
Women, Wealth & A Playbook for Change

MISPERCEPTION

*Female investors are
indecisive, self-
doubting, and overly
emotional*

TRUTH

*Female investors are
detailed-oriented, risk-aware,
and in it for the long-haul*

There is no “one” woman

Misperceptions around who she is and how she invests undermines her influence

61% of women *feel misunderstood* by financial services – and **62%** are *walking away* from their financial advisor upon the death of their spouse¹

93% of women say they *have significant influence* on what financial services their family purchases² – yet **only 20%** of female breadwinners said they were *“very well prepared”* to make wise financial decisions³

59% of self-guided female investors do not see a need for an advisor because they *don’t see the value*⁴



¹ State Street Global Advisors' survey, "Assessing the Landscape: Female Investors and Financial Advice," 2015.

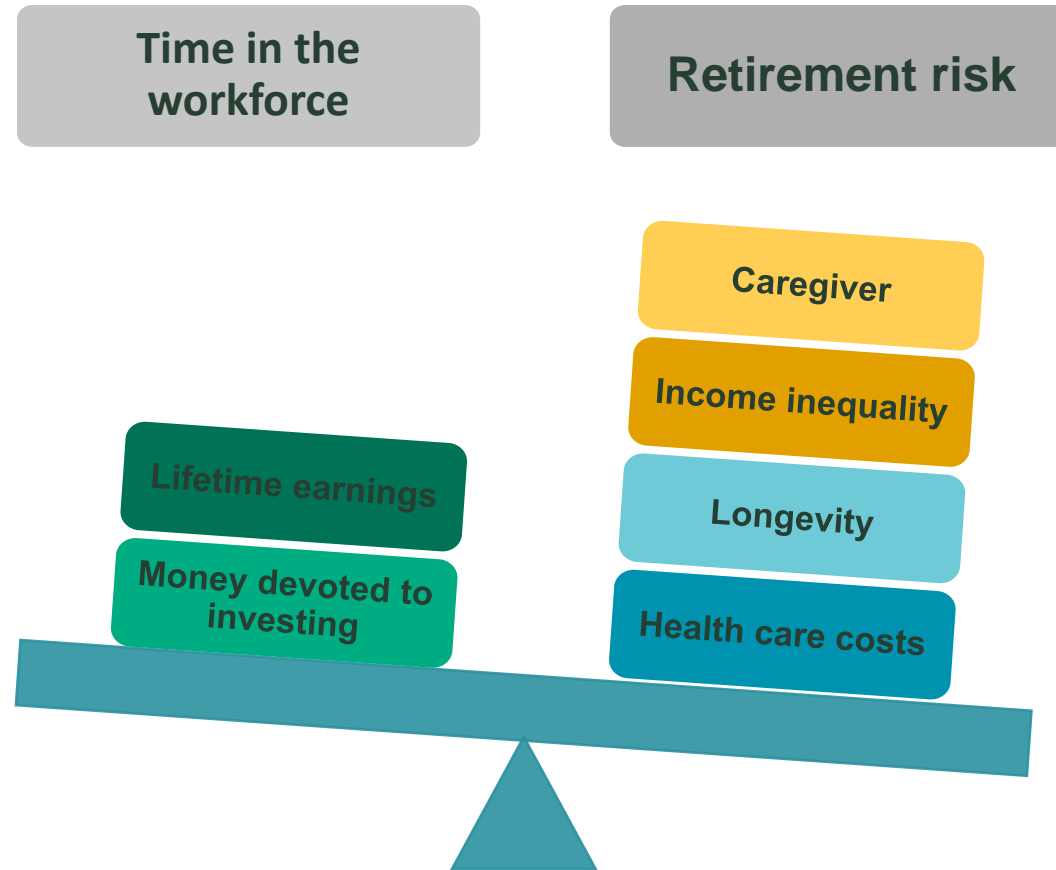
² Harvard Business Review, Boston Consulting Group Survey, "The Female Economy," 2009.

³ Prudential's study – Financial Experiences & Behaviors Among Women, 2010.

⁴ State Street Global Advisors' survey, "Assessing the Landscape: Female Investors and Financial Advice,"

And one size does not fit all

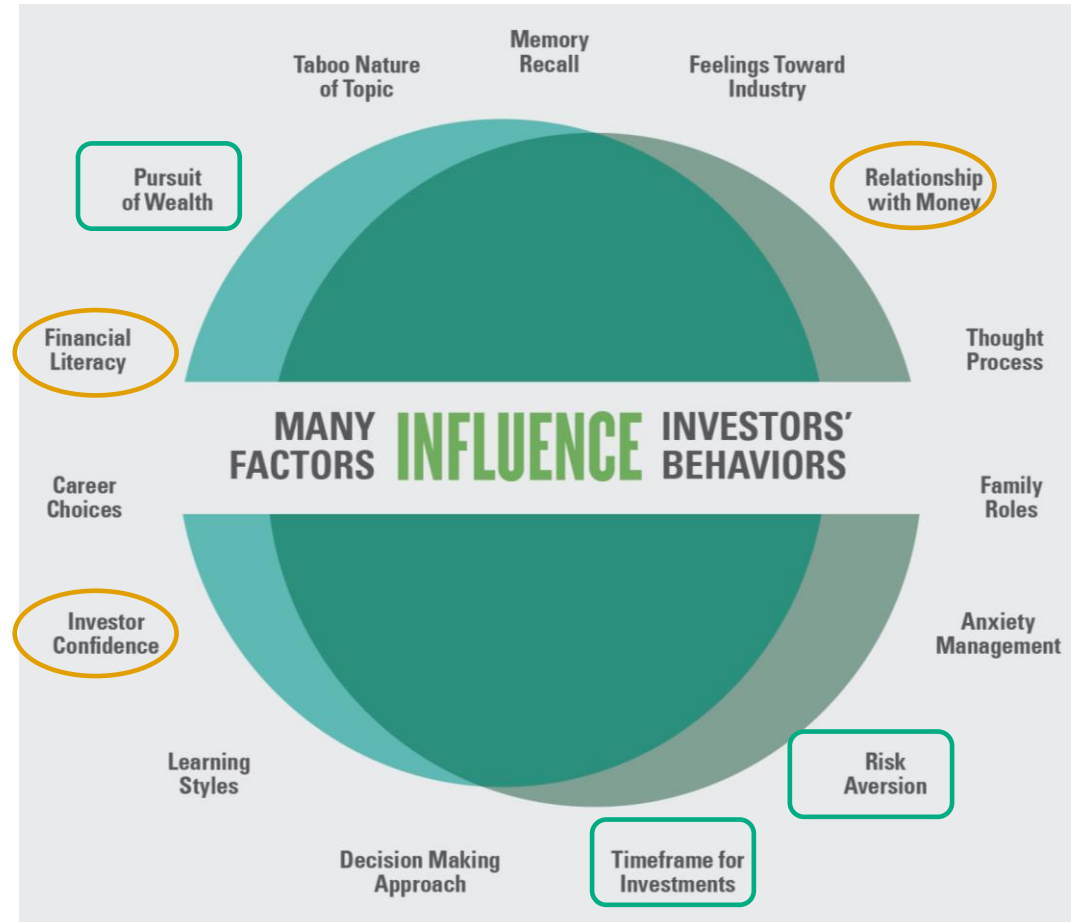
The disconnect is likely harmful to women's financial freedom and wellness



Sources: Women and Retirement Risk, The Society of Actuaries Committee on Post-Retirement Needs and Risks, 2016; Employee Benefit Research Institute and Greenwald & Associates, 2015 Retirement Confidence Survey

The role of gender bias

Gender differences are an important underlying factor, but if they become the conclusions, then we overlook the uniqueness of one's financial journey and needs



The information contained above is for illustrative purposes only.

Rooted in research: Brain function

There are gender differences in how information is processed, how rewards are negotiated, and how decisions are made

Biology factors

Impact memory

React to stress

Deal with risk

Source: State Street Global Advisors' survey, "Assessing the Landscape: Female Investors and Financial Advice," 2015.

TRUE or **FALSE**

Men's brains are bigger

TRUE, but size isn't everything. And the difference has nothing to do with intelligence.

Women have more gray matter in certain parts of their brains – and more intricate and extensive communications between brain cells than men, particularly in the frontal cortex.

This is the area involved in judgement and decision-making: the "executive center" of the brain.

Source: State Street Center for Applied Research, "Addressing Gender Folklore," 2015.

Rooted in research: Social psychology

There are gender differences so engrained that we aren't always aware of the impact

Environmental factors

Impact perspective

Impact confidence

Impact motivation

Source: State Street Global Advisors' survey, "Assessing the Landscape: Female Investors and Financial Advice," 2015.

TRUE or **FALSE**

Female investors lack confidence

False. *The broad generalization simply doesn't apply – and ignores important variables, including age, education and experience.*

The danger of this myth is that it may actually be self-perpetuating. Women often underestimate their own abilities while overestimating what is required to be financially capable.

Cultural taboos around money talks and entrenched division of labor roles are holding women back.

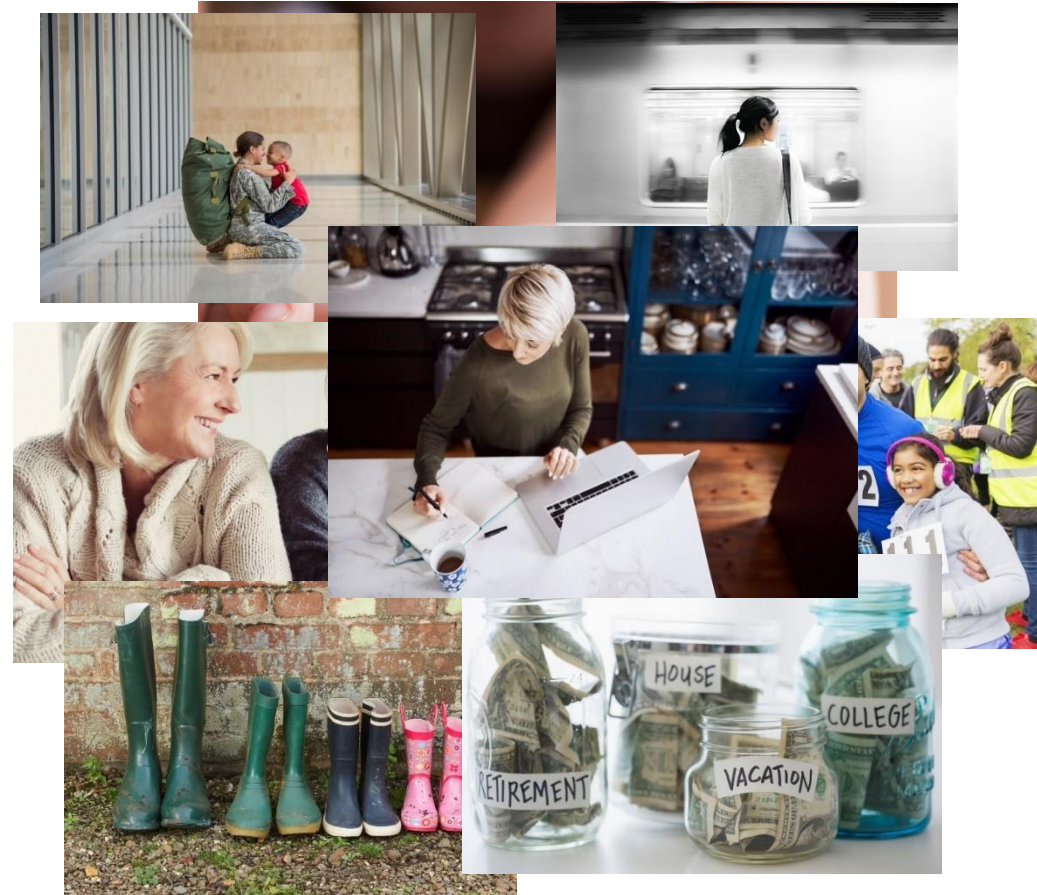
The path to the bottom line is different

A multidimensional journey drives her financial priorities and values

How clients set and aim for investing goals

In their approach to investment decision making

In the nature of the client relationship



51% of the population – and a very nuanced group

A comprehensive, relevant client experience that lets her live life on her terms

SILENT GENERATION

The founder of the feminist frontier

- ❖ At the forefront of the second wave of feminism (1960s), these women are frugal and value their independence¹
- ❖ Today, they are pioneers of a new lifestyle and image for aging women – leading a trend toward “active retirement”²
- ❖ Providing future generations with both roots and wings³ – as elders, they have become economic anchors for America’s new renaissance in multigenerational family living
 - Routinely funding extended-family vacations
 - Subsidizing grown children
 - Establishing college trust funds for grandchildren⁴
- ❖ Living on their own – only about one-third of women 75-years or older live with a spouse⁵
 - 975,000 US women are widowed annually⁶ and roughly half were previously caregivers for their spouse⁷
 - 37% decline in a widow’s household income after spouse dies⁸

BABY BOOMERS

Pioneers, achieving unprecedented professional success

- ❖ Came of age during the height of the women’s movement, these women take pride in their wisdom and experience and value authenticity⁹
- ❖ Today’s 50+ females are the wealthiest, most active and influential generation of women in history – they know who they are and what they want¹⁰
- ❖ Currently at the peak of their careers and earning potential – and those that do retire often don’t stop working, but start their own consultancies or business¹¹
 - Boomer generation controls 70% of the disposable income;¹² women drive 70%-80% of all purchases¹³
- ❖ Caregiving responsibilities are colliding – some have welcomed adult children back home and others are caring for their parents
 - Women act as 66% of all family caregivers and are nearly 2x as likely as men to be providing care from their 40s-60s¹⁴

Defining the generations: Silent Generation, born between 1928 and 1945 (73-90 years of age); Baby Boomers, born between 1946 and 1964 (54-72 years of age)
Sources are available on slide 24

51% of the population – and a very nuanced group

A comprehensive, relevant client experience that lets her live life on her terms

GENERATION X

Raised to believe that girls could do anything – and have it all

- ❖ Title IX babies – many were the first in their families to go to college, live on their own, launch a career, or choose to stay home with their children. Smart women, grateful for what they have – and also exhausted¹⁵
- ❖ Today, they are just entering, running through or leaving their 40s – still in peak earning years; resilient in their ambition to move ahead financially
 - Gen X women have more life challenges - and it is those life circumstances that become a barometer for where they want to go and how fast
 - Building out a cash reserve to increasing auto contributions to their 401k plans – can make a real difference
- ❖ Gen X women paved the way for work-life balance, however they report high levels of work-family interference:
 - First workforce generation to be caregivers for both children and senior parents¹⁶
 - Time is money, except when its unpaid – the potential cost in lost wages and Social Security averages \$324,000 over her lifetime¹⁷

MILLENNIALS

The nineties girls become Millennial women professionals and rock the workplace

- ❖ “The Future is Female” – poised to be the most financially independent women in history; coloring outside the lines and putting in work to prove their value and worth, including redefining work/life gender roles.¹⁸
- ❖ Today’s twenty and thirty-somethings are living in a different world relative to where women were financially in the mid-70s.
 - Millennial women need to have a clear understanding of what they need to do to maximize their financial lives, including tackling their weaknesses head on
 - High confidence displayed in budgeting and bill paying, but often a lack of confidence is demonstrated in terms of investing. Need to use their money strengths to gain investing confidence and put their money to work for them
- ❖ In Q1 | 2015, Millennials became the largest generation in the workforce¹⁹ – and Millennial women have achieved goals in education, career and income that their mothers and grandmothers dared to dream and advocate for

Defining the generations: Generation X, born between 1965 and 1980 (37-53 years of age); Millennials, born between 1981 and 1996 (22-36 years of age)
Sources are available on slide 24

The experience gap is not a capabilities gap

The industry can learn from how women the EQ in investing

IT'S NOT JUST ABOUT BEATING THE BENCHMARK

Portfolio performance matters, but many women are more focused on achieving long-term goals

“

I want to be confident in my decisions, because it's my money. I've worked hard for it.



THE ADVISOR HAS TO PROVE THEIR WORTH



59% don't see the need for one



35% haven't found one they like or trust



20% feel expense is too high

“

I don't need my advisor to tell me how smart he is. I need my advisor to give me confidence in my own abilities

SELF-ASSESSMENT IS REALISTIC

More women see skill as understanding the market, information or risk – and tend to consider all aspects and views



“

It's easier to think it through before you make the decision than to make the decision and say, "I shouldn't have done that; I should've done this instead."

Move beyond misperceptions to understand the real factors

Address bias and challenge outdated assumptions

1. Ask better questions

- Support the desire to gather sufficient information
- Understand her views and approach; don't soften the conversation and don't be condescending

2. Respect her concerns

- Don't jump to conclusions
- Recommendations and decisions to be made in relative context – both in terms of risk and time

Relationship is an empowering one

“ I spend time reading the information provided, and I get my questions lined up: *Why this investment as opposed to something else?*”

Respectful environment

“ My advisor makes me feel like no question is a dumb question. I appreciate that.”

Informed decision-making is about accountability and confidence

“ Even though I am trusting my money to my advisor, I still want to *feel ultimately in control.*”

THE CHALLENGE

How to get objective advice?

Although she is no stranger to the world of finance, Meredith finds herself on her own. Now a widow and not yet retired, she has been unable to find a trusted advisor – watching others go through less than positive experiences has soured her appetite.

But Meredith knows to get the most out of her finances, she either has to keep the pressure on herself to figure it all out, or finally find a professional that can demonstrate they have her best interests in mind.

THE SOLUTION

No regrets

Searching for a more sustainable outcome, Meredith is motivated to find an advisor that understands what she needs and wants, without bias.

The “why” is just as important to her as the “what.”

Evolving her perception of how advisors work with women is not going to be an easy one to change, but with consistency, diligence, respect, and leading with the strengths Meredith has to offer, she can turn “would have, could have, should have” into “no regrets.”



Overcome “experience gaps”

Inform and collaborate

3. Be her sounding board

- Commit to coaching to help improve financial knowledge and build investment experience
- Encourage conversation and offer education materials and events; foster a collaborative learning environment

4. Build upon success

- Be prepared to discuss the pros and cons for different alternatives
- Reinforce progress made toward financial goals, measured against her purpose
- Lead with the plan, turn longevity into an asset and make course corrections along the way

<i>Align her mindset with investment strategy</i>	Focus on the risks that count will lead to more empowered decision making
<i>Respect and inclusion build stronger relationships</i>	Participation in the decision-making process supports the desire to feel in control
<i>She has every reason to think long term</i>	Ability to see beyond the present supports her definition of success and money

THE CHALLENGE

How to protect loved ones?

Tara is a single mother and the primary caretaker of her father who has Alzheimer's. To help, she began organizing her father's care and getting an understanding of his finances and personal affairs – it was a big puzzle to understand.

Tara discovered mismanagement of his care and his wealth. Her father was vulnerable and had become a victim of fraud and abuse. She was determined to put the pieces back together.

THE SOLUTION

An inclusive approach

Tara wanted perspective and a comprehensive approach. She ultimately found a trusted advisory team to build the care and financial plan necessary to support her father – and her family.

Together, they mapped out the funding and structure needed, helping ease the stress on time and finances. In her search, understanding, fiduciary practices and authenticity were primary; just as important as expertise in elder care and age friendly related services.



Balance the IQ and EQ to achieve financial wellness

Align her investments with her real values

5. Use a goals-based framework

- Adopt a structured process to synthesize her qualitative and quantitative investment goals
- Understand how fundamental characteristics influence her investment experience
- Acknowledge financial challenges that impact women

6. Empower her to grow into her full potential as an investor

- Focus on risks that count; connect information with goals to influence productive investment behavior
- Optimize decision-making in light of how she views money, the experiences she has had, and her financial life goals

“Satisficing”

The Key to Happier Decision-Makers

Uncertainty about the future means that it is impossible to always make a fully informed or rational decision ¹

By aiming for a decision that will satisfy and suffice, we seek the solution that is most likely to make us happy – focus on the concept of satisficing investment choices to avoid excess rumination and regret.

- ✓ A structured process centered around the decision and the information available
- ✓ Frame performance discussions in terms of expected return per unit of risk
- ✓ Focus on choosing the course of action that is most likely to meet the aspiration level
- ✓ Decision is made; move on to other productive efforts

THE CHALLENGE

How to make a difference?

Shortly after graduating from New York University with a degree in game design, Stephanie became the head of her family's donor-advised fund. Being in the field herself, Stephanie saw how few women chose the same path and wanted to pay it forward.

She aimed to make a difference.

THE SOLUTION

A creative and wise approach

Searching for a more sustainable means to address gender inequality, she saw an opportunity to shift the fund's focus to advancing women — providing grants for women in the areas of science, technology, engineering and math, specifically coding.



From misjudged and underserved to empowered and thriving

Female investors are detail-oriented, risk-aware, and in it for the long haul



Appendix:

- **Photo Elicitation**
- **Research Methodology**
- **Endnotes and Disclosures**

Footnote placeholder.



Assessing the Landscape: Female Investors and Financial Advisors 2015

State Street Global Advisors' Online Survey

- Fielded among a nationally representative sample of 250 advisors and 1,000 investors
- All of the financial advisors had at least \$20M in accounts under management and represent a variety of institutions and dealer types
- All of the investors were female, between the ages of 25 and 84 and had a household investment portfolio of at least \$200,000 (\$150,000 for those aged 25–34)
- All worked full-time, part-time or were retired and at least shared in the financial/investment decision making for their household

State Street Global Advisors' Expert Interviews

- To further contextualize our learning, we also conducted in-depth interviews with a range of leading industry, business and economic experts to help inform our key findings and practice techniques. They included:
 - Phone interviews with 16 industry experts
 - In-home interviews with female investors with a household portfolio of at least \$100,000

State Street Global Advisors' Women and Investing Toluna Omnibus Survey

- A total of 946 adults, 516 males and 430 females responsible for investment decision-making of a portfolio of any size, completed the State Street Global Advisors' Women and Investing Toluna Omnibus. It was fielded online April 2–6, 2015. The sample is representative of the US adult population aged 18+

Not Just a Number: Perceptions and Behaviors Related to Cognitive Decline and Financial Decision Making

2015

Analysis of Multigenerational Wealth Survey Data

- Earlier this year, the Practice Management group at SSGA contracted with CoreData to field a quantitative survey among 560 investors and 400 advisors on the topic of multigenerational wealth management. A subsection of the survey was dedicated to the topic of investing and the aging brain
- We also fielded a nationally representative sample of 912 adults in an online, nation-wide omnibus survey who are responsible for investment decision-making of a portfolio of \$200,000 or more
- a2b planning reviewed the findings and analyzed additional cuts of the aging brain data, including gender and generation

In-depth In-home Interviews with Investors and Caregivers

- a2b conducted 12 in-home interviews. The respondents were an equal mix of investors and family members/caregivers who represented a range of age, gender, marital status, level of involvement (for caregivers), investable assets and use/non-use of a financial advisor
- All respondents were professionally recruited and compensated monetarily for their time

In-depth Expert Interviews (via telephone)

- a2b conducted telephone interviews with 13 experts on the aging brain, both within and outside of the financial industry

The Transformative Power of Philanthropy

2016

Online Survey, 2015

- Fielded among a nationally representative sample of 400 financial advisors and 560 individual investors
- Advisors: Quotas established to reflect a distribution sample of advisors across different channel segments
- Investors: Quotas established to reflect a distribution sample of investors across both net asset bands and age bands

Online Survey, 2016

- Fielded among a nationally representative sample of 1,086 adults in an online, nation-wide survey who are responsible for investment decision-making of a portfolio of \$200,000 or more, use a financial advisor and donate to philanthropic/charitable organizations or causes

Expert Interviews

- Telephone interviews with ten experts on strategic philanthropy, both within and outside of the financial industry
- Interviews with 9 investor / heir pairs and 2 individual investors. Part I of the interview, the investor and heir (child or grandchild) were interviewed separately, and simultaneously; Part II of the interview, the investor and heir were interviewed together. All respondents were professionally recruited and compensated for their time. The investors recruited were required to have a HHI of \$150,000+, at least \$500,000 in investable assets, a financial advisor relationship, donated at least 3% of their income monetarily to philanthropy OR have impact investments in their portfolio. Investors represented a range of ages, gender and marital status. Heirs were 18 years of age or older

State Street Global Advisors' Philanthropy Omnibus Survey, June 2016

- Fielded a nationally representative sample of 1,101 adults in an online, nation-wide survey who are responsible for investment decision-making of a portfolio of \$200,000 or more

Endnotes from slides 9-10

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2 Marketing to Women: Addressing Women and Women’s Sensibilities, Vol. 13, No. 12, Publication date December 2000, page 6.

3 Neil Howe, “The Silent Generation, ‘The Lucky Few’ (part 3 of 7), [Forbes](https://www.forbes.com), August 13, 2014

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5 *A Profile of Older Americans: 2016*, Department of Health & Human Services; U.S. Census Bureau, the National Center for Health Statistics

6 American Community Survey, Marital Events of Americans, U.S. Census Bureau, 2009

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8 Elizabeth Olson, New Widows Have Another Concern: Their Finances, *The New York Times*, September 4, 2015.

9 US Census Bureau; Introducing Boomers: Marketing’s Most Valuable Generation, 2012 Neilson study

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11 Girl Power Marketing, 2013 report, “Boomer Women: The Invisible Goldmine.”

12 Nielsen study, 2012, “Introducing Boomers: Marketing’s Most Valuable Generation; U.S. Census Bureau; [American Marketing Association](https://www.americanmarketingassociation.com), “Baby Boomer Women Remain Invisible to Marketers, Sarah Steimer, September 28, 2016.

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15 Ada Calhoun, “The New Midlife Crisis – Why (and How) It’s Hitting Gen X Women”, [Oprah.com](https://www.oprah.com), essay published October, 2017.

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17 MetLife 2011, “Study of Caregiving Costs to Working Caregivers.”

18 Sarah Landrum, “[Millennial Women: You Have So Much to Offer the Workplace.](https://www.forbes.com)” *Forbes*, December 22, 2017

19 Pew Research, “[Millennials are the Largest Generation in the U.S. Labor Force.](https://www.pewresearch.org)” April 11, 2018

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