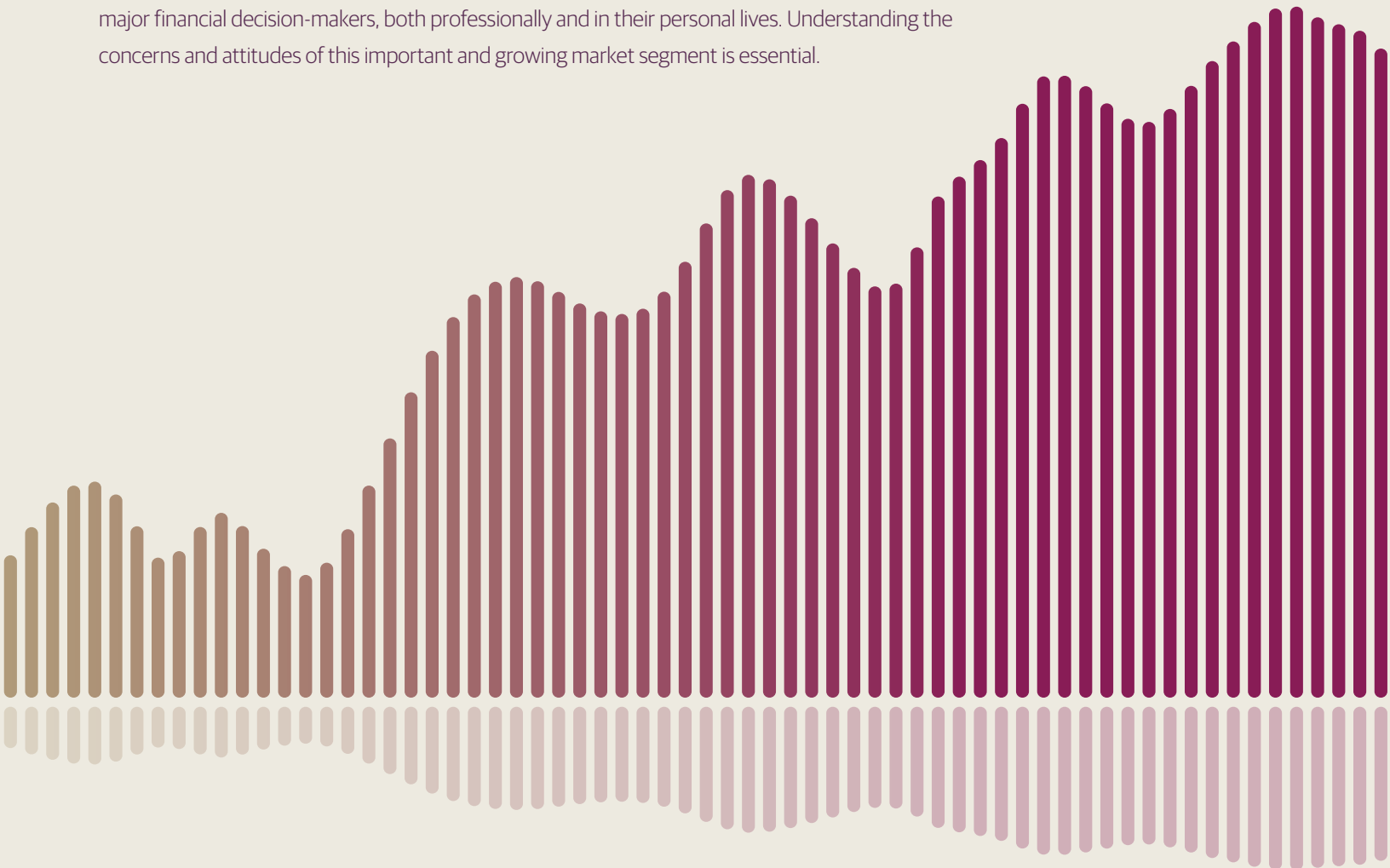


# The Woman Investor

## A Growing, Dynamic Market

The women's investment market represents one of the best opportunities today for expanding your business. Women control a growing majority of the private wealth in the U.S.—this amount totals \$22 trillion\* and the number of women with six figure incomes is rising much faster than men within the same category. Additionally, women will be recipients of an unprecedented wealth transfer in the coming years, representing a \$30 trillion\*\* opportunity by the end of the decade. They are major financial decision-makers, both professionally and in their personal lives. Understanding the concerns and attitudes of this important and growing market segment is essential.



\*Source: <https://www.fa-mag.com/news/women-need-to-lead-in-finances--consultant-says-54850.html>

\*\*Source: <https://www.mckinsey.com/industries/financial-services/our-insights/women-as-the-next-wave-of-growth-in-us-wealth-management#>

# Understanding the Needs of the Woman Investor

## Key Objectives for the Woman Investor

Women have a range of goals when considering their finances. As a group, they are accumulating increasing wealth and their investment objectives are dynamically evolving.

Outliving retirement savings is a significant concern. As a group, women live longer than men, with 80% of women outliving their spouses, and only 39 percent of women confident that they'll have enough resources to last 25 years into retirement.<sup>1</sup> They also want to provide for their own long-term care and do not want to become a burden to their families in the future.

One unique challenge with long-term planning is that women as a group, in general, tend to not maximize their Social Security benefit. For example, 43% of women reduced their participation in the labor force in 2020 (vs. 5% for men)<sup>2</sup> to attend to unpaid caregiving. In addition, in many fields, women tend to earn less than men for doing the same work. Many women claim benefits at age 62, when first eligible, rather than at age 70 when those benefits can be maximized.

*Women are looking for an advisor who can provide a holistic approach and who is not only focused on assets, but also understands investment goals, tax implications, risk tolerance, family and state considerations, as well as elder care demands.*

## The Importance of Legacy

Another important financial goal for women investors is legacy planning, ensuring the well-being of family members and/or cherished causes. Women play a central role in establishing and preserving family wealth. They need to be involved, informed, and comfortable with their role as guardians of family wealth. Many may play an active role in their wealth management to protect and grow their assets with the goal of leaving a legacy for their children, their community, and beyond.

## A Socially Responsible Approach Matters

Women are also committed to a socially responsible approach when it comes to investing. They are seeking a clear, measurable, and positive impact on society—not simply a return. Trillions of dollars are currently being invested using a socially responsible lens and gender diversity in both senior management and boards of directors is becoming a key element in their investment decisions.<sup>3</sup> 84% of women versus 70% of men said it is important that companies invest in the health and wellness of consumers and employees. Similarly, women investors tend to be more concerned than men that companies are environmentally aware and support disadvantaged communities.<sup>4</sup> Social, political, and environmental issues are on the top of the agenda.

<sup>1</sup> <https://www.willistowerswatson.com/en-US/news/2018/03/gender-differences-on-saving-for-retirement-linked-to-financial-needs>

<sup>2</sup> Source: International Labour Organization, surveying prime-age women and men (aged 25 to 54).

<sup>3</sup> Women and ESG Barclays.

<sup>4</sup> <https://www.investmentnews.com/dont-fall-for-myths-about-women-investors-72527>

# Connecting With the Woman Investor

## Focus on Needs and Goals

According to research, 36 percent of women investors say they feel patronized by financial advisors,<sup>1</sup> while it is estimated that 90 percent of women will manage their own finances at some point during their lifetime. Women often have experience with financial advisors who don't understand the woman's experience or take factors specific to their lives into consideration. Take the time to discuss, clarify, and confirm their goals.

## Understand the Importance of Social Responsibility and Legacy

Take the time to understand the products/goals unique to women, such as legacy planning, a socially responsible focus, and wealth management. Social, political, and environmental issues are a priority. Additionally, as stewards

of the family legacy, women are in an influential position. As we have noted, in general, they are holders of increasing wealth, as well as keepers of the family's moral and philanthropic vision.

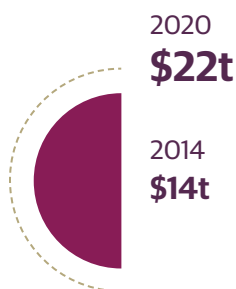
## Work as a Team

Women want to collaborate with their financial advisor. As women take on a more prominent role in building and managing wealth, they are looking for an advisor with a holistic approach who isn't only focused on assets, but also understands investment goals, tax implications, risk tolerance, family and estate considerations, and elder care demands.

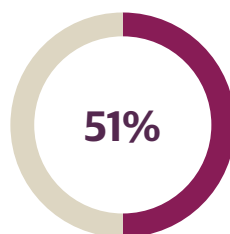
By understanding and addressing the growing strength of the woman investor market segment, advisors will be poised for growth in the years to come.

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**Historically, women have been underrepresented in the investing world, but this is becoming a phenomenon of the past. While various cultural and social reasons contribute to this shift, there is also a simpler driver: rising economic might.**



Women-controlled wealth in North America (BMO Wealth Report)



Personal wealth in the U.S. controlled by women (BMO Wealth Report)



Intergenerational wealth set to be inherited by women over the next 40 years (Forbes)

Source: Visual Capitalist (<https://www.visualcapitalist.com/unlocking-power-women-investing/>).

<sup>1</sup> Visual Capitalist (<https://www.visualcapitalist.com/unlocking-power-women-investing/>).

# Opportunity to Grow Business

Research shows that the financial advisor community inefficiently addresses this market, as a whole. It is a market that is becoming wealthier and one that presents a growth opportunity for advisors.

**Changing concerns—data from a recent survey by New York Life Investments sheds light on why women may be underserved by the industry.**

33%

## Poor Performance

Women don't switch investment advisors simply because of poor performance—there are other, more complex factors involved.

Part of this is likely because 62% of women say they have unique investment needs and challenges.



27%

## Poor Customer Service

29%

## Lack of Personal Connection with Financial Advisor

Source: Visual Capitalist (<https://www.visualcapitalist.com/unlocking-power-women-investing/>).

## An Essential Market

Women investors represent a knowledgeable and motivated market that is gaining access to significant capital. These are investors who want to invest that capital in financial opportunities that align with their values. Taking the time to understand how those values can be addressed is key to tapping into one of the fastest-growing investor populations in the country today.

### Investing involves risk, including the possible loss of principal.

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