The number of high net worth women across the country is on the rise, and many of them are calling the financial shots in their households.

There’s an urgency to better understand – and effectively serve – this influential group of independent-minded women.

But it’s not so simple, and certainly not something to do on gut.

Schwab Advisor Services conducted the *Women and Financial Independence Study* to provide some real insights into who high net worth women are, and what they are seeking from their advisors.

An interesting picture emerged from our findings. For example, high net worth women favor performance over planning, though planning is still very important. They prefer shared decision-making versus sole control. The gender of an advisor matters less than age. And face-time is more important than email.

Complete details can be found in the following pages. We hope that you will find some interesting insights here to help your practice.

**Neesha Hathi**
Senior Vice President
Schwab Advisor Services
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Background

- Charles Schwab & Co., Inc. (Schwab) is a leading provider of custodial, operational and trading support for independent investment advisors. Schwab Advisor Services is a division of Schwab.
- Since 1987, Schwab has supported independent investment advisors by offering support and services to help grow their businesses and help their clients reach their financial goals.
- As of March 31, 2012, client assets custodied with Schwab Advisor Services stood at $735.9 billion.
- Schwab conducted the *Women and Financial Independence Study* to provide independent investment advisors with insights about serving the growing population of HNW women.
- This report presents some of the key findings from the study.
**Methodology**

<table>
<thead>
<tr>
<th>What</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>▪ An online survey was conducted by Koski Research.</td>
<td></td>
</tr>
<tr>
<td>▪ Koski Research is neither affiliated with nor employed by Charles Schwab &amp; Co., Inc.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>When</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>▪ The study was conducted from May 25 through June 4, 2012.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Who</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>▪ 500 women with an average of $1.3 million investable assets</td>
<td></td>
</tr>
</tbody>
</table>
Results
Women and financial independence: Investment performance and planning
Investment performance of great importance to surveyed HNW women

Q24. What is more important to you? (Base = Total HNW women: 500)
Planning is also important: long-term financial needs, entire financial picture and current life stage

What women want an investment advisor to take into consideration

- My long-term financial needs: 84%
- My whole financial picture: 82%
- My current lifestage: 70%
- My immediate need for return on investments: 40%
- My children’s financial needs: 35%
- Leaving an inheritance: 30%

Q23. Which of the following do you want a potential investment advisor to take into consideration when helping you with your investments?

- The limited amount of time that I have to devote to investing: 28%
- My parents’ financial needs: 16%
- Charitable giving priorities: 13%
- Don’t know: 10%
- None of the above: 3%

- 57% selected four or more items from the list
- 10% selected all of the items

(Base = Total HNW women: 500)
Women and financial independence: Decision making
Survey finds HNW women are decision makers for household finances and investments

Role in household decisions on finances

Q3. How would you describe your role in decisions regarding finances (for example, budgeting, bill paying) for yourself or your household?

Women selecting “I am not involved” for role in household’s finances were terminated from the study.
Respondents have both individual and joint financial accounts

Accounts Owned

Married/living with a partner

- **Retirement account(s)**
  - I have my own: 75%
  - My spouse/partner has own: 68%
  - Have joint/shared: 27%

- **Credit card**
  - I have my own: 59%
  - My spouse/partner has own: 46%
  - Have joint/shared: 70%

- **Investment account separate from retirement**
  - I have my own: 49%
  - My spouse/partner has own: 43%
  - Have joint/shared: 62%

- **Checking account(s)**
  - I have my own: 37%
  - My spouse/partner has own: 28%
  - Have joint/shared: 82%

- **Charitable giving account**
  - I have my own: 12%
  - My spouse/partner has own: 6%
  - Have joint/shared: 33%

Q13. For each of the following accounts, please choose the answer or answers that best describes you? (Base = HNW women married/ living with a partner = 437)
HNW women value shared decision making

How financial matters should be shared by couples

- **Responsibilities for financial matters should be handled equally**: 68%
- **No matter who is the main breadwinner, each spouse/partner should have some of his/her own money in a separate account**: 32%
- **The person who has more financial sense should be responsible for most money matters**: 27%
- **Most financial matters should be handled by the main breadwinner**: 3%
- **None of the above**: 2%

Q14. For married couples and couples in domestic partnerships, I believe...? (Base = Total HNW women: 500)
Married HNW women respondents share most household decisions with their spouses/partners

### Primary person responsible for household decisions

#### Married/living with a partner

<table>
<thead>
<tr>
<th>Area</th>
<th>I am</th>
<th>Share with Spouse/Partner</th>
<th>Spouse/Partner is</th>
<th>Someone else is</th>
<th>Not applicable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social calendar</td>
<td>5%</td>
<td>44%</td>
<td>8%</td>
<td>2%</td>
<td></td>
</tr>
<tr>
<td>Household budgeting</td>
<td>37%</td>
<td>56%</td>
<td>6%</td>
<td>2%</td>
<td></td>
</tr>
<tr>
<td>Charitable giving</td>
<td>20%</td>
<td>8%</td>
<td>6%</td>
<td>2%</td>
<td></td>
</tr>
<tr>
<td>Healthcare/medical</td>
<td>27%</td>
<td>64%</td>
<td>9%</td>
<td>2%</td>
<td></td>
</tr>
<tr>
<td>Children’s education</td>
<td>20%</td>
<td>51%</td>
<td>6%</td>
<td>28%</td>
<td>26%</td>
</tr>
<tr>
<td>(Base: Have children)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Home maintenance</td>
<td>18%</td>
<td>56%</td>
<td>28%</td>
<td>6%</td>
<td></td>
</tr>
<tr>
<td>Investments</td>
<td>15%</td>
<td>62%</td>
<td>20%</td>
<td>3%</td>
<td></td>
</tr>
<tr>
<td>Retirement planning</td>
<td>14%</td>
<td>67%</td>
<td>14%</td>
<td>28%</td>
<td></td>
</tr>
</tbody>
</table>

Q12. Please indicate the **primary person responsible for decisions** in the following areas in your household? (Base = HNW women married/living with a partner = 437)
Women and financial independence:
Choosing an investment advisor
Most surveyed HNW women are directly involved in choosing their advisor; three-fourths would refer

Who chose primary financial/investment advisor
(HNW women who have advisors)

- My spouse/partner: 21%
- I did: 25%
- My spouse/partner and I together: 37%
- Other: 17%

“Other”:
- Another financial professional = 7%
- My parents = 3%
- A friend/relative = 2%
- Someone else = 5%

Would refer primary financial/investment advisor
(HNW women who have advisors)

- Yes: 76%
- No: 9%
- Don’t know: 15%

Q26. Would you refer your primary financial/investment advisor to someone?
Q27. Who chose your primary financial/investment advisor? (Base = HNW women who have advisors: 371)
Surveyed HNW women are agnostic about advisors’ gender

Q20. Would you prefer a financial/investment advisor who is...? (Base = Total HNW women: 500)

Q21. Would you prefer a financial/investment advisor who is in their...?
Survey respondents take the time to conduct due diligence when researching/choosing an advisor

Q17. Which of the following would you do if you were researching a new financial/investment advisor?

- Talk to someone who had used the advisor: 82%
- Look for information on the advisor’s website: 74%
- Do an internet search on the advisor: 74%
- Interview the advisor: 72%

Q18. Which of the following is most influential in choosing a potential financial/investment advisor? (Base = Total HNW women: 500)

- The impression I get from meeting with the advisor: 28%
- The information I get from talking to people: 21%
- Don’t know: 4%
- The information I review online: 4%
Women and financial independence: Communicating and building trust
Advisors need to build trust with HNW women in multiple ways - planning, investment performance, and consistent service

How an investment advisor can best establish trust

<table>
<thead>
<tr>
<th>Scenario</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>When an advisor works with me to develop a plan and then works to meet the plan</td>
<td>32%</td>
</tr>
<tr>
<td>When the advisor delivers consistent investment performance that meets my objectives</td>
<td>28%</td>
</tr>
<tr>
<td>When the advisor delivers consistent advice and service that meet my expectations</td>
<td>21%</td>
</tr>
<tr>
<td>When the advisor consistently and regularly communicates progress toward my goals</td>
<td>14%</td>
</tr>
<tr>
<td>Don’t know</td>
<td>5%</td>
</tr>
</tbody>
</table>

Q19. Which of the following would best establish your trust in a financial/investment advisor? (Base = Total HNW women: 500)
Respondents want to have input, get a holistic financial view and meet face-to-face to establish trust

What women want in an investment advisor (“Strongly/Somewhat Agree”)

- I want a say in how my advisor invests my money: 88%
- I want an advisor who looks at my whole financial picture, not just my investment portfolio: 88%
- Meeting face-to-face with an advisor is important in establishing trust: 84%
- I want an advisor who handles all of my finances, including tax planning, estate planning and investments: 42%
- I want to work with different advisors depending on their area of specialty, e.g., tax planning, estate planning and investments: 40%
- I seek investment advice from family and friends: 32%
- I want a financial advisor who works well with my children: 31%

Q22. For each of the following statements, please select the response that best describes you? Top two box agree. (Base = Total HNW women: 500)

*Base = Women with children = 366
### Primary preferences for communicating with advisors
(HNW women who have advisors)

<table>
<thead>
<tr>
<th>In-person</th>
<th>Phone</th>
<th>Email/electronic summary</th>
<th>All are equal</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Initial interview</strong></td>
<td>78%</td>
<td>7%</td>
<td>5%</td>
</tr>
<tr>
<td><strong>Long-term financial planning</strong></td>
<td>60%</td>
<td>15%</td>
<td>10%</td>
</tr>
<tr>
<td><strong>Estate planning</strong></td>
<td>57%</td>
<td>11%</td>
<td>9%</td>
</tr>
<tr>
<td><strong>Tax planning</strong></td>
<td>44%</td>
<td>16%</td>
<td>15%</td>
</tr>
<tr>
<td><strong>Change in my financial situation</strong></td>
<td>43%</td>
<td>33%</td>
<td>8%</td>
</tr>
<tr>
<td><strong>Significant life event</strong></td>
<td>40%</td>
<td>31%</td>
<td>10%</td>
</tr>
<tr>
<td><strong>Portfolio allocation</strong></td>
<td>39%</td>
<td>23%</td>
<td>17%</td>
</tr>
<tr>
<td><strong>Specific investment</strong></td>
<td>22%</td>
<td>42%</td>
<td>17%</td>
</tr>
<tr>
<td><strong>Market conditions</strong></td>
<td>16%</td>
<td>36%</td>
<td>23%</td>
</tr>
<tr>
<td><strong>Question about statement</strong></td>
<td>9%</td>
<td>52%</td>
<td>23%</td>
</tr>
</tbody>
</table>

Q28. Please select the responses below for the primary way you prefer to communicate with your financial/investment advisor for each of the following. (Base = HNW women who have advisors: 371)
Respondents overall cite phone as important channel, email more important to younger women

Primary preferences for communicating with advisors
(HNW women who have advisors)

Q28. Please select the responses below for the primary way you prefer to communicate with your financial/investment advisor for each of the following. (Base = HNW women who have advisors by age: 30-49 = 184; 50-70 = 187)
Married respondents want both spouses included in meetings about shared investments

Importance of meeting with both spouses together for investments that are shared (HNW women who have advisors and are married/partnered)

- Extremely important: 53%
- Somewhat important: 36%
- Not at all important: 11%

Advisors direct conversations to both spouses equally (HNW women who have advisors and are married/partnered)

- Yes: 82%
- Don't meet with advisor together: 9%
- Not as much as I would like: 7%
- Not at all: 2%

Q29. For investments that are shared with your spouse or partners, how important is it to you that you meet with your advisor together?
Q30. On those occasions when you meet (by phone or in person) with your advisor together with your spouse/partner, does the advisor direct the conversation to the two of you equally? (Base = HNW women who are married/partnered and have advisors: 337)