is less involved with the decision-making. Ask how many times the client wants to be contacted in person, through phone calls and through emails.
10. Ask women for guidance by using your top female clients to gain insight and feedback on the advisory practice.

The steps that Wells Fargo tells its advisors to implement into their practice are helpful to see how a basic retention strategy may not work for all female clients. When advisors ask certain questions and take little steps to understand the female client, more trust can be built between the advisors and his/her female clients. (Women, wealth and your practice: Attract women of wealth, 2014).

The literature strongly points to advisors having a problem with retaining female clients, why they should not have that bias, and how they can improve their retention strategies. Based on previous literature, the author expects to see the advisors answer their interview questions in a way that suggests bias towards female clients. There may be low female client percentages, an attitude that does not encourage other advisors to retain their female clients, and other similar results.

3 METHODS

In order to find out why advisors have a problem with retaining their female clients and if there is bias involved, the primary data is conducted in the form of interviews. The author uses exploratory research to answer her research question. Qualitative data is the main type of data used. The author uses qualitative data because the topic itself cannot be quantitative since the thesis does not focus on retention statistics with female clients. Rather, the thesis research question is about the methods and steps an advisor must take in order to retain his/her clients and if advisors truly do have bias when interacting with their female clients.

3.1 Interviews

The author conducts four interviews (via email) as her primary data. Interviews offer a personal insight from professionals that have know-how in this topic and are a useful way to gather reliable data that is relevant to the thesis (Saunders, Lewis, Thornhill, 2003 p.318). Other advisors who may be struggling with female client retention benefit from using knowledge from highly successful advisors, instead of only reading impersonal sources from literature or online. Secondary data allows the author to gain insight and knowledge on various topics; however, the interviews give additional insight and advice to financial advisors. The interviews cannot be conducted in person because the author lives in Helsinki while the interviewees live in the U.S.

The author interviews three advisors and one author. The author interviews advisors from different private wealth management firms in order to gain a broader spectrum of answers. The advisors all have been working in the industry and can give personal advice on what they do in order to retain their female clients. The first interview is with Tony Dileonardi, author of *The \$14 Trillion Woman*. He and his co-author wrote a book about the relationship between financial advisors and female clients in 2009. The book highlights many key topics discussed in the theoretical framework section of the thesis. The interview's purpose is to hear if Dileonardi has any additional insights 6 years after writing the book. The second interview is with Bob Landrum from Stifel Nicolaus. He is an Accredited Wealth Manager Advisor who has been in the business for 31 years.

The author does not want to focus on a female advisor's perspective alone, thus she conducts an interview with a male advisor as well. The third interview is with Jeanne R. Rosengren from Merrill Lynch. Rosengren has been involved in financial services since 1986 and has been working for Merrill Lynch since 2006. The branch she works for, Boyd, Bencini, Gibbons & Associates, has advisors on Barron's 100 Top Advisors list consecutively since 2007. She works with Christina K. Boyd, who manages \$1.8 billion for 100 clients (Garmhausen, 2015). Considering Rosengren and her team's success with clients, her perspective can be taken in a serious manner. The final interview is with Marie Moore from Morgan Stanley. She was on the Barron's 2015 Top Women Financial Advisors list (Barrons.com, 2015), managing \$361 million in total assets. Moore has also been involved in Morgan Stanley's forum for women, featuring her insights on how to be a better advisor.

The author has one connection that allows her to proceed with her first interview with Tony Dileonardi. Because the author knows Dileonardi personally, the questions are more personal and formal introductions do not waste time from the actual data collection. The author found Landrum through another family connection. The two female advisors were found from searching Barron's Top 100 Female Advisors and by emailing them to see if they want to assist with the thesis.

3.1.1 Interview Data Collection

There are many types of interviews and they all have a different purpose in assisting authors find answers to their research questions. According to Saunders, et. al. (Saunders, Lewis and Thornhill, 2003 p.320) there are structured interviews, semi-structured interviews and unstructured or in-depth interviews. This thesis uses semi-structured interviews, meaning that there are some pre-determined questions that need an answer; however, the author asks probing questions if she needs a more in-depth answer. All interviews are qualitative so that the author understands the participant's opinions and reasoning. Semi-structured interviews give the author room to 'probe' for more answers if needed (Saunders, Lewis and Thornhill, 2003 p.324). Due to the author's residency versus the interviewees' locations, the interviews are not conducted face-to-face. The author interviews the advisors using electronic interviews, via email. This method allows

the author to conduct interviews with important advisors from American private wealth management firms, without having to spend money on flights or other resources. The author also saves time on recording each interview and transferring each recording into a written transcript. However, using emails as a way to interview requires a series of small questions per email (Saunders, Lewis and Thornhill, 2003 p. 351). This takes more time and patience considering that the interviewee may not respond immediately or give the most accurate response, which then requires another email to be sent with more questions. However, conducting the interview via email saves the author time and money, therefore making it a good method for gathering primary data. The author interviews each advisor separately; these are not group emails, or chats. The purpose is to receive the personal opinion of each advisor without their answers being affected by another advisor's comments.

The author asks a set of 11 questions from the advisors. Some advisors are asked probing questions in order to get a more personal response. Probing questions are weaved into the response to the question the author desires. The author asks a set of 6 questions from the author of the book *The \$14 Trillion Woman*, Tony Dileonardi.

3.1.2 Questions

The interview questions that the advisors are asked can be found in *Appendix 1*. The questions that Tony Dileonardi is asked can be found in *Appendix 2*.

The interviews bring more insight into what others have already discovered. The interviews are also analyzed to find ways that advisors can retain their clients. The data that comes from previous literature and theoretical framework is insightful; however, the interviews give more personal advice to advisors struggling to keep their female clients. The author can also investigate her hypothesis questioning the bias that advisors have towards their female clients.

3.2 Analysis Method

The first step before analyzing the data is preparing the data for analysis. The author has the interviews via email. This eliminates the task of transcribing interviews. The author

gathers each email and the answers given by the interviewee. The transcript of each interview is found in the Appendix and is easy to read since it is a table of each individual question, with each advisor's answer divided into columns. The questions are organized into tables and will be used as a reference in the discussion section. This eliminates the need to state the same question each time it is analyzed. Instead, the table will refer to the question.

The author uses existing theory that formulates the research question and the objectives, which means that the analysis will be deductive. The deductive approach "will link the research into the existing body of knowledge in the subject area" (Saunders, Lewis and Thornhill, 2003 p.490). The author analyzes each question at a time from each interview in order to find answers to the research question. If the question answered by an interviewee does not give insight towards the research question, the author skips the analysis in order to remain focused on the main research question.

The author presents the results by question, meaning that each paragraph has the question asked and the responses given by the advisors. The interview with Dileonardi is separate because the author asks different questions. Dileonardi's interview is also formatted into a table, thus making it easy for the reader to follow. The author summarizes and condenses each interview. The summary includes key points that appear from the text, and compresses long statements into shorter ones. The author summarizes the interviews in order to "become conversant with the principal themes that have emerged from the interview" (Saunders, Lewis and Thornhill, 2003 p.491).

After each question is summarized, the author moves into the discussion section. Unlike the results, the discussion includes the tables within the report and not in the Appendix. This is because the tables only contain minimal information that allows the reader to understand what parts of the interviews are important, and what it means to the overall thesis. The author is investigating what answers support her hypothesis and what answers do not support it. The author also discovers whether there are differences between the answers the male interviewees give versus what the females answer. The answers are discussed by question so that there is a formal similarity between the results and the discussion. Each question is made into a table that has the three advisors' main state-

ments as well as previous literature; the author will compare what the advisors say, to what previous data states. The same system is used for the discussion of Dileonardi's results as well.

4 RESULTS

4.1 Interviews with financial advisors

The following sections present the answers the advisors have given. Each section is divided by question, and the tables are split into three columns by advisor: Jeanne Rosengren, Marie Moore, and Bob Landrum. Section 4.2 presents the interview conducted with Tony Dileonardi. All results are found in the Appendix and are organized into tables.

4.1.1 Female client percentage

All of the advisors have quite different percentages that can mean different things, as seen in *Appendix 3*, Table 21. Rosengren's percentage may mean that she does not focus on female clients, or it just may mean that male clients connect with her services better than females. Moore has an equal amount of men and women, which can mean that she has a lot of couples as clients or that she also draws single females because of her services. Landrum has a high number of female clients, which most likely means that he has a high focus on female clients.

4.1.2 Retention

In *Appendix 3/*Table 22 we can see that none of the advisors use words or tones of bias. Rosengren focuses on working hard for her clients by educating them and by handling their money seriously. Moore focuses on giving her clients the financial services they desire. Landrum does not show bias towards male or female clients by grouping them in the same category within retention. He likes to use communication as his main tool to connect and retain his clients.

4.1.3 Male versus female client retention

As seen in *Appendix 3/*Table 23, no bias is shown towards female clients. All of the advisors do not give any notion to viewing their female or male clients differently when discussing retention. Rosengren says “with both male and female retention” (see Table 23), implying that there is no difference. Moore says that sex has no effect on retention rates. Landrum explains ways that males and females are similar “both want good communication and good results” (see Table 23), meaning that there is not much difference in what men and women want from an advisor. He also agrees that there is not much difference with their retention.

4.1.4 Retention tactics

In *Appendix 3/*Table 24, Rosengren implies that all her clients are the same by simply calling them “clients”, neither “female clients” nor “male clients”. This shows no bias. Her answer is the same as in the previous question. Moore also uses the phrase “all clients” (see Table 24), even though the question asks about female client retention. She says that she uses a holistic approach when investing, which she claims helps her retain her clients. Landrum also combines his previous answer with his answer to this question, adding that he uses social settings for retention. He does not mention anything specifically about female clients, thus referring to all of his clients. This shows that he does not have negative bias; however, he also does not use different methods with his female clients.

4.1.5 Meeting with spouses

*Appendix 3/*Table 25 reveals that all of the advisors still meet with the wife even if they are married and are not the primary earner of the household. However, Landrum mostly meets with the primary earner, which in this case means the male. Rosengren says she invites both male and female to the formal review process; however, she does not specify how often she does a formal review, nor does she say if she contacts only the male during other reviews. Moore says she tries to meet with both spouses as often as she can, saying it is important for both of their goals. None of the advisors show any signs of bias towards their female clients.

4.1.6 Meetings lead to retention

The advisors do not think that meeting with both spouses directly affects retention rates with the female party as seen in *Appendix 3/*Table 26. Rosengren says that it helps the advisor to stay connected with both clients; however, she does not say that it correlates with female retention. Moore agrees with this thought as she says it is beneficial towards understanding the clear financial picture. Landrum discusses how it is simply important for the advisor to have a personal relationship with the female in order to retain her: this does not mean that meeting with both spouses guarantees the relationship. It is the advisor's job to establish the personal relationship with the wife whether she is involved with meetings or not.

4.1.7 Client gender importance

None of the advisors view the male client more important than the female as is clear throughout *Appendix 3/*Table 27. Each advisor looks at each client individually, as Rosengren states that the individual relationship is most important. Landrum says that respect is an important factor when advising any client. None of the advisors show negative bias towards their female clients.

4.1.8 Difficulties in female client retention

We see that the advisors use small words to imply that they view their clients as equals, instead of viewing them separately as female or male in *Appendix 3/*Table 28. Rosengren says, "It takes a lot of time...to retain all clients" (see Table 28). She does not specify male or female. She also does not show language that implies bias as she discusses why it takes time for her and her team to retain all of her clients. Moore bluntly says that she does not find much difference between her male and female clients when it comes to retention. Landrum also discusses retention by saying "client retention" instead of specifying to his female clients. This implies he does not view his clients by gender.

4.1.9 Retention by gender

The advisors do not use different materials when advising male or female clients in *Appendix 3/*Table 29. They all agree on this topic and view their clients individually because all of them have different goals. Marie gives one difference by mentioning that some women may ask more questions than men. Other than that, there is no bias or no difference in the advisors' answers regarding retention tactics.

4.1.10 Most important tactic

In *Appendix 3/* Table 30 we see advice given by professionals in the industry that other advisors can use in their own practice. Rosengren starts by saying that her biggest tactic is listening to her clients as well as making sure her clients understand what their investments mean. She keeps up with her clients, meaning she also contacts the female and listens to her goals as well. Moore says that she simply does what she promises her clients she will do. This can mean that she thinks reliability is an important characteristic for an advisor to have. Landrum explains that listening to a female's goals is important (maybe because some advisors don't listen to her) as well as treating them with respect. He says that asking open-ended questions helps, meaning that he can receive better dialogue from his female client. None of the advisors use language that implies bias. Moore is the only advisor who says she does not have any specific advice concerning female clients. Rosengren and Landrum give specific advice that can be applied to female clients.

4.1.11 Advisors and female clients

In the last question, *Appendix 3/*Table 31, the advisors continue their streak of speaking without bias towards female clients as the interview questions come to an end. Rosengren does not show signs of bias towards female clients as she again states that she recommends advisors to retain all their clients. She also says that the relationship needs to work from both sides, which takes some responsibility from the advisor. Not all advisors will be a good fit to all clients. Moore says that she does not look at her clients by sex—something she has made clear throughout the interview. She also says that it is much about personality when clients choose whom their advisor will be, or whom the

advisor takes as clients. Landrum highly recommends advisors to retain their female clients—showing a positive attitude toward female clients. He has not shown signs of bias; however, he believes, “Females give more referrals than men” (see Table 31). This statement shows positive attitudes towards women as well as a clear reason why other advisors should retain their female clients.

Overall, there are no immediate signs of negative bias towards females in any interviews conducted with the advisors. None of the advisors use condescending language or jargon that implies he/she does not value female clients as much as male clients.

4.2 Interview with Tony Dileonardi

Throughout Dileonardi’s interview answers, we can see that he has an opinion that correlates with the literature presented earlier in the thesis. Since he has done his own research on this topic, he answers in a factual yet opinionated manner. His answers can be seen in *Appendix 4/ Table 32*.

When he answers the first and second questions, he has an opinion that appears to support female client retention because of the amount of wealth they own. He mentions that there are better programs that support female clients or customers, yet he states that the majority of advisors do not know how to serve the female client. This does not show signs of bias towards female clients, yet gives factual information about what is happening in the industry. Answering the fourth question, Dileonardi mentions that advisors are at a disadvantage when they use jargon or use condescending treatment towards women. This shows that he has been in contact with women who have told him things that they do not like about their financial advisors. Yet when he answers the fifth question, he does say that more advisors are engaged in the opportunity to grow their relationships with female clients. Dileonardi therefore has a positive outlook on what can happen in financial services. His last question simply gives advice to other advisors on how they can improve their relationships with their female clients; none of his answers show signs of negative bias. (See Table 32).

5 DISCUSSION

When looking at the overall results and the hypothesis, there is very little correlation between what the advisors say, what theory presents and what the author originally thought the hypothesis to be. The advisors' answers go against what other research and professionals have said about bias towards female clients in the financial services industry. Theory also states there needs to be small changes made when advising male clients and female clients. The interview answers that come from the advisors do not concur with the theory. However, their answers give an incredible amount of insight into what an advisor should do in order to retain his/her female clients. On the other hand, the results that come from Dileonardi's answers are precisely what theory has already stated when discussing bias and how to advise female clients in a different manner. His answers prove the author's hypothesis to be correct. The paragraphs in this section are organized by question and why the interview answer supports (or does not support) the hypothesis.

Hypothesis= Do financial advisors have a problem with female client retention because they have an unintentional bias towards them and therefore choose to focus on male clients instead of females?

5.1 Discussion about advisors

The theory and hypothesis point towards bias advisors have with female clients in the financial services industry. The results showcase many opinions that different interviewees have concerning this topic within each question asked.

5.1.1 Female client percentage

Table 2 Female client percentage: discussion

Topic	Interview	Literature
Female client percentage (Question 1) What percentage of your	Rosengren: "35%" Moore: "About 50%"	"35% of women use an advisor (Catalyst, 2011)"

clients are female?	Landrum: “80-85%”	
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This question allows the author and reader to see how many female clients each advisor has. Considering that 35% of women use an advisor—versus 33% of men—(Catalyst, 2011), there is a need for advisors that can connect with them. It is surprising to see that Landrum has more female clients than the two female advisors do. Based on the literature read before writing the thesis, the author’s viewpoint assumed that rarely any male advisors have a significant amount of female clients. Landrum’s case cannot be generalized to all male advisors; however, it is quite surprising to see his percentage. This also proves the hypothesis wrong because if the advisors were to have bias towards their female clients, Moore and Landrum would not have that high of a percentage of female clients. The author is not sure why Rosengren has 35% of female clients; it could be because her team does not connect well with females or for other reasons.

5.1.2 Retention

Table 3 Retention: discussion

Topic	Interview	Literature
Retention (Question 2) What do you do to make sure your clients don’t go to another advisor?	Rosengren: “We work hard at client retention...we make sure the client is educated” Moore: “We offer every financial service a client would ever need or want” Landrum: “To keep clients, whether male or female...we must make sure that we are achieving their goals and objectives. Great communication is a must”	“The most critical time period for advisors to focus on client retention and attrition risk is from the one-year mark to the four-year mark in a client relationship (PriceMetrix, 2013)”. “Client contact is the most essential part to retention (Mullen, 2008)”.

The advisors seem to take client retention very seriously and understand the importance of clients. The question asked uses the word “clients” (instead of ‘female clients’) to see if the advisors consider differences between their female and male clients on their own.

Rosengren and Moore respond without differentiating between male and females, while Landrum says that it does not matter if the client is male or female, both clients need to have their goals and objectives achieved. PriceMetrix states, “The most critical time period for advisors to focus on client retention and attrition risk is from the one-year mark to the four-year mark in a client relationship” (PriceMetrix, 2013). This means that advisors will actually lose money if they attract clients but don’t retain them after a year. The most basic way of retaining clients, according to Mullen, is client contact (Mullen, 2008). Landrum understands this as he says that communication is important, while Moore may already have great communication skills and instead refers to how her company offers client services that every client would want. None of the answers point to bias; therefore this question does not bring much support for the hypothesis.

5.1.3 Male versus female client retention

Table 4 Male versus female client retention: discussion

Topic	Interview	Literature
<p>Male retention versus female retention (Question 3)</p> <p>What is the biggest difference between male client retention and female client retention?</p>	<p>Rosengren: “We have...success with both male and female retention”</p> <p>Moore: “I don’t see that there is much difference in client retention based on sex”</p> <p>Landrum: “I do not know if there is a difference between retaining male and female clients”</p> <p>“Both want good communication and good results...it is important we let them know we care about them”</p>	<p>“While women are focused on relational aspects of people...men tend to lean toward numbers (WebMD, 2005)”</p> <p>“Women tend to focus on small details when gathering information or processing what they see (Saucier and Elias, 2001)”</p> <p>“Men view the big picture and focus on few details...(Phillip and Suri, 2004)”</p> <p>“Men...might say something very metric-oriented or math-oriented in the way they communicate (Investmentnews.com, 2013)”</p> <p>“A woman...may focus more on security and what the money means to her</p>

		family (Investmentnews.com, 2013)”
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The hypothesis states that advisors have bias towards female clients. However, when the advisors were asked about how they retain their male and female clients, the answers do not give much support. All of the advisors have similar answers and claim to view their female and male clients similarly, without pointing to female clients as less important to their advisory practice. Jeanne and Marie state that they do not see a big difference in how they retain their female and male clients, while Bob says that he is unsure if there is much of a difference. Jeanne goes on to say that “we work very hard at [overall] client retention” (see Table 4) not specifically saying they put any certain or additional efforts on their female clients. This question does not support the hypothesis because theory and the hypothesis would say that an advisor would answer in a way that shows he/she puts more efforts with the male client instead of trying to retain both genders. Bob says, “Both want good communication...it is important to let them know that we care about them and their portfolios” (see Table 4). Instead of saying ‘him’, he says ‘them’ meaning that he strives to communicate to both of his clients: both male and female. Once again, this proves the hypothesis wrong because according to theory, an advisor communicates to the male 58% of the time (Waymire, 2014) and has bias towards the female client while the results show otherwise.

Although their answers do not support the hypothesis, there is a big mistake in the advisors inability to see differences in their male and female clients. The literature clearly states multiple ways that women and men are different: both scientifically and as clients! If a woman were meeting an advisor with her husband and the advisor used the exact same ways of communication with both of them, the advisor would most likely very rarely connect deeply with the female. Yes, all people are different and advisors should understand the individual client’s needs, however, basic relationship building methods by gender should be considered. Women focus more on security and what the investment means to her and her family while men are math oriented and focus on the numbers (Investmentnews.com, 2013). These advisors may have problems connecting with their female clients if they are speaking to them as another male client. Or vice

versa, they may not connect with the male client if they are only using female client retention methods.

5.1.4 Retention tactics

Table 5 Retention tactics: discussion

Topic	Interview	Literature
<p>Retention tactics (Question 4)</p> <p>What tactic has been most beneficial to you when you try to retain your female clients?</p>	<p>Rosengren: “Same answer as 2...and we have exceptional client service standards; we work hard on our client’s behalf”</p> <p>Moore: “Tacitly we try to retain all our clients”</p> <p>Landrum: “Same answer as 2...and social settings seem to have a great correlation if you want to retain clients”</p>	<p>“Invite a group of female clients to a lunch where they can ask questions...hold an event for female clients...review family values...review her portfolio...make financial plans in small action steps...discuss retirement and savings...make frequent contact with both spouses (Women, wealth and your practice: Attract women of wealth, 2014)”</p>

It is extremely surprising to see that the advisors have not used any terms that imply negative bias. The author posits the reason is because the advisors know that their answers are placed in an academic thesis, which may result in their answers being twisted to sound good or to sound like an answer readers would want to hear. This question shows that the advisors do not have negative bias; however, it also shows how they do not differentiate their female clients from their male clients. Wells Fargo’s entire report concerning advisors and female clients explains how crucial it is for advisors to take small steps that allow a better relationship to form between the advisor and the female client. Landrum at least mentions that he uses social settings to talk to his clients on a more personal level, and this helps retention. Wells Fargo suggests advisors to invite women to casual lunches or events where they can freely ask questions from financial professionals (Women, wealth and your practice: Attract women of wealth, 2014). The list in the table above showcases a plethora of ways that advisors should be retaining their female clients. The advisors (especially Moore) do not necessarily realize how important it is to understand gender differences. Although, Moore being a female, may

have an advantage because she may automatically connect with a woman more than a male would.

5.1.5 Meeting with spouses

Table 6 Meeting with spouses: discussion

Topic	Interview	Literature
<p>Meeting with spouses (Question 5)</p> <p>If the male is the primary earner, do you still meet with both spouses? Why or why not?</p>	<p>Rosengren: “Yes—we still contact the wife and always invite both spouses to be part of our formal review process...we win a lot of business from male executives...they want to make sure their spouse is comfortable”</p> <p>Moore: “We always try to meet with both spouses”</p> <p>Landrum: “Most meetings are with primary earners...a schedule of portfolio reviews is done with both male and female in a meeting”</p>	<p>“The advisor will 58% of the time speak to the male as the primary contact (Waymire, 2025)”</p> <p>“Make frequent contact with both spouses, especially if the female is less involved with the decision-making (Women, wealth and your practice: Attract women of wealth, 2014)”</p>

Previous theory in the theoretical framework states that most advisors focus on the male client, especially if he is the primary earner of the household. When asked if the advisors meet with the wife, even if the husband is the primary earner, all advisors answered yes. Jeanne says “we still contact the wife and always invite both spouses to be part of our formal review process” (see Table 6) and Marie concurs with this thought by saying “we always try to meet with both spouses because we are planning financial goals and that involves everyone that will be a part of the financial future” (see Table 6). These two responses go against the author’s original opinion that advisors do not spend as much time with their female clients and do not involve them in their discussions about finances. Bob has a similar answer to the other advisors as he says, “it is extremely important that a schedule of portfolio reviews is done with both male and female in a meeting” (see Table 6). Although Bob says he mostly only meets with the primary earn-

er, this does not give enough evidence for bias towards females. His answer continues to describe how important it is for both male and female to be present when discussing their goals, because that helps him meet their goals and understand what they need from him. Also, 80-85% of Landrum’s clients are female, which indicates he must know how to retain them and connect with them; otherwise, he would most likely have a lower percentage of female clients. The results show that the advisors indeed do care about their female clients as they spend equal time with them and make sure to involve them in meetings and important discussions, which contradicts what previous literature says.

5.1.6 Meetings lead to retention

Table 7 Meetings lead to retention: discussion

Topic	Interview	Literature
<p>Meetings lead to retention (Question 6)</p> <p>Do you find that interacting with both spouses is beneficial to female client retention? Why or why not</p>	<p>Rosengren: “We meet with both spouses as often as we can to make sure they are both properly educated...this helps stay connected with both clients”</p> <p>Moore: “I am not sure that [meeting with both spouses] is a direct cause for retention”</p> <p>Landrum: “The advisor will retain the female as long as there was a good relationship established (with good communication). In the case of divorce, a female client might want to...move her assets to an advisor separate from her ex...this might have no bearing on the job that had been done by the advisor”</p>	<p>“Women are focused on relational aspects of people (WebMD, 2005)”</p> <p>“Relationships and social context are more important to women as they place more value on interpersonal relationships (Belenky et. al 1986)”</p> <p>“The more engaged a client is, the more likely he/she is to stay with that advisor (Women, wealth and your practice: Attract women of wealth, 2014)</p>

Following the previous question with a follow-up, Question 6 probes the advisors to answer if meeting with both spouses helps female client retention. Data gathered from the

literature review of Wells Fargo’s report states that the relationship a woman has with her advisor is critical to retention rates (Women, wealth and your practice: Attract women of wealth, 2014). Even the scientific differences between men and women provide research on how women’s brains react to relationships in a more positive way (WebMD). When Bob says that “the financial advisor will retain the female client as long as there is a relationship established (with good communication)” (see Table 7), he supports what theory says. He is agreeing that an advisor must establish the relationship with the female as well in order prevent losing a client. Part of Marie’s answer also correlates with theory. Although she does not think that meeting with both spouses will directly cause retention, she agrees “it is definitely beneficial to the knowledge and understanding of the clear financial picture for the client” (see Table 7). Jeanne explains how she meets with both spouses in order to educate them and give them appropriate advice; this answer can be linked to Question 5 and how the interviews showcase that advisors do not only focus on their male clients. Bob explains how it is important for the advisor to have a relationship with the female client because this will increase the chance of retaining her.

Either way, the author believes that it is essential that an advisor make an effort to meet with both spouses in order to increase the chance of retention, especially with female clients. The author posits many females fire their advisors due to this problem seen in the industry; male clients receiving more attention than female clients. Even though these three advisors claim to spend equal amount of time with their male and female clients, other advisors may not be doing so. As a follow-up question probing for hints of bias, the hypothesis is proven incorrect by unexpected answers from the advisors encouraging others to meet with both male and females.

5.1.7 Client gender importance

Table 8 Client gender importance: discussion

Topic	Interview	Literature
Client gender importance (Question 7)	Rosengren: “It’s the relationship that is important to us and it doesn’t matter if	“Some advisors do not even realize that 33% of men use a financial advisor

<p>Do you think that the male client is more important than the female client? Why or why not</p>	<p>they are male or female”</p> <p>Moore: “No, I view both clients as equals”</p> <p>Landrum: “I do not view any clients as more valuable than another...whether male, female...all clients need to be respected...and given our full attention”</p>	<p>while 35% of women use one (as cited in Holland, 2014)”</p> <p>“When an advisor meets with a married couple, the advisor will 58% of the time speak to the male as his/her primary contact (Waymire, 2014)”</p> <p>“Women now control 51% of the national wealth (BMO Wealth Institute, 2015)”</p> <p>“40% of mothers were their families’ primary earners in 2014 (as cited in Lodge, 2014)”</p> <p>“Women make up 50% of the American population (as cited in Paradi and Filion, n.d.)”</p>
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Interviewing the advisors and receiving answers that go against the hypothesis, the author straightforwardly confronts the advisors and asks if they truly do view the male as more important than the female. All advisors answer no. Jeanne begins by saying, “it’s the relationship that is important to us...it doesn’t matter if they are male or female” (table). Marie and Bob also answer that both clients are equal. Previous research does not specifically give proof that advisors have said they view males as more important; however, the actions of advisors speak louder than words. “When an advisor meets with a married couple, the advisor will 58% of the time speak to the male as his/her primary contact” (Waymire, 2014). Previous data and research concurs that women and men are equally desirable clients, and advisors should not have bias. The advisors understand the importance of viewing their clients as equals, the only problem is they do not necessarily show an understanding of how to incorporate different methods to men and women; separate retention tactics do not imply bias, but rather an understanding that men and women communicate and listen differently. Nonetheless, their answers go against the hypothesis.

5.1.8 Difficulties in female client retention

Table 9 Difficulties in female client retention: discussion

Topic	Interview	Literature
<p>Difficulties in female retention (Question 8)</p> <p>What is the hardest part about female client retention?</p>	<p>Rosengren: “It takes a lot of time and efforts...to retain all clients”</p> <p>Moore: “I do not find much difference between male or female clients when it comes to retention”</p> <p>Landrum: “The hardest part about client retention is how things change over time”</p>	<p>“Of women who work with a financial advisor, two-thirds report being misunderstood or neglected (Morgan Stanley, 2015)”</p> <p>“In fact, 70% of women fire their advisors within a year of their husband's death (as cited in Barrett, 2015)”</p> <p>“73% of women report being unhappy with the service they receive from financial services industry (as cited in Paradi and Filion, n.d.)”</p> <p>“In fact, women believe that their ‘gender is a key factor in the disrespect and condescension they often experience from the financial services industry’ (as cited in Paradi and Filion, n.d.)”</p>

The advisors stick to their previous answers about equal attention to all clients when they answer Question 8 and 9 (combined because they are similar questions). When deductively analyzing these answers the author pays attention to the smallest details, especially words that imply bias. Although the question refers to female client retention as well as different tactics to retain them, Jeanne answers the questions by saying “it takes a lot of time...to retain all clients” (see Table 9). Once again, she does not think of her clients by gender. She views all of her clients in the same way and says that women don’t even need different tactics for retention because “we always address [needs] individually with the client” (see Table 10). She does not use words associated with bias, nor does she acknowledge what theory has said about women needing different types of

communication from the advisor. Marie gives a straightforward answer and says, “I do not find much difference between male or female clients when it comes to retention” (see Table 9). She also says that she and her team use the same method when they present the material to their male and female clients. Both of her answers do not support the hypothesis because she does not say anything that has negative bias towards her female clients.

However, considering previous research done on what women need from their advisors, Marie’s claim that she does not do anything differently with her female clients may hinder her from building a true connection with them. The author does not know her personally nor does she know Marie’s retention rates with females, however, the basic knowledge of men and women receiving information differently makes it quite clear that an advisor should have some sort of differentiation in the way he/she approaches female clients. If 73% of women report being unhappy with the service they receive from financial services industry (as cited in Paradi and Filion, p.2), there must be something drastic happening in this industry. Maybe instead of having negative bias towards female clients, they simply haven’t understood how to differentiate their practice. Bob discusses the difficulties of retaining clients, however, he also does not specify about females (see Table 9) nor does he find a difference between female and male client retention. The advisors’ answers do not support the hypothesis due to the lack of negative bias pointed at females but the author posits it is dangerous for these advisors to ignore what women need: a relationship that is tailored to her, not just to any client.

5.1.9 Retention by gender

Table 10 Retention by gender: discussion

Topic	Interview	Literature
Retention by gender (Question 9) Do you use different methods when advising male and female clients? What is the biggest dif-	Rosengren: “Not necessarily...needs may be different which we address individually with the client” Moore: “No we use the same method when we present material to our male	“73% of women report being unhappy with the service they receive from financial services industry (as cited in Paradi and Filion, n.d.)” “Relationships and social

ference if yes?	and female clients” Landrum: “Not really”	context are more important to women as they place more value on interpersonal relationships (Belenky et. al 1986)
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This question is combined with Question 8. The same answer is pasted below.

The advisors stick to their previous answers about equal attention to all clients when they answer Question 8 and 9 (combined because they are similar questions). When deductively analyzing these answers the author pays attention to the smallest details, especially words that imply bias. Although the question refers to female client retention as well as different tactics to retain them, Jeanne answers the questions by saying “it takes a lot of time...to retain all clients” (see Table 9). Once again, she does not think of her clients by gender. She views all of her clients in the same way and says that women don’t even need different tactics for retention because “we always address [needs] individually with the client” (see Table 10). She does not use words associated with bias, nor does she acknowledge what theory has said about women needing different types of communication from the advisor. Marie gives a straightforward answer and says, “I do not find much difference between male or female clients when it comes to retention” (see Table 9). She also says that she and her team use the same method when they present the material to their male and female clients. Both of her answers do not support the hypothesis because she does not say anything that has negative bias towards her female clients.

However, considering previous research done on what women need from their advisors, Marie’s claim that she does not do anything differently with her female clients may hinder her from building a true connection with them. The author does not know her personally nor does she know Marie’s retention rates with females, however, the basic knowledge of men and women receiving information differently makes it quite clear that an advisor should have some sort of differentiation in the way he/she approaches female clients. If 73% of women report being unhappy with the service they receive from financial services industry (as cited in Paradi and Filion, p.2), there must be something drastic happening in this industry. Maybe instead of having negative bias towards female clients, they simply haven’t understood how to differentiate their practice. Bob

discusses the difficulties of retaining clients, however, he also does not specify about females (see Table 9) nor does he find a difference between female and male client retention. The advisors' answers do not support the hypothesis due to the lack of negative bias pointed at females but the author posits it is dangerous for these advisors to ignore what women need: a relationship that is tailored to her, not just to any client.

5.1.10 Most important tactic

Table 11 Most important tactics: discussion

Topic	Interview	Literature
<p>Most important tactics (Question 10)</p> <p>What is the most important thing to do in order to retain female clients?</p>	<p>Rosengren: “Communication and...good understanding of [the female client’s] investments; we LISTEN to their needs and goals”</p> <p>Moore: “It is the same thing you would do to retain any client—deliver on what you said you would deliver”</p> <p>Landrum: “The most important steps in female client retention include meeting their goals and objectives, listening to their concerns and needs, and treating them with respect and dignity...most male financial advisors have a difficult time doing this”</p>	<p>“Invite a group of female clients to a lunch where they can ask questions...hold an event for female clients...review family values...review her portfolio...make financial plans in small action steps...discuss retirement and savings...make frequent contact with both spouses (Women, wealth and your practice: Attract women of wealth, 2014)”</p> <p>“David states that client contact is the most essential part to retention (Mullen, 2008)”</p>

Out of the three advisors interviewed, Marie has the most neutral way of looking at her clients. Although she does not show negative bias towards females in any of her questions, she still does not seem to be willing to admit there may be a difference between men and women. When asked what she would recommend other advisors to do in order to retain their female clients in Question 10, she simply says, “It is the same thing you would do to retain any client” (see Table 11). Even with probing questions, she sticks to her belief that women don’t need anything different from her than her male clients.

Jeanne and Bob do not give much insight with bias they have with this question, but their answers give great advice for advisors who have difficulty with retention. Their methods of retaining clients correlates with what Wells Fargo and David Mullen have previously suggested advisors do.

5.1.11 Advisors and female clients

Table 12 Advisors and female clients: discussion

Topic	Interview	Literature
<p>Advisors and female clients (Question 11)</p> <p>Should advisors strive to retain their female clients? Why or why not?</p>	<p>Rosengren: “We would recommend that advisors strive to retain all their clients, regardless of their sex...the relationship needs to be right on both sides.”</p> <p>Moore: “I enjoy working with both men and women. I don’t think their sex has anything to do with is as much as personality has to do with it.”</p> <p>Landrum: “I would highly recommend all financial advisors retain their female clients...I believe female clients give more referrals than men. Also, females are usually more open about their needs and concerns and they usually live longer.”</p>	<p>“Nearly half of females (48%) were working in industries such as oil production, mining, manufacturing...wholesale, retail trade, financing, real estate, etc. (Data.worldbank.org, 2015)”</p> <p>“1 out of 11 women own a business (Fiddner, 2015)”</p> <p>“The total sales and receipts of women-owned privately held firms totaled \$1.2 trillion (Coleman and Robb, 2014)”</p> <p>“Women now control 51% of the national wealth...this means that 14 trillion dollars of American wealth is in the hands of females (BMO Wealth Institute, 2015)”</p> <p>“Women live longer than men do...and outnumber men 4 million to 2 million (as cited in Copeland, 2015)”</p>

The only advisor who answers the last question specifying why other advisors should retain their clients is Landrum. The literature review showcased many ways that females

should be looked at as prime candidates for clients. They live longer than men do, they control 51% of the national wealth (BMO Wealth Institute, 2015), and they start businesses since they are a big part of the working class. Landrum agrees by adding that females also give more referrals; something that every advisor appreciates (because this expands their business)! Rosengren and Moore do not show any signs of recommending other advisors to retain female clients, but rather say all clients. This same ‘problem’ has been occurring throughout the discussion: the advisors do not show bias; however, they (mostly Rosengren and Moore) do not acknowledge any gender differences between their clients.

5.2 Discussion about Tony Dileonardi

Most of Dileonardi’s responses either give support for the hypothesis and his answers are supported by theory. Even though he is not an advisor himself, he gives credible advice to what other advisors should do.

5.2.1 New perspective

Table 13 Dileonardi new perspective: discussion

Topic	Interview	Literature
<p>New perspective (Question 1)</p> <p>In what ways (if any) have you changed your mind about the relationship between advisors and women six years after writing the book, <i>The \$14 Trillion Woman</i>?</p>	<p>“The data supports the theme even more today...wealth continues to grow in the US population [and females] continue to control it”.</p>	<p>Statistics on women owning wealth (2.8)</p> <p>Women, wealth and your practice: Attract women of wealth. 2014</p>

Although the results with the advisors do not support the author, Dileonardi’s interview gives a plethora of support for the hypothesis and previous theory. Let’s start from Question 1. As stated earlier, Tony’s book dives into similar topics that the theoretical framework discusses in this thesis. When asked if he stands by what he has previously

written—advisors needing to tailor their practice towards female clients—he responds “the data supports the theme even more today...wealth continues to grow in the US population [and females] continue to control it” (see Table 13). Previous research shows that females control \$14 trillion of wealth (BMO Wealth Institute, 2015) and that there is a ginormous transfer of wealth from men to women occurring in the U.S. today—as seen in section 2.8. Tony also goes on to say that he has developed his theory by adding additional steps wealth advisors can increase their retention rates with women: legacy planning. Legacy planning was discussed by Wells Fargo’s report. They recommend advisors to include all family members into financial discussions because this promotes retention rates as well as a better connection with the advisor and spouse. Tony comes back to this idea as he gives additional insight in Question 7. The author is pleased to see Dileonardi answer in a way that correlates with so much of the theory previously written. He has a clear understanding of what is truly going on in the industry, and his opinion is highly valued since he has done research of his own concerning this topic.

5.2.2 Female client retention success

Table 14 Dileonardi female client retention: discussion

Topic	Interview	Literature
<p>Female client retention success (Question 2)</p> <p>Are most advisors successful at retaining female clients?</p>	<p>“The majority of advisors do not know how to serve [the female client]...the data exists...but what to do is still the hot topic”.</p>	<p>“In fact, 70% of women fire their advisors within a year of their husband's death (as cited in Barrett, 2015)”</p> <p>“Average household client retention rates dropped to 90% in 2013, which is below the average advisor retention rate of 94% (PriceMetrix.com, 2013).</p> <p>“73% of women report being unhappy with the service they receive from financial services industry (as cited in Paradi and Filion, n.d.)”</p>

Tony continues to give more support to previous theory when he combines his answer from Question 1 with Question 2. Previously gathered data informs that 73% of women report being unhappy with the service they receive from financial services industry (as cited in Paradi and Filion, n.d.) and suggest that it is due to an advisor’s inability to build a solid connection with the female client. Tony states, “The majority of advisors do not know how to serve [the female client]...the data exists...but what to do is still the hot topic” (see Table 14). Tony does not talk about bias specifically in this question; however, he gives additional insight into what advisors are doing wrong with their female clients: they know the problem, yet they simply do not know how to best serve and advise a female. The author posits that if advisors know there is a problem but do not do anything about it, means that the advisor does not truly care about the problem. If there were an advisor whom was to be conscious of changes he/she must make in order to better a relationship with a female client but he/she does not take steps to make such changes, there must be some sort of bias involved. If the problem were to be important to an advisor, he/she should absolutely take necessary steps in order to fix it.

5.2.3 Most important tactic

Table 15 Dileonardi most important tactic: discussion

Topic	Interview	Literature
<p>Most important tactic (Question 3)</p> <p>What is the number one thing an advisor must <i>first</i> do in order to retain his/her female clients?</p>	<p>“LISTEN that’s #1. She will tell you what she wants and how she wants to be served”</p>	<p>“Invite a group of female clients to a lunch where they can ask questions...hold an event for female clients...review family values...review her portfolio...make financial plans in small action steps...discuss retirement and savings...make frequent contact with both spouses (Women, wealth and your practice: Attract women of wealth, 2014)”</p> <p>“David states that client contact is the most essential part to retention (Mullen,</p>

		2008)".
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Dileonardi gives advice to other advisors by saying that the most important thing to do with a female client is to listen. This sounds very elementary but one can understand where he is coming from. If women feel unsatisfied with the service they get from advisors, the advisors may not even know what women want. When Dileonardi says that “she will tell you what she wants and how she wants to be served” (see Table 15), he gives the most obvious answer to why women are unsatisfied: advisors may not even ask what she wants or what she expects. Of course, the advisors who were interviewed also say that they listen to their individual client’s needs, which may make them an exception from other advisors. Wells Fargo’s report mentions how important it is for an advisor to listen, as the report says that casual settings (at a lunch or event) are great places to get to know your female clients (Women, wealth and your practice: Attract women of wealth, 2014).

5.2.4 Cause for poor retention with women

Table 16 Dileonardi cause for poor retention: discussion

Topic	Interview	Literature
Cause for poor retention with women (Question 4) When speaking with women today who have or have had financial advisors, what do you find they are most disappointed by? What drives them away from their advisors?	“Advisors who do not listen...[and use] jargon, [think that] one shoe fits all, [and use] condescending treatment”	“Of women who work with a financial advisor, two-thirds report being misunderstood or neglected (Morgan Stanley, 2015)” “73% of women report being unhappy with the service they receive from financial services industry (as cited in Paradi and Filion, n.d.)” “In fact, women believe that their ‘gender is a key factor in the disrespect and condescension they often experience from the financial services industry’ (as cited in Paradi and Filion,

		n.d.)” “These are some ways that advisors unintentionally cause their female clients to feel unsatisfied: making women feel stereotyped, giving them ‘dumbed-down’ materials, assuming the husband handles the finances, etc. according to the Women Report by BCG (as cited in Paradi and Filion, n.d.)”
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Looking at Question 4, there is evidence that again supports the theory and the hypothesis. Articles, journals, interviews, etc. have uncovered the topic of female clients receiving less attention from their advisors than male clients; actually, 58% of the time, an advisor will direct the attention to the male spouse instead of the female (Waymire, 2014). Considering that drastic percentage—that originates from a historical bias advisors have towards females in this industry—it is no wonder that Tony calls this one of the biggest issues he has seen. When asked what he has uncovered from experiences female clients have had with their advisors, he says the biggest problem is “advisors who do not listen...[and use] jargon, [think that] one shoe fits all, [and use] condescending treatment” (see Table 16). Tony has interviewed women that have had advisors show negative bias towards them. This can be interpreted in the manner they interact with their female clients. The author posits if an advisor does not listen to a female client, he/she must view the woman’s opinion as irrelevant; which, therefore, implies bias. If an advisor speaks condescendingly with a woman, he/she must view the relationship with the female unimportant; otherwise, the advisor would make sure to be equally respectful to both spouses if he/she does not have bias.

5.2.5 Improved relationship

Table 17 Dileonardi improved relationship: discussion

Topic	Interview	Literature
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<p>Improved relationship (Question 5)</p> <p>Have you seen an improvement in the relationship with advisors and women today?</p>	<p>“Sure... but there is more growth to occur. More female advisors focused on the business will help too”</p>	<p>“Out of all personal financial advisors, women only make up 25.7% of the industry (Catalyst, 2011) making three-fourths of the industry to be run by men”</p> <p>“Women like to have collaboration with their advisors and working in partnership is what most women want (as cited in Women, wealth and your practice: Attract women of wealth, 2014)</p>
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When asked about his opinion on whether advisors have improved their relationship with women, Dileonardi says that there is more growth to occur. He also discusses an interesting aspect to this thesis by mentioning that if there were more female advisors, the situation would help as well. According to a study Catalyst (2011) did, “women only make up 25.7% of the industry”, this means that three fourths of the industry is made up of men. This may not be a direct cause of why advisors have trouble connecting with women, but Dileonardi points out that adding more women to the advisory team could help. They could potentially bring a whole new perspective on how advisors can advise women in a better way, thus increasing retention rates. This has not been proven; however, it is an interesting thought to consider. Nonetheless, this answer does not give any insight to the hypothesis and whether advisors have a negative bias against females.

5.2.6 Advice to advisors

Table 18 Dileonardi advice to advisors: discussion

Topic	Interview	Literature
<p>Advice to advisors (Question 6)</p> <p>Any other comments you have concerning how advisors can retain their</p>	<p>“This program helps advisors gain insight into how female investors view wealth and investing decisions...Research shows men and women view investing differently, with women</p>	<p>“Uncover multigenerational challenges by involving the female client’s daughters and mother in the meetings—this will give the advisor the status of a family advisor, thus increase reten-</p>

female clients?	more focused on such intangibles as family values and legacy. They also are more likely to be loyal to advisors who meet their needs and to recommend them to others”	tion rates (Women, wealth and your practice: Attract women of wealth, 2014) “Women...may focus more on security and what the money means to her family, instead of focusing on the exact math of the investment [like men do] (Investmentnews.com, 2013)”
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Finally, in section 2.4, the literature explains the gender differences men and women have, whether scientifically or as clients looking for financial advice. The research provides examples of how women rely on relational aspects and value a personal connection to another human, especially when dealing with an advisor who is in charge of her finances. Tony says, “Research shows men and women view investing differently, with women more focused on intangibles such as family values and legacy”. Wells Fargo’s report says that uncovering multigenerational challenges as the first (and possibly most important) step to take with female clients. By getting a woman’s children and/or mother involved with the finances, he/she can be trusted to advise the entire family on their finances and the advisor becomes more than just a business partner: he/she almost becomes like family.

5.3 Other results

The interviews not only reveal answers that support and do not support the hypothesis, they also give extra advice to other advisors in the industry that can be supported by theory. Although the hypothesis explores the notion that advisors have bias against female clients, it is also important for advisors to understand helpful tactics from professionals on how to retain them. The paragraphs are split into advice from each advisor and advice from Tony.

5.3.1 Advice from advisors

- Question 2: Don't take a client's money lightly (Rosengren); offer services that clients want and need (Moore); achieve their goals and objectives as well as great communication (Landrum)
- Question 4: Educate the client on their investments and what they mean (Rosengren); provide a holistic approach to investing and good service (Moore); incorporate social settings such as taking clients to events and making sure business is not the main topic of conversation unless the couple wants it to be (Landrum)
- Question 8: Keep up with clients and events that happen in their life such as sending flowers and champagne on anniversaries (Rosengren); do what you say you will do (Moore); keep up with their goals and objectives as they change throughout the years (Landrum)
- Question 10: Communicate and clarify when discussing investments, listen to needs and goals, use a holistic approach (Rosengren); meet goals and objectives (Moore and Landrum); listen to their concerns and needs by asking open ended questions, treating them with respect (Landrum)

5.3.2 Advice from Dileonardi

- Question 3: Listen to the female client because she will explain what she wants and how she can be served
- Question 4: Evaluate the current client list (how many female clients) and survey them on your performance; improve what you are doing wrong
- Question 6: Listen, don't use too much jargon, don't assume one shoe fits all
- Question 7: Move beyond the usual "tangible" focus of will and estate planning by crafting personal legacy documents to help her leave her "intangible" legacy alongside her "tangible" financial plan; focus on multi-generational planning and introduce meaningful conversations with her family members about passing on their values, life lessons and personal stories

5.3.3 Are advisors genderless?

Another result to consider is the question about gender within advisors. There has not been much research done on how male advisors advise their clients versus females. Based on the results, there are no big triggers that would lead the author to think that the gender of an advisor changes the way he/she reacts. All of the advisors answers are very similar; the only one who answers adamantly about treating clients exactly the same is Moore, while the others still give specific examples of how women are different. Dileonardi also answers his questions unlike a “typical male” in the financial services industry would answer; he has no negative bias towards females and explains how his research has shown the need to treat male and female clients equally, yet differently. However, just as there are differences with male and female clients, there must be a difference in male and female advisors, simply based on scientific behavioral differences. This may (especially in a mostly-male industry) affect how female advisors conduct their business if the methods these firms use are based on tradition. Incorporating more women into the industry (only 25.7% of advisors are female) may make it easier for female clients to connect to the advisor. However, female clients do not necessarily need female advisors if men truly do have the capability of listening and caring for female clients such as Landrum and Dileonardi demonstrated through their responses.

6 CONCLUSION

Previous literature written explains the problem the financial services industry in private wealth management is trying to overcome: retaining female clients. Before the author began to write the thesis, her work experience at FTP gave her an opportunity to see the environment in this type of industry first-hand. Seeing mostly white males in nice suits making phone calls to wealthy clients all day, gave the author her personal bias towards men in this industry—as well as in this topic. However, the original opinions and hypothesis are incorrect. It may be that the right questions were not asked from the advisors, or that this was simply too small of a sample size to get a definitive answer for the hypothesis. The original thought was that the problem lies in the fact that advisors have a pre-determined negative bias towards their female clients and don’t respect them. However, after the results and the entire thesis experience, the author posits the true

problem to be that advisors do not know how to differentiate their practice between men and women. There is an undeniable difference in the way men and women react, think, and view their finances (as has been discussed throughout section 5). That means there should be a difference in the way an advisor communicates when he/she advises his male and female clients. Therefore, the true problem between advisors and female clients may be the inability to connect with a female and the way she invests. Advisors should let go of the notion that they give advice in the same way to females and males, and instead focus on what theory and research clearly defines as helpful ways to connect with the female client.

Although the advisors give responses saying they view men and women as equal, there still must be some sort of differentiation between genders. The multiple articles, journals, research, reports, business headlines, etc. outweighs what three advisors say, and Dileonardi's answers give the literature even more support as he has done his own research on this topic as well. Since this is such a small sample, the answers the advisors give cannot be expanded on a wider basis. The author also could have unintentionally reached three advisors who either truly do not have problems retaining their female clients, or they exaggerate their responses with how successful they are retaining their female clients.

6.1 Further research

After completing the thesis, FTP and other researchers should pursue this topic but perhaps take different steps. One of the mistakes made was writing the interview questions before asking a supervisor if they were ok. The literature review was also not fully finished—although, at the time the author did not realize it did not cover all of the aspects it should cover. It is understand that research is a process and there is no such thing as a perfect question, however, the advice from a supervisor or colleague when considering what questions to ask during an interview are certainly helpful. The author also recommends further research to be done on a much larger scale and perhaps for one particular private wealth management firm. If a researcher were to focus on advisors at one firm, he/she could see the specific trends in that firm. All financial advisors are different, but the methods are usually quite similar throughout a company. Working with one firm can

also help with connections; this means that more advisors would be likely to participate in the research process instead of gathering separate advisors from separate firms. The author was unable to do this because she did not have any connections to big name companies such as Merrill Lynch, Wells Fargo, Morgan Stanley, etc. It is recommended to ask similar questions from each advisor. This helps to compare the answers. If each question is different and each answer is different, it is quite difficult to analyze the results.

Another approach that can be taken is to interview women who have financial advisors. This method can prove what women are most unhappy with their advisors, or what improvements can be made. This can be taken in the form of a questionnaire or in interview form as well. It would still be recommended that further research to be conducted within one firm because this can pinpoint specific trends in that company.

Overall, the hypothesis was incorrect from the advisors' point of view, and correct from Dileonardi's point of view. This means it did not receive a definitive answer on if advisors have negative bias towards female clients. However, a plethora of know-how from top advisors in the industry was gathered and they give incredible advice to other advisors who may be struggling with female client retention. Dileonardi's answers also give an incredible amount of insight to the problem going on in this industry. The positive side of interviewing these individuals is that their personal opinion on the topic was exposed and what they say can be used to help advisors attending the FTP Due Diligence conference gain insight on what other professionals are doing in their practice.

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APPENDICES

1 APPENDIX

These questions were asked from each advisor through email.

Table 19 Interview questions for advisors

Question	What the author wants to know
1. What percentage of your clients are female?	The author wants to know how many female clients the advisor has to establish a sense of credibility to what they answer.
2. What do you do to make sure your clients do not go to another advisory firm?	The author wants to know what general strategies the advisors take to increase their retention rates.
3. What is the biggest difference between male client retention versus female client retention?	The author wants to know the differences advisors see in their client retention strategies. Is there anything specific the advisors do when they deal with female versus male clients?
4. What tactic has been most beneficial to you when you try to retain your female clients?	Considering the statistic that 70% of female clients fire their advisor during a divorce or death of a spouse, the author wants to know if the advisor being interviewed has thought about this circumstance. The author also wants to find out why an advisor has certainty about his/her clients retention during that time
5. If the male is the primary earner, do you still meet with both spouses? Or vice versa?	The author wants to know if the advisors give equal amount of time to each spouse.
6. Do you find that interacting with both spouses is beneficial to female client retention? Why?	The author wants to know if advisors that interact with both spouses have better retention rates. If not, the author wants to know what could affect retention rates.

7. Do you think that the male client is more important than the female client? Why or why not?	The author wants to see if there is bias.
8. What is the hardest part about retaining female clients?	The author wants to know what advisors have difficulty with, when retaining clients.
9. Do you use different methods when advising male and female clients?	The author wants to find out if an advisor truly does need to use different methods when retaining his/her female or male clients. The author also wants to know what those methods are, perhaps to see if bias is involved in the process.
10. What is the most important thing to do in order to retain clients?	The author wants to know what advisors that do not have great retention rates with female clients can do in order to increase them.
11. Should advisors strive to retain their female clients? Why?	The author wants to know if there are any benefits from retaining female clients. The author also wants to know if advisors would tell others to ignore the female in case of bias.

2 APPENDIX

These questions were asked from Tony Dileonardi through email.

Table 20 Interview questions for Dileonardi

Question	What the author wants to know
1. In what ways (if any) have you changed your mind about the relationship between advisors and women six years after writing the book, <i>The \$14 Trillion Woman</i> ?	The author wants to know if Tony has uncovered any new data that can help advisors retain their female clients.
2. Are most advisors successful at retaining	The author wants to know if Tony has any additional insight on what advisors

their female clients?	are doing wrong or right with their female clients.
3. What is the number one thing an advisor must <i>first</i> do in order to retain his/her female clients?	The author wants to know the first step an advisor can take with his/her female clients.
4. When speaking with women today who have or have had financial advisors, what do you find they are most disappointed by? What drives them away from their advisors?	The author wants to know what ways advisors can avoid hurting their relationship with their female clients. The author also wants to know what factors drive away trust within the client-advisor relationship.
5. Have you seen an improvement in the relationship with advisors and women today?	The author wants to know how other advisors have overcome losing female clients. If the author missed any data, she wants know-how from an expert.
6. Any other comments you have concerning how advisors can retain their female clients?	The author wants any additional advice from Tony concerning this topic.

3 APPENDIX

The results from the advisors are displayed here. Each table is organized by question (topic) and divided into columns by advisor.

Table 21 Female client percentages: results

Question 1	Jeanne Rosengren	Marie Moore	Bob Landrum
What percentage of your clients are female? (Single or married)	35%	About 50%	80-85%

Table 22 Retention: results

Question 2	Jeanne Rosengren	Marie Moore	Bob Landrum
What do you do to	We work very hard at client reten-	We are a full service firm. We offer	There are a couple of answers to this ques-

<p>make sure your clients don't go to another advisor?</p>	<p>tion. We feel one of our strengths is making sure that the client is educated to the extent that they want to be. We have exceptional client service standards; we work hard on our client's behalf and don't take their money lightly. Our clients have worked hard for their money and our job is to protect and grow it.</p>	<p>every financial service a client would ever need or want.</p>	<p>tion. Both Male and female clients have specific goals and objectives. To keep clients, whether male or female, from firing you one must make sure that we are achieving their goals and objectives. Great communication is must, whether using a phone (some do skype) for clients who live great distances away from the office, or simply having review meetings in person.</p>
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Table 23 Male versus female client retention: results

Question 3	Jeanne Rosengren	Marie Moore	Bob Landrum
<p>What is the biggest difference between male client retention and female client retention?</p>	<p>We have very good success with both male and female retention.</p>	<p>I don't see that there is much difference in client retention based on sex.</p>	<p>I do not know if there is a difference between retaining male and female clients. Both want good communication and good results. It is important to let them know that we care about them and their portfolios; we always have their best interest at heart, and are always planning for the future. In addition, it is important that we are staying up on all the latest tax law changes, new products and the events of life such as re-</p>

			tirement, deaths, births etc. in order to best serve them.
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Table 24 Retention tactics: results

Question 4	Jeanne Rosengren	Marie Moore	Bob Landrum
What tactic has been most beneficial to you when you try to retain your female clients?	<p>Same answer as question 2...</p> <p>We work very hard at client retention. We feel one of our strengths is making sure that the client is educated to the extent that they want to be. We have exceptional client service standards; we work hard on our client's behalf and don't take their money lightly. Our clients have worked hard for their money and our job is to protect and grow it.</p>	<p>Tacitly we try to retain all our clients; and we are very successful at it; our strategy is to provide a holistic approach to investing and provide great service.</p>	<p>Same answer as question 2. Social settings seem to have a great correlation if you want to retain clients. This includes events such as ball games, golf, and dinners, with couples or individuals, where maybe no business will be discussed at all.</p>

Table 25 Meeting with spouses: results

Question 5	Jeanne Rosengren	Marie Moore	Bob Landrum
If the male is the primary earner, do you still meet with both spouses? Why or why not?	<p>Yes – we still contact the wife and always invite both spouses to be part of our formal review process. We actually win a lot of business from male executives because they want to make sure their spouse is</p>	<p>We always try to meet with both spouses because we are planning financial goal and that involves everyone that will be a part of the financial future (including family members at</p>	<p>Most meetings are with primary earners. It is extremely important that a schedule of portfolio reviews is done with both male and female in a meeting to make sure all parties are on the same page. This allows</p>

	comfortable with whom they are working with in the event of a death.	some point).	for better communication and understanding of goals and objectives, as these change over time. In addition, it needs to be agreed upon by all parties of how the goals and objectives are met and measured.
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Table 26 Meetings lead to retention: results

Question 6	Jeanne Rosengren	Marie Moore	Bob Landrum
Do you find that interacting with both spouses is beneficial to female client retention? Why or why not	We meet with both spouses as often as we can to make sure they are both properly educated and understand their portfolio...this helps to stay connected with both clients.	I am not sure that [meeting with both spouses] is a direct cause of retention but it definitely beneficial to the knowledge and understanding of the clear financial picture for the client.	<p>I believe that the answer to this question lies in the relationship the financial advisor has with the female. The financial advisor will retain the female client as long as there was a relationship established (with good communication) between the financial advisor and woman.</p> <p>In the case of divorce, a female client might want to sever the relationship and move her assets to an advisor separate from her ex-husband. This might have no bearing on the job that had been done by financial advisor previously or the type of communication.</p>

Table 27 Client gender importance: results

Question 7	Jeanne Rosengren	Marie Moore	Bob Landrum
Do you think that the male client is more important than the female client? Why or why not	It's the relationship that is important to us and it doesn't matter if they are male or female.	No, I view both clients as equals.	I do not view any clients as more valuable than another, whether they are male, female, a special needs trust, or 529 plans, etc. All accounts (clients) need to be respected, treated with dignity, and given our full attention.

Table 28 Difficulties in female client retention: results

Question 8	Jeanne Rosengren	Marie Moore	Bob Landrum
What is the hardest part about female client retention?	It takes a lot of time and efforts on the part of everybody on the team to retain all clients; everybody has to continue to mine for data and surprise/delight the client. I.e., a client is celebrating their 25 th wedding anniversary and you find out where they are going and have a bottle of champagne and flowers at the table, etc. Or you find out about a new grandchild, etc. and send a piggy bank.	I do not find much difference between male or female clients when it comes to retention. Client retention is not hard if you listen and do what you say you will do.	The hardest part of client retention is how things change over time. What a client (couple) has as goals and objectives when you first attain them as clients changes over time. From a growth (accumulation phase) to conservative (wealth preservation phase) to a distribution phase. Mix in death, divorce or other life events, and it can be very hard to retain these clients. When it comes to IRAs or other individual accounts, the number one cause of loss of accounts is death and subsequent

			transfer to family members who may be less inclined to use a financial advisor.
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Table 29 Retention by gender: results

Question 9	Jeanne Rosengren	Marie Moore	Bob Landrum
Do you use different methods when advising male and female clients? What is the biggest difference if yes?	Not necessarily. Their needs may be different which we always address individually with the client.	No, We use the same method when we present material to our male and female clients. Women may ask a few more questions.	Not really.

Table 30 Most important tactics: results

Question 10	Jeanne Rosengren	Marie Moore	Bob Landrum
What is the most important thing to do in order to retain female clients?	Communication and make sure they have a good understanding of [the female client's] investments; we LISTEN to their needs and goals; we want to know what keep them up at night, how much risk they are willing to take; how much cash flow they need. We use a very holistic, goals based wealth management approach to all of our clients.	It is the same thing you would do to retain any client – deliver on what you said you would deliver.	The most important steps in female client retention include meeting their goals and objectives, listening to their concerns and needs, and treating them with respect and dignity. This may seem very elementary, but most male financial advisors have a difficult time doing this. I do this by hearing what they are saying, asking open ended questions and preparing for the day that they may be the surviving spouse.

Table 31 Advisors and female clients: results

Question 11	Jeanne Rosengren	Marie Moore	Bob Landrum
Should advisors strive to retain their female clients? Why or why not?	We would recommend that advisors strive to retain all their clients, regardless of their sex, if they are a good fit. This is a difficult business and the relationship needs to be right on both sides – both for the advisor and the client.	I enjoy working with both men and women. I don't think their sex has anything to do with it as much as personality has to do with it. Sometimes a relationship grows into a friendship and sometimes it is just business and I think that has to do with personality and expectations.	I would highly recommend all Financial Advisors retain their female clients. One benefit to having female clients, is that they are usually better looking (joking). I believe female clients give more referrals than males. Also, females are usually more open about their needs and concerns and they usually live longer.

4 APPENDIX

The results from Tony Dileonardi are displayed here. Each table is organized by question (topic).

Table 32 Dileonardi interview results

Question	Response
1. In what ways (if any) have you changed your mind about the relationship between advisors and women six years after writing the book, The \$14 Trillion Woman?	I haven't. The data supports the theme even more today. The industry, in my opinion, is still slow to react. Female advisors have grown in the industry, but still represent approximately 20% of the advisors. Wealth continues to grow in the US population and she continues to control it. Females are winning (more influence and control) in corporate American and government elections. There has been several prominent industry people (Sallie Krawcheck) and large asset managers who now have programs to better serve and solicit the female customer. More evidence

	that we were ahead of the curve. The changes we've added to this theme is that we have developed a significant call to action for the wealth adviser which centers around serving her in a dramatic way — legacy planning.
2. Are most advisors successful at retaining female clients?	See the answer to question 1. The majority of advisors do not know how to serve her [the female client]. They now know the data exists and the opportunity is present, but what to do about it is still the hot topic.
3. What is the number one thing an advisor must <i>first</i> do in order to retain his/her female clients?	That has not changed from the first book either. LISTEN, that's #1. She will tell you what she wants and how she wants to be served. That can be done by an individual advisor or by the industry at large.
4. When speaking with women today who have or have had financial advisors, what do you find they are most disappointed by? What drives them away from their advisors?	Advisors who do not listen...[and use] jargon, [think that] one shoe fits all, [and use] condescending treatment.
5. Have you seen an improvement in the relationship with advisors and women today?	Sure, more advisors are engaged in this opportunity, but there is more growth to occur. More female advisors focused on the business will help too. Although, Nata, some research suggests that an affluent female client does not care if she works with a male advisors or a female advisor.
6. Any other comments you have concerning how advisors can retain their female clients?	Help her leave her life's true legacy. This program helps advisors gain insight into how female investors view wealth and investing, and how to uncover her core values that drive all of her investing decisions. Research shows men and women view investing differently, with women more focused on such intangibles as family values and the legacy they leave behind. They also are more likely to be loyal to advisors who meet their needs and to recommend them to others. Advisors will learn how to engage high-net-worth females and build trust by focusing on helping her to leave her intangible legacy

	<p>in tandem with her tangible financial legacy.</p> <p>Key takeaways:</p> <ul style="list-style-type: none">-An overview what helps advisors connect with female clients by elevating their listening skills and uncovering what her core values are-Moving beyond the usual "tangible" focus of will and estate planning-Crafting personal legacy documents to help her leave her "intangible" legacy alongside her "tangible" financial plan-Focusing on multi-generational planning and introducing meaningful conversations with her family members about passing on their values, life lessons and personal stories
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