
Answers to the eternal question: What do women want?

By Editor Test Tue, Feb 7, 2012

A Hearts & Wallets study found that women tend to own fewer types of investment products than men, and have higher allocations to bank products.

Women investors expect more from financial services providers than men, according to the results of a new survey of some 4,500 U.S. households by Hearts & Wallets, the Boston-area retirement and savings trends research firm.

The study revealed that women investors, who are now the sole heads of one in three U.S. households, are “much pickier” than men regarding financial firms and advisors.

“Women find several key financial tasks more difficult than men, notably retirement planning, and are getting less help with this task. More women than men also describe themselves as very inexperienced about investing and anxious about their financial future,” said Chris Brown, Hearts & Wallets principal.

Key findings of Hearts & Wallets Quantitative Panel 2011 Insight Module “Understanding Women Investors” include:

- 45% of women (versus 31% of men) are concerned about “making assets last throughout retirement/outliving my money.”
- 56% of women find retirement planning difficult (versus 51% of men).
- 12% of women seek help for retirement planning (versus 56% of men).
- 35% of women (versus 26% of men) feel moderate to high anxiety about their financial future.
- 41% of women (versus 27% of men) say they are very inexperienced with investing.
- 15% of women understand how their primary financial services provider makes money—a key trust driver—versus 25% of men.

“Low fees,” “clear and understandable fees,” and “explains things in understandable terms” are what women value most in a financial services firm. Women ranked these attributes at least 10 percentage points higher than men.

“Women want to know what they’re paying for, and how to evaluate providers,” said Laura Varas, Hearts & Wallets principal. “Our study points to the importance of educating women on fees.”

From advisors, “Does not pressure me to buy products,” “is open/honest about fees and compensation,” and “is responsive” were the attributes women expected most, by at least nine percentage points more than men.

The study found women tend to own fewer types of investment products than men, and have higher allocations to bank products, because of lower risk tolerance and lack of financial experience.

“Asset managers, broker-dealers, employer-sponsored plans and others can help women become more comfortable with asset categories that can lead to long-term wealth creation,” said Brown.

© 2012 RIJ Publishing LLC. All rights reserved.