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5 Keys to Mastering Client Communication and Building Better Relationships with Women Investors

Today's women investors demand communication strategies customized to their needs.

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Today's women investors demand communication strategies customized to their needs. According to research from New York Life Investments (NYLI), 62% of women believe they have unique investment needs and challenges, and more than a third said it's extremely important that advisors meet them on their terms.

Use these five keys to mastering client communication to help you build better relationships with women investors.

1. Avoid “Pink Washing” Your Offerings

While it might tempt you to “feminize” your communications to appeal to women, many women see this as disingenuous and unnecessary. It's vital that you gear some of your marketing communications and financial presentations toward women. But it's also important not to stereotype, which is only likely to alienate the clients you hope to reach.

At the same time, 29% of women told NYLI both that they believed a woman advisor would be more accommodating to their needs and that they wanted the firms they worked with to have at least one woman advisor. So consider focusing on gender diversity in hiring and allowing the women in your practice to help you restructure client communication plans to suit women investors.

2. Take Women Investors’ Concerns Seriously

NYLI found that 59% of women investors choose their financial advisors on this basis. One woman told NYLI, “My biggest hope for my advisor is that he can really get familiar with my situation and its idiosyncrasies so that I can trust that he's doing all he can to effectively manage my money. This is what would build trust.”

Your communication style should reflect authentic and active listening. Consider taking notes during conversations with women clients, then repeat back to them what you heard and ask whether you understand what they're asking or communicating to you. Collaboratively talk through investment strategies to determine whether they're consistent with the individual needs of your women clients—not just created with market considerations in mind.

3. Treat Women Clients with the Respect They Deserve

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NYLI revealed that 58% of women would only work with an advisor who respected them. "I started out interested and active in our finances," one female investor told NYLI. "My husband and financial advisor made it such a boy's club that I felt like the secretary. At a certain point, I thought, 'Why bother.'"

While you may consider client communication a "soft skill" that doesn't affect portfolio performance, it can influence your women clients' perceptions of you and your services. For some, part of demonstrating respect means developing an authentic connection. They want to know you care about them as people and that you care about their financial concerns. Ask them their ideas about investing, and find out whether they'd like to learn more about investing strategies. Convey that you want to help them, not fix them.

Be sure to ask your clients about their families, their jobs or businesses, and their personal interests. These conversations can help you make the personal connection women want to have with their advisors. Without that connection, NYLI research found, women clients are more likely to switch advisors.

4. Take Time to Understand Women's Financial Needs

Women investors' financial requirements are unique to them, and 57% of women told NYLI they'd only work with a financial advisor who understood that. "My new advisor sits there and takes the time to understand the situation," said one survey respondent. "He walks me through what nine months looks like, 12 months, then three years. He explains things simply, without making me feel stupid. I feel taken care of and confident about my financial future."

When you consistently give that experience to women investors, you may be more likely to retain them as clients, and they may be more likely to recommend you to others. Consider creating a dossier on each client that notes their personal details, from their family composition to their immediate and long-term financial objectives. Include their interests, too, such as the arts or nonprofit board service. Then engage them in conversations about those important aspects of their lives and how they relate to their unique strategy for financial well-being.

5. Speak to Women on Their Own Terms

According to NYLI research, 54% of women will only hire a financial advisor who respects this. "Talk to me, not down to me," one woman said. Women investors consider it important for advisors to eliminate jargon from their language and speak to them in terms they understand. You can determine what that means for each client by learning their individual level of investing knowledge, whether through conversations or questionnaires.

Extend this principle to the communication formats your clients prefer. While some may want to meet face to face when it's safe to do so again, others may enjoy the convenience of videoconferencing or other virtual options. Some may want to meet one on one, while others may like to bring partners or children with them to ask questions and learn. Find out what each client needs and tailor your communication strategy to those preferences as much as possible.

By communicating with women clients on their own terms, you are more likely to develop the trust that cultivates and sustains better client relationships. You'll also gain an opportunity to build a better practice, since women will make 26 referrals to their advisors on average over a lifetime, according to NYLI research. As another survey respondent said, "Trust is important—it's my money, it's my future."

Insights presented in this report are derived from 2019 & 2020 studies conducted by NY Life Investments in partnership with RTI Research.

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