

ALBUQUERQUE BUSINESS FIRST

NM financial advisor: ‘Women are not an afterthought. This is a huge part of the market.’

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Jan Holman, director of advisor education at Santa Fe-based Thornburg Investment Management, has worked in the financial industry for 42 years both as a financial advisor and a mentor to the industry.

“When I started, there were very few women. That was irritating and challenging,” Holman said. “The industry itself is very lingo-oriented, performance-focused, anything to keep emotion out of the equation. That’s not how people work with their money. Emotions and how emotions affect a person are a huge part of why they make the decisions they make.”

She says that industry framework is one of the reasons why women have had negative investing experiences, and that not much has changed today.

“If you have a couple that is male and female, and the male dies, in 70 percent of cases, the woman will find a new financial advisor,” she says.

CNBC reported that by 2020 women will control two-thirds of the nation’s private wealth that is expected to grow from \$14 trillion to \$22 trillion. That same story reported financial advisors are having trouble marketing their services to the growing number of women who could benefit from their services.

Holman said out of women who are using financial advisors, they are largely age 50 or older, with younger women lagging in their use of financial services.

Here’s what Holman says financial advisors should be aware of when working with women clients:

What are women looking for in a financial advisor?

They’re typically just looking for somebody who understands them. There has to be trust, mutual respect. A person doesn’t need to be blown off. For example, having someone say, “I don’t think it’s important for you to know why you have stocks



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in your portfolio.” Instead, it’s “Here’s what stocks are.” Women like education, they like to become knowledgeable. They don’t want to be afraid of something like this that is so important in their lives.

We are all individuals, but there are characteristics of women that advisors should be aware of. They are relationship-oriented, they have an interest in learning and being educated about what they’re doing, and in managing risk. It becomes broader than just investments, it’s about risk management, it’s about understanding who is in the woman’s life, who she loves, who she wants to take care of. The business is probably as complex now as it has ever been. It’s because more and more technology comes into the industry and takes over services providers used to provide. Advisors now have to move toward stuff that’s squishier.

Who are the women seeking out financial advisors today?

Many advisors are still pretty traditional where they work with couples. Once in awhile, you’ll find an advisor who has decided to focus on women, not as a niche. Women are not a niche. Women age 50 and older right now control \$19 trillion in investments. That represents three-quarters of all the financial wealth of the country. Look at the demographics. Men die sooner, women live longer. Women inherit money. Now women are earning a considerable amount of money on their own. Women are not an afterthought. This is a huge part of the market. Seventy percent of women 55 and older are more likely to use a financial advisor.

Are women younger than 50 using financial advisors?

When I was younger, I thought I could do it all. I think that’s kind of common. I have three kids, one’s 32, one’s 30 and one’s 28. Their view of financial advisors is a lot different than mine. They see an advisor as a resource but they don’t necessarily think they need them. The problem with that is if an investor decides to do stuff on their own, or use the internet to help them manage their money, there’s a lot of areas that won’t be covered. People don’t think it’s sexy to see how much life insurance they need. They just focus on the investment stuff. If an individual doesn’t look at the risks and how they want to deal with those risks, those risks can come back and bite them in terms of forcing them to give up some of those investments. That’s what a financial advisor provides, a holistic approach.

What is your advice to women who have had negative experiences seeking financial advice?

I would talk to friends and get the names of three advisory teams and go talk to those people. Interview them, find out what kind of clients they work with, how do they do their work, what’s their philosophy. It’s almost like dating. You’re looking for a relationship.

The views expressed by Ms. Holman reflect her professional opinions and are subject to change.

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TH3817

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