



National Association of
Insurance and Financial Advisors

Finding Success in the Women's Market

This report takes an in-depth look at the
Women's Market for financial advisors
and offers critical insights for success.





TABLE OF CONTENTS

Introduction	1
CHAPTER 1:	
Highlights from NAIFA's 2018 Diversity Symposium	2
CHAPTER 2:	
Marketing to Women	4
Case Studies and Market-Developments for Women Groups	5
CHAPTER 3:	
Additional Resources	20
Conclusion.....	28
NAIFA's Code of Ethics	29

Media Contacts:

Mark Briscoe, Senior Director,
Strategic Communications
mbriscoe@naifa.org

Sheila Owens, Vice President,
Communications & Marketing
sowens@naifa.org

Editor:

Ayo Mseka, Editor in Chief,
Strategic Communications
amseka@naifa.org



National Association of Insurance and Financial Advisors

2901 Telestar Court
Falls Church, VA 22042

www.naifa.org | www.naifablog.com | [www.twitter.com/naifa](https://twitter.com/naifa) | www.facebook.com/NAIFANational

Copyright © 2019, NAIFA. All rights reserved.

Introduction

As the U.S. population grows more diverse, an increasing number of financial-services companies are intensifying their efforts to attract and maintain a workforce that is reflective of the communities they serve. And as more and more women enter the workforce, acquire and inherit wealth, these organizations are looking for ways to attract female advisors who can work successfully with this emerging market.

To help agents and advisors with this critical task, NAIFA recently hosted a Diversity Symposium, which brought together forward-thinking executives from some of the nation's top financial firms to discuss trends in the Women's Market, helpful hints for attracting women to the industry, and marketing plans for achieving success in the Women's Market.

An outgrowth of this symposium is this action report, *Finding Success in the Women's Market*. The report describes key financial characteristics of women in the U.S., their growing economic clout, what they value in their service providers, and steps for success in working with them.

According to some estimates, women control or influence \$23.6 trillion of household assets in the U.S.--and many of these women are looking for help in managing and preserving this wealth. Advisors who recognize this need and take the time to understand and work with women will find a market brimming with prospects who can add value to their practice. ■



Ayo Mseka
Editor in Chief
Strategic Communications – NAIFA

CHAPTER 1

Highlights From NAIFA's 2018 Diversity Symposium

During the NAIFA Performance + Purpose Conference held last year in San Antonio, NAIFA hosted a Diversity Symposium that brought together industry experts, leaders and visionaries who shared time-tested solutions for attracting women to the financial-services industry and proven techniques for working successfully with various women's groups.

Ali Agha, CFP, with New York Life, and a member of NAIFA's Diversity Task Force, introduced the main speakers of the symposium--Kim Fisher, Market Manager and Corporate Vice President with New York Life, and Cammie Scott, LUTCF, REBC, RHU, with CK Harp & Associates, and Chair of NAIFA's Diversity Task Force.

During her presentation, Fisher shared several key facts and figures about the Women's Market in the U.S:

- As of July 2014, there were 162 million women in the U.S. (Annuity, 2012 IAR Mortality Tables)
- Sixty-four percent of women have no back-up plan if they were to retire sooner than planned. (Transamerica Center for Retirement Studies)
- The average life expectancy of women is 85 to 87 years.
- After the death of their husband, women on average have about 30 years to live.
- A 65-year-old woman in the U.S. has a 50 percent chance of living to the age of 91. (Annuity 2012, IAR Mortality Tables)
- \$4.3 trillion is controlled by women in the U.S.
- Women have a median retirement savings of \$34K, men have \$115K. (Transamerica Center for Retirement Studies)
- Only 10 percent of women are confident in their ability to fully retire comfortably. (6 ways men and women differ on retirement, NAPA Net, May 26, 2017)
- 75.6 million of women were in the workforce as of 2014.
- The median annual earnings of women 15 years and older in the workforce in 2014 was \$39,621.
- Women are interested in learning about minimizing the risk that they will run out of money during their retirement.
- Some of the services women value from their advisor are: creating a formal retirement-income plan and having a more realistic picture of their retirement lifestyle.
- Women represent a valuable and loyal advisor client base. Advisors who recognize and fulfill the needs of this client base are likely to be rewarded.



Participants at the NAIFA Diversity Symposium in San Antonio

Working with female consumers

These trends underscore an important point: The Women's Market should be a key focus of any advisor who wishes to enhance the financial performance of his practice. But as Fisher noted in her presentation, success in working with female consumers requires a sound understanding of their traits and preferences in order to craft the solutions that best meet their needs.

Some of the traits advisors should keep top-of-mind:

- Women are loyal, but it takes longer for them to trust agents and advisors than men.
- Many women don't see much value in buying life insurance for themselves. Consequently, many of them have to be persuaded to do so.
- Women want to be asked for a sale.
- Women want to believe that they are being heard by their service providers. This is key in connecting with them.
- 52 percent of women prefer face-to-face meetings with advisors when they are buying life insurance.

As companies seek to serve such an important market, many of them are looking for female agents and advisors to make sure that their field force is reflective of the

communities they serve. Here are some of the tactics Fisher shared for finding success in recruiting women:

- Recruiters should realize that when women are seeking employment in the financial-services industry, not all of them are motivated solely by money. They also care about the number of people they can positively impact. As a result, the message recruiters should focus on is: "The financial-services industry provides you with the opportunity to help others."
- Recruiters should be careful in using the word "flexible" to describe one of the benefits of working as an agent or advisor because many women do not like it; they prefer the word "control."
- When recruiters are trying to recruit women to their organizations, they should have photographs of senior women executives, as well as of men, on the walls of their offices.

As female candidates are assessing organizations they are interested in working for, many want to see that it is possible for them to aspire to leadership positions in those organizations. "Women want to see what their career path with that organization is like," Fisher said.

- During job interviews, recruiters should not ask female candidates about their children; instead, they should ask about their families. ■

CHAPTER 2

Marketing to Women

During the symposium, participants also had an opportunity to discuss case studies of women who were representative of seven Women's Groups and create marketing plans for working successfully with these groups.

The seven women's groups discussed are:

- Widows
- Divorcees
- Caretakers for Parents
- Single Women
- Single Moms
- Parents of Special-Needs Children
- Remarried/Mixed Family

The following are the case studies that were discussed by the participants and the marketing plans created for each market segment.



Case Study for Widows

Brenda, age 57, unexpectedly lost her husband of 32 years, Steve. She has 3 children: Brad, aged 27 who is married and has 2 children ages 3 and 1; 2) Angie, who is 19 and has struggled for the last 6 years with drugs; and Elise, age 12, who goes to a private school.

Because of Angie's struggles with drugs and her treatment, the couple does not have much money saved. With Steve's high paying job in the past, this hadn't been a cause for great concern. The house and the couple's two cars are not paid for. Steve had three times his annual salary of life insurance through his employer and \$257,000 in his retirement. Brenda is now faced with fear and uncertainty regarding her financial future.

CASE STUDY QUESTIONS AND ANSWERS FOR WIDOWS

What are some of the issues Brenda is facing?

Mortgage and car payments, grief, income gap, and loss of monthly income

What are the strengths of her current plan?

\$275k in retirement; some life insurance, and some home equity

What are the weaknesses?

Not enough life insurance—the couple started financial planning too late, and none of it is funded.

What are Brenda's short -term needs?

Make her mortgage payments, pay tuition, take care of dependents, deal with her grief, pay for funeral expenses and seek the help of support groups.

What are the long-term needs?

Housing—an affordable living situation.
She also needs to find a full-time job
and plan for her retirement.

What products and services could you recommend for her?

A life insurance policy with cash value, a 401(k) plan

What advice would you give to an advisor working with them?

Be sensitive, be patient and provide options to
them. Also, bring 27-year-old into the picture.

How can you connect with others in a similar situation?

Attend widow support group meetings and listen.

Who are your competitors?

Financial advisors, CPAs, estate planning
attorneys, banks and current fund managers.

MARKET-DEVELOPMENT PLAN FOR WIDOWS

- This is a grieving widow with 2 dependents who are in need of financial and social services. She has no financial plan and she has limited financial knowledge and resources.
- The mission statement for someone working with widows is: To create a plan that meets both the short- and long-term needs of these clients.
- This Widows Market is a growing sector.
- Advisors should position themselves as the go-to sources for these types of clients.
- They should establish relationships with support groups, estate planners, and school counselors so that they can refer their clients to these groups if needed.
- They should develop connections with other professionals they can refer their clients to.
- The skills advisors need in order to work successfully in this market include empathy, patience, good listening skills, resourcefulness and the ability to think outside the box. ■



Case Study for Divorcees

Tracie is 27 years old and owns a successful business that specializes in helping organizations with their computer and networking needs. Her company is 3 years old and has grown quickly. With the addition of employees and the delays in payment from her clients, money can and does often run tight.

She and Bill met in school and dated throughout college. While in school Tracie started helping people with their computer problems. As her skillset grew, so did her customer base. She soon found herself working and going to school full time.

After graduation, she and Bill got married. Bill took a job at a local university and Tracie expanded her business by hiring another college student as a part-time employee.

Her business was growing quickly. They bought a big house, new cars and the toys they couldn't afford during college. As their careers began to flourish, their romance began to die. Bill became jealous of Tracie's success and weary of her long work hours. Bill began spending more and more time with Sara, another professor in his department. This quickly developed into a full-fledged affair. Tracie found out about it from one of her clients. Embarrassed and ashamed she filed for divorce. Out of spite, Bill asked for spousal support. She felt responsible for the divorce, still loved Bill, and wanted to take care of him.

Tracie began slipping further and further into depression. Her business began to suffer and her money problems grew. She got the house, her car and almost all the bills. She blames herself and can't seem to "dump the slump".

CASE STUDY QUESTIONS AND ANSWERS FOR DIVORCEES

Summarize the market.

This market consists of women divorcees who are between the ages of 27 and 42.

Why is this a viable market?

Divorce is becoming increasingly prevalent in the society, creating a growing market.

What are the potential insurance and financial needs of this market?

These include taking care of the needs of women in this market with tools we have in our toolbox.

What are the possible barriers to entry?

These include dealing with the client's emotional paralysis. She is fearful; so, she does not take action.

What skills and abilities do you need to serve this market well?

You need to advocate for them, be sensitive to their needs, wants and priorities and learn of options that are available to them.

How can you meet the needs of this market with your products and services?

We can acquire the knowledge needed to put in place the right products, while being an advocate for improvement and for a better life.

What methods can be used to market to this group?

Relationship and center of influence marketing.

Provide a sample mission statement for this market.

Helping you pick up the pieces to move from concern to confidence.

MARKET DEVELOPMENT PLAN FOR DIVORCEES

- The market segment consists of divorcees ages 27 to 42.
- This is a viable market because getting a divorce is becoming very prevalent in our society, creating a sizable market.
- Skills required to work with this market: Advocate for them, have knowledge of available options, and be sensitive to their needs, wants and priorities.
- To meet the needs of this market, you need to obtain the knowledge that will enable you to put in place the right products while being an advocate for empowerment for a better future.
- Methods to reach this market include building relationships and working with centers of influence.
- There is not much competition in this market because it is not an overly attractive market.
- Mission Statement: We will help you pick up the pieces to move from concern to confidence. ■



Case Study: Caretaker for Parents

Laura is married to John and they have 3 children. John is a fireman. He grew up raising cattle, corn and soy beans on his family farm. He and Laura bought a house and 20 acres across the street from his parents' farm. When he is not working as a fireman, he is helping on the family farm. Laura taught 7th grade for 10 years before moving to the school library.

John's parents are aging and have developed health issues. His father, Eldon, had a stroke four years ago, leaving him paralyzed on his right side. He is right-handed. His mother, Beth, is 9 years younger. She began having memory issues 6 years ago. Although they sought early intervention and treatment, she hardly knows who people are and has trouble taking care of herself.

The year Eldon had his stroke, Laura quit teaching. She now runs John's parents' household and cares for her own children.

John helps when he can, but it is wearing them both out mentally and physically. He struggles with seeing his parents decline so much. Helping his dad to the bathroom and his mom not knowing him have left him emotionally exhausted. Consequently, Laura does most of their care.

CASE STUDY QUESTIONS AND ANSWERS FOR CARETAKERS FOR PARENTS

What are some of the issues faced?

They need long-term care. They have to deal with the loss of Laura's income as well as financial stress. Also, John has a dangerous job and they have young kids and a mortgage.

What are their strengths?

None.

What are the weaknesses of the current plan?

They have a single income, their parents are disabled and they have minor children. They also have no insurance or LTCI.

What are their short-term needs?

They need money for a caregiver, money for their kids' education, a budget, as well as psychological and emotional relief.

What are their long-term needs?

Cost for final expenses for their parents, a better quality of life, college education funding for their kids and they need to build up their savings.

What products or services would you recommend to them?

LTCI, life insurance, DI insurance and education funding

What advice do you have for them?

Hire help and go back to work.

Any advice for an advisor who might work with them?

Be patient and take time to deal with their emotions.

How can you connect with others in a similar situation?

Tell their story and stress the emotional impact it is having on them.

Who are your competitors in this market?

Medicaid, nursing homes and family members

MARKET-DEVELOPMENT PLAN FOR CARETAKER FOR PARENTS

- Many families are in this situation because people now live longer and women are having children later in life. This is a sandwich family—with aging parents and young children.
- Possible barriers to this market include the limited budget of the caretakers, health issues, generational stress and family issues.
- Potential insurance and financial needs of this market include LTCI, retirement planning, life insurance, educational funding and disability income insurance.
- Special abilities needed to work in this market include patience, good listening skills, a good heart, a good ear, and knowledge of retirement and long-term-care issues.
- Methods that can be used to market to this segment include reaching out to family and friends, elder law attorneys and nursing home staff.
- Mission statement: To protect the dignity and future of the families involved.
- Three goals for marketing to this group are: 1. Host 2 long-term care and retirement seminars per year. 2. Build attorney/CI relationships. 3. Always ask for referrals for sandwich families.
- Monitor your marketing plan in terms of product and client mix. ■



Case Study of a Single Woman

Talia, age 48, grew up loving math. She learned about engineering in one of her high school classes. She excelled academically in college, received multiple job offers and had companies competing for her. She decided on a job at a Fortune 100 company.

The job required a lot of travel. After proving that she could handle herself in many global environments, the company promoted her to the head of global markets.

The money was great, but her personal time was limited. Although she loves her job, she hasn't had a real vacation since she started. She has been fully committed to the company.

As part of the executive leadership of the company, she understands restructuring and realignment of markets. Over the years, she has made a number of hard decisions and has accepted a lot more responsibility. She knows another restructuring is coming soon that will bring additional responsibilities and take another emotional toll. Her parents routinely send her pictures of their life in Belize. She now spends more and more time thinking about a simpler life with less responsibility.

Her house is paid for and she has no debt. Her father was an investment banker who taught her the importance of managing money and making good investments. With all the time spent working, she never married or had children. She was married to her career.

Now she is at the top of her career at a job she loves. She is tired and feeling burned out. Is this the time to step away from it all? Does she have enough in investments and stock to voluntarily leave during the next restructuring? What's next?

CASE STUDY QUESTIONS AND ANSWERS FOR A SINGLE WOMAN

Why is this a viable market?

It is viable because it offers an opportunity for asset management, charitable giving, long-term-care insurance needs, introduction to the client's company and executive benefits.

What skills or special abilities are needed to work with this market?

You need experience with Fortune 100 companies or partner with someone who does.

How do you meet the needs of this segment with your products and services?

By offering the following products: Executive benefits, DI insurance, LTCI, life insurance and charitable giving.

“ This is a viable market because the subject has assets to manage, she can do charitable giving, and she needs executive benefits, LTCI and DI insurance. ”

MARKET-DEVELOPMENT PLAN FOR A SINGLE WOMAN

- This is a viable market because the subject has assets to manage, she can do charitable giving, and she needs executive benefits, LTCI and DI insurance.
- To work with this market, you need to have experience with Fortune 100 companies or partner with someone who does.
- To meet the needs of this market segment, you need to offer DI insurance, LTCI, Life insurance, charitable giving and executive benefits. ■



Case Study of a Single Mom

Leslie met Casey in high school. He came from money and she did not. After their freshman year in college, Leslie got pregnant and they got married. Leslie was very sick and eventually dropped out of school. Baby Hudson was born prematurely, staying in the hospital for nearly 4 months.

After the baby was released from the hospital, Leslie stayed home and cared for him while Casey continued to go to school using student loans and working part time.

A year later, Leslie got pregnant again and was ill again with this pregnancy. Instead of going back to school, Leslie got a part time job to help cover the cost of living for their growing family.

After dental school, Casey began working for a pediatric dental clinic. The doctor was aging and wanted to retire. The plan was for Casey to get some experience, grow his patient base and then buy out the practice.

Casey and Leslie were doing well. They were paying off loans, they bought a house and moved to a nicer neighborhood. With money coming in now, Casey bought a new motorcycle. He took it out for a ride. It started to rain, and he was driving fast to get home. A car didn't see him and pulled out in front of him. He had life-threatening injuries with severe head trauma. The doctors warned Leslie he would never be the same. Although he was progressing, his motor skills were off and there was a good chance he would never practice dentistry again.

He also had mental lapses. He got better, but he was angry because he couldn't remember, couldn't practice dentistry, and had to ask for help with everything. One day Leslie came home to find him gone. He left a note saying that they were better off without him and he was better off without them. This left Leslie with a part time job, two kids and a mortgage she couldn't afford on her own.

CASE STUDY QUESTIONS AND ANSWERS FOR A SINGLE MOM

What are some of the issues being faced?

Leslie does not have a career or an education. She has debt, a mortgage and student loans. Leslie has no support system, she has credit issues, she needs to pay for child care and she has housing concerns.

What are the strengths of her current plan?

Casey's family has money.

What are the weaknesses?

There is no indication of a plan.

What are her short-term needs?

Cash flow, public assistance, financial and legal help and learning about the resources available to her in her state.

What are the long-term needs?

Go back to school and join a support group.

MARKET-DEVELOPMENT PLAN FOR A SINGLE MOM

- Barriers to working with this market include:
The client has low cash flow, she needs a heavy investment of time, and she has her grief and other priorities to deal with.
- Potential insurance and financial needs include financial planning, budgeting, debt consolidation, life insurance and health insurance.
- Skills needed to work with this market include empathy, patience and the need to value one's impact instead of premium dollars.
- To meet the needs of this market with your services and products, you need to build a resource bank of other professionals who can help the client. Then you need good listening skills. And you need to provide financial-wellness educational workshops for clients.
- Methods to market to this segment include:
Use of Facebook, educational resources, creation of a board of advisors, and the need to offer "women in transition" programs.
- Sample mission statement for this segment: To be a resource for support and education for women in transition to positively impact their financial security.
- Three sample goals for marketing to this group: 1. Collaborate with local organizations that focus on women in transition. 2. Present monthly educational workshops. 3. Acquire BFA designation to gain knowledge and credibility.
- To monitor your effectiveness in achieving your goals, you need to create lagging and leading indicators to be sure you are making a positive impact. You also need to leverage Google analytics and other social media platforms and metrics to determine your program's outreach and effectiveness. ■
- This is a single mom with young children whose young husband had a motorcycle accident that caused him to be unable to practice dentistry.
- This is a viable market. It is not being served because the woman does not fit the mold of the "ideal client."



Case Study of a Special-Needs Family

April and Brent Smith met through work. They fell in love and married a year later. Each had established careers and yearned for a family. A year later, April was pregnant with Adam. Two years later Amy was born. A year later she was pregnant with twins Amber and Aaron. Being pregnant with twins was different. Her doctor ordered more tests and found that Amber had Down's Syndrome.

The family was determined to learn about the disease and be prepared to care for Amber. As time went on, the other kids grew and did well in school and in life. The Smiths worked with Amber and hired a paraprofessional educator to be with her at school and at home. Teaching her life skills to allow her to care for herself as much as possible has always been important because Amber will never be able to live alone or fully care for herself.

CASE STUDY QUESTIONS AND ANSWERS FOR A SPECIAL-NEEDS FAMILY

What are some of the issues being faced?

Amber has Down's syndrome. The family has LTC challenges, costs associated with Amber's support, (para-professional educator), as well as costs associated with estate planning for April and Brent.

What are the strengths of the current plan?

They have started thinking about the plan and are engaging an educator.

What are the weaknesses?

The plan is incomplete. It does not have a longer-term focus.

What are April's short-term needs?

Daily expenses and expenses for day care, education, health care, and power of attorney.

What products and services could you recommend?

Life insurance and possibly annuities

What advice do you have for the client and for an advisor who might work with her?

Review P/C policies. Meet with a financial planner. Make sure the decision-makers are at the table.

“ A sample mission statement for this market is: Supporting you as you support the ones you love. ”

MARKET-DEVELOPMENT PLAN FOR A SPECIAL-NEEDS FAMILY

- Amber has Down's Syndrome. Issues faced are long-term-care challenges. Also, there are costs associated with Amber's support—use of a paraprofessional educator, as well as costs associated with estate planning and retirement for April and Brent.
- Strength of their plan: They have started thinking about the plan and engaging in education.
- Weaknesses of the current plan: It is incomplete and lacks a longer-term focus.
- Short-term needs: Daily expenses for day care, education, health care, power of attorney
- Products or services recommended:
Life insurance and annuities
- Advice for them: Review P/C policies. Meet with a financial planner. Make sure decision makers are at the table.
- Methods that should be used to market to this group include: use of targeted collateral education and brochures; annual reviews with your client; make use of centers of influence marketing, referrals and networking.
- A sample mission statement for this market is: Supporting you as you support the ones you love. ■



Case Study of Mixed/Remarried Families

Chuck was married to Barbie for 14 years and they had three daughters. He worked for a shipping company and she worked at an accounting office. They got married. It was rocky from the start and only got worse with time. Barbie thought more kids would help, but each new child brought more responsibility and more fighting. During one final battle, she told him she was leaving, and he could keep the kids.

Shannon was married to Clay. She started a catering company. Clay worked for a manufacturing company. He contacted her about catering the company picnic. They hit it off and got married quickly. Joe was born a year and a half later, and John two years after Joe.

A piece of equipment malfunctioned at the plant one day and Clay rushed in to help. One of the maintenance men had ignored safety procedures and was trapped. Clay rushed in, pulled the man out, and saved his life. Although he was a hero, he hurt his back and suffered burns on his arms, face and chest. He underwent rehab and was sent to a pain specialist.

Within months, he was addicted to prescription pain killers. He now struggled with daily life. Shannon came home from work early one day and found him dead from an accidental overdose.

Shannon dealt with grief and regret as well as the daunting task of raising 2 boys on her own. As a family, they began seeing a counselor to help them deal with Clay's death.

Three years after Clay's death, Shannon met Chuck and they got married. Both are wonderful with all of the children. But life is hard with a house full of teens and tweens.

Clay and Shannon had planned well for their future. Clay had \$2.5 million in life insurance and had saved 10% of his income since he started working. Chuck and Barbie had struggled. Barbie loved to shop and maxed out their credit cards. Blending their finances was hard, but blending families was even harder.

CASE STUDY QUESTIONS AND ANSWERS FOR MIXED/REMARRIED FAMILIES

What are some of the issues raised?

They have five children, almost all of whom are of college age.

What are the strengths of the current plan?

Shannon has some financial strength—the life insurance of the deceased husband and the 10 percent salary savings.

What are the weaknesses of the current plan?

They have no plan and no education strategy for the kids. They presently have no insurance. The blending of their finances can also be difficult.

What are their short-term needs?

They need to plan and learn how to manage the \$2.5 million life insurance and the 10 percent saved wages. They also need to figure out a budget.

What are their long-term needs?

They need income protection, life insurance, a college funding plan, a retirement plan, and some long-term care.

What advice would you give them?

Have a clear written plan with goals and deadlines.
Have a clear understanding of how your finances are going to work.

What advice would you give to an advisor who might work with them?

Be patient. Put a basic plan in place at the start. Monitor the plan for a while. Help them develop clarity of goals and their roles in the family.

How can you connect with others in a similar situation?

Deal with divorce attorneys, PTAs and counselors.

Who are your competitors in this market?

Banks, wealth managers, attorneys, counselors and plan administrators.

MARKET DEVELOPMENT PLAN FOR MIXED/REMARRIED FAMILIES

- This is a viable segment because 50 percent of Americans are divorced and many of them remarry.
- Barriers to entry include kids, finances, and lack of clarity of goals and insights.
- Skills and abilities needed to achieve success in this market include patience, good listening skills, empathy, and knowledge of estate planning.
- To meet the needs of this market with your services and products, you need to help them cement their goals with a plan that is strategic and well-thought-out.
- Methods for marketing to this group include working with clergy, attorneys and divorce specialists.
- Sample of a mission statement: Bring clarity to today's Blended Family by aligning their goals and aspirations through wealth accumulation, wealth preservation and wealth distribution.
- To monitor your effectiveness in achieving your goals, use surveys and make sure you keep track of your activity. ■

Women More Vulnerable to Retirement Risk Than Men

BY LIMRA

Women's roles in our society have changed over the past 50 years, with more women receiving degrees and joining the workforce. Nearly 60 percent of women were in the U.S. labor force in 2016, and the proportion of working women with college degrees has almost quadrupled since 1970.

In 2016, more than 40 percent of women in the workforce had college degrees, compared with just 11 percent in 1970.¹ With more education and employment, women are becoming more financially independent.

By the year 2030, it is estimated that women will control as much as two-thirds of the nation's wealth.² Despite the advances women have made, LIMRA Secure Retirement Institute (LIMRA SRI) research shows that women feel more vulnerable than men about the potential risks they face in retirement.

LIMRA SRI research finds women are more likely to retire earlier than men (55 percent vs. 51 percent); however, on average, they are also outliving men by almost five years.³ Add to the fact that women are still earning less than their male counterparts (on average female workers earn around 80 cents for every dollar a man earns⁴), it is not surprising that women are more worried about their retirement security than men.

According to LIMRA SRI research, more than 30 percent of women pre-retirees said they felt it was highly likely that they would outlive their assets, incur significant health-care costs and have long-term-care costs in retirement.

However, only about a quarter of men felt these were significant risks. Moreover, a larger portion of women pre-retirees than male pre-retirees felt these events would have a significant impact on their overall retirement security.

Working with an advisor to address these and other risks that retirees can face in retirement may lead to greater confidence in financial security. Unfortunately, women are less likely to work with an advisor than men and are also less likely than men to have a formal retirement plan (15 percent vs. 22 percent).

LIMRA SRI research shows pre-retirees and retirees who have a formal retirement plan save more and are twice as likely to estimate their expected income and expenses in retirement. They also are more likely to assess how many years their assets will last in retirement. As a result, these consumers are three times as likely to feel prepared for retirement.

Owning an annuity is one factor that can lead to increased confidence in retirement. Twenty five percent of annuity owners are very confident that they can achieve their desired lifestyle, compared to just 18 percent of those who don't own an annuity.

Given the fact that women are more concerned about outliving their assets, it is not a coincidence that the majority of guaranteed lifetime income annuity owners are women.

¹ U.S. Census Bureau

² Harnessing the Power of the Purse, Center for Talent Innovation

³ National Center for Health Statistics, 2017

⁴ 2017 American Community Survey 1-Year Estimates, U.S. Census Bureau

CHAPTER 3

Additional Resources

The following are additional resources you can use to help enhance your knowledge of the Women's Market and learn how to serve it better.

Most Women Are Happy with Their Advisors

BY LIMRA

A LIMRA Secure Retirement Institute study finds that two-thirds (66 percent) of women who work with a financial advisor want to stay with that advisor for the rest of their lives.

The study found that older women and women with long-term relationships (10 years or more) were more likely to feel loyal to their current financial advisors.

These results indicate that these women are happy with the service they are receiving. Yet the study revealed there is room for improvement. Four in ten women say their financial advisor could do more to anticipate their needs and many want their advisors to take a more proactive approach in communication.

Also, women with advisors were far more concerned with specific risks surrounding their retirement security than men were. For example, 56 percent of women

worry that reductions in Social Security and Medicare benefits could undermine their retirement security.

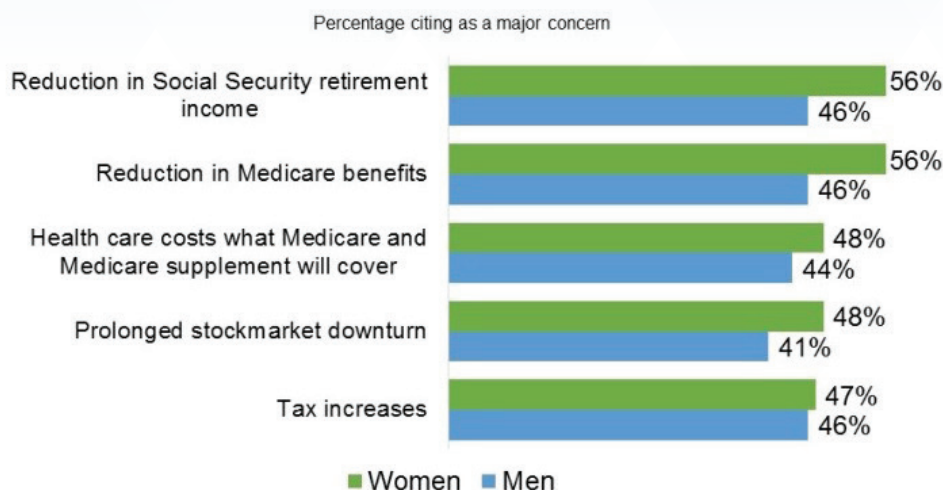
This is 10 percentage points higher than the proportion of men expressing concern about these public policy risks. Nearly half of the women fear that health care costs (beyond what Medicare and Medicare Supplement will cover), a prolonged stock market downturn, and increased taxes would have a negative impact on their retirement lifestyles (chart).

What women value the most

Nearly half (45 percent) of women say minimizing the risk that they will run out of money is the most valuable service that advisors can provide. Just over a third said protecting portfolio principal is the most valuable.

Women are more concerned with specific risks surrounding their retirement security than men*

Concern over impact of risks on standard of living in retirement



*All participants work with at least one financial professional

Source: *The Road Ahead: Building Female Client Relationships to Last* (2017) LIMRA
Secure Retirement Institute



Because women are more risk averse than men (42 percent of women have little to no investment risk tolerance vs. 34 percent of men), it is not surprising that these two services were most valued by women.

Rounding out the top five services women value the most from their advisor are creating a formal retirement income plan, having a more realistic picture of their retirement lifestyle, and maintaining perspective and thinking clearly about events and trends.

In addition, women are more likely to use female advisors than men (34 percent vs. 13 percent of men). This is especially true for women who are 43 years old on average and those with fewer financial assets. That said, 8 in 10 women say the gender of their advisor doesn't matter.

Recent research finds that women control more than \$11 trillion or 39 percent of the investible assets in the U.S.¹ Based on this new Institute study, women also represent a valuable and loyal advisor client base. Advisors and companies who recognize and fulfill the needs of this client base are likely to be rewarded.

In June 2016, LIMRA Secure Retirement Institute surveyed 1,776 U.S. adults aged 20-75 who were working with a financial professional, were retired or working full-time or part-time, and were involved in household financial decisions. ■

1 Department of Labor, Women in the Labor Force in 2010

2 Prudential Research Study, "Financial Experience and Behaviors Among Women" (2010-2011)

3 Center for Talent Innovation, "Harnessing the Power of the Purse: Female investors and global opportunities for growth," March 2015

Helping Women Navigate their Financial Planning Journeys

BY DELYNN DOLAN ALEXANDER

As financial professionals, we equip our clients with the knowledge and tools they need to achieve their goals. However, when providing financial guidance, it's important to remember that how they interpret and respond to our advice will vary greatly between female and male clients, as well as married or single women.

To help independent women create solid financial plans, we need to not only understand their personal goals and financial situations, but we also must take into account the unique life circumstances women face.

These include factors such as longevity, the wage gap, caregiving responsibilities, maternity leave (if applicable), and how women define financial success. A recent survey by Northwestern Mutual found six in ten single women say peace of mind from financial obligations is their top priority, compared with single men who are more focused on professional success as an attribute of the American Dream.

So what can financial professionals do to help women develop strong financial plans?

Address financial anxiety.

Northwestern Mutual research found that 91 percent of single women say they feel some level of financial anxiety in their lives, and 72 percent say their anxiety has a negative impact on their health or physical well-being.

We have the opportunity to help women identify the source of financial anxiety in their lives and build a plan to address it. Don't just ask the money questions.

Truly get to know your female clients. Learn about their goals and dreams so that you can help them build a plan to achieve them.



Delynn Dolan Alexander

Look at the whole picture.

True financial security includes both protecting your income, and growing your wealth. A strong financial plan balances these priorities with a combination of risk products like life, disability and long-term-care insurance, saving for retirement and investment strategies.

A personalized financial plan will be as unique as each woman's situation and goals. Does she want to (or already have) a family? Does she plan to buy a home? At what age does she want to retire? Does she want to spend her retirement traveling? With these insights, you can then showcase how various scenarios can help her achieve her goals.

Instill a 'saving' mindset.

There are several factors such as longer life expectancies, the gender pay gap and family leave that can place women at a higher disadvantage than men when it comes to saving for retirement. The result? Women usually end up with less savings to get them through their retirement years.

“ To help independent women create solid financial plans, we need to not only understand their personal goals and financial situations, but we also must take into account the unique life circumstances women face. ”

For this reason, it's essential to encourage female clients to start saving as early and as much as they can, and to actively commend women for the initial steps they have taken towards saving – usually in a company matched 401(k) or savings account.

Young women especially may feel overwhelmed by the thought of paying down debt from student loans or credit cards while also trying to save money for the future. This is when having a written, long-term financial plan is invaluable to helping women visualize what they're striving to accomplish. As their financial situations change, let your clients know to regularly check in to discuss how they can save more and build their wealth.

Although women may have different financial challenges than men, financial professionals have the ability to help female clients turn obstacles into opportunities. By understanding the unique situations women face, we can give them the best guidance to accomplish their goals and realize successful financial futures. ■

Bio:

Delynn Dolan Alexander began her Northwestern Mutual career as an intern. In 1996, she was appointed managing director in Chapel Hill, where she ran a top office and recruited her business partner Reena Patel Bland. She was the first woman in Northwestern Mutual to achieve the “\$1 million/\$1 million” distinction for insurance and investment sales. Contact her at 919-401-0321 or at delynn.d.alexander@nm.com.

Attracting Women to the Industry

BY SUSAN COMBS, PPACA, CHHC

Attracting women to the financial-services industries has become a top priority for many organizations in their efforts to have a field force that is more reflective of the markets they serve.

In this interview, NAIFA member Susan Combs, PPACA, CHHC, with Combs & Company, highlights some of the steps the industry can take to make a financial-services career more appealing to women.

NAIFA: What can the industry and other stakeholders do to increase the number of female advisors in the industry?

SUSAN COMBS: The industry I'm in is still on average about 14% women. I believe this is largely due to the compensation structure and the training model. It is very scary to be in an "eat-what-you kill" model. Insurance sales are typically 100% commission based. I have noticed that the companies that offer a training "base salary" to an employee until he or she is established have been more successful than others in attracting women to their workforce.

I also believe that changing the training model to include the development of niche markets and working in teams is hugely successful for attracting women. The old school mentality is to "sell to your natural market." This is also known as "sell to your friends and family." This approach is very uncomfortable for many women. By helping them develop niche markets in possibly their previous industries or on a passion they have, I feel they are better set up for success.

If you look at the areas I have developed as niches--predominantly entertainment and food--you can see that I have been successful because they were part of my "previous life." I know how to speak the language and I relate well to the people in those industries.

NAIFA: What is the Number One thing to keep in mind when recruiting female advisors?

COMBS: The first issue is that you need to attract, not recruit women. Women are very social creatures and we always want to have deeper conversations. So, flip your interview process. It is often the sales manager's inclination to talk all about the numbers. But keep in mind that women are concerned about their numbers only if they lead to leaving a legacy.

So, help her leave that footprint behind. Go to the bottom of her resume and look at the section "Interests / Volunteer Work and Organizations" in which she is involved. I know that one has to be politically correct and not ask about family, marital status, etc., but keep in mind that this will help tell her story. Ask her about a specific role she has had in an organization for which she has volunteered. If she is passionate about it, you can make her passionate about your organization.

Also, when trying to attract a woman to the industry, you have to lay it all out on the table. At WIFS, we often say, "We don't want events; we want a strategy," because strategy is what will get you from point A to point B. Think of it this way. You go on a sales call--that's an event. But the fact-finding, the research, the follow up, the proposal generation, the implementation and the ongoing servicing are your strategy.

When women are looking to change careers or move to a new employer, they look at the time they



Susan Combs

will spend with that employer. There are 168 hours in a week and you are asking someone to spend basically a third of those hours helping to develop your company. So, if she's going to be giving you that much of herself, she needs to know what's in it for her. This is where the strategy comes in.

Women typically want three things in a work environment:

- The opportunity to make a difference
- Security
- The opportunity to be developed professionally

Making a difference

Help women develop a niche market in an industry that they are passionate about. Or develop a philanthropic arm of your agency to give back and have them serve on that committee.

For example, at my company, we identify a charity of the year that we will support, and all of the employees submit ideas. Then we discuss and select one idea. I also play football, hockey and softball for a charitable sports league. There are so many things you can do with this.

Security

Many women want to feel as if they are in an industry that isn't going anywhere and that they can

provide a good living for themselves and their families if they are in that industry. They also want to make sure that they have secured their future.

With all my employees, we have a financial planner come in and talk to each one of them on an annual basis to give them an opportunity to ask questions and to see if there is something they should be doing differently to protect their legacy.

Desire to be developed

Membership in organizations like WIFS and NAIFA is a great way to make a woman feel that you have invested in her. Pay for that membership. We have a formal mentorship program at WIFS, for instance, which can help a member succeed in the business, and we also offer webinars and a great Annual Conference.

If you can provide these three things to a female advisor, not only will you become a hero to her, she will become a champion, as well. According to the Gender Intelligence Group study, when something good or bad happens to a woman, she tells on average 32 individuals (and I'm not talking about Facebook--she actually tells someone).

So, it is important to engage her and demonstrate that you are willing to develop a "Strategy," and not just have an "Event." ■

Bio:

Susan Combs, PPACA, CHHC, is president of Combs & Company, which she started when she was only 26. Combs & Company is a full-service insurance brokerage firm with an expertise in the "weird & unusual." Leveraging a knack for solving difficult circumstances, Combs & Co. has become a go-to resource for those companies that don't fit an insurance carrier's typical profile, such as entertainment, food, and international companies setting up their first U.S. operations.

Improving Gender Diversity at the Workplace

BY AYO MSEKA

Boston Consulting Group's (BCG) research has identified a set of initiatives that the firm says are underestimated by many organizations seeking gender diversity. These initiatives, the firm notes, tend to improve retention and advancement, and address the fundamental obstacles that women encounter and leaders fail to recognize.

Here are a few of these hidden gems:

- **Implementing flexible work programs.** Flexible work—including part-time positions, paid family leave, working remotely, and additional or unpaid vacation—was the top-ranked initiative among the group BCG studied. More than half of all respondents, and 59% of women, cited it as the single most effective gender diversity intervention. Yet only 34% of senior male leaders agreed with them.

The demand for flexible work programs is likely to grow. Among both men and women younger than 30, flexible working was the top-ranked intervention. Among the executives BCG interviewed, 55% said that male as well as female Millennials clearly want flexibility and that their companies are under increasing pressure to accommodate these employees.

- **Eliminating biases in evaluations and promotions.** Flexible work programs can help retain talent, but eradicating any inherent biases in the system is key to ensuring that women can advance to the C-suite, according to BCG.

While many U.S. company leaders may argue that they operate in a genuine meritocracy, research by Catalyst and other organizations suggests otherwise, BCG notes. Most managers and executives are subject to unconscious biases that affect how they

hire, evaluate, and promote people. Identifying these biases and systematically eliminating them will go a long way to creating a more balanced workforce.

- **Closing the gender pay gap.** It's somewhat astonishing that in 2017, female employees in the US are still paid measurably less than men for the same work. Although this is a chronic issue, companies can use data and structured steps to address it. For example, they can conduct company-wide reviews to ensure that people in equivalent roles are on the same pay scales, and they can eliminate salary negotiations, which research by Catalyst suggests can disproportionately benefit men and perpetuate pay disparities. Ultimately, taking intentional, corrective action is the surest way to ensure that all employees will be paid fairly for their work.
- **Creating networking opportunities for women.** Companies should also consider actively supporting networking forums—for example, employee resource groups—for women.

Such groups enable women to connect on a wide scale, particularly when they are significantly outnumbered at an organization or work in far-flung locations. Networking forums can facilitate women's coming together, sharing experiences, and identifying role models who they might not otherwise encounter. When done well, networking forums create a strong sense of affiliation and improve retention of women in middle management.
- **Involving men as Gender Diversity Champions.** The data on this point is incontrovertible: The more that men are involved in a gender diversity program, the more progress the company makes. Men dominate the leadership teams at most companies, and if they don't buy in, nothing will change.

- Offering executive coaching. Women value executive coaching, particularly at key inflection points in their careers. Such relatively small investments can put women on a stronger career trajectory and set them up for future leadership, ultimately yielding a high return.

Furthermore, these investments send a clear signal to high-performing women that the company values them, increasing their confidence in themselves and convincing them that they are able to take on more ambitious career goals.

Proven measures

Female employees and senior leaders deem the following proven measures effective:

- Showing strong CEO leadership and having middle management at all levels invested in the change. Among the executives BCG interviewed, a staggering 73% cited CEO leadership as one of the top priorities for improving gender diversity.

It is crucial also for middle management to be invested in the change. Our research found that middle managers tend to be more resistant. On average, they are 5 percentage points less willing to change their behaviors to further gender diversity than are senior managers.

Yet middle managers have a far more direct impact on the day-to-day experience of female employees. If middle managers do not support gender diversity, it simply will not happen, no matter what the CEO says.

- **Tracking progress with KPIs and metrics and linking real consequences to performance evaluations.** Companies need to carefully select meaningful diversity metrics to gauge their progress. Even better, linking progress on these metrics to performance evaluations helps give real teeth to diversity efforts.

- However, metrics that become quotas regarding the number of women at the company or in a particular role can be polarizing, and the employees and leaders surveyed considered them to be among the most controversial interventions.

- **Highlighting senior leaders as visible role models.**

A second proven measure is making sure that the company has senior people who can serve as visible role models to women at lower levels.

Role models can help women see a clear, feasible path to the C-suite. Notably, senior men—for example, male leaders who have climbed to the top while balancing significant non-work responsibilities or men who are part of a dual-career household and are seen to juggle family life and work effectively—can be just as inspiring as senior women.

- **Matching career sponsors with high-potential women.** Sponsorship programs—in which the company identifies promising women and matches them with senior leaders who can advocate for their promotions, team assignments, and training and development—generate results. And the absence of such programs can hurt.

To achieve meaningful gains, sponsorship requires strong and systematic processes involving sponsors who are willing to go the extra mile—and stick their necks out—to ensure that talented women advance through the organization.

- **Creating robust antidiscrimination policies that make a clear value statement to staff.** Antidiscrimination policies may seem like baseline measures, but establishing them provides company leaders with the opportunity to take a public stand and clearly signal their commitment to gender diversity. Companies that go beyond the basics, drafting a strong and clear message, and then educating their employees on the policy and what it means, can revamp their culture. ■

Conclusion

In today's competitive marketplace, the Women's Market can no longer be ignored by those who wish to grow their practices. Women are now a significant part of the workforce and many are heads of households and in charge of making decisions on how their money is spent.

In addition, because of their longer life expectancies, many women are inheriting sizable amounts of wealth—wealth that must be managed during and after their lives.

Also, the percentage of female executives, business owners and entrepreneurs in the U.S. is growing exponentially, creating a market that can yield huge dividends to those who actively seek it, nurture it, and make it a priority to serve it well.

In spite of the many attractions the Women's Market offers, the financial-services industry does not appear to be bending over backward to conquer it. As a result, the market remains woefully underserved. This comes after many years of women stating their desire for competent and caring financial advisors who will listen to them, educate them, and guide them on the path to financial security.

Recognizing the need to meet the needs of this important demographic, NAIFA hosted a Diversity Symposium during its Performance + Purpose Conference held last year in San Antonio.

At this four-hour event, industry visionaries and practitioners shared helpful hints on understanding

and penetrating the Women's Market—information we have highlighted in this report. We hope this information will inspire you to continue pursuing your diversity initiatives and develop meaningful programs that help you and your clients succeed.

Enhancing diversity is a key component of NAIFA's 20/20 Strategic Plan, a business model the association created in 2016 to empower NAIFA members by bolstering advocacy, broadening diversity, delivering top-notch training programs, and increasing public awareness of financial services.

In recent years, NAIFA has rolled out several diversity programs aimed at achieving this goal. These include:

- Diversity webinars and symposiums
- A Diversity Champion Award Program
- Diversity Action Reports

During the next few months, NAIFA will continue to promote and enhance diversity by creating additional programs and events that shine the spotlight on diversity. ■

NAIFA CODE OF ETHICS

Preamble: Helping my clients protect their assets and establish financial security, independence and economic freedom for themselves and those they care about is a noble endeavor and deserves my promise to support high standards of integrity, trust and professionalism throughout my career as an insurance and financial professional. With these principles as a foundation, I freely accept the following obligations:

- To help maintain my clients' confidences and protect their right to privacy.
- To work diligently to satisfy the needs of my clients.
- To present, accurately and honestly, all facts essential to my clients' financial decisions.
- To render timely and proper service to my clients and ultimately their beneficiaries.
- To continually enhance professionalism by developing my skills and increasing my knowledge through education.
- To obey the letter and spirit of all laws and regulations which govern my profession.
- To conduct all business dealings in a manner which would reflect favorably on NAIFA and my profession.
- To cooperate with others whose services best promote the interests of my clients.
- To protect the financial interests of my clients, their financial products and my profession through political advocacy.



National Association of Insurance
and Financial Advisors

2901 Telestar Court
Falls Church, VA 22042-1205

Tel: 877-866-2432
www.NAIFA.org