

## **Women Investors: Toss the Piggy Bank, Be Less Risk Averse** *Research Shows Women's Investment Anxiety Thwarts Financial Goals*

(Rye, NY) – New research into women investors offers financial advisors insights to address the needs and growing demands of this varied market segment, especially risk-averse women investors who hold too many assets in cash, according to Hearts & Wallets, the preeminent financial research resource for understanding consumer savings and investing needs and behaviors.

Women investors hold far more cash than male investors, allocating on average 37 percent of assets to bank savings or checking accounts or CDs compared to 25 percent for men.<sup>1</sup> Men have almost double the allocation in individual stock holdings of women – 13 percent versus 8 percent – and 15 percent the allocations in stock mutual funds, compared to women's 10 percent allocation.

Women are a diverse segment. Not all are risk averse. Widows 55 years and older allocate 60 percent to cash accounts. Conversely, the segment of women who allocate the smallest amount, only 27 percent, are women who work but aren't the primary breadwinners. These are known as working non-breadwinner Accumulators (where the primary household breadwinner has no plans to retire).

Hearts & Wallets' topical brief ***10 Things You Need to Know about Women & Investing*** provides insights into all women investors, their financial concerns and needs, and attributes they seek in financial services professionals and firms. The report is the first in a new series providing concise highlights from the Hearts & Wallets staff on in-depth, topical analyses. *Women & Investing* explores five large and intriguing segments within the women's demographic. The Hearts & Wallets IQ Database affords additional data segmentation for this dynamic and profitable market.

"Cash may seem like a safe strategy, but too many assets in cash can backfire over the long term," Chris J. Brown, Hearts & Wallets partner and co-founder, said. "To grow investment savings to sustain an individual over a lifetime, compounding is needed. It won't be found sitting in a bank account or a piggy bank. Investor uncertainty is easy to understand, given the continued effects of the Great Recession and recent market volatility. But fear isn't a sound investment strategy."

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<sup>1</sup> Hearts & Wallets' Investor Quant (IQ) Database 2014 survey of more than 5,000 U.S. households.

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## Hearts & Wallets/Women Investors: Toss the Piggy/2

### Women's BIG Piggy Bank

Women control or influence \$23.6 trillion of U.S. household assets<sup>2</sup> Married women are joining their single sisters in becoming more involved with nearly half now are active in spending and investing decisions. Women are less likely to embrace the self-service model of financial services than men and may be open to advice, especially about retirement. There is an advice gap of more than 50 percentage points among women who say they need help with retirement planning and those who have sought help for it. Women are increasingly turning to paid financial professionals for investment advice, up from 36 percent in 2012 to 43 percent in 2014.

Women are almost twice as likely to be risk averse than male investors with 62 percent of women saying they are "very" or "somewhat" less willing to accept market volatility in hopes of gaining returns on investments as compared to 42 percent of men. Women also have higher anxiety about their finances and getting ready for retirement with 33 percent of women expressing either high or moderate anxiety as compared to 25 percent of men. Informed financial advisors can help address women's desire for honest about pricing and slowly ease women into hedge-like products that can help protect during market downswings.

### About the Hearts & Wallets Study Methodology

*10 Things You Should Know About Women Investors* analyzes attitudes and behaviors of women investor lifestages from age 21 through post-retirement and is drawn from the **Hearts & Wallets Investor Quant (IQ) Database**. The IQ database platform serves as the engine for Hearts & Wallets annual reports as well as emerging trend analysis and consists annually of more than 2 million data points from 85 families of savings and investment questions asked during 40-minute interviews of 5,500 U.S. households. The integrated database engine now consists of more than 30,000 U.S. households over five years.

### About the Hearts & Wallets®

Hearts & Wallets LLC is the preeminent financial research resource for understanding savings and investing needs and behaviors of American households. More than half of the top 10 retail financial services firms, in terms of assets under management and investors served, subscribe to the Hearts & Wallets Investor Quant (IQ) database engine platform with data on 30,000 U.S. households over five years. The firm's integrated research platform combines consumer marketing and strategy frameworks with a deep, practical understanding of how the investment, retirement and banking industries function. Hearts & Wallets grows financial services client businesses by illuminating new, smart ways to truly help American savers and investors. Clients better understand the unmet needs of distinct population segments, improve products and services, gain a powerful competitive edge, and ultimately, enhance consumer lives. The company is headed by two of the leading research experts in retirement market trends for the financial services industry, **Chris J. Brown** and **Laura Varas**. Their studies and conferences are must-have resources for retirement industry strategists, product managers and marketing and sales executives. For more information, visit [www.heartsandwallets.com](http://www.heartsandwallets.com).

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<sup>2</sup> 2014 Portrait of U.S. Household Wealth: Market Sizing, Segmentation and Product Ownership.