

Don't pitch to female investors, says industry leader

by Sophie Nicholls | 09 Dec 2013

If you want to capture the attention of female investors, avoid the aggressive sales pitch, says one industry leader.

Describing the female demographic as a tougher nut to crack, with demands and expectations exceeding those of men, Karin Mizgala, CEO of Money Coaches Canada, says tapping into this market will take much more than passing out flyers promoting a female-focused workshop.

"It's a sincere and serious investment on behalf of the advisor," says Mizgala, who focuses specifically on servicing women. "There's a lot of wounding around women and money historically. I think in the industry they need a lot of hand holding and need to be really well respected."

Recent studies report varied results on the behavior of female investors.

An OECD report, *Addressing Women's Needs for Financial Education*, found that women are generally less financially literate than men. They tend to take fewer risks when investing their money with a focus on keeping the family finances secure.

Meanwhile, a study by insurance company Jackson National determined that more female investors are using advisors, with 33 per cent of study respondents reporting having a solid knowledge of financial products, terms and methods.

Additionally, research firm Phoenix Marketing International reported that female investor behaviour in the U.S. has increased by eight per cent (41 per cent to 49 per cent) over the last six years (2007 to 2013).

"Stereotypically, (women) might not know as much but they are certainly eager to learn and they do want the advice," says Daniel Hanzelka, a Toronto-based financial planner and coach. "On the education front, they don't necessarily want to learn everything about investing. They want to build a trustworthy relationship."

As more and more women control the household wealth (in the U.S. alone, women make up 47 per cent of the labour market, with 56 per cent of them employed in the financial service market, according to a PriceMetrix – Flash of Insight study), this demographic is one advisors should turn their attention to.

To do so, they must adapt their approach accordingly, explains Mizgala, who doesn't believe the traditional financial services industry is well-equipped to handle the female market.

"The biggest challenge with women is they are intimidated and suspicious, and lack engagement with the financial industry," she says. "It's hard to gain their trust into the world of investing. Even with the best of intentions and a sincere desire on behalf of the advisor to reach out and help, it's going to take a lot of time."

Mizgala says patience, a listening ear and an attempt to understand a woman's disposition and life experience are key. "An advisor needs to be committed to trying to understand what a woman's needs are," she says. "They don't need pink. They need to be listened to and to be understood."