Capturing a wealth of opportunity

A guide to successfully attracting and retaining women clients

The Lincoln National Life Insurance Company
Lincoln Life & Annuity Company of New York

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If you’re like most advisors, your book of business is a mix of individuals, couples, families, business owners and others.

Many advisors tend to focus on their male clients, and that narrow focus could limit their ability to tap into a $14 trillion dollar opportunity.¹

70% of widows switch advisors after their husbands die, and as many as 80–90% of women will be solely responsible for managing their own money at some point in their lives.¹

As many as 74% of women are single when they pass away¹ and, with a female life expectancy of age 81, women realize that they need to be financially prepared.²
Women, including married, single, divorced and widowed, control an estimated $14 trillion in assets.

That’s over 50% of all private wealth. The purpose of this guide is to review the opportunity that women investors represent, as well as outline some of the tools and resources you can use to help capture that opportunity for your business.

**Section 1**

**Realize the opportunity**
Get the facts about how much wealth women control and why it matters to your business. Statistics show that women have financial power and are looking for trusted advice.

**Section 2**

**A different approach**
Connect with women investors with new and familiar tips and practical advice that you can begin using today.

**Section 3**

**Align your business**
Learn actionable steps you can easily incorporate into your sales process to make your business approach more female-oriented.

**Section 4**

**Understand the woman’s perspective**
Learn more about the financial challenges women investors face and some potential strategies for helping them reach their goals.

**Section 5**

**Put your plan into action**
Get the most up-to-date sales and marketing tools to help target your share of the opportunity.

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2 U.S. Department of Health and Human Services.
Women are earning more money than ever before. In fact, in 2010, women accounted for 51% of all workers in high-paying management, professional and related occupations.¹ And, according to the IRS, half of all individuals with at least $500,000 in investable assets are women.²

Even if your clients are married and you generally meet with the husband, consider the fact that many women are the “behind-the-scenes” decision makers.

Women have been steadily gaining economic influence and power. But unfortunately, many old ways of thinking and stereotypes have minimized this growing financial impact.
What it means to you and your business

While their financial influence over a household is obvious, consider how it translates into your business.

- Approximately half of all investors are women.
- Women represent 39% of taxpayers classified as “top wealth holders.”

**Women could be considered the financial directors of both their home and their future.**

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Description</th>
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<tbody>
<tr>
<td>67%</td>
<td>Of women have retirement investments</td>
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<tr>
<td>61%</td>
<td>Of high wealth women want to be involved in managing their money</td>
</tr>
<tr>
<td>78%</td>
<td>Of women are pursuing financial/retirement goals</td>
</tr>
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</table>

2. www.IRS.gov.

**Marital status**

- 50% of women are currently married
- 27% never married
- 14% are divorced or separated
- 9% are widowed

Source: U.S. Census Bureau.
Realize the opportunity

INVESTORS WHO ARE LOOKING FOR YOU

It’s clear that a business opportunity exists among women. They are earning more money than ever, controlling more wealth, and investing their money. And research shows that they are seeking advice and guidance.

According to a recent survey from Spectrem Group, nearly one-half of women (48%) state that they are not knowledgeable about investing in securities, compared to 40% of men who gave the same response.¹

<table>
<thead>
<tr>
<th>Investment knowledge self-assessment²</th>
<th>Female</th>
<th>Male</th>
</tr>
</thead>
<tbody>
<tr>
<td>Extremely or very knowledgeable about investing in securities</td>
<td>15%</td>
<td>21%</td>
</tr>
<tr>
<td>Somewhat knowledgeable about investing in securities</td>
<td>37%</td>
<td>39%</td>
</tr>
<tr>
<td>Not knowledgeable about investing in securities</td>
<td>48%</td>
<td>40%</td>
</tr>
</tbody>
</table>

This data would suggest that some women feel less confident than men about the world of investing and financial planning. Many of those women are looking for ways to expand their knowledge and feel more comfortable with the information.

What you need to know

• Women are financial powerhouses and present a huge business opportunity.

• Women are receptive to getting advice and some have a desire for financial education.

• You can benefit in the long run if you dedicate a portion of your time to educating clients.

In the February 2011 study on gender matters from LIMRA, 72% of women surveyed indicated that they get their information on financial products and services from the internet or books, magazines and newspapers.³

¹Spectrem Group, Wealthy Women Investors study, 2011.
If you are like most financial advisors, many of your client relationships are with couples and families. But if you don’t have strong relationships with women, you may want to consider building them.

**Having the edge**

Women who have a successful relationship with their advisor can reap the rewards when it comes to feeling more prepared.

With increased wealth, many investors are opting for self-directed plans, without the knowledge and guidance of a financial advisor. And women are more likely to accept investment advice from someone other than a reputable advisor.

All of this research and data seem to funnel into one conclusion: Women are in control of significant wealth, they know they will need to be their own advocates for their finances at some point in their lives, and they are looking for guidance from someone they can trust.

**What you need to know**

- Most women will be in charge of their finances at some point in their lives.
- Ignoring women clients puts you at risk for losing the business later on.
- Keeping those women clients can pay off because women give more referrals.

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A different approach

For many women, the male-dominated financial industry can be intimidating. It’s a world consisting primarily of male advisors, some of whom tend to focus on male clientele. To capture the opportunity presented by women, you need to bridge the gap and reach women investors.

To do this more effectively, you must adapt your business approach to connect directly with women.

According to a recent survey,¹ when asked to describe their impression of financial services information, women gave these descriptors:

- “Overwhelming”
- “Complicated”
- “Boring”
- “Foreign”

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Adapting your business conversations to women

As a successful financial advisor, you already know the keys to building successful client relationships. But female clients operate differently than male clients.

✔ Engage and inquire
Women are often the financial decision makers within their households. If you interact most often with a husband, remember that his wife may still influence decisions. Married couples often delegate responsibilities, so while one person may be the voice of the decision, both parties have influence.

✔ Keep an even playing field
Male advisors often take a competitive stance and feel inclined to overcome client objections, using overtones of power, status and expertise. It’s important to realize that some women (and perhaps men) may respond more favorably to less bravado.

✔ Know your audience
- Women tend to deal in relationships, placing value on connections over charts and graphs.
- When meeting with women, be sure to remain on an equal conversational plane and avoid “talking down.” Exaggerated feminizing attempts will almost always backfire.
- With any client, it’s essential to explain complex and intricate financial concepts in terms that they can understand.

✔ Listen – listen – listen!
Understanding the financial challenges that are important to women is the first step in providing solutions to meet those challenges. When you ask questions, be sure you are listening to the responses. Refrain from interrupting or competing for talk time.

✔ Be informed and informative
Women often collect as much information as they can about a product or a service before making a decision. If you don’t have the answer to a question, explain that you will follow up with the information.

✔ Put in the time
For many women, the sales process involves asking questions, gathering information, asking others for feedback, and taking time to make an educated decision. A longer sales process is not an indication that they aren’t interested, but it may take 3–4 meetings or more.
You’ve decided that you want to capitalize on the $14 trillion opportunity and build stronger relationships with women clients. Where do you begin?

**Evaluate your current business practices**
The easiest place to begin is within your own book of business. Consider your clients who are couples or families. Now consider which of those females you have little or no contact or relationship with. That segment of your book is a great place to start.

**Find out what’s working**
Are you considered approachable by your female clients and new prospects? One way to objectively find out is to ask a female client that you do have a successful relationship with. Ask for honest and open feedback and be sure to really listen. In her opinion, is there anything you can do to be more relatable to women or make your business more female-friendly?
Meet with your female clients

Consider suggesting an independent meeting with the spouses of your male clients to discuss their specific needs and challenges. Use discretion to determine which of your clients would be open to this invitation so that it does not isolate their husband.

You may have married women clients who are not comfortable meeting with you without their husbands. The truth is that some women feel overwhelmed by complicated financial advice and prefer their husbands meet with their advisor. In those situations, you can make minor adjustments in your approach to include the wife in the meeting.

• Be sure to direct questions and information to both husband and wife.
• Speak in plain terms and avoid using financial industry jargon that may alienate anyone.
• Use material and presentation tools in a highly interactive way.
• Avoid being adversarial; it’s not a competition.
• Follow up to remain in contact.

These steps are essential whether you are meeting with a single, married or widowed woman.
Find out more about them

For those women you are able to engage, it may be helpful to utilize a questionnaire. You can create a generic version that you can quickly and easily customize for an individual client. When creating your questionnaire, consider what you may already know about them, as well as what you do not know. What is relevant to their financial situation? What might they be open to sharing with you considering how well they relate to you at this point?

Follow up

Whether you meet with clients as a couple or with an individual woman, always send a follow-up note. This provides an excellent opportunity to include an article, reprint or white paper of interest. Several reputable websites can be sources for such information.

As always, suggest a follow-up meeting or phone call to provide any additional information and continue to build the relationship.

Women and referrals

Women tend to place more value on relationships. A trusted relationship will carry as much weight as a successful product. Women tend to value people and relationships over companies or products. They often rely on family and friends to make connections and to find products and services.

What does this mean for you? Generally, women directly refer two times more than men and will recommend a trusted product or service three times more frequently than men.

Interesting fact:

1/3 of women do not trust salespeople to give them accurate information

The return on your investment

The information presented here is critical to your business because if you build a solid relationship and provide excellent service to a female client, she will most likely:

- Remain a loyal customer
- Refer you to friends much more often than your male clients
Understanding the opportunity around women investors is just the beginning. Working with most women clients requires a different perspective on your business approach, making subtle changes to develop relationships with your female clients and effectively prospect new ones. You can begin by understanding the unique set of challenges that women often face.

### Concerns

<table>
<thead>
<tr>
<th>Concerns</th>
<th>Meeting the need</th>
</tr>
</thead>
<tbody>
<tr>
<td>Outliving income assets</td>
<td>According to a LIMRA study, when asked the most important reason for saving, 54% of women responded that they were saving for retirement.</td>
</tr>
<tr>
<td></td>
<td>Several investment products, including variable annuities, are designed for effective income distribution. Many annuities also offer features and benefits to provide a guaranteed lifetime income for one or two lives, potential for future growth, and death benefit protection.</td>
</tr>
<tr>
<td>Making up for reduced earnings</td>
<td>Many women move in and out of the workforce or work part time, and as a result, they earn 78.2% of what men earned in 2009.¹ This reduction in salary makes effective financial planning that much more important for women.</td>
</tr>
<tr>
<td></td>
<td>IRAs—both traditional and Roth—offer the benefits of tax-deferral for faster retirement saving. Women should participate in their employer-sponsored plan, if available, and explore the many options to help reach their savings goals.</td>
</tr>
<tr>
<td>Putting family first</td>
<td>Women often fund their children’s education before their own retirement. And taking care of other family members, including the giving and funding of long-term care, can take both a financial and emotional toll.</td>
</tr>
<tr>
<td></td>
<td>Encourage women to get their family together and discuss long-term care and estate planning options. Women should proactively consider how they would cover the expenses of an illness or long-term care. For many, the odds of needing long-term care are significant.</td>
</tr>
</tbody>
</table>

¹Source: Gender Matters: Retirement Savings of Working Men and Women, LIMRA, February 2011.
Offering the right solutions

Advisors who want to meet the needs of their women clients should make the effort to understand these issues and how women approach their financial well-being. Taking those factors into consideration may help create the path to the appropriate investment products and solutions, such as:

- Investment products with guarantees and death benefits
- Income products to meet the needs of women who are living longer
- Life insurance products for women who outlive their husbands
- Long-term care products to help plan for potential health concerns

A Lincoln Financial Group® study reports that 75% of those surveyed would use their savings to fund long-term care.2

Federal data estimates the cost of long-term care to be in excess of $60,000 per year.3

Where will the income come from?2

In 2011, for unmarried women—including widows—age 65 and older, Social Security comprises 50 percent of their total income. In contrast, Social Security benefits comprise only 36 percent of unmarried elderly men’s income and only 31 percent of elderly couples’ income.

What you need to know

- Women share some financial concerns with men but have unique challenges as well.
- Knowing how to meet those challenges may be the first step toward expanding your business.

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Broadening your sales approach to help meet the needs of more women investors can have significant benefits for your business. Companies that have marketed specifically to women have increased success with both female and male clients.

**Prospects**

1. **Find referrals**
   Make referrals a part of your business. Use the “Lincoln Referrals on Purpose” guide to help you more effectively garner referrals.

2. **Begin a dialogue**
   Personalize and mail this prospecting letter to generate interest.

**Existing clients**

1. **Evaluate your business**
   Mine your current book of business to determine your target audience.

2. **Open a dialogue**
   Use this client letter to help kick off the financial planning conversation with women.
3. Inform
   a. **Invite**—Generate interest with our seminar invitation and ask attendees to bring a friend.
   b. **Present**—Consider partnering with a female-friendly business and hosting a seminar. Help empower your existing women clients while potentially increasing your client base with new prospects. Ask your Lincoln wholesaler for the “Women and Investing” client seminar.
   c. **Budget**—Meet with women clients to discuss ways to prepare for the unexpected using our budget worksheet, “Budgeting for Your Financial Future: A Woman’s Guide.”

4. **Continue the conversation**
   Send a personalized follow-up letter to those clients you have met with to encourage them to ask questions and meet with you again.

   Use the Lincoln women’s budget worksheet to follow up with any of your clients who have not completed it, and set up a meeting to review it with those who have.

   Inform your clients about the importance of taking charge of their financial futures and proper planning by providing helpful literature.

5. **Extend the relationship**
   Ask for a referral. Women are more likely than men to endorse a product or service they believe in. According to Barbara Kay’s book, of the women surveyed:

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Description</th>
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<tbody>
<tr>
<td>70%</td>
<td>are willing to pay more for a brand they trust</td>
</tr>
<tr>
<td>72%</td>
<td>say a trusted brand makes their life easier</td>
</tr>
<tr>
<td>83%</td>
<td>will recommend a brand they trust</td>
</tr>
</tbody>
</table>

Women, including married, single, divorced and widowed, control an est. $14 trillion in assets, over 50% of all private wealth.²

According to the IRS, half of all people with at least $500,000 in investable assets are women.³

80% of all financial decisions within a household are made by women.²

70% of widows switch advisors after their husbands die.²

80-90% of women will be solely responsible for managing their own money at some point in their lives.²

Marriages in which the woman makes more than the man: ¹

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1970</td>
<td>4%</td>
</tr>
<tr>
<td>2007</td>
<td>22%</td>
</tr>
</tbody>
</table>

89% of all new bank accounts are opened by women.²

3 www.IRS.gov.