

WHAT DO WOMEN REALLY WANT? ESTATE PLANNING TAILORED TO WOMEN'S NEEDS

The needs of female clients may differ from male clients. By understanding the reasons for this and adapting their practice accordingly, advisors can provide their female clients with the advice that they specifically need
By Patricia M Angus

Sigmund Freud, who figured out a great deal about the human psyche, was unable to answer one key question: "What do women really want?"

A century later, it seems that lawyers, accountants and financial advisors in the private wealth management industry are only just beginning to ask themselves the same question, at least with respect to women's estate planning needs and desires.

In the US, financial services institutions have begun to provide programs and product offerings geared to female clients.

Other fields, including medicine, have made great strides in reducing the gender gap between the research and services geared to men and women.

It is now time for estate planners, including lawyers, accountants and other advisors, to follow this trend and consider how services can be tailored to the needs of women. This could help ensure the success of estate planning for women and their families.

Certainly, there is an argument that the actual estate plan established for any client should be gender-neutral. Estate and inheritance laws apply equally to men and women in the US and most countries. However, as an advisor works with a client, it is important to keep in mind the biological and societal differences between the genders, and the ways in which the patterns of women's lives generally tend to differ from men's lives.

This article provides an overview of some of the ways that distinguish the estate planning needs of women. It is not intended to be an academic treatise, nor can it provide any definitive answers or conclusions. The primary goal is to raise awareness that the needs of female clients may differ from male clients and to encourage advisors to seek to understand these differences so they can adapt their practices accordingly.

Demographics and life patterns

Women represent more than half of the world's population and, according to some studies, control the majority of the world's wealth, including some of the largest estates.

Women generally live longer than men do. The current life expectancy for US women is 79.5 years, while male life expectancy is 73.8 years.

Not only do women tend to live longer, they also tend to live alone longer, with the average age of becoming a widow being 56 years.

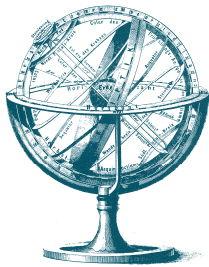
Other differences that apply during their lives that distinguish women's planning needs include the following:

- women tend to spend more time caring for their children and, often, for elderly relatives;
- wealthy women may not rely on their own salary as the sole source of support;
- if they are in the workforce, women tend to earn 74% of their male co-workers in the same position, so their earning potential may differ from those of their male peers;
- in general, women tend to take more time away from the workforce during their childbearing years;
- married women often rely on their husbands to handle estate planning for their families, while single women often defer the process indefinitely.

Why can't a woman be more like a man?

In the classic line from "My Fair Lady", Professor Higgins, mystified about the seemingly irrational behaviour of his subject, asks "Why can't a woman be more like a man?" Unfortunately, he lived too soon to access some fascinating research that may have helped him understand the issue.

The research sheds light on some key areas – biological differences, including



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brain structure and communication patterns, and societal differences, including the impact of gender identification, on patterns of behaviour.

Language and communication

In *You Just Don't Understand* (Ballantine Books, New York, 1990), Deborah Tannen shows that there is an asymmetry in the ways in which men and women tend to use and interpret language. Some of the most important findings can be summed up as follows:

- men tend to use communication as a means of establishing and maintaining an hierarchical social order and to protect their independence;
- women tend to use communication as a means of developing rapport and confirming interpersonal connections.

Tannen states: "If women speak and hear a language of connection and intimacy, while men speak and hear a language of status and independence, then communication between men and women can be like cross-cultural communication, prey to a clash of conversational styles. Instead of different dialects, it has been said they speak different genderlects. Although each style is valid on its own terms, misunderstandings arise because the styles are different".

Psychological development

Carol Gilligan's *In a Different Voice* (Harvard University Press, 1993) is a seminal work on the differences between the psychological development of men and women.

Gilligan highlights findings showing that relationships are experienced differently by men and women. Men tend to define themselves through the process of individuation and separation; women seek to define themselves in relationship with others.

In a letter to readers accompanying the 1993 version of her book, she states: "The differences between men and women which I describe centre on a tendency for women and men to make different relational errors – for men to think that if they know themselves,

following Socrates' dictum, they will also know women, and for women to think that if only they know others, they will know themselves".

Gilligan argued that the use of the male psychological development pattern as the norm limited the ability to understand the entire human experience, including that of women.

Obviously, there are fundamental physiological and biological differences between men and women.

The medical profession has become increasingly aware that research and services must take these differences into account.

Works such as Nieca Goldberg's *Women Are Not Small Men: Life-Saving Strategies for Preventing and Healing Heart Disease in Women* (Ballantine Books, 2002), are evidence of a trend toward focusing on women's needs separately in the medical profession.

Implications for estate planners

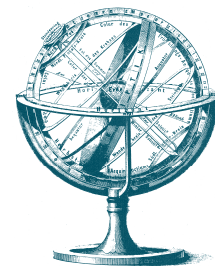
What does this mean for estate planners?

If we apply these insights to the relationship between professional advisor and client, we see that there is a danger of miscommunication and misuse of communication when male and female advisors and clients do not "speak the same language".

If one party sees the role of communication as a way to impart a command of facts and establish status, while the other seeks to gain closeness and a sense of understanding, the situation is ripe for misunderstanding.

Unfortunately, graduate schools do not focus in great depth on communication skills, especially cross-cultural communication. So, advisors must gain their training on the job. If they sense that a client does not understand what they are trying to recommend or explain, they must try a different method of communication.

Asking questions to find out the level of understanding is a good start. Asking the client to repeat in his or her own words what the advisor is trying to get across is another.



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Women and Wealth What do women want?

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■	Be aware of different communication styles – women will tend to prefer more detailed explanations and require more verbal interaction
■	Seek to develop trust and ensure continuity as the relationship itself may be more important to female clients
■	Tailor planning to the client's stated needs and actual life situation rather than rely on assumptions that may not apply – stay attuned to life patterns
■	Develop a relationship with both members of a married couple and insist on input from both (subject to ethical rules)
■	Adapt to the needs of stay-at-home mothers by providing flexible scheduling arrangements
■	Ask clients to repeat their understanding of issues to ensure that communication has been effective
■	Consider the relationship between a fiduciary appointed by one spouse with the spouse who will be served by the fiduciary
■	Make referrals to advisors in related fields with specific expertise applying to the needs of a female client

Table 1: Ways to tailor the estate planning process to women.

Advisors should expect their female clients to desire more detailed explanations than male clients demand.

While female clients tend to focus on their relationship with the advisor and the wellbeing of the family as a whole, male clients may be seeking data and reinforcement of what they have accomplished so far in life.

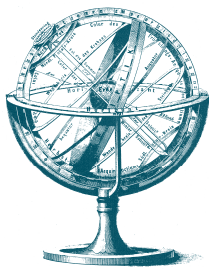
In both cases, male and female clients are fundamentally concerned with how they will take care of those who depend on them and who they will no longer be able to protect at some point in the future. The ways in which this is expressed may differ. The life patterns of most women also differ from those of men. Physiological and biological characteristics mean that women are more likely to need more complicated estate planning at the end of their lives.

Women of substantial wealth – if inherited or through marriage – are often removed from the workforce and do not have the same level of experience working with professionals such as their

estate planning advisors. They might feel more intimidated than their male counterparts, and with the different communication styles, may find themselves silenced and unable to share concerns that serve as the basis for a creative and useful plan.

Studies show that women are less likely to feel in control of their wealth, and often postpone decisions on investments and charitable contributions. Advisors must work with them to assist in their sense of command over their resources for their family and community.

Obviously, all advisors have their own communication and relationship styles and all estate plans should be specifically tailored to the client's particular needs based on all available information. However, an awareness or understanding of the different communication styles and life patterns of male and female clients can help an advisor connect more productively with clients. Some thoughts on how to handle these issues are set out Table 1. ♦



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