

MAKING GAINS

SPECIAL REPORT | BANKING & FINANCE

INVEST: Financial Advisors Increasingly Address Interests and Situations of Women Clients



Melissa Jacobs

Teresa Kakadelas, the director of financial planning at Blankinship & Foster LLC, was recently promoted to the company's executive team because of her dedication to helping women understand their investments.

BY MICHAEL LIPKIN

Fewer than half of the women in a recent **Morgan Stanley** survey said they worked with a financial advisor, and most of those who did reported their advisor misunderstood or neglected them. And some advisors who do make efforts to serve women often offer products with patronizing labels, according to a separate study from the **Boston Consulting Group**.

Given those conditions, it's no wonder that 70 percent of widows change their financial advisor within a year of their spouse's death, in search of a more empathetic financial planner. The **Family Wealth Advisors Council** predicted highly educated women with a net-worth of more than \$500,000 are one of the largest growth opportunities for independent financial advisors.

San Diego firms are capitalizing on the need for more attentive advisors, building brands for themselves as resources for women. They've created educational programs on investment basics, launched social events to foster women-dominated networks and are even retooling their décor away from intimidating boardroom styles.

Wise Women

Blankinship & Foster signaled its dedication to women clients last month with the promotion of **Teresa Kakadelas** to its executive team, in part due to her work creating the firm's Wise Women program. Kakadelas, the firm's director of financial planning, began the Wise Women luncheons four years ago and has helped teach women

clients and their friends about estate planning, investment terminology and financial exploitation.

But for the most part, Kakadelas said Blankinship has already been using the best practices laid out in several industry studies, which criticized professionals who don't explain convoluted jargon to inexperienced investors or devote most of their attention to a woman's husband. Nearly 30 percent of Blankinship's clients are single women and the key to that success has been staying focused on their individual needs, she said.

"We want to make sure that we're educating women and making them feel comfortable, but we might have another client who would be offended," Kakadelas said. "She doesn't need to be educated, she doesn't have time to be educated, she wants to get this, this and this done."

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There are a few basic things Kakadelas wants to tweak about Blankinship, including the design of its waiting area and conference room. The high-backed chairs and long table in the conference room will eventually be replaced with more casual furniture, she said.

"This isn't a very friendly environment for women," she said, gesturing around the room. "I don't think men even really like it that much either. We want it to be more open to discussion, so it's not us telling them what to do."

The Outreach

Other San Diego firms have stepped up their efforts to teach women about investments too, offering bimonthly workshops or quarterly events. **WWM Financial** spun off an outreach arm last year called **Savvy Women Wealth Management** and has since seen its women referrals double. WWM now gets more women clients than men, though many come in with their spouses. But in most cases, it was the wife who chose WWM, according to Managing Partner **Catherine Magaña**.

The need for financial education spurred **Barbara Norman**, a former investment advisor, to launch **Women's Financial Academy Inc.**, where women can pay for weeks-long courses on investing and retirement issues. Her students are largely baby boomers or older with \$500,000 to \$1 million invested, but don't understand how to talk with their advisor. Norman said she had a more complex curriculum in mind when she started the company in 2010, but quickly had to pare it down.

"There are people with multimillions of dollars and they don't know how to



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HoyleCohen's Elisabeth Cullington, left, and Heather Burke review a portfolio at the wealth management firm's headquarters.

read their statements," she said. "I had to back off. I was shocked at how little people knew."

Much of the investment industry's advice to itself, such as not stereotyping clients, would seem to be equally effective at keeping men happy, too. But the personal conversations required for that approach take time, especially for women who are not used to making business decisions, making it difficult for commission-based advisors to adopt a more open approach.

Understanding Their Risks

"The industry is, by and large, transaction based," said Elisabeth Cullington,

a managing director at **HoyleCohen** and the founder of its women's practice. "How can I make the fastest money in meeting with these people? It's not built around having that conversation."

A separate women's practice is needed because of the distinct financial risks faced by women, HoyleCohen advisors said, including a life expectancy about six years longer than men's, a persistent pay gap and vestiges of a culture that encouraged women to focus more on the home than investment finances.

"One of the goals of our practice is to empower women," said HoyleCohen Business Development Director **Bridget**

Venus Grimes, a member of the women's practice. "It doesn't mean men don't need it, but statistically, women are in a worse place."

Cullington started HoyleCohen's women's practice in 2011, after getting divorced and sensing there was not enough support for women dealing with the aftermath of their divorces. Cullington said she sits back in initial meetings with clients, seeking out their "pain point" instead of talking about herself. Another potential pitfall she avoids is talking down to a client who seems confused.

"It sounds like redundant advice, but that's part of the problem," she said.

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