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Women and Financial Independence Study

June 2012



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

What	<ul style="list-style-type: none">▪ An online survey was conducted by Koski Research.▪ Koski Research is neither affiliated with nor employed by Charles Schwab & Co., Inc.
When	<ul style="list-style-type: none">▪ The study was conducted from May 25 through June 4, 2012.
Who	<ul style="list-style-type: none">▪ 500 women with an average of \$1.3 million investable assets

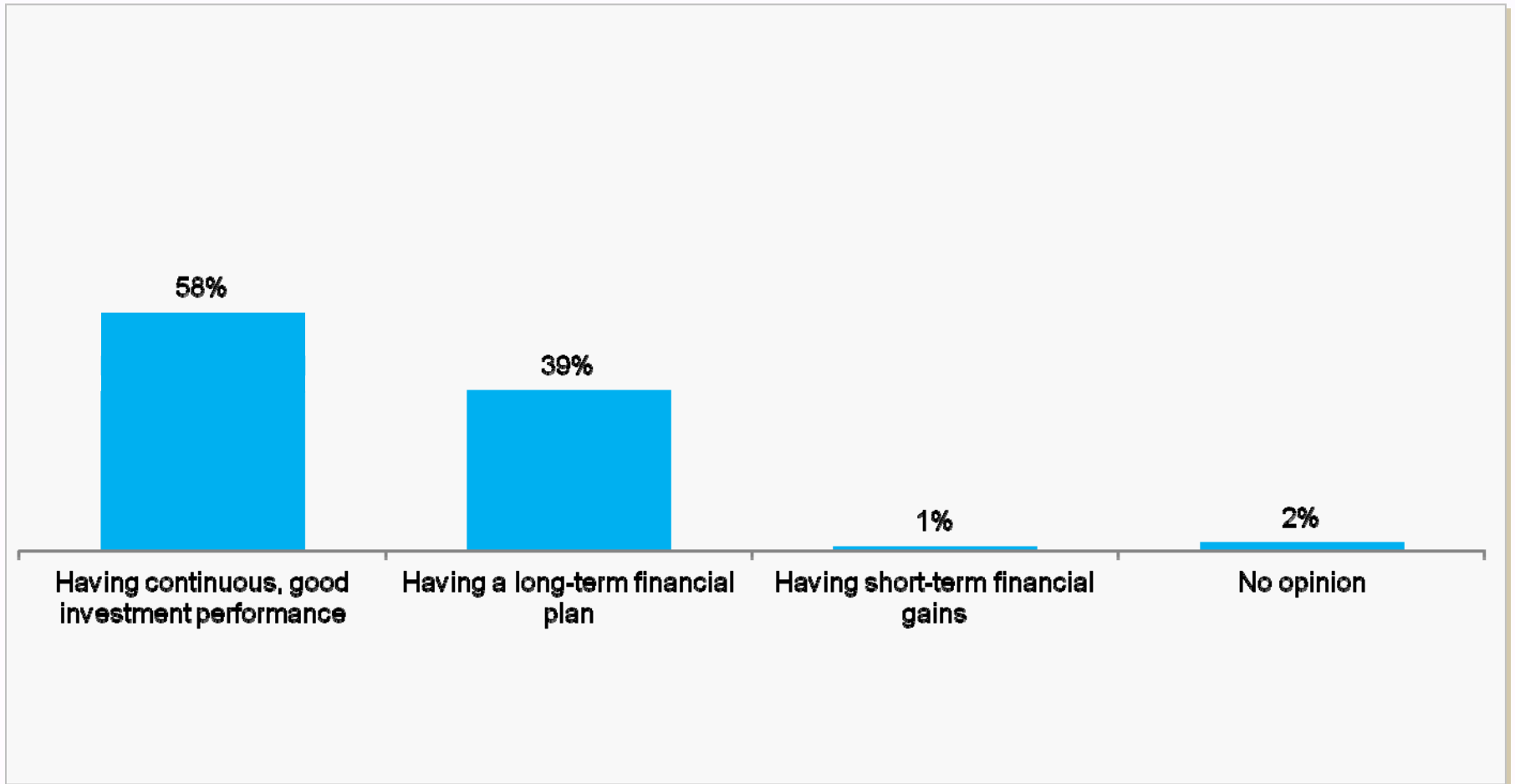
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Results

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Women and financial independence:
Investment performance and planning

Investment performance of great importance to surveyed HNW women

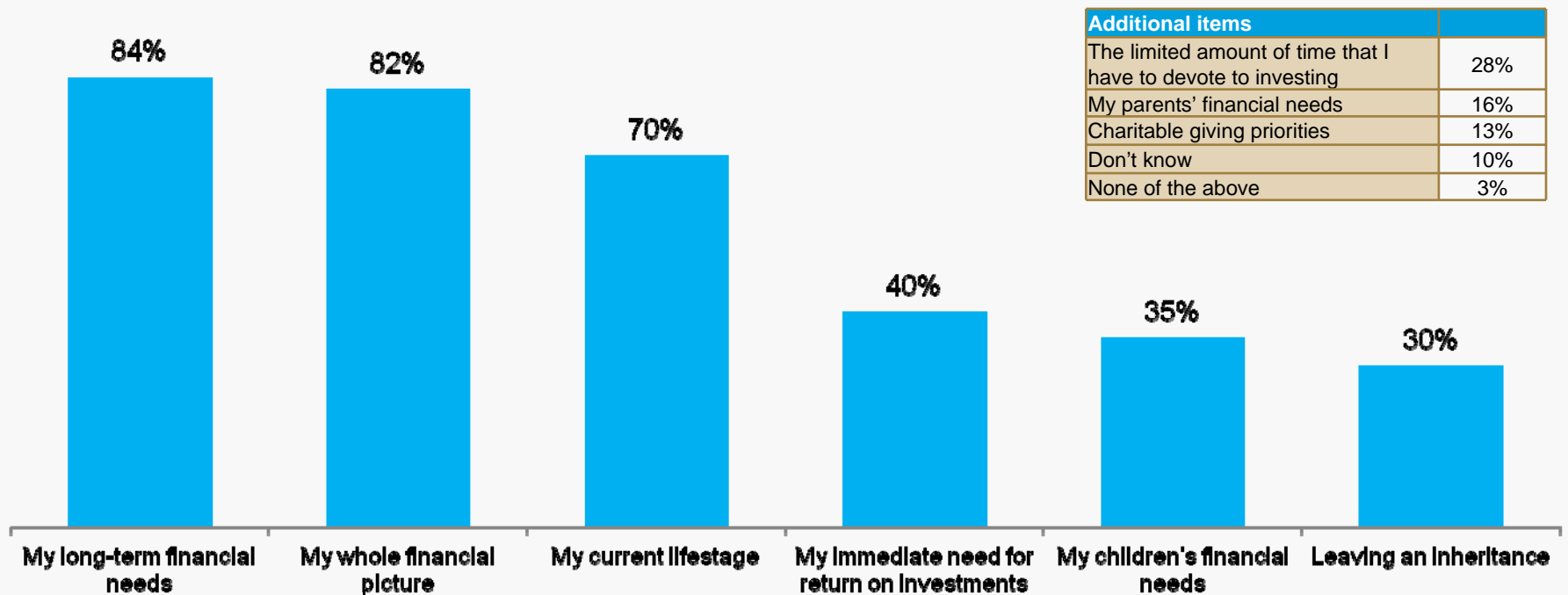


Q24. What is more important to you? (Base = Total HNW women: 500)

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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



Additional items	
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

Q23. Which of the following do you want a potential investment advisor to take into consideration when helping you with your investments?
(Base = Total HNW women: 500)

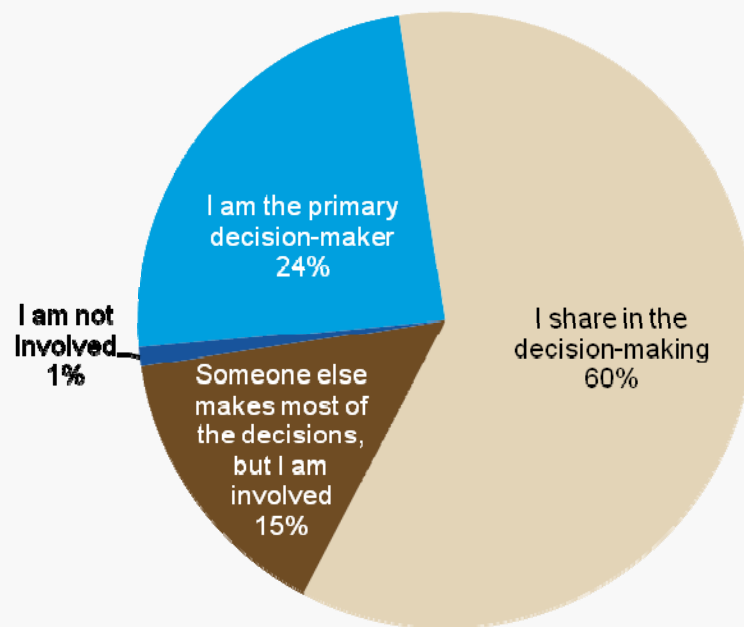
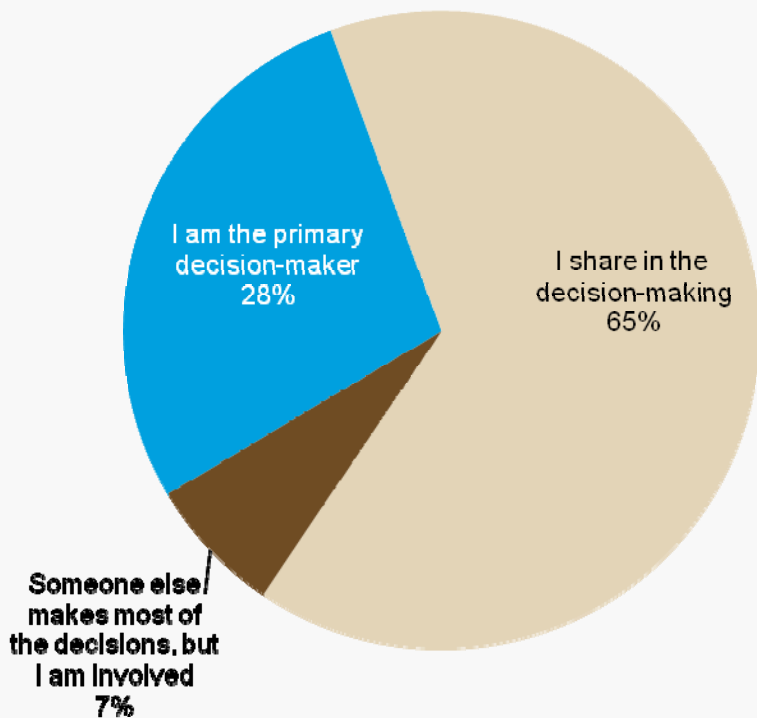
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Women and financial independence:
Decision making

Survey finds HNW women are decision makers for household finances and investments

Role in household decisions on finances

Role in household decisions on investments



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

Q4. How would you describe your role in decisions regarding investing for yourself or your household? (Base = Total HNW women: 500)

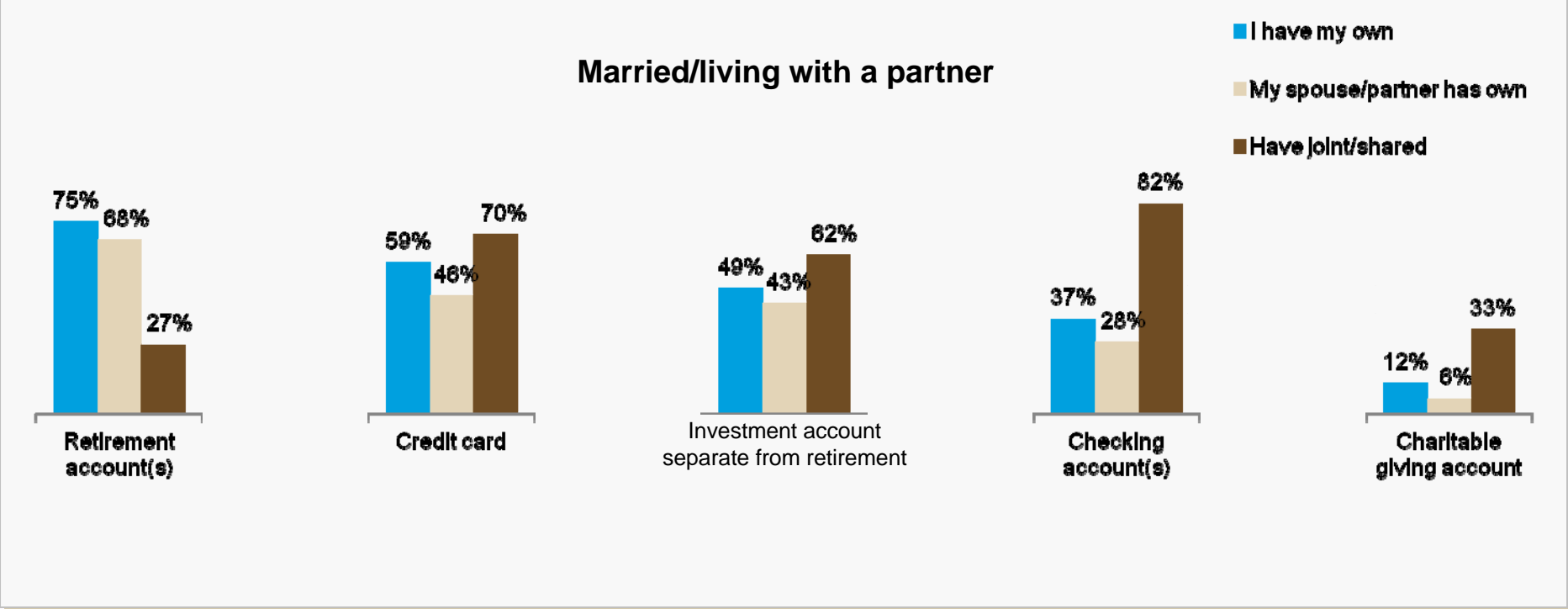
Women selecting "I am not involved" for role in household's finances were terminated from the study

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Respondents have both individual and joint financial accounts

Accounts Owned

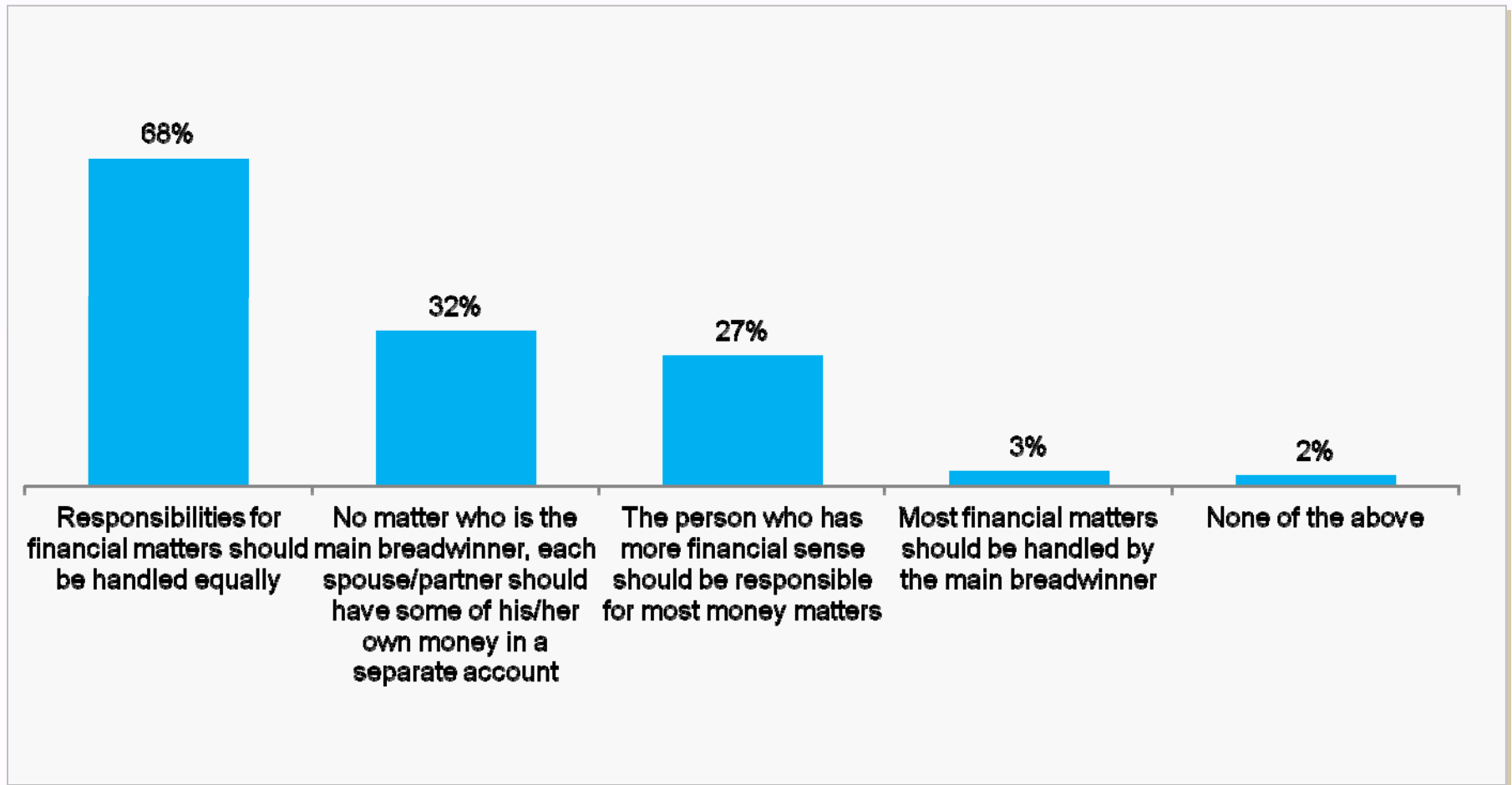
Married/living with a partner



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

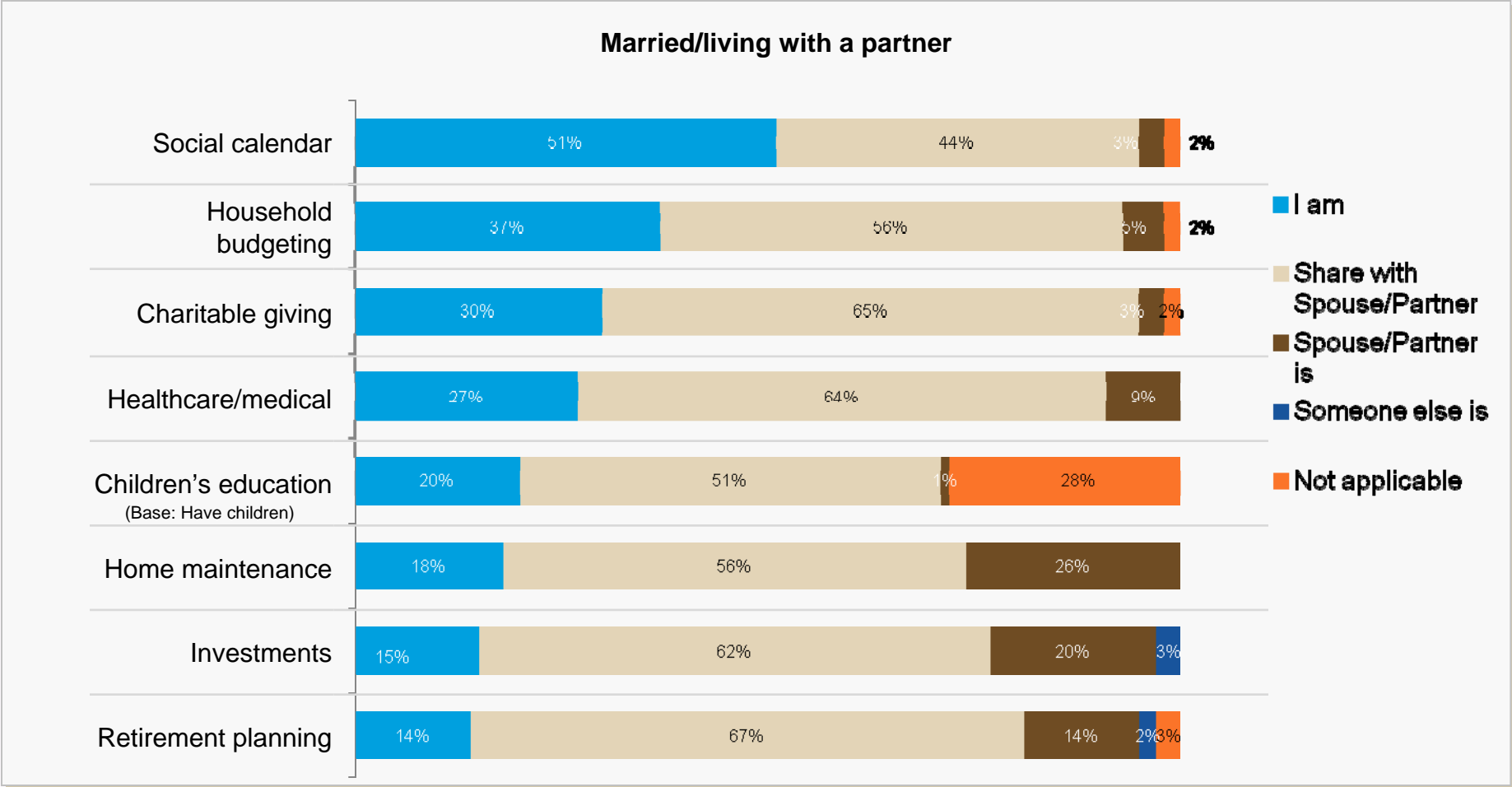


Q14. For married couples and couples in domestic partnerships, I believe...? (Base = Total HNW women: 500)

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Married HNW women respondents share most household decisions with their spouses/partners

Primary person responsible for household decisions



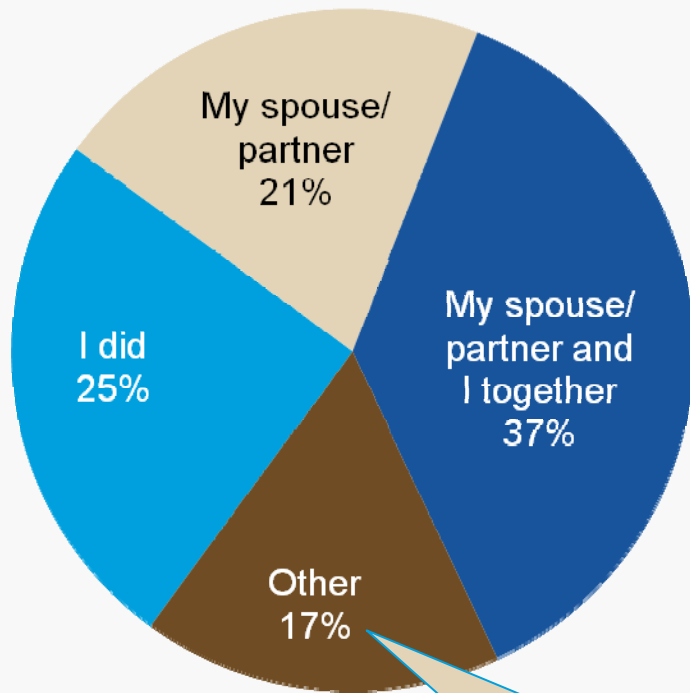
Q12. Please indicate the **primary person responsible for decisions** in the following areas in your household? (Base = HNW women married/living with a partner = 437)

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Women and financial independence:
Choosing an investment advisor

Most surveyed HNW women are directly involved in choosing their advisor; three-fourths would refer

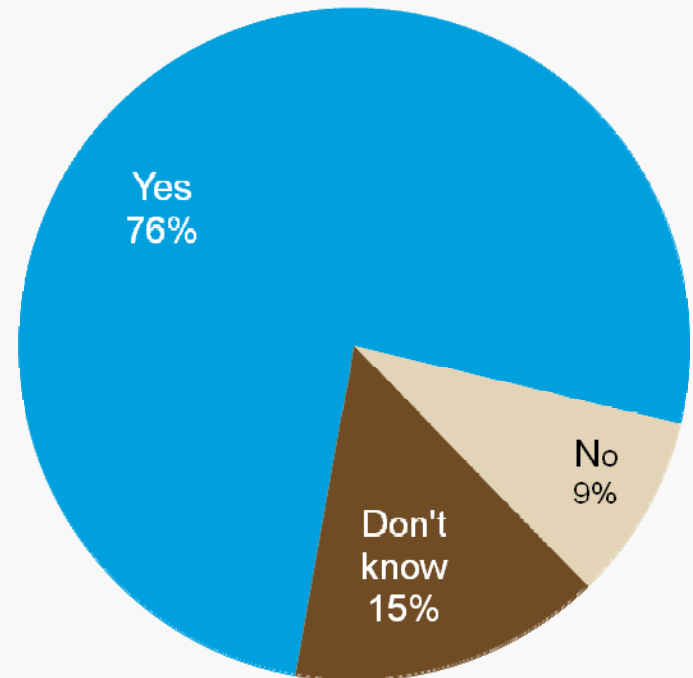
Who chose primary financial/investment advisor
(HNW women who have advisors)



“Other”:

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

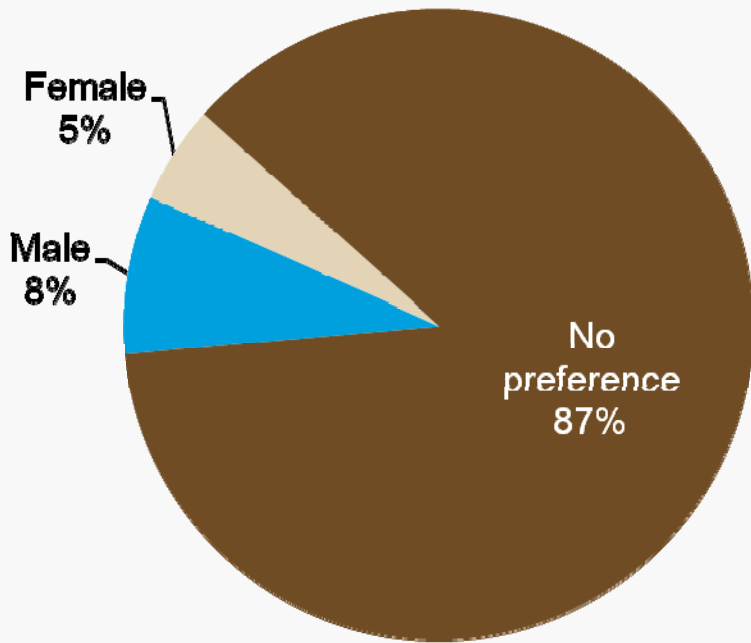
Would refer primary financial/investment advisor
(HNW women who have advisors)



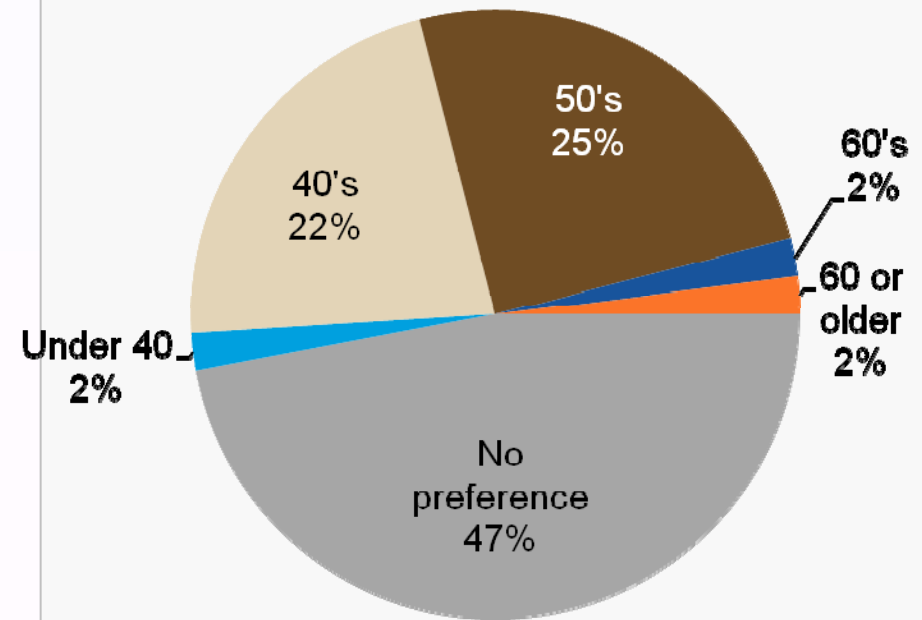
Q26. Would you refer your primary financial/investment advisor to someone?
Q27. Who chose your primary financial/investment advisor? (Base = HNW women who have advisors: 371)

Surveyed HNW women are agnostic about advisors' gender

Gender preference for financial/investment advisor



Age preference for financial/investment advisor



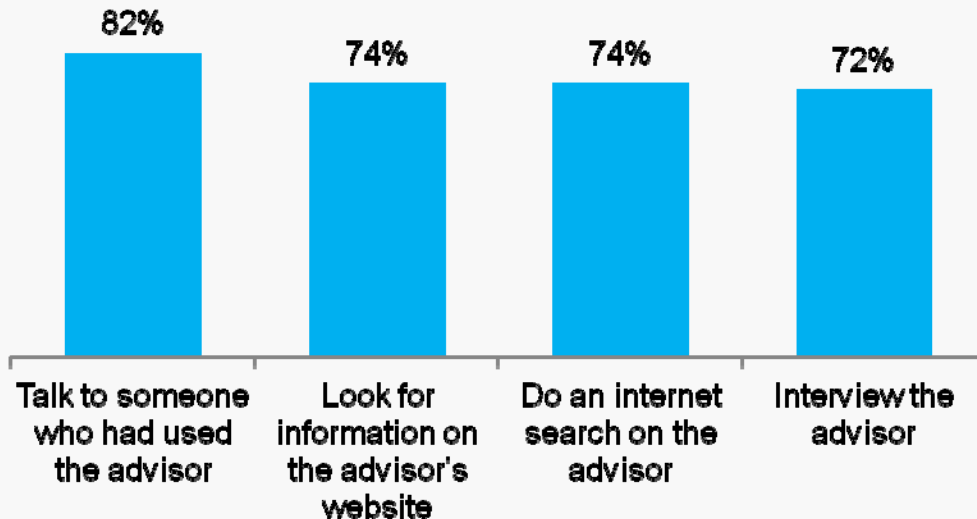
Q20. Would you prefer a financial/investment advisor who is...?

Q21. Would you prefer a financial/investment advisor who is in their...?(Base = Total HNW women: 500)

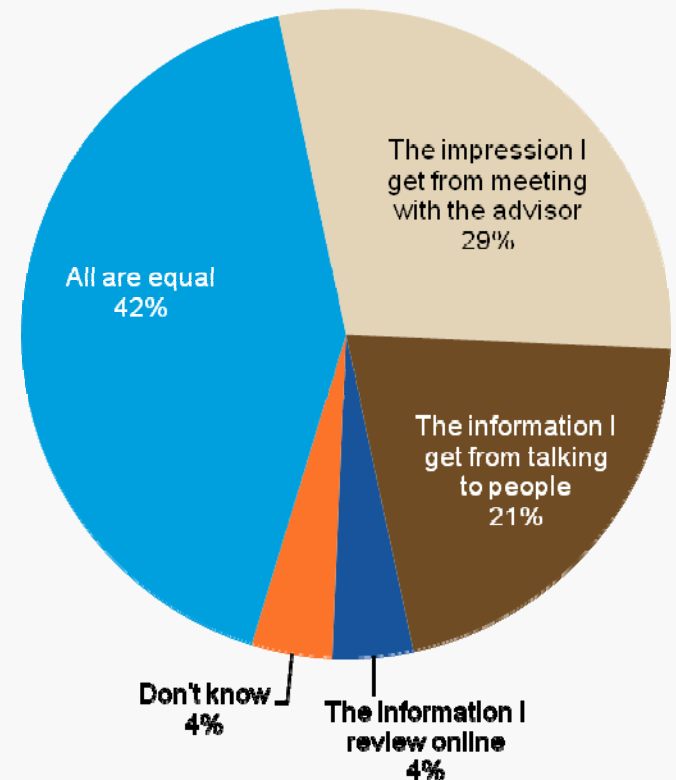
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Survey respondents take the time to conduct due diligence when researching/choosing an advisor

Researching a new financial/investment advisor



Most influential factor in choosing a new financial/investment advisor



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

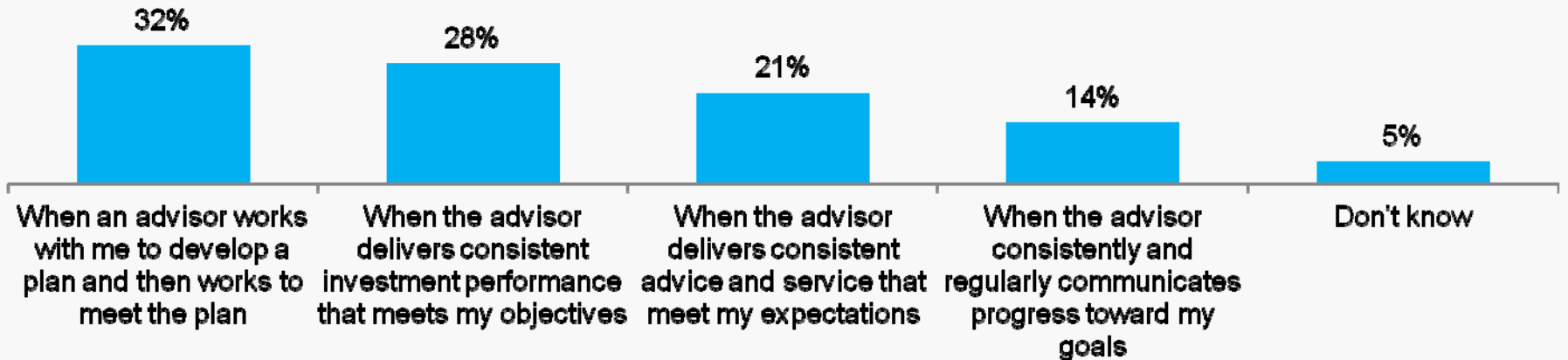
Q18. Which of the following is most influential in choosing a potential financial/investment advisor? (Base = Total HNW women: 500)

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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

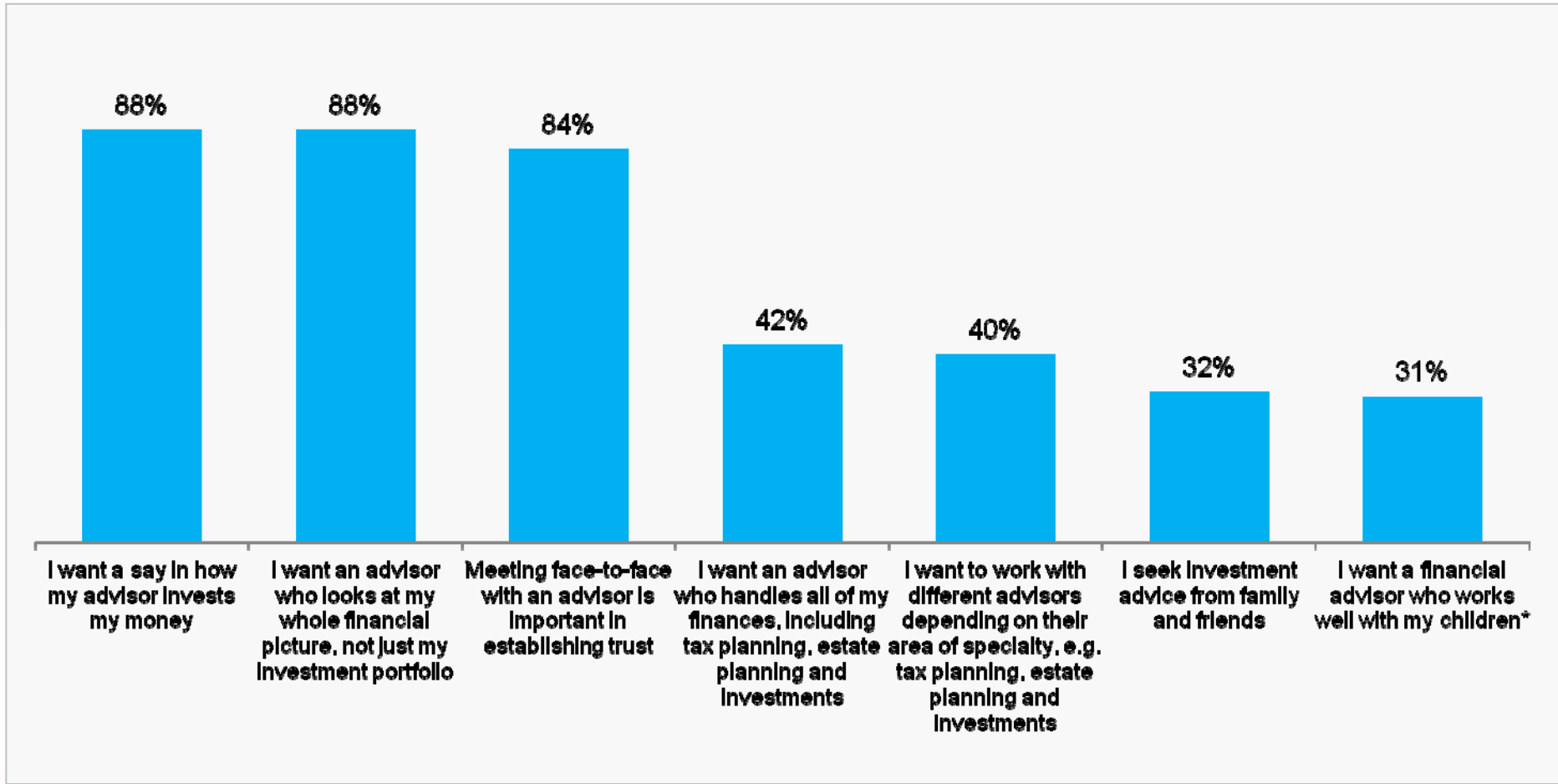


Q19. Which of the following would best establish your trust in a financial/investment advisor? (Base = Total HNW women: 500)

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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”)



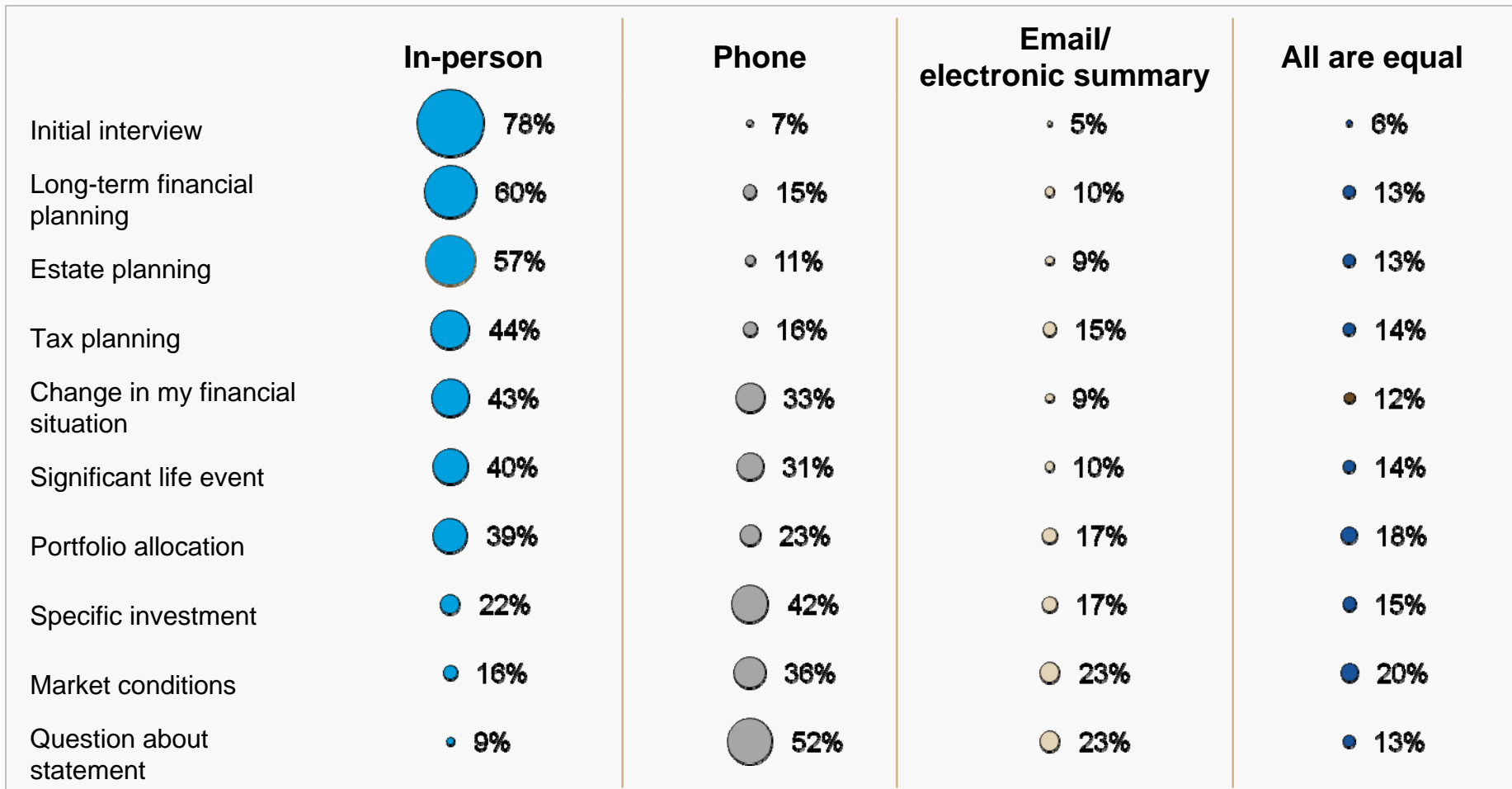
Q22. For each of the following statements, please select the response that best describes you? Top two box agree. (Base = Total HNW women: 500)

*Base = Women with children = 366

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Face time is critical

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

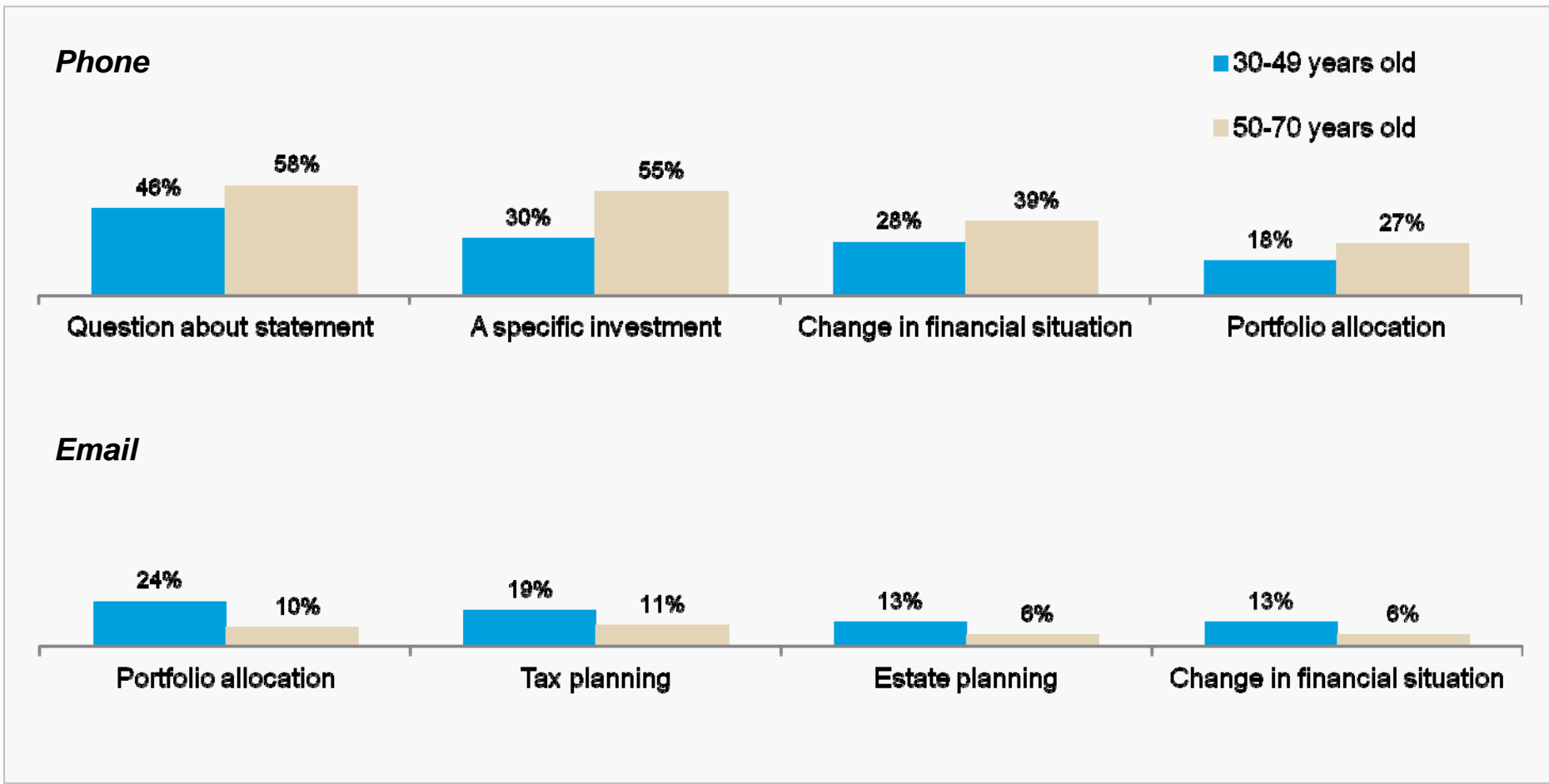


Q28. Please select the responses below for the primary way you prefer to communicate with your financial/investment advisor for each of the following.
(Base = HNW women who have advisors:371)

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Respondents overall cite phone as important channel, email more important to younger women

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

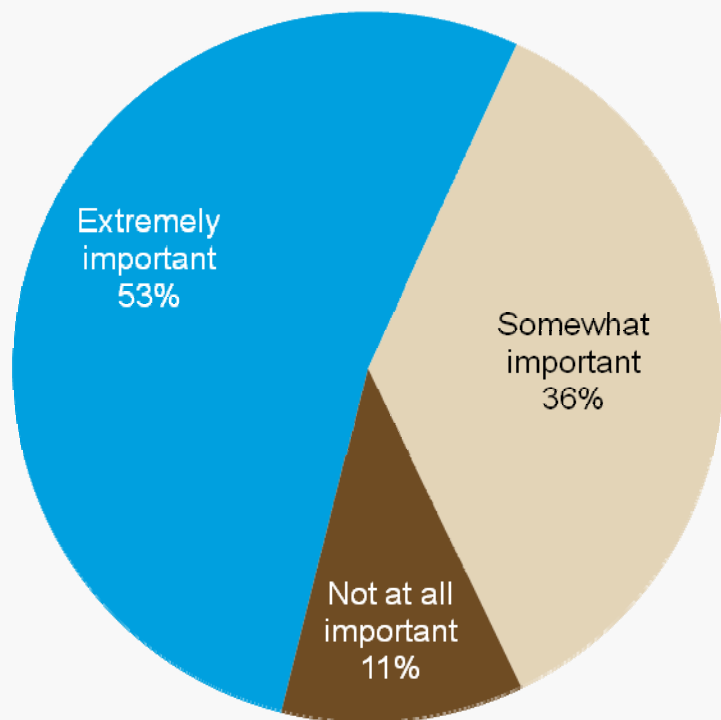


Q28. Please select the responses below for the primary way you prefer to communicate with your financial/investment advisor for each of the following.
(Base = HNW women who have advisors by age: 30-49 = 184; 50-70 = 187)

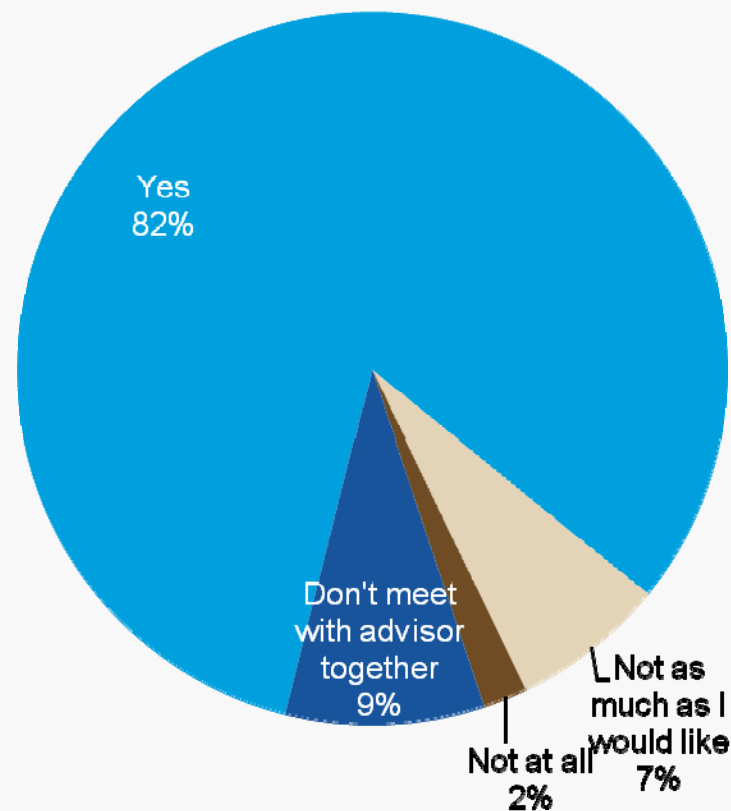
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Married respondents want both spouses included in meetings about shared investments

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



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



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 you 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)