



INVESTMENTS

# and Women Investing



| ADVISOR ADVANCEMENT INSTITUTE

The financial services industry is undergoing a dramatic shift.

The next generation of investors will be younger and more diverse, with women taking a more prominent role in building and growing family and personal wealth.

How will this new paradigm shape the future of products and services offered in the industry, and will wealth managers be ready to cater to these changing needs?

# The Wealth Management Gap

As women's economic influence rises to new levels, how will they manage this wealth?

Interestingly, studies show that women think about money and wealth differently than men, and differently from the precedents set in the financial services industry.

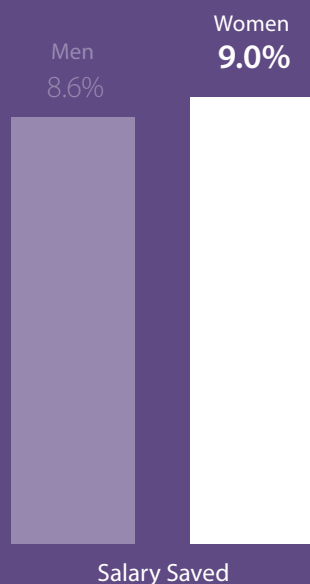
But are these advantages being used to their full potential?



## Women Save More

On average, women save 9.0% of their salary in comparison with men

Fidelity



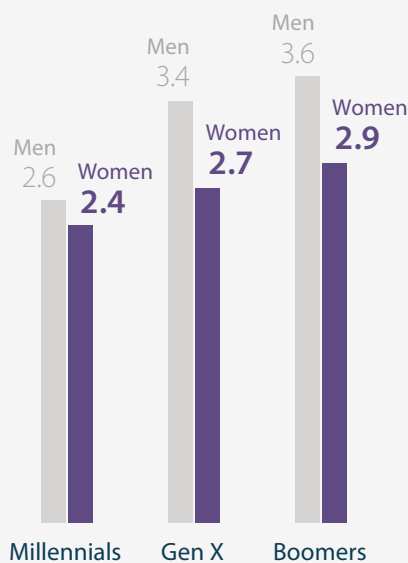
Some studies show women can earn higher rates of return on investments. In one study, women earned a 0.4% higher rate of return than men.

Fidelity



## Women Score Lower

On financial literacy test scores (out of 5) in 2015:



// Women consistently score lower than men on financial literacy measures, and this gender-based gap may negatively impact women's long-term financial well-being. //

FINRA NFCS

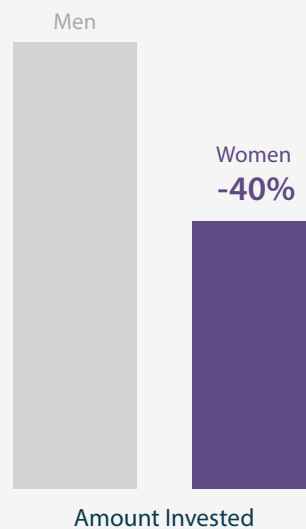
- Gary Mottola (FINRA)



## Women Invest Less

One survey shows that women invest 40% less than men.

Wealthsimple



According to another study, if women were given \$1k, they would be 35% less likely to invest the money than men

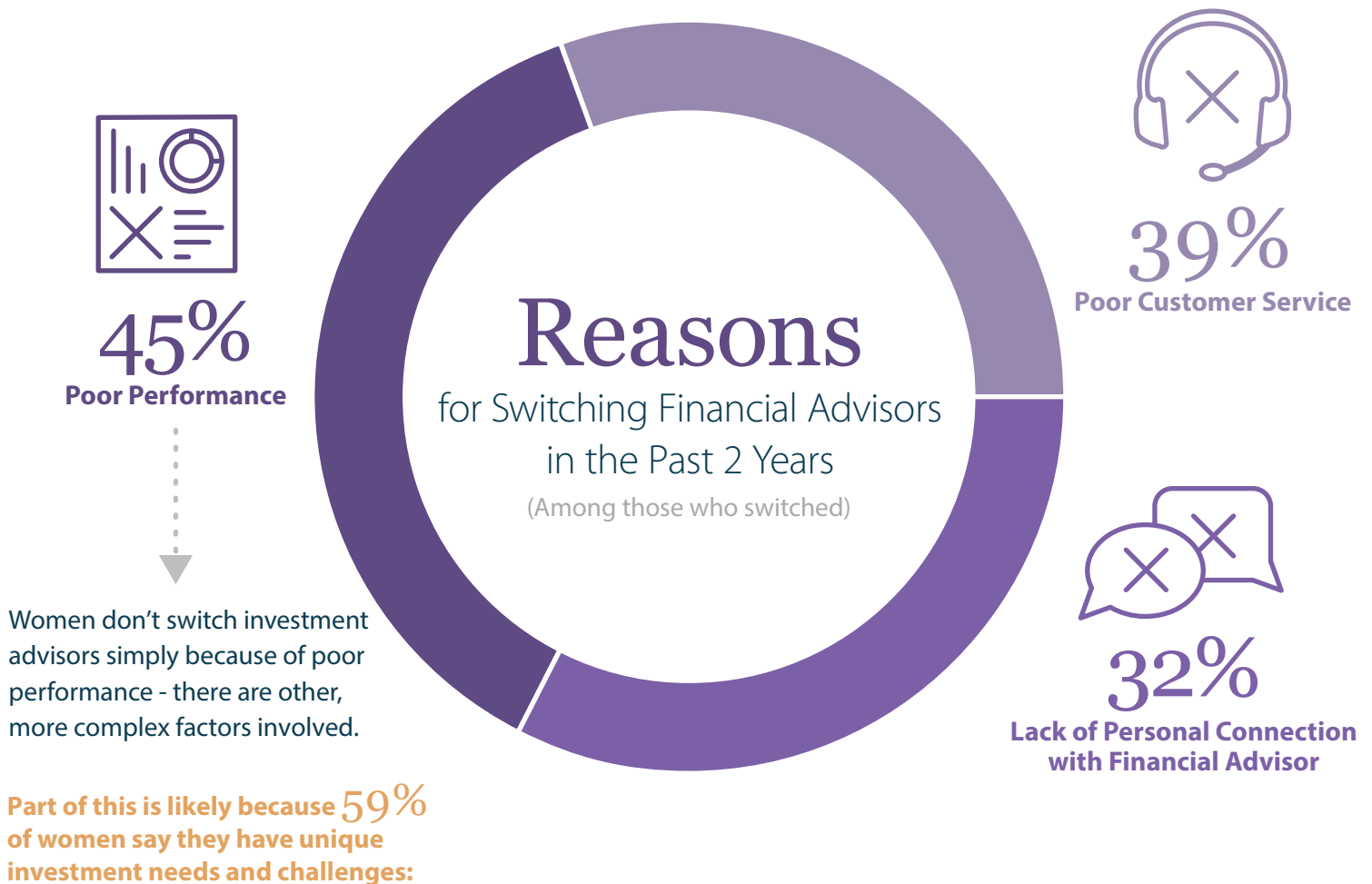
Lexington Law

# Why are so few women investing, and how can the financial services industry better serve women?

## Changing Concerns

Data from surveys conducted by New York Life Investments sheds light on why women may be underserved by the industry.

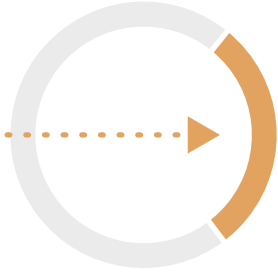
Let's look at why women are switching financial advisors:





# Perceptions of Women and Investing

(Agree Completely / Somewhat)



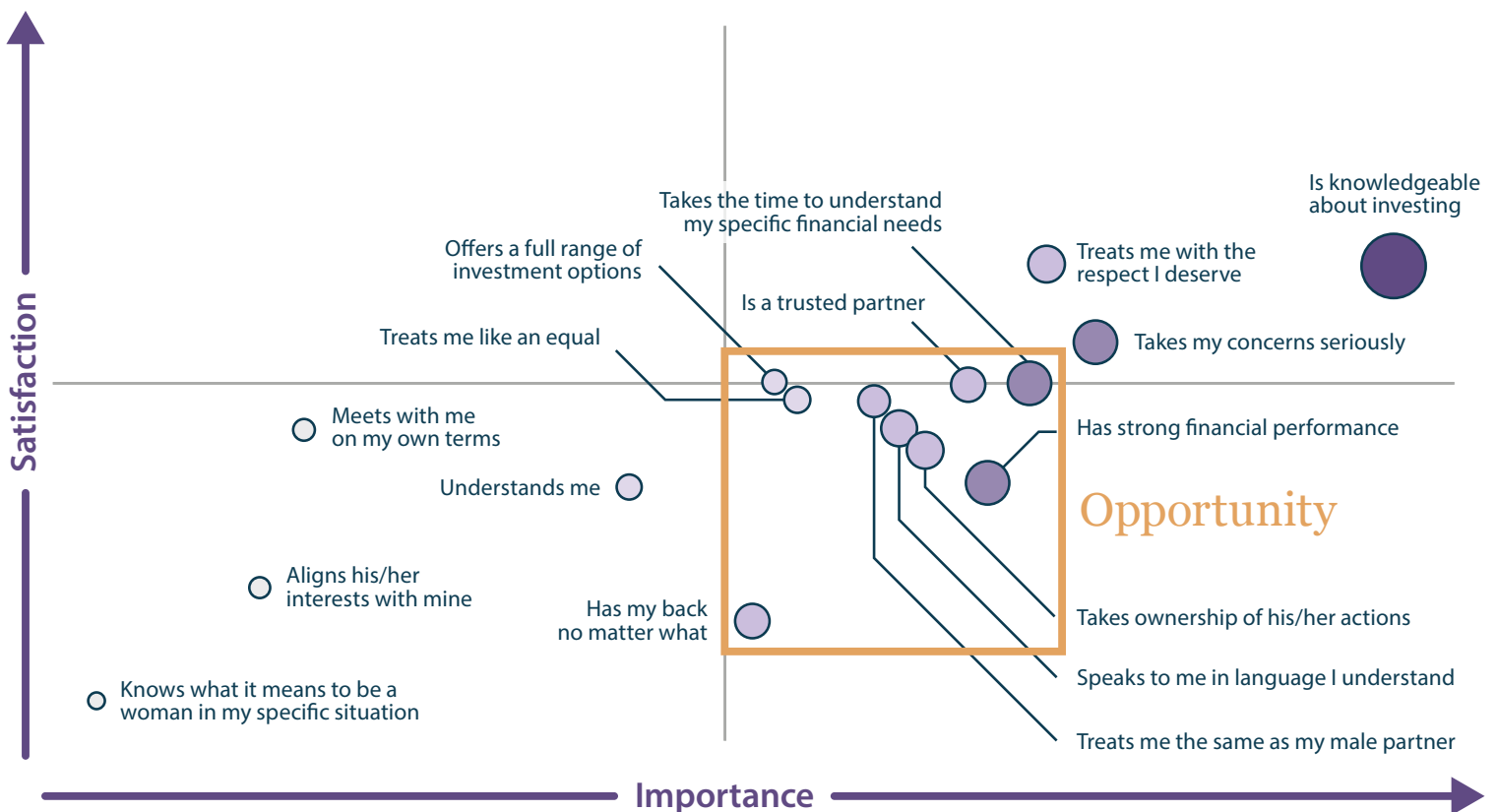
Based on these results, it is not surprising to learn that **48%** of women agree that having a woman financial advisor would be more attuned to their needs.

But there are other opportunities  
to serve women better as well:

# Women Investor Survey

The areas that women rank as important, yet also have a low level of satisfaction, are opportunities for financial advisors to better serve women.

(Bubble size = Opportunity size)



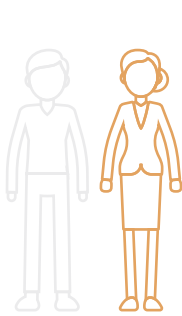
Soft skills can be a huge contributor to satisfaction levels, improving the relationship between women and their investment advisors.

But perhaps just as important is to better understand the client.

# Deeper Dive

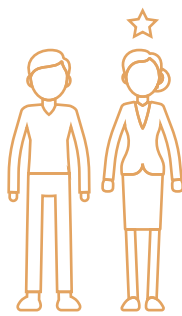
It is crucial for advisors to understand that women are not one large, homogenous group.

In fact, research shows that there are **four unique segments** of women that approach investing differently – and they each have different sets of needs.



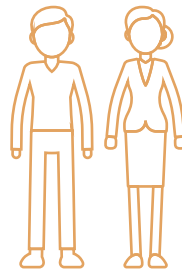
## Suddenly Single

Women who have been recently separated, divorced, or widowed in the past five years



## Married/Partner Breadwinner

Professional women who represent the primary source of income for the household



## Married Contributor

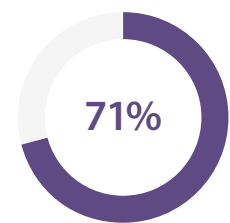
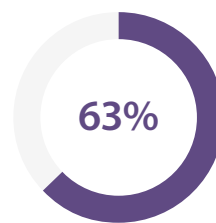
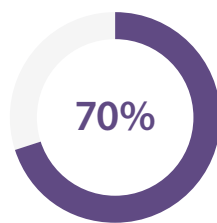
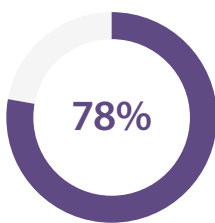
Professional and non-professional women whose primary contributions to the household tend to be non-financial



## Single Breadwinner

Professional and non-professional women defined as living alone or as a single family unit

Work with a financial advisor



Primary Objective



The financial services industry can only unlock the power of women and investing if these unique client needs are taken into account.

Presented by



INVESTMENTS

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Insights presented in this report are derived from studies conducted by New York Life Investments in 2018 and again in 2023 in partnership with RTi Research and Sub Rosa. The studies employed both qualitative and quantitative methods to better understand the needs of women when it came to investing in the U.S.

(Qualitative sample size: N=32 in 2018; N=24 in 2023)

(Quantitative sample size: N=800 in 2018; N=881 in 2023)