Honorable Mention

By Editorial Staff *Thu, Feb 18, 2021*

Women are skeptical of advisers: Cerulli; Equitable announces $1 billion share buyback.

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One of the most notable gender-based differences between investors is the desire to be actively involved in day-to-day management of their portfolios, according to Cerulli Associates. Women express less interest in both managing their own accounts and in hiring advisers.

As reported in the latest Cerulli Edge—U.S. Retail Investor Edition, only 41% of female respondents want this depth of engagement in their financial affairs, compared with 57% of men. One in four men “strongly agreed” to wanting day-to-day involvement, versus 15% of women.

Women also expressed more reluctant to pay for financial advice. About half (51%) of female respondents said they are willing to do so, compared with 58% of men. This provides both a challenge and an opportunity to providers in the advice segment,” says Scott Smith, director of advice relationships, in a release.

Advisers will need to make their value clear to women, Smith said. “As regulators are consistently elevating the role of transparency and disclosure in client relationships, investors are more likely to ask questions about advice fees and commission charges.”

As the industry edges toward a greater emphasis on planning-based fiduciary relationships, the benefits of employing trusted advisors are becoming more material. Instead of simply recommending the “best” stocks or funds, advisors are increasingly adopting process-based planning, which creates an implementation timeline.

By dividing this timeline into tangible milestones, advisors can convey the value they add with each step more effectively than if they merely assess an ambiguous “wealth management” fee, according to Cerulli.

“When they connect their remuneration to specific responsibilities and outcomes, advisors will allay the skepticism of many female investors,” said Smith. “That will create millions of mutually beneficial client relationships.”

Equitable announces $1 billion share buyback

Equitable Holdings, Inc. (NYSE: EQH) announced this week that its board of directors has authorized a $1 billion share repurchase program.

“The uninterrupted execution of our capital management program highlights the strength and resiliency of our balance sheet. Combined with our strong performance amidst a challenging year, we remain confident in our ability to generate sustainable cash flows and return capital to shareholders,” said Anders Malmström, Chief Financial Officer of Equitable Holdings, in a release.

“The announcement of a new $1 billion share repurchase authorization further evidences our commitment to delivering attractive capital returns and generating value for our shareholders.”

Under this authorization, the Company may, from time to time, purchase shares of its common stock through various means including open market transactions, privately negotiated transactions, forward, derivative, accelerated repurchase, or automatic share repurchase transactions, or tender offers. The authorization for the share repurchase program may be terminated, increased or decreased by the board of directors at any time.

Comprised of Equitable and AllianceBernstein, Equitable Holdings has approximately 12,000 employees and financial professionals, $746 billion in assets under management (as of 9/30/2020) and more than 5 million client relationships globally.