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Strategies for attracting and supporting women investors: the Fidelity perspective

New research from Fidelity examines women's attitudes and behaviours when it comes to managing their finances, their investing strategies, and the unique factors impacting their long-term financial planning. Three notable themes emerge from this research:

- Women are committed investors who model healthy money behaviours.
- They're investing across all age groups, with Gen Z women leading the way.
- In the face of market volatility and economic uncertainty, women are staying the course.

That's welcome news, but what does this mean for financial advisors and wealth management firms?

Successfully capturing this segment and providing exceptional service to women investors requires developing and honing specific capabilities.

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In this month's roundup from around the world of Fidelity, we look at some key investment behaviours and strategies of women investors. We'll also explore why strengthening relationships and improving communication with female investors is integral to the growth and long-term sustainability of advisors and wealth management firms.

The insights and data in these articles are curated from research undertaken by Fidelity in the U.S.

Note: Links open previously published source content from our U.S. partners in its original language.

Women are committed investors who aren't afraid to stay the course

Summary: Fidelity's research shows that more women are investing, and when it comes to market volatility, they're staying the course.

Today, some 60% of women invest in the stock market, with Gen Z (71%) and Millennial (63%) women leading the way. Gen X and Baby Boomer women's participation in investment circles isn't far behind, standing at 55% and 57%, respectively.

Our research also confirms that women are bold and resilient investors. In the face of market volatility, more than half of women (51%) stand firm and "wait it out" compared to just 43% of men. In fact, 16% of women say they actually increase their investments/contributions in turbulent markets.

Only 7% of women say they sell their investments and pull out of the market when they observe significant swings.

In addition to being savvy stock market investors, women practice responsible money management behaviours over the short-to-medium term. Our research found that in the next six months, one-third of women plan to pay down debt (33%), almost a quarter (24%) will create or update a budget, and more than one in five (22%) will start or add to an emergency fund.

For more insights uncovered by Fidelity's research, read the full press release[1] or download the infographic[2].

Fidelity INVESTMENTS
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Closing the communication gap: Why financial advisors need a fresh approach with women investors

Summary: Recent research by Fidelity Clearing and Custody Services in the U.S. suggests that financial advisors could do more to meet the needs of their female client base.

Despite their growing presence, confidence, and success in investment circles, women report being less knowledgeable about how their advisors are managing their financial lives. For example, women are less likely to know how much they pay their financial advisors or receive in returns on their investments. Among those with financial advisors, women report being less knowledgeable about:

- **Investment returns**: 66% of women didn't know the return on advisor-managed assets vs. 40% of men.
- **Fees:** 29% of women were unsure about their advisor's current fee structure vs. 17% of men.

When it comes to how their advisors may be able to help them manage their financial lives, women demonstrate less knowledge of that too. Since women value holistic planning even more than men, this lack of awareness may contribute to a lack of client retention over time.

Fidelity's latest research reveals that communication gaps may be a key driver. When asked about the number of interactions they had with their financial advisor in the past year, women reported an average of 4.4 interactions, and men reported 5.8. This equates to 24% fewer interactions over the course of a year.

Wealth management firms can optimize the experience of the women investors they serve by conducting a relationship audit, communicating with intention, and focusing on the Three E's:

- Engaging proactively
- Educating regularly
- Elevating their offering

For more insights on how enhancing communication and engagement strategies with women can help bolster client retention and your firm's growth, read our recent whitepaper[3].

Fidelity Clearing Canada (FCC) offers transformative technology and dedicated service to help you grow your customer base of women. As one of the most diversified financial companies in the world, we're dedicated to providing you with the solutions you need to manage your diversified client base and the tools to deepen your relationships across all client segments.

For more best-practice insights, follow us on LinkedIn. If you're not a client of ours yet, let's mind your business. Learn more about how partnering with **Fidelity Clearing Canada** and our industry-leading **uniFide**® business platform can help you transform effort into efficiency and grind into growth!

References

[1] Fidelity Investments® Study: Women Tapping into Their Financial Superpowers to Gain Ground with Their Money

[2] October 2023 Women's Study (thenewsmarket.com)

[3] Closing the Gender Gap: Why financial advisors need a fresh approach with women investors | Fidelity Institutional