

It's Not About the Money: **Women & Wealth**



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Women and Wealth: It's Not About the Money explains "The Why" behind "The What."

This report is the second from a study conducted by Avenue M Group on behalf of Zuma Wealth, LLC, to study the attitudes, motivators, worries and issues that affluent and accomplished women have with respect to their wealth and investing.

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EXECUTIVE SUMMARY

Women and Wealth: It's Not About the Money is the second report from a comprehensive survey conducted last year by Avenue M, an internationally recognized market research firm, on behalf of Zuma Wealth, LLC, an independent financial advisory firm.

The study queried 110 affluent and accomplished women across 4 significant generations to hear about their attitudes, preferences and motivations around their wealth and investing.

The first report, **Women and Wealth: What They Told Us**, focused on "**The What.**" The affluent and accomplished women who participated in the study told us loud and clear that a one-size-fits-all solution does not fit their financial needs. They are thirsty for knowledge and seek a relationship with a financial manager where they can be educated and heard individually. At the same time, the survey respondents report low levels of confidence investing their wealth and investments.

This second report in the series, **Women and Wealth: It's Not About the Money**, uncovers "**The Why**" behind "**The What.**"

1. A vast **Confidence Gap** separates the sexes. **WHY?**
2. Women under-invest in stocks and hold too much cash resulting in an **Investment Gap**. **WHY?**
3. **Bridging the Gap:** Women require tailored solutions, not the one-size-fits-all industry standard. **WHY?**

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The Confidence Gap



Striving for Perfection Prevents Decision Making

Part 1 uncovered a shocking finding: **88% of women in the survey reported that they are not confident managing their wealth and investments.**

This is an affluent, accomplished and well-educated group (demographics detailed on pages 13-14). Why the gap in confidence?

The survey participants informed us of a determination **not to make a bad decision, rooted in a belief, valid or not**, that they do not have adequate knowhow.

The resolve to only make a decision with a "good" outcome is equating to a lack of confidence to take action.

When asked what concerns prevented them from being more involved in managing their wealth, the women in our survey told us **WHY: "I don't want to make a wrong or bad decision" and "I don't have much experience."**

At the same time, nearly one in five do not have any concerns about managing their wealth and/or investments.



32%

I don't want to make a wrong or bad decision.



30%

I don't have much experience

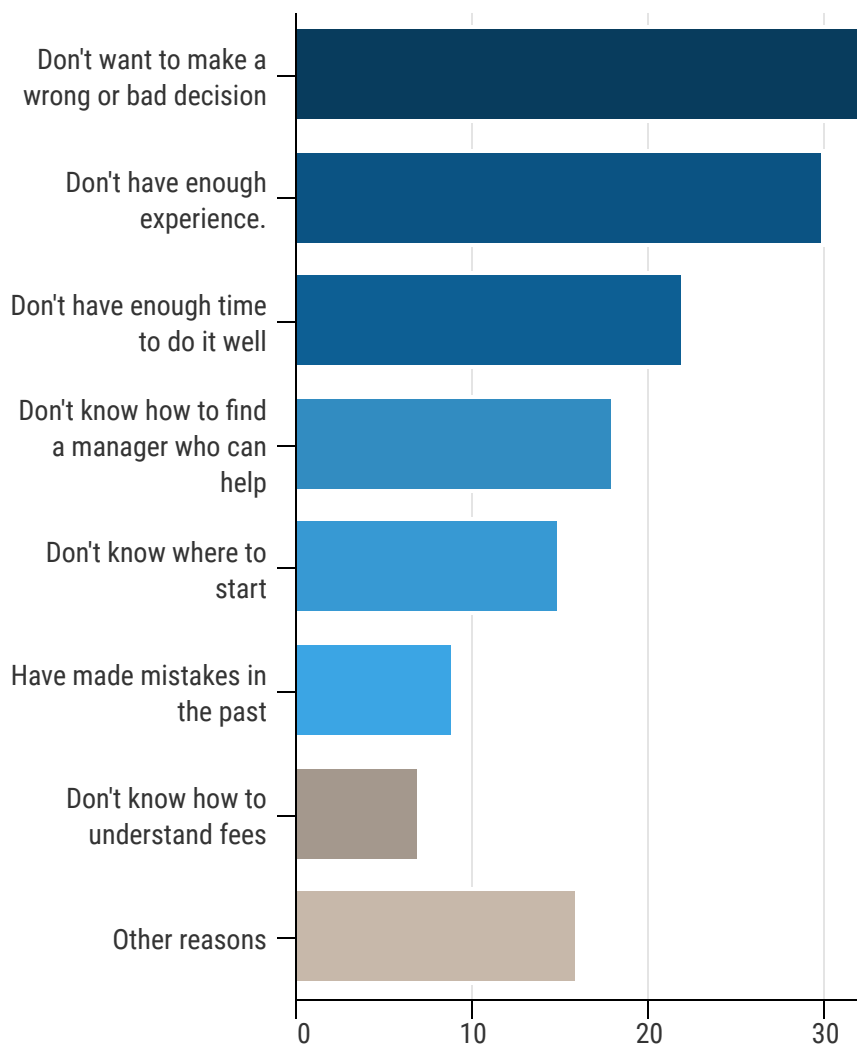


19%

I don't have any concerns!

#1: The WHY: Avoiding "Bad" Decisions

Despite high levels of education, accomplishment and affluence, the women surveyed are not more involved in their wealth and investments. Why? They are plagued with worries over making a wrong decision and fret they don't have enough experience.



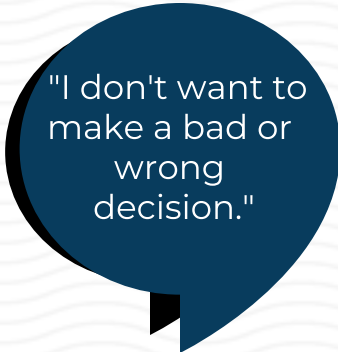
The quest for perfectionism observed in this study (and many others on gender) lowers confidence by creating fear over a poor outcome. Investing, like nearly everything, comes with uncertain outcomes. However, the women in this study do not feel confident managing their wealth and investments because they are seeking total certainty.



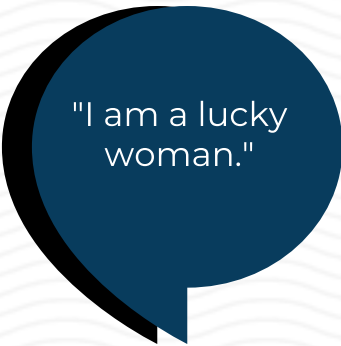
THE CONFIDENCE GAP

A vast confidence gap separates the sexes. Evidence in this study and widely documented in external research shows that **women are less self-assured than men, the so-called "confidence gap"**. The culprit is a drive for perfection and avoiding a "bad" outcome. The consequence: a growing body of evidence shows that success correlates just as closely with confidence as it does with competence.

The outcome of any investment cannot be known in advance. Invest success is driven by probabilities and being right more often than being wrong, but not 100% of the time. **Eluding a "wrong" decision is WHY** many women avoid involvement with their own wealth and investing.



"I don't want to make a bad or wrong decision."

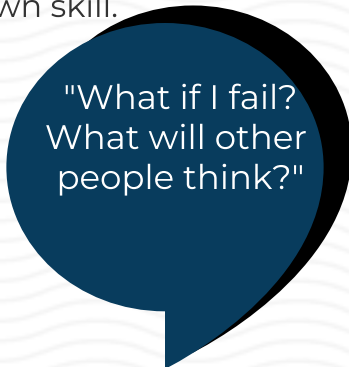


"I am a lucky woman."

Numerous studies on gender have found that, for women, making a mistake is often viewed as a lack of skill while **success is too often mistaken for luck.**

Successful women believe they were "lucky" and in the right place at the right time. Successful men are generally more self-assured success is their own skill.

Fretful rumination and self-criticism affects a broad expanse of women, regardless of age, professional rank and education, and weakens confidence.



"What if I fail? What will other people think?"

"To be overly prepared and to be rehearsed and **to make sure that you are going to get it all and not make a mistake....it's very time consuming.**" - **Christine Lagarde**, President of the European Central Bank



The Investment Gap

The Investment Gap: Women's investment returns fall short because of too much cash & not enough stocks.

According to a survey by The Harris Poll, **less than half of women (48%) invest in stocks versus 2/3 of men.**

In a study by U.S. Trust, **65% of women have large cash positions compared to only half of men.**

In another report, BlackRock indicated that women hold **more than 70% of their assets in cash.**

In virtually all instances, women understand that stocks offer superior long-term returns for their holdings. Since stocks outperform virtually all asset classes over the long-term, women are at a disadvantage, creating the "Investment Gap".

0.05%
return on cash

for money held at a bank or money market fund

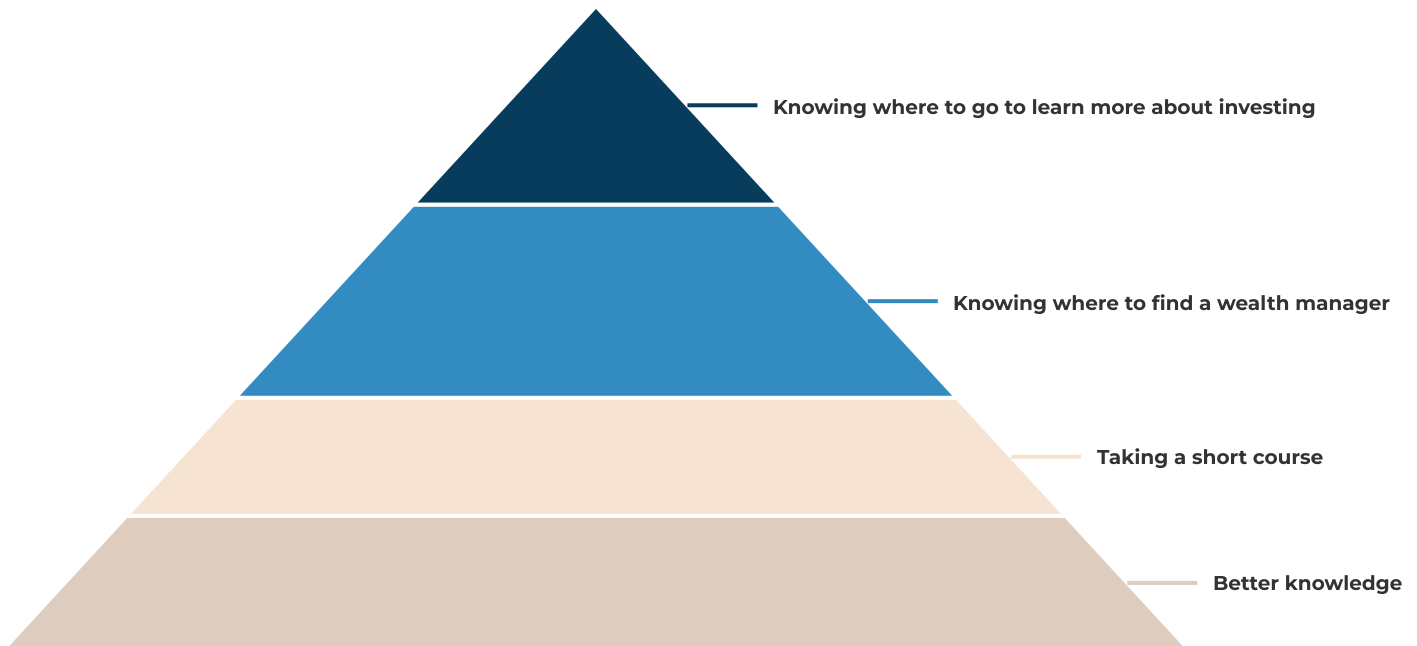
8-10%
return on stocks

for the past 10 years, returns have been greater

#2

The WHY: Investment Gap

The accomplished and affluent women in our study are interested in investing, but demand more knowledge and education prior to making decisions. It's really that simple.



The biggest financial mistake that women make is not investing enough. When compared with men, women are much less likely to invest their savings, and miss out on significant wealth as a result. Fidelity Investments published a survey showing that only 29% of women see themselves as investors.

Why? "The What" report busted the myth that women not interested in investing. When asked what would motivate the affluent and accomplished women in our study to be more engaged in their wealth and investments, the #1 answer: having better knowledge of my options. This was followed by answers with a similar set of facts: "participating in a short course," "knowing where to find a wealth manager" and "knowing where to go to learn more about investing" were all cited as tools for becoming more engaged.

A thirst for more knowledge whether from a person, course or elsewhere, is admirable. However, seeking more and more knowledge is also keeping women from being more fully invested as they pursue answers in pursuit of total certainty.

Why the Gaps?

Words associated with investing and wealth.



Why do gaps exist in confidence and investing for women and their wealth?

When compared with men, women are much less likely to invest their savings, and miss out on significant wealth as a result: the investment gap. Women are less likely to feel confident managing their wealth and investments: the confidence gap.

Why? We asked the affluent and accomplished women in our study the words that they associate with investing and their wealth. Their responses show why.

Why do women exhibit gaps in confidence and investing?



Roughly 1 in 2 women in the study identify positive words and phrases such as **Long-term stability** and **Safety & security** with investing.



More than 1 in 3 women in the study also connect investing with negative words such as **Stressful, Challenging, Intimidating, Confusing,** and **Time-consuming.**



At the bottom of the list, almost none of the women think of investing as either **Boring** or **Exciting.**

Bridging the Gap

Bridging the Gap: It's Not About the Money.

Part 1, **Women and Wealth: What They Told Us** identified an important trend: one-size-fits-all solutions do not fit affluent and accomplished women in our study.

Why? For women, it's not about the money, but about what their wealth can do for them, their loved ones and the important causes in their lives.

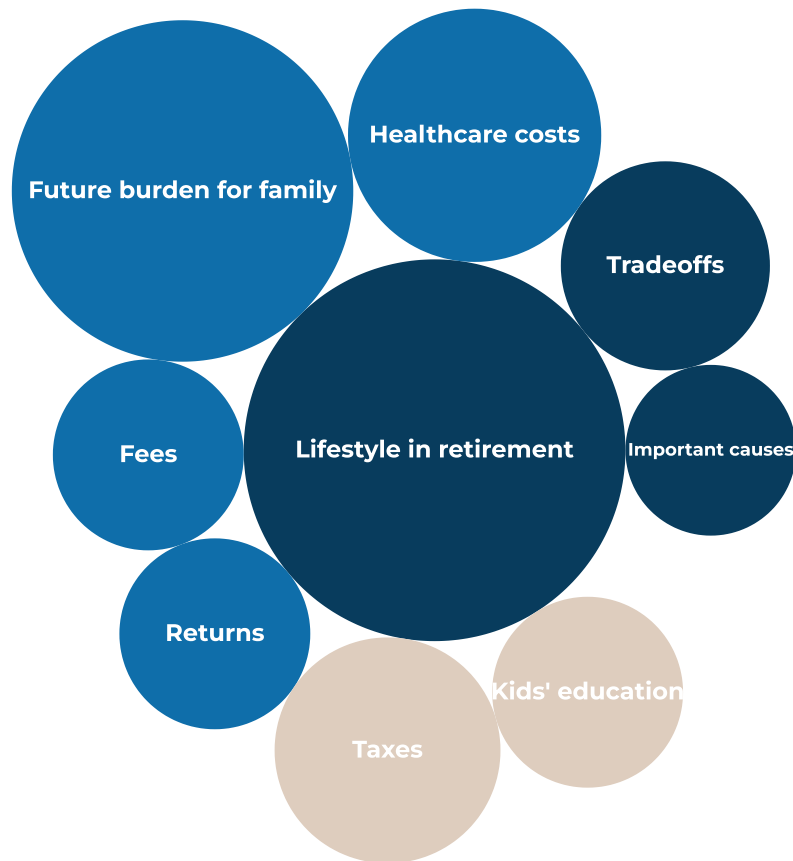
Women approach wealth management differently than their male counterparts: they are more focused on life goals, according to a recent McKinsey report. Part 2, **Women and Wealth: It's Not About the Money** found similar life concerns. Despite high levels of affluence and accomplishment, the women in the study worry about life issues, not total return. Ranking high on their goals include: not outliving their assets, having enough savings to retire, covering healthcare insurance and not being a burden on family members later in life.

81%
of the women in our study are worried about
**having enough to
support my lifestyle in
retirement**

#3

It's Not About the Money

We asked accomplished and affluent women what the most important issues are for them as investors. It's not about the money. It's about life.



Despite high levels of affluence and accomplishment of the participants in the Women and Wealth study, their most important concern, having enough to **support her lifestyle in retirement**, ranked far higher than taxes, investment fees or even investment returns.

WOMEN AND WEALTH

PART 2 CONCLUSIONS

Women and Wealth: It's Not About the Money is part 2 of a first-of-its-kind study which tracks professional affluent women from diverse regions of the United States.

The Women and Wealth Study, initiated in 2021 by market research firm Avenue M Group, reveals the 'investing mindset' of 110 affluent and accomplished women across four generations. Part 2 of the study findings updates the trends and basis for women's investing perceptions, preferences and actions.

Part 1 of the study, "Women and Wealth: What They Told Us," uncovered a shocking statistic: Only 12% of the accomplished, affluent women in the study acknowledged confidence in managing their wealth.

Part 2 of this multi-year study, "Women and Wealth: It's Not About the Money," unearths the root cause for the vast confidence deficit between the way highly-educated, accomplished professional women perceive their decision-making ability to enter into successful and productive investments.

Despite their track record of high education, outsize personal wealth and remarkable professional success, women in the study reported measurably lower levels of confidence in their ability to make strategic, successful investment decisions relative to their male peers. Study participants reported that their reluctance to enter into financial decision-making is rooted in their belief that they lack adequate know-how for successful investing outcomes.

The study showed that by failing to actively participate in timely investment decisions, women are missing out on pursuing agile, successful investments that align their financial portfolio with their life goals. Compounding the issues, women tend to earn less day-to-day as well as over a lifetime, frequently taking long stretches to care for children or parents. Further, they often spend more time widowed than men as they not only have a longer life expectancy than men, but tend to marry someone older.

It's not about the money. Women approach wealth management differently than their male counterparts: they are more focused on life goals. Despite high levels of affluence and accomplishment, the women in the study direct their attention to their assets outliving them, having enough savings to retire, healthcare insurance and not being a burden on family members later in life.

Through the long-term study partnership with Avenue M, Zuma Wealth LLC will continue to reveal gender-based behavior disparities in investing timing and methodologies. The next study findings will be released early Q2 2022.



Smart, Affluent Women



Who we spoke to about their attitudes, preferences, goals and needs.

The survey gathered answers from 110 affluent and accomplished women to hear directly from them about their attitudes, preferences, goals and needs around their wealth and investing.

These are smart, educated women: 85% of hold a bachelor's degree with nearly half achieving a master's, doctoral, medical or law degree.

73% of the women in the study possess more than \$500,000 in investable assets (excluding real estate) and 46% hold over \$2 million.

85%
of participants

hold a bachelor's degree or higher.

73%
of participants

possess more than \$500,000 in investable assets.

Boomers..Gen X..Silent..Millennials

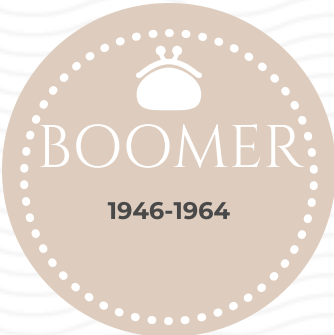
The survey gathered answers from women in every generation: Silent to Millennials.



Silent Generation

- Partly retired or working for mental stimulation and/or social interaction.
- Generally handle money with prudence and discretion.
- Typically determined and resilient.

14%
of participants



Baby Boomers

- Facing or in retirement.
- Demographically large: population is more than Gen X and roughly the size of Millennials.
- Compared to the Silent Generation: longer time in retirement and more reliant on savings versus pensions.

25%
of participants



Generation X

- Skeptics: 81% are convinced Social Security will be gone when it's their turn to use it.
- Most worried about running out of money in retirement.
- 27% have taken a loan or withdrawal from a retirement plan due to the pandemic

48%
of participants



Millennials

- Biggest concerns center on meeting monthly meeting expenses.
- Often carry a high level of student loans.
- 1/3 own a home and buying one is a frequent goal.

13%
of participants

ABOUT THE AUTHOR



Terri Spath, CFA, CFP® Founder and Chief Investment Officer, Zuma Wealth

Now celebrating its first year in business, Terri Spath founded Zuma Wealth in 2021 as an independent financial services firm dedicated to assisting and empowering women with purposeful, data-driven investment advice and end-to-end portfolio management. Terri has stewarded billions of dollars in client assets, gaining the perspective that comes with creating and protecting wealth in both bull and bear markets: the late 90s tech boom and bust, the 2007 recession and the longest bull market on record that ran from 2009 to 2020.

A renowned expert, Terri is a regular guest on CNBC and Bloomberg TV, and a sought after industry speaker, bringing her expertise to dozens of conferences and seminars. She has been interviewed and quoted in hundreds of publications and lauded for making complex concepts simple.

Terri's years of real world expertise are rooted in a suite of top financial credentials: the CFA charter, the CFP® certification, an MBA in Finance from Columbia University and an AB in Economics with Honors from the University of Michigan.

Terri started investing when her father introduced her to the concept of compound interest and she learned she could make money in her sleep.

ABOUT THE RESEARCH FIRM



Sheri Jacobs, FASAE, CAE President & CEO, Avenue M Group

As the founder of Avenue M Group, Sheri is a master facilitator, leader, innovator, and visionary whose organization has helped more than 200 associations, small and large, tackle their most challenging issues. A senior executive, best-selling author of *Pivot Point: Reshaping Your Business When It Matters Most*, and association management veteran, Sheri applied her experience in research, marketing, strategy, and financial modeling to create a unique firm that helps associations achieve their goals. Prior to opening Avenue M Group, Sheri served in staff leadership roles at the American Academy of Implant Dentistry, the American Bar Association, and the Association Forum of Chicagoland. During her tenure at the Association Forum, she built award-winning strategies that resulted in double-digit membership and meeting attendance growth. Over the years, Sheri has served in numerous leadership, speaking, and volunteer roles, including on the Board of Directors for the American Society of Association Executives (ASAE) and the ASAE Foundation. She is the author of *The Art of Membership*, co-editor and a contributor to ASAE's best-selling membership book *Membership Essentials*, and author of the ASAE marketing book *199 Ideas: Powerful Marketing Tactics That Sell*. She has been invited to speak as a keynote or present at more than 100 industry conferences and events. She is the 30th recipient of the ASAE Academy of Leaders Award. In 2014, she was selected as one of four ASAE Fellows, a designation bestowed on fewer than 1% of ASAE members. In 2021, Sheri completed the Northwestern University Leading Diversity, Equity, and Inclusion Certificate program.



Women and Wealth series of reports providing findings from a study of affluent and accomplished women and their attitudes, motivations and concerns with respect to their wealth and investing.

- Part 1, The What: **What They Told Us**
- Part 2, The Why: **It's Not About the Money**
- Part 3, The How

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