Growing your value to women investors

Strategies for expanding your practice
Agenda

1. Women’s surging economic power
2. Connecting and communicating
3. Growing your practice
4. How Putnam can help
Women’s surging economic power
An unprecedented amount of assets will shift into the hands of U.S. women over the next three to five years, representing a $30 trillion opportunity by the end of the decade.

McKinsey, 2020
Women are poised to lead in controlling assets

- 50% of women in the United States are the primary breadwinner of their households
- Women are majority owners of 13 million businesses, which generate $1.9 trillion in revenues
- Will control two thirds of the nation’s wealth by 2030
- The number of wealthy women is growing twice as fast as wealthy men (Marketwatch, 2021)
- Women are adding $5 trillion to global wealth annually (BCG 2020)

Women’s surging economic power

**EDUCATION**

Women earned (2019):
- 53% of bachelor’s degrees
- 57% of master’s degrees
- 43% of doctoral degrees

**PARTICIPATION**

- 56% of women age 16 and older participate in the workforce in 2021
- 52% of households are headed by women

**ELEVATION**

Women hold just over 52% of all management, professional, and related occupations

**CONSUMPTION**

- 37% of women say they pay the household bills
- 50% of households: Men and women share the responsibility of making investment decisions (beyond paying bills)

Women’s surging relevance to your practice

- **37%** of women work with a financial advisor (Transamerica)
- **70%** of women are likely to recommend their advisor to a friend or relative
- **40%** of women would follow an advisor to another firm (compared with 30% of men)
- **35%** of women change advisors due to a negative experience
- **60%** of advisors tend to focus attention on the man when meeting with a male-female couple
- **70%** of women change advisors within one year of the death of a spouse

Connecting and communicating
Women face different challenges

**EARNINGS GAP**
Earn only 82 cents for every dollar a man earns

**INCOME DISRUPTION DUE TO CAREGIVING**
Lifetime gap in earnings for a woman who takes time off for caregiving is $1 million compared with a man who did not do any caregiving

**LONGEVITY**
Women turning 65 today can expect to live, on average, to 85.4 years versus males who live 82.8 years

Sources: Census Bureau, 2019; Merrill Lynch 2019; Centers for Disease Control, 2020.
Opportunities for advice

- SOCIAL SECURITY
- RETIREMENT SAVINGS
- FINANCIAL PLANNING
- INVESTMENTS
Social Security won't cover it all

50.2% of Social Security recipients are women

About 40% of pre-retirement earnings are replaced by Social Security, on average.

Sources: Social Security Administration 2021.
Women may live longer in retirement

Women are still saving for the future amid the pandemic:

70% of women are saving for retirement in a 401(k) or other retirement account outside of work

18% of women have tapped their retirement savings during the pandemic, compared with 37% of men

ONLY 17% of women are “very confident” about being able to retire, compared with 30% of men

In 2020, women’s financial concerns shifted:

- Financial losses due to the pandemic was the top concern – 36%
- Protecting assets – 36%
- Cost of healthcare – 21%
- Generating income in retirement – 18%

Source: Nationwide study with more than 1,700 financial advisors and more than 817 investors, May 27–June 25, 2020.

Source: Transamerica Center for Retirement Studies, June 18–22, 2020 supplemental survey.

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Closing the confidence gap

41% of women wish they felt financially well (compared with 58% of men)

70% of Millennial women take the lead in financial decisions compared with 40% of Baby Boomers

Sources: Bank of America 2020.
Women are leading the way in sustainable investing

$17.1 trillion: total sustainable assets in the United States

Women are twice as likely as men to say it is important that their investments integrate ESG factors

84% of women are interested in sustainable investing (vs. 67% of men)

56% of women focus on making a positive impact with their investments (vs. 45% of men)

89% of Millennial women are interested in sustainable investing (vs. 81% of men)

Communicate your value to women investors

SEGMENT
• Identify the types of women you work with
• Define the goals important to those groups

POSITION
• Align your value proposition with the needs of your target segments
• Incorporate these ideas into your online presence

INTEGRATE
• Include supporting decision makers in conversations
• Use social media to identify key prospects and COIs

COMMUNICATE
• Understand lifestyle goals and savings challenges
• Create a goals-based plan and educate on solutions
Growing your practice
Segments and life events

SEGMENTS

GROWING LITERACY
• Young professionals
• Client beneficiaries/heirs
• Supporting decision makers

ACCUMULATING WEALTH
• Established professionals
• Business owners/Self-employed
• Working mothers
• Supporting decision makers

DISTRIBUTING WEALTH
• Retirees
• Supporting decision makers

TRANSITIONAL LIFE EVENTS

• Cohabitation
• Divorce and widowhood
• Caregiving
Growing literacy

HOW TO CONNECT
- Maintain active presence on social media to build your brand
- Conduct financial checkups for beneficiaries
- Leverage alumni networks
- Set up a booth at a bridal expo
- Conduct mock interviews
- Consulting contracts
- Target young professionals networking groups
- Build relationships with realtors

PLANNING IDEAS
- Debt management
- Bucketed saving/Investing
- Managing workplace benefits
- 401(k) guidance
- Systematic investing
- Tax awareness
- Health savings accounts
- ESG incorporation
- Insurance
Accumulating wealth

HOW TO CONNECT

• Build your brand on social media; offer “Virtual” Meetings
• Offer current client referrals
• Provide a free speaker from the Social Security Administration
• Institute family wealth days
• Offer day-care providers
• Host “lunch and learns” for small-business owners
• Build your own “bring a friend” networking event

PLANNING IDEAS

• Saving for retirement
• Debt management
• Tax planning
• Asset protection
• College savings
• Building home equity
• Estate planning
• Insurance
• Claiming Social Security

Established professionals
Business owners/Self-employed
Working mothers
Supporting decision makers
Distributing wealth

HOW TO CONNECT

- Offer current client referrals
- Network with independent living organizations, estate attorneys, and senior organization leaders
- Connect with charitable organizations
- Help clients establish a donor-advised fund
- Craft an “I love you” letter
- Host retirement seminars in:
  - Over-age-55 residential communities
  - Country clubs/tennis clubs

PLANNING IDEAS

- Income in retirement
- Drawdown strategy/RMDs
- Navigating Medicare
- Claiming Social Security
- Estate planning
- Tax planning
- Insurance coverage
- Charitable giving
- Donor-advised funds
- College savings
Cohabitation

**HOW TO CONNECT**

- Create a “family chart” to determine who financial stakeholders are in current client’s families
- Partner with realtors to identify couples and partners with a financial advice need
- Keep in touch with other household members by recognizing birthdays or key life events
- Gift a financial plan to a newly engaged or partnered beneficiary

**PLANNING CONSIDERATIONS**

- Special considerations for health insurance
- IRA account limitations
- Taxation options
- Revocable trusts
- Healthcare proxies/directives
- Durable power of attorney
- Irrevocable life insurance trust
Divorce and widowhood

HOW TO CONNECT

• Use FindLaw.com to find divorce attorneys and estate planners to partner with
• Create a financial life book to help guide decision making
• Create a consulting tree to become a key resource to divorcing clients
• Build an ongoing personal relationship with supporting decision makers well before wealth transfer

PLANNING IDEAS

• Budgeting
• Insurance coverage
• Tax considerations
• Fixed annuity planning
• Investment education
• Beneficiary designation
• Long-term care
• Remarriage considerations
• Estate planning
Caregiving

**HOW TO CONNECT**

- Partner with local senior organizations to host educational events on financial caregiving
- Ask current clients if they need support with financial coordination for a loved one
- Use 2-1-1 to connect and establish relationships with key non-profits.
- Ask current clients about their plan for financial care in later years

**PLANNING IDEAS**

- Durable power of attorney
- Healthcare proxy
- Budgeting
- Government benefit support
- Account inventory
- Estate planning
- Long-term care
- Asset protection
How Putnam can help
Next steps

1. Individualized training for your practice

2. Request a follow-up with a Putnam Specialist

3. Call your Putnam Consultant (1-800-354-4000)

4. Visit putnam.com/advisor
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HOW PUTNAM CAN HELP

Resources designed to help you engage clients and prospects

FOR ADVISORS

GET STARTED WITH LINKEDIN
Investors are five times more likely to engage with a financial advisor through a warm introduction than a cold outreach. Five million investors used LinkedIn to research investment decisions and hire their financial advisor.

UNDERSTANDING THE SECURE ACT AND ITS IMPLICATIONS ON PLANNING
Review the key provisions of this new law, along with its implications and specific planning considerations for your clients to consider.

FOR YOUR CLIENTS

GROWING YOUR BUSINESS WITH SOCIAL MEDIA
Invite business owners and professionals to this seminar to learn how a robust social media presence can benefit any enterprise or individual.

FINANCIAL GUIDEBOOK FOR WOMEN
Speak directly to your clients about their unique challenges and opportunities.

UNDERSTANDING THE SECURE ACT AND ITS IMPLICATIONS ON PLANNING
Provide your clients with a summary of the key provisions of this new law, along with its implications and some specific planning strategies to consider.
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For informational purposes only. Not an investment recommendation.

This information is not meant as tax or legal advice. Please consult with the appropriate tax or legal professional regarding your particular circumstances before making any investment decisions.

Investment professionals should always consult their firm's compliance department and individual firm policies before accessing any social media or using online communication tools for a business purpose.

Please adhere to your firm's policy on gifts and events.

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• There have been many firsts for women in recent years, such as the first woman, the first Black, and the first Asian-American Vice President, Kamala Harris, the first female CEO of General Motors, Mary Barra, the first female CEO of Citigroup, Jane Fraser, and Boston's first female mayor and first Black mayor, Acting Mayor Kim Janey

• Women control a significant amount of investable wealth and are increasingly in charge of financial decision making and investing.

• At the same time, they face specific challenges to financial planning including longevity or pay inequality that can make it difficult for them to save enough for retirement or fulfill other financial goals.

• You can expand your practice by providing strategies that address these specific planning topics.
Today we want to cover four main themes

1. Women’s growing economic importance and opportunity for your practice
2. How to build successful communication to and with women clients
3. Segmenting the opportunity to better support the needs of the female market
4. And, finally, how Putnam can specifically help your practice in working with women investors
With that, let’s get started with stating the obvious about the growing economic importance of women in society today and what opportunity that presents for your practice.
In our research, we found a data point that illustrates the growing opportunity with women. It comes from 2020 research published by McKinsey on women in the workplace and the economy. In their article “Women as the next wave of growth in U.S. wealth management,” McKinsey noted: An unprecedented amount of assets will shift into the hands of US women over the next three to five years, representing a $30 trillion opportunity by the end of the decade (McKinsey 2020). We are all here today because we understand that female clients are important. That begs the questions, why, as an industry, are we still working to better engage this market? Why have we not paid closer attention. Perhaps, it’s because it really has been over the past 60 years that women have started to gain financial equality in the eyes of the law.

A few important dates:

- Prior to 1971: States could give preference to males over females in assigning estate administrators
- Prior to 1974: Women couldn’t apply individually for credit cards
- Prior to 1981: Husbands could have unilateral control over joint property
Today, women are growing in their economic influence. In fact, they are poised to lead in controlling assets:

- Today, half of the women in the United States are the primary breadwinners of their households (Marketwatch 2021)
- Women are the majority owners of 13 million businesses that generate $1.9 trillion in revenues (American Express 2019)
- Women are projected to control two thirds of the nation’s wealth by 2030 (McKinsey 2020)
- The number of wealthy women is growing twice as fast as wealthy men (Marketwatch 2021)
- Women are adding $5 trillion to global wealth annually (BCG 2020)
- Women control 51% of the personal wealth in the U.S., an estimated $22 trillion worth (New York Life Investment Management, 2017 most recent available)
- That number is expected to jump by 30% to nearly $29 trillion over the next 40 years as intergenerational wealth is handed over (New York Life)
- Women control $11 trillion in household financial assets (McKinsey 2020) — more than one third of household assets

So how did we go from a time as recently as 1974, where access to credit was an issue, to today where women are becoming a controlling influence in household finance?
It's because of four key drivers — education, participation, elevation, and consumption.

- First, women are the primary earners of advanced degrees today. In 2019, they earned 53% of bachelor’s degrees, 57% of master’s degrees, and 43% of doctoral degrees.

- Second, they are participating in the labor force at a greater rate than generation’s past. Currently, 58% of women age 16 and older are actively working, with 50% being the primary or only breadwinner. This is significant because historically females with children did not participate in the workforce as broadly. (Data as of February 2021).

- Third — elevation. Women now hold 52% of all management, professional, and related occupations.

- Fourth is consumption. What this means for you is that they are enhancing their earning potential, increasingly contributing to household income, and driving family consumption decisions. Without including them in a financial plan, it becomes harder to understand the family’s financial need.

- A 2020 Gallup poll found 37% of women say they pay the household bills, and in 50% of households, both partners share the responsibility of making investment decisions.

In an Allianz Life study (2019), while nearly half of those surveyed see themselves as the CFO of the household, the survey found a decline in financial confidence since its 2016 survey: 47% reported being the CFO of the household, down from 51% in 2016. Fewer women reported being the breadwinner:
So now that we know a bit more about women's increasing economic power, what does that mean for your practice today?
Women are very relevant to advising practices across the country because of the opportunity they present to acquire new households, help retain current accounts, and create even stronger connectivity with families than we already see today.

A Merrill Lynch study in 2020 found that younger married women, under the age of 45, are twice as likely as older married women to be financial decision makers in their family (63% versus 37%). The study also found that:

- 70% of women are likely to recommend their advisor to a friend or relative
- 40% are likely to follow their advisor to another firm (compared with 30% of men)
- 35% of women are likely to switch advisors when they have had a negative experience
- 60% of advisors tend to focus their attention on men in meetings with heterosexual couples
- 70% of women will leave their financial advisor after the death of a spouse (McKinsey 2020)
- In 2019, Transamerica Center for Retirement Studies found that 37% of women use a financial adviser

Still, there are communication barriers that need to be addressed, especially when meeting with couples.
Successful communication is integral to connecting and building strong relationships with female clients and supporting decision makers. So now that we understand the growing economic influence of women today, over the next few slides we will discuss some of the challenges that women face in their financial lives and how to successfully communicate a roadmap for them to navigate those challenges.
And that starts with understanding that women face unique challenges in financial planning. Putnam has found that there are three main challenges that women face. Those challenges are the earnings gap, the impact of caregiving, and longevity:

First, the earnings gap:

- While progress has been made, women still earn 82 cents for every dollar that a man earns. (Census Bureau, 2019)
- Lower career earnings mean less retirement income.

Second, the impact of caregiving:

- Caregiving is another factor that can reduce income, and 66% of caregivers are women. Two out of every three caregivers are women, and they take care of children and elderly parents (CDC, 2020).
- Merrill Lynch’s 2019 Women Financial Wellness study identified an earnings gap for women due to caregiving. Lifetime gap in earnings for a woman who takes time off to care for a child, a parent, or a spouse is $1,055,000 compared with a man who did not do any caregiving.

Third, longevity:

- Women live longer than men. A woman turning 65 years old today can expect to live to age 85 on average, compared with 82 for men (CDC, 2020). They also need to financially prepare for more years in retirement because they live longer and, on average, marry
older men. Healthcare costs, which are already rising, have a disproportionate impact on women because they live longer. This creates many challenges for women if they have not properly planned.

- Women have been hit particularly hard by the economic downturn from the pandemic. In fact, there was only a 55.8% labor force participation rate for women as of February 2021, the lowest number since 1988, per the Federal Reserve Bank of St. Louis.

- Combine the loss of income for many with the challenges facing women prior to the health crisis, and the impact could mean long-lasting damage to savings and retirement. Women who have suffered economically will need more time to recover financially.

Here are some of the sobering numbers from the pandemic’s impact:

- 2.3 million is the total number of women who are not working or looking for work since the start of the pandemic.

- More than 40% of the 12.2 million jobs held by women that were lost between February and April 2020 have not returned.

- Women of color were hit particularly hard. In January 2021, 8.5% of Black women age 20 and older were unemployed. Among Latinas, 8.8% unemployed, and 7.9% of Asian women were unemployed.

- Women ages 25–44 are almost three times as likely as men to not be working due to child-care demands.

- Sources: Federal Reserve Bank, 2021; National Women’s Law Center, 2021; Morningstar, 2021; Census Bureau 2021.
And, everyone knows that challenges like the ones I just mentioned are the best opportunities for an advisor to differentiate themselves in order to acquire more households and retain assets in the long term. So what opportunities for advice does that create? We will cover the opportunities in four key categories: social security, retirement savings, financial planning, and investments.
First, Social Security is a key opportunity for advice because a majority of recipients are women. For most investors, Social Security represents at least a portion of retirement income. But, claiming Social Security benefits can be complicated. Many clients do not know when they should file for benefits. Some claim as soon as they can, at age 62, and receive a reduced benefit, perhaps up to 30% less for life. A 2015 study by Boston College Center for Retirement Research (based on 2014 data) found that 41% of women claimed Social Security at age 62, while only 3% waited until they were 70 or older to receive the maximum benefit. Advanced planning can make a significant difference in future benefits. And since we know that Social Security only replaces about 40% of pre-retirement earnings, we know that it can't cover everything a women needs in retirement.
• Which brings us to the second point of retirement savings. On average, women live longer than men. A 65-year-old woman can expect to live to, on average, until age 85.4, while a 65-year-old man can expect to live until age 82.8. This means that they have longer to live in retirement, and ultimately, have to ensure their nest egg lasts. As an advisor, you can serve an important role helping clients craft a retirement plan and prepare for sufficient income in retirement. IRAs, in particular, present an opportunity for advisors to connect. Currently, only about 10% of women own IRAs — less than half the rate of men, according to the U.S. Treasury. By providing advice on a diverse retirement savings plan that includes not only employer-sponsored vehicles and Social Security, financial advisors can help women better prepare for sufficient income in retirement.

• Prior to the pandemic, most women were saving for retirement; although, there were gender differences in savings priorities.

• In its 2020 Workplace Benefits Report (with data collected between February and March 2020), BofA found that women’s top financial priorities were: saving for retirement, paying off credit card debt, and saving for unexpected expenses.

• Compared with men: saving for retirement, paying off mortgage debt, and saving for unexpected expenses.

• Women more likely to see debt as an obstacle to meeting financial goals.

• While women’s path to retirement has many obstacles, women are still saving for the future amid the pandemic. (Transamerica Center for Retirement Studies, June 18–22, 2020 supplemental survey)
• 70% are saving for retirement in a 401(k) or other retirement account outside of work.

• Fewer women (18%) have tapped their retirement savings during the pandemic, compared with 37% of men.

• Retirement confidence has declined. Only 17% of women are “very confident” about being able to retire, compared with 30% of men.

• Context, education, and ultimately advice help women overcome their fears about not having enough funds in the future. What women are looking for is a strategic partner who can provide them a prescriptive road map to navigate them toward their financial goals.
Third, financial planning can provide women with a roadmap to help them achieve their goals. Numerous studies point to a lack of confidence in investing among women. A 2020 BofA survey found that 41% of women said they felt financially well; compared with 58% of men. Boston Consulting Group (2020) reported that younger women are more confident and feel more financially literate with 70% stating they take the lead in making financial decisions, compared with 40% of Baby Boomer women.
Assets are rising in sustainable investing:

• The U.S. market: $17.1 trillion in sustainable assets under management in 2020 (Forum for Sustainable and Responsible Investment 2020), representing a 42% increase in two years.

Research shows that women are leading the way in increased interest in sustainable, or ESG (environmental, social, and governance), investing.

It’s important to realize that women may have different ideas about which tools will best represent them on that road to retirement, including impact investing or ESG to align with their values. A 2021 survey from RBC Wealth Management found that women are twice as likely as men to say it is important their investments integrate ESG factors into their policies and decisions. Cerulli noted that the majority of women under age 60 favor ESG investing.

A 2020 report from S&P Global Financial, “The (Financial) Future is Female,” indicated that women are more likely than men to consider a company’s environmental and social impact when making investment or purchasing decisions.

Morgan Stanley found that 84% of women are interested in sustainable investing, compared with 67% of men. (2019)

• 56% of women focus on making a positive impact with their investments, compared with 45% of men.

• The numbers are even higher among younger investors.
• Among Millennials, 89% of women and 81% of men are interested in sustainable investing.

• Impact investing and/or Environmental, Social and Governance (ESG) managers may take into consideration factors beyond traditional financial information to select securities, which could result in relative investment performance deviating from other strategies or broad market benchmarks, depending on whether such sectors or investments are in or out of favor in the market. Further, ESG strategies may rely on certain values based criteria to eliminate exposures found in similar strategies or broad market benchmarks, which could also result in relative investment performance deviating.

• So, show of hands, how many of you offer any or all of the four areas of advice in your practice today. Well, that begs the questions, why haven’t women been drawn to that? Why do they feel so misunderstood? Well, that has to do with how they perceive communication from Wall Street.
And the top advisors we work with are doing that by positioning their practice to show how they effectively work with women investors. There are four key steps to communicating that value to the female client or prospect.

The first step is to segment. According to Charles Schwab, slightly more than half, or 51%, of the fastest-growing RIAs have a targeted “ideal client persona” for whom they offer a specific “client value proposition” (Schwab, 2018). They found that the top RIAs that did this had real results, gaining 26% more new clients and 41% more new client assets in 2017, compared with firms that don’t have niche client targets. We know that no two women are the same; this market can be broken down, into those ideal client personas to help define potential common needs and interests.

From there, these advisors position their practice for success. That starts with taking a hard look at their value proposition and showing how they communicate their ability to successfully support the needs of the desired client profile. For example, if you are targeting a working mother, perhaps you are including language about how you help clients navigate saving for their own retirement while helping provide for their child’s education. If you are targeting female business owners, maybe you are speaking about how you can help support a financial plan that considers individual retirement needs and business succession planning. From there, incorporating this across your digital presence — both website and social media — can help amplify your message to consumers who do online pre-shopping.

Next, these advisors are integrating the women currently associated with their client base and community. One question we commonly are asked by advisors is how to incorporate supporting decision makers into their practice. What I mean by supporting decision makers
includes spouses, partners, heirs, etc., who maybe aren’t your key contact but influence how savings may be put to work in the future. They’ve found this is an important, yet sometimes overlooked, consideration to ensure financial plans can adequately meet the needs of all that they are intended to support. Further, from a retention standpoint, it can help you create more connectivity with the entire family, ensuring you remain the point of contact for wealth transfer events.

And, looking beyond the current client base, we also see advisors leveraging social media to identify key centers of influence and prospects in their local community and find out who their best point of introduction can be to that person. This ultimately helps streamline the prospecting effort for the potential female client.

Then, finally, these advisors are focusing on their individual communication with the female client or supporting decision maker. Rather than focusing on the nuts and bolts of investing, they open their meetings by talking about key goals for various financial life stages and family challenges the clients face. Then from there they are creating a goals-based financial plan and educating clients on how recommended solutions will help them reach their goals.

There was a great story shared recently from a financial advisor based out of New Jersey who is creating better connectivity with HNW female clients. She shares that “More success means more complexity, so that drives a desire to talk with someone. Every one of our clients has real concerns around family issues, how to best pass on success, how to make the money last. They need to know that their concerns are valid, and they deserve the respect of real solutions and real answers.” (Financial Planning Magazine, 2018)

And that’s what it comes down to — providing real solutions and answers around the things that matter most to our clients.
So if we know why women matter to our practice and we have a better understanding of how to communicate with them, how do we start to tap into the acquisition and retention opportunity?

Well, that starts with the first idea on our previous slide — segmentation.
Putnam’s research gives way to three major financial life stage segments:

- Growing literacy
- Accumulating wealth
- Distributing wealth

These segments respond to some of the key issues faced by women — longevity and earning power — and can help you position your practice with long-term solutions to these challenges.

Women may also face both positive and negative life events that represent niche planning needs. Three key niches that advisors are targeting today are:

- Those establishing households and living with partners or spouses
- The newly independent, be it due to divorce or death, who may consider establishing a new partnership down the road
- Financial caregivers who are coordinating the financial obligations of a loved one
Beginning with growing literacy:

**Who are they?**

- Younger client heir who is beginning to accumulate his or her own assets to become financially independent, but who will inherit larger account balances from parents down the road
- Millennial female prospect early on in her professional career, with limited investing experience and developing financial literacy skills
- A supporting decision maker, such as a spouse or partner, who leaves investment and financial conversations to a trusted loved one

**Why they matter?**

- New client acquisition: Roughly 20% of Millennials have investible assets of $100K or more. Further, there are many in the Millennial demographic who could be subject to sudden wealth, meaning they inherit the assets of a loved one, helping them to immediately meet an ideal client profile.
- Retention: When the first spouse passes, there is a 45% account retention rate. When the second spouse passes, there is only a 2% retention rate. To help support practice growth, enhanced retention can help accelerate net-new efforts.
- Practice diversity: Attracting younger clients can help reduce the average age of a client base. Advisors and home offices, alike, have shared with us that this is a key
consideration when valuing a practice for acquisition.

**How to connect?**

- 57% of Millennials conduct online pre-shopping when considering a purchase decision. Further, they share they are more likely to consider brands that engage them on social media. Establishing a LinkedIn presence and using it to connect with client beneficiaries can be a key way to connect with this demographic.

- Some advisors use LinkedIn or other personalized outreach to offer financial checkups to select heirs of their top client. When the heir goes off to college, advisors encourage the parents to schedule a meeting with them. This allows them to build a relationship with the heir that is separate and independent of beneficiary status.

- Alumni finder tool on LinkedIn — Most colleges and universities have a company page on LinkedIn that gives you the option to “See Alumni.” Advisors use this on a regular basis to build centers of influence within alumni community by communicating how they help other graduates of that institution.

- Some advisors have shared that they have hosted exhibits at local bridal shows. They will try to secure a spot next to the cake vendors. While attendees wait in line for trials, they will offer advice on important considerations for combining finances with a future spouse.
Who are they?

• An established professional who has developed a career within a single company or perhaps has held positions across a few different organizations. Those age 54–65 may have the most immediate planning needs to ensure a successful retirement

• A working mother, either single or partnered, who is balancing her independent financial needs with the financial needs of her family, such as engaging in college savings decisions

• A self-employed individual or small-business owner who is planning for his or her own retirement without the safety net of employer-sponsored benefits and may need to consider succession planning for his or her own business

Why they matter?

• New client acquisition: This group is still in their earning years, meaning that they can help replace assets being utilized by clients in their distribution phase.
  – Consider retirement savings in the United States today. In tax year 2015, 71% of households that took traditional IRA withdrawals stated that they calculated the withdrawal amount based on RMD rules, meaning a majority of attrition from traditional accounts was purely passive based on a government tax provision (ICI, 2017).
  – Further, a minority of traditional IRA-owning households taking withdrawals of any kind in 2015, where the head of household, spouse, or both were retired, reported that the assets were reinvested or saved in another account. This means that roughly 58% of assets potentially left the advisors book.
By onboarding individuals still in the accumulation phase, particularly those with more established careers who might be higher earners, advisors are finding they can stabilize their AUM and increase the health of their practice.

- Retention: Particularly with the partnered individuals in this segment, they may still be leaving financial decisions to a loved one; however, failure to engage them could result in asset attrition down the road. Currently, only 35% of investors said their advisor provides family wealth management as a defined service. That's something to consider when trying to appeal to that demographic.

How to connect?

- The issue of time compression is key for this demographic. We see advisors finding ways to help this group save time as a way to connect. For example, they might offer virtual meetings for female clients who work with families or have child-friendly set-ups in their offices to support those that bring children. Some advisors have gone so far as to network with day-care providers on college savings events for their clientele as a prospecting initiative.

- Networking is also something important to this group. Advisors we have worked with have hosted client events for those individuals within target segments. What they tend to do is identify key clients and review their LinkedIn connections to identify a prospect they would encourage them to bring to the event. Some popular prospect and client seminar topics include:
  - Tax planning for small-business owners: Small businesses with fewer than 100 workers may be less likely to sponsor a retirement plan, compared with those with 250 or more employees (Pew Charitable Trust, September 2017). Tax reform also presents opportunities for small businesses. The tax law established a new 20% deduction for business income for small businesses. Financial advisors can offer guidance on how to use the new deduction, which has specific rules and limitations. Putnam actually offers wealth management specialists who can speak specifically to planning ideas for this demographic that leverage the new tax law that passed earlier this year. This may be a great seminar for female CPAs you are looking to network with to help them get in front of the new information.
  - Free Social Security speaker: Group seminars on this topic can be a good way to network with new clients. Social Security provides free speakers to educate people about how to make a claim, the timing of claims, and how the program works. Consider planning an event and hosting a speaker from the Social Security Administration. The opportunity to receive detailed information and engage in questions with the expert will make a successful event. The SSA also offers an opportunity to share resources on social media. The program's regulations are...
frequently revised, which makes blog posts, investor education articles, and wealth management ideas even more important and relevant.

- College Savings Information: Some advisors have partnered with day-care providers at competitive facilities to host college savings seminars for parents of enrolled children. These seminars could also be part of a family wealth day. Putnam offers a great resource: a four-year planning checklist for college targeted toward high school students and their families. It shows the key education decisions the student should make each year of school and the corresponding financial planning steps the family should take to support those efforts.
Who are they?

- Retirees who, after leaving the workforce, are now focusing on drawing income off of their savings to support their lifestyle and retirement goals

Why they matter?

- New client acquisition: 38% of retirees haven’t connected with a financial professional as a way to protect their retirement assets, and another 9% planned to do so, but hadn’t yet (Society of Actuaries, Risks and Processes of Retirement, 2017). These are individuals who have assets and may need the support of a financial advisor.

- Retention: 70% of women consider leaving their spouse’s FA within three years of that individual’s death. Building the relationship prior to that disruptive life event can ensure you remain the point of contact should the unthinkable happen.

How to connect?

- Consider using LinkedIn/Sales Navigator as a way to identify key centers of influence in the community who can connect you to your target market. Running searches for estate planners, senior organization leaders, independent living organization management, etc., could all be important stakeholders. Further, you can connect with directors of senior residential communities or country clubs to talk about hosting retirement seminars.
  - One great seminar idea might be how to navigate healthcare costs in retirement. For women in particular, longevity risk is related to healthcare costs.
  - A longer retirement could mean more healthcare spending. The Employee Benefits
Research Institute found that, for health expenses alone, a 65-year-old woman, with average prescription drug expenses, would need to save $147,000 to have the best chance of meeting health costs in retirement, compared with $131,000 for a man.

- Those estimates rise depending on health status and level of prescription drug use. Women within the highest percentile of drug expenses would need to save $198,000. (EBRI, 2017)

• In addition to income planning, legacy is an important consideration for these individuals. Baby Boomer women gave 89% more to charity than men of the same age. Further, HNW women gave 156% more than men (Indiana University Lilly Family School of Philanthropy, 2016). Here are some ideas around this: Employ a donor-advised fund as a way to engage both retirees and heirs in family philanthropic activities. Conduct family governance meetings around managing wealth for eventual transfer or charitable endeavors. For those individuals that maybe are single without defined heirs, donating IRA assets to charity may be another key planning consideration to help establish connection with current clients.

• An “I love you” letter as a way to help organize online account passwords and other considerations that may not be included in the traditional estate planning documents.
Background:

• Traditional households (as defined by married couples) are on the decline.
• The number of “partner households” now totals 8 million according to the U.S. Census.
• Unique financial planning challenges face these growing ranks of non-traditional households.

Ways to connect:

• Construct a “family chart” to document the key family relationships. As you meet with clients, review information on who is authorized to receive account information if necessary, which can help identify current and future supporting decision makers. Incorporate this into annual reviews with clients or follow-up meetings with prospects to open up a dialogue about introductions to those people who may be a key part of the client’s financial goals. Particularly for partner households, discuss ideas like healthcare proxies and directives as well as IRA account limitations. Putnam offers a piece on planning for non-traditional households that may help spark some ideas of topics of conversation that the supporting decision maker should be a part of.

• Realtors may have unique insight into married couples or partner households who are selling or buying homes. By partnering with realtors in HNW markets (luxury homes, vacation homes, second homes), you can partner with individuals who probably have knowledge of liquidity or cash management needs to help establish a mutual referral relationship.

• Be aware of important life events for everyone in the household. Partner, spouse, or heir
birthdays are a great way to stay in front of key decision makers within a household. Life events, such as the birth of a child, also present an opportunity for relationship building.

- Finally, for those clients or heirs who are looking to take the next step in their relationship, consider gifting a financial plan that will help them begin their life with their new spouse or partner.
Background:

- Only 3% of married females drive wealth conversations (Key Bank, 2018).

- In hindsight, 94% of widows and divorcees would insist on complete financial transparency with their spouse (UBS, 2017).

- 50% of previously married adults older than 65 get remarried (Great-West, 2018). For adults age 55 to 64, the rate is even higher — 67% of these individuals will remarry (Great-West, 2018).

How to connect:

- Help create a financial "Life Book." which includes a balance sheet, investment summary, and will as well as a list of contacts including lawyers, bankers, and accountants.

- Use Findlaw.com to find divorce attorneys and estate planners to partner with.

- Create a consulting tree to become a key resource to clients who are divorcing.

- Build an ongoing personal relationship with non-decision maker partner.
Background:

• Upward of 75% of all caregivers are female (Institute on Aging, 2016).

• Roughly half of all widowed Americans were previously caregivers for their spouse (Merrill Lynch/Age Wave, 2017).

• 92% of caregivers take on the role of financial coordinators (Merrill Lynch/Age Wave, 2017).

• On average, only 12% of care recipients are fully independent in managing their finances two or more years into receiving care (Merrill Lynch/Age Wave, 2017).

How to connect:

• Older caregivers are more likely to care for a spouse or partner. The average age of spousal caregivers is 62.3. (National Alliance for Caregiving and AARP, Caregiving in the U.S., 2015). Partner with local senior organizations to provide information around financial coordination consideration for a spouse who may need support.

• 47% of adults age 40–59 are simultaneously raising children and caregiving for aging parents (Merrill Lynch/Age Wave, 2017). If you identify a client who may be helping support an older parent, inquire about who is helping with planning needs. These older family members may be poorly serviced at other firms if their advisor has retired or exited the business.

• In 2000, the FCC approved the phone code 2-1-1 for nationwide use for referral services.
to things such as Alzheimer’s assistance, child care, senior citizen programs, donation opportunities, etc. As of 2017, close to 95% of the population in the United States (including Puerto Rico and Washington, DC) has access to 2-1-1 services. More than 200 agencies, including United Ways, provide 2-1-1 services. Using “search for services” can help you identify organizations that might be able to connect you with financial coordinators. For example, a search for Alzheimer’s might reveal a number of organizations that provide support to caregivers of those facing the disease. Partner with these organizations to create a mutual referral relationship and provide educational resources.

• Ask current clients about their plan for financial care in later years. This can help you identify supporting decision makers who may become primary decision makers for accounts down the road and connect with them sooner to build a relationship. Discussions of spousal Social Security should be included where applicable.
How Putnam can help
Next steps

1. Individualized training for your practice
2. Request a follow-up with a Putnam Specialist
3. Call your Putnam Consultant (1-800-354-4000)
4. Visit putnam.com/advisor

- Recap agenda
- Overview resources
- Ask for order or hand back to Regional Advisor Consultant
- Thank you for time
Resources designed to help you engage clients and prospects

**FOR ADVISORS**

**GET STARTED WITH LINKEDIN**
Investors are five times more likely to engage with a financial advisor through a warm introduction than a cold outreach. Five million investors used LinkedIn to research investment decisions and hire their financial advisor.

**UNDERSTANDING THE SECURE ACT AND ITS IMPLICATIONS ON PLANNING**
Review the key provisions of this new law, along with its implications and specific planning considerations for your clients to consider.

**FOR YOUR CLIENTS**

**GROWING YOUR BUSINESS WITH SOCIAL MEDIA**
Invite business owners and professionals to this seminar to learn how a robust social media presence can benefit any enterprise or individual.

**FINANCIAL GUIDEBOOK FOR WOMEN**
Speak directly to your clients about their unique challenges and opportunities.

**UNDERSTANDING THE SECURE ACT AND ITS IMPLICATIONS ON PLANNING**
Provide your clients with a summary of the key provisions of this new law, along with its implications and some specific planning strategies to consider.