



The fairer sex?

Women often prefer other women to dispense their financial advice, but at the heart of any relationship between client and IFA should be trust, says RICHARD RANDALL

Many independent financial advisers have for many years had a strong female representation among their senior consultants, but this has been as a result of chance, rather than a deliberate master plan. There is absolutely no evidence that female advisers are any better, or worse, than their male counterparts. However, it would appear that recently an increasing number of firms believe that their female employees can be a considerable attraction to potential clients and are seeking to capitalise on this fact.

Diversity dilemma

You only have to stipulate 'female financial advisers' in your search engine of choice to discover just how many firms have recognised this as a business opportunity. But invariably this is embodied in slogans such as: 'For women, by women.' Indeed,

there are now a number of IFA firms setting out their stall to advise women exclusively. But this is surely short-sighted or, may I suggest, 'missing the point' of diversity.

The dynamics of financial advice have changed in recent years, women now play a greater role than ever before in the decision making process. Even the archetypal 'traditional' marriage has evolved. While a wife still may not be involved in making the big financial decisions, often wives are included now far more than ever before. This is not least because of the conception that women often out-live their partners and the resulting desire to ensure that they have the necessary knowledge to manage the finances in the wake of the death of their partner.

There is evidence to suggest that many women do indeed prefer to deal with another woman when it comes to financial, or indeed legal, advice. The ratio of female partners in law firms

has also increased significantly. A survey carried out for *The Lawyer* magazine in 2008 indicated that "top jobs" in the leading 100 law firms were now more likely than ever to be held by a woman – nearly 20 per cent were at the last count. But is this just a move towards diversity, rather than female domination?

The managing director of our company is a woman, but she is very keen to see diversity in our adviser team. The simple facts are that it is the individual's core qualities that are important in terms of building a team – it is a wasted effort if all of your team members are the same. While what we do requires technical knowledge and ability, the fundamental of financial advice is trust – and that cannot be prescribed or formatted. Trust and confidence evolve on very basic human principles, and do not recognise sex, age or colour.

We believe that the winning formula is to have a mixture of ages and personalities that will produce the creative and intellectual combustion to drive our standards, and the business, forward. Empathy is important, and is no doubt the main driver behind the preference of some firms to employ advisers of a particular background, but the fact is that the quality of the advice you will receive should be as a result of collective expertise and thought.

There is still far too much 'one size fits all' approach in the financial services industry. In the same way that I would argue that female advisers are neither better nor worse than their male counterparts, not all female clients need the same advice. We are all individuals, and long may it be so.



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Sitting pretty

There is a huge amount of press coverage anticipating phenomenal growth in the number of very wealthy females. It is predicted that by 2020 there will be more female millionaires than male in the UK – and that is just a decade away. The number of multi-millionaires that are women has risen by over 40 per cent in the last five years and there are over 70,000 women in the UK with liquid assets of over £2.5m. Some of these may be due to high profile and substantial divorce settlements, Heather Mills and the future settlement for Shereherzade Goldsmith are two particular cases in point.

With divorce cases we have found a particular preference for a woman adviser, whether acting for a woman, or man. There does appear to be an appetite for a very specific adviser-type here, and against the backdrop of the tragedy of family breakdown, this is perhaps understandable. Added to this we now have a rising number of divorces occurring at older ages, and because many of these women have not been involved in financial decision making before, the prospect is daunting. This

is where a female adviser can come into her own: empathy in this instance cannot be underestimated.

In our experience, female clients have a different mental check list when making decisions about things like investments and retirement strategies. They are generally much less interested in the nuts and bolts of a "product", but are more concerned about understanding the concept that is being discussed. A Chartered Insurance Institute survey reported that women generally found advisers to be very poor in terms of communication skills – something for the industry as a whole to take note of.

The population of fully qualified female advisers in the UK is still very low: barely 10 per cent at present, and this figure is expected not to rise significantly during the next decade.

In the financial services sector diversity is key – women returning to work after raising a family have particular experiences that are invaluable – especially in dealing with divorce cases, while men changing careers also bring a wealth of different experiences.

Most people would agree that in an ideal world our politicians would come from a mixed background and have previous experience of alternative careers – and surely the financial advice sector needs to think in the same way. After all the world of financial advice has immense similarities with politics; the need to look forward in order to gauge prospects and opinions to name but one. www.ecadviser.com

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