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Building your Business

Wealthy women hungry for financial information

Develop a trusting relationship — and be sure to show your appreciation in an appropriate manner

By [Wendy Cuthbert](#)

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What would you do if your husband died? This was the question Rebecca Horwood, first vice president and investment advisor at Richardson Partners Financial Ltd. in Toronto, asked her top women clients this fall in preparation for a seminar of the same name she had devised.

“There was a huge buzz,” she says of the event, which drew 51 participants, more than half of whom were friends and colleagues of her high net-worth women clients.

The seminar touched a nerve among Horwood’s target market of affluent women: how can they manage their finances today to maintain their comfortable lifestyles after the death of their partners?

“They’re hungry for information,” says Horwood of her wealthy women clients. In fact, she has seen women’s involvement in investing evolve considerably since she started in the industry in 1980 with what was then Richardson Greenshields Securities Inc. — as its first female investment advisor.

“At that time, I was attracting wealthy women,” Horwood says. And the makeup of her client book — mainly divorced and widowed women — highlighted the fact that

finding a woman in the financial services industry was a welcome breath of fresh air for women investors. “Women had a desire to deal with another woman,” she says.

Today, Horwood and her husband, who entered the business in 1987, manage more than \$500 million in assets for about 110 client families. (They also manage investments for about 150 individuals — mostly friends and family — with assets of less than \$250,000.)

Horwood says she is more likely to deal with couples and families than single women. But the first line of defence for these wealthy Canadian families has shifted significantly since the 1980s. Now, the wives tend to get the investment ball rolling initially. “Women are taking a more active role,” she says.

We are all familiar with the reasons why targeting moneyed women makes good business sense: they have more money than ever and, because of their longer life expectancies, have a greater need for sound retirement planning advice. Yet, arguably, they are not being served by today’s financial services industry.

A recent report by **Spectrem Group** says advisors in the U.S. are not doing a good job at reaching affluent women (defined as primary decision-makers in homes with US\$500,000 or more of investment assets). The Chicago-based consultancy found that some of the tools advisors regularly use to reach clients — seminars, newsletters and Web sites — are not in line with what affluent women want. The chief dissatisfactions were the lack of seminars conducted by women and the limited choice of topics.

With women numbering fewer than one in four financial advisors in Canada and the perception, fair or otherwise, of an old boy’s network running the industry, the task of reaching potential women clients can seem onerous. But there is hope. Here are what a few advisors who are successfully tapping this market recommend:

### > It’s All About Relationships.

The importance of the client relationship has been repeated countless times, but a trusting relationship is of particular importance to women, according to Brian Ward, certified financial planner and founder of **By Design Financial Services Inc.** in Markham, Ont. Ward manages investments for about 200 client households, and his client relationships usually start with women, generally single, in their 30s and 40s, who eventually bring other people into his office — from boyfriends or husbands to family and friends.

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“When you’re sitting down and dealing with women, it’s all about what’s important in their lives and who’s part of their circle,” Ward says. In fact, 80% of his referrals over the past eight years have come from his women clients.

He adds that the loyalty women have for the key service people in their lives, such as hairstylists and estheticians, says a lot about their desire for commitment and trust, and this is something for which advisors should strive: “Women know when you’re there on their behalf.”

“Women have a strong ‘BS’ factor,” says Karin Mizgala, a fee-only CFP and president of **LifeDesign Financial** of Vancouver. “They know when something is being packaged as a sale.” As a rule, women clients distrust advisors who lead them down the “let’s make a deal” path and prefer advisors who structure conversations around their relationships — to money and people, she says.

#### > **Be Where Women Are.**

Horwood sits on three charitable boards: UrbanPromise, which works with at-risk youth in communities across Canada; the national advisory board for Prison Fellowship, which helps families of prisoners; and Opportunity International, a microfinance organization. She says her work on these boards, as well as being personally fulfilling, also presents opportunities to cross paths with wealthy Canadian families interested in philanthropy. Considering that supporters of Opportunity International include Bill and Melinda Gates, it is not a big stretch to see why this type of charitable work makes business sense. “I’ve had some really big clients come directly through these roles,” she says.

When Horwood started in the business, she took every opportunity to meet prospective clients, speaking at law firms, women’s investment clubs, churches and bereavement groups to expand her clientele. “Take any opportunity to get out and highlight yourself,” she recommends.

Mizgala, meanwhile, took the notion of reaching women through education a step further. Last year, she and a partner launched the **Women’s Financial Learning Centre** — which offers a series of workshops and a coaching program for women held at various locations in Vancouver.

Authenticity is the key. “Be where women are, but not in the phony networking sense,” Mizgala says. Women, affluent or otherwise, respect anyone with a story to tell. Advisors will do well in the community if they define themselves through a story that will somehow resonate with women.

“You don’t have to do very much,” she adds, “because if you get a reputation that you’re somebody who does a really good job for someone, women are phenomenal at referring.”

#### > **Don’t Skimp On Appreciation.**

At least once a year, Sandra Ramos, a financial planner with **Investors Group Inc.** in Barrie, Ont., invites her top clients and their guests to an upscale restaurant in Toronto for cocktails and hors d’oeuvres, and then to a popular cultural event. Last year, it was the hit musical *Mama Mia*.

“When I take them out, it’s first-class all the way,” Ramos says, adding that there is always a payoff to spending money on affluent women clients. “That guest and my client will go into work the next day and say, ‘Guess what I did last night?’”

Ramos has built much of her \$92-million book of business through referrals, estimating that 20% of the women in her 600-family book were referred to her by another woman.

As men will attest, many women consider themselves arbiters of good taste, and advisors who hope to target affluent women must keep things as tasteful as possible, says Ramos. “There’s too much cheesy marketing in our industry,” she says.

Bulk-mail invitations to seminars, for instance — even if they promise woman-centric advice — will get tossed in the recycling bin by affluent women. “They can see through the cheese,” she says.

And personal touches on client communications should be refined. “You have to know your client because sometimes when you overpersonalize, you underprofessionalize,” she says.

One thing Ramos insists on: sending birthday greetings with top-quality cards, not “crappy” corporate cards. “Women appreciate that,” she says.

Mizgala says advisors need to think about the interests of their current top clients in order to figure out what is suitable in terms of appreciation events. “Hockey tickets? Forget it,” she says. “Most women are not that interested.”

Mizgala suggests sending certificates for spa treatments, adding that it’s important to acknowledge the client’s efforts. **IE**

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