

Human-Centric Investing Podcast

Episode 29: Accidental Sabotage, Part 2

July 2, 2019 (23:38)

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Featured Guest: Jill Slomski, President Niche Team, LLC.

- Intro This is the Human Centric Investing Podcast with John Diehl where we look at the world of investing through the eyes of our clients. Take it away, John.
- John Diehl: Hello, financial advisors. This is John Diehl, Sr. VP of Strategic Markets at Hartford Funds. Welcome to episode 30 of the Human-Centric Investing Podcast. Joining me today again on the podcast is Jill Slomski, President of Niche Team. Jill, thanks for joining us again.
- Jill Slomski: Well thanks, John. It's good to be back; we love this topic.
- John Diehl: So today, we are going to continue, as I promised, our discussion about accidental sabotage. The things that financial advisors may be doing without even realizing it that may be damaging their efforts to strengthen or build relationships with their female clients. This is part two of our conversation, so if you missed Part One, you may want to go back and listen to Episode 29 before you listen to this episode.
- And also, as a reminder, there is a link in the show notes to the accidental sabotage workbook that accompanies this topic. So Jill, last time we were talking about advisors talking less about themselves, listening more to their women clients. We kind of laughed about that odd moment of silence, where men generally often see that as acceptance, or we tend to write our own narrative into their silent moment.
- Jill Slomski: That's right.
- John Diehl: What other areas are advisors oftentimes unknowingly doing things? In fact, let's go a little bit stronger than unknowingly. We may actually be doing things that we think are really beneficial to the relationship when if we really took a step back and really considered all the factors, we may actually be doing damage by participating in those things. Any thoughts that we didn't talk about last time that you think are especially important around this accidental sabotage?
- Jill Slomski: Absolutely, John. And the thing is, we really do want to stress the fact that it's accidental. No financial advisor would enter into a relationship and be doing these things knowingly, right? And so, a few things that we have found that as financial advisors seek to connect with these female investors, we've said are a great potential market for them. They make assumptions—they make assumptions based on a woman's age or a woman's marital status and boy, oh boy. The four of us were involved in writing this, and all four of us were women. And, not one of us fit any of those stereotypes. Not one.
- And so as we were building this all together, we could understand if an advisor is trying to say, wow, if this person's single then this, or if they're in their early 60's they're certain to be retiring. But, and so, you don't want to make any of those assumptions, which is why that communication piece that we talked about on the first part of the podcast is so important. Getting to know her. That it's about the female investor, it's not about the F.A. selling themselves.
- John Diehl: Yes, and I know, the assumptions that people make. Especially you mentioned that a single woman versus a single man. If we just pause to think momentarily about how our views might be shaped by kind of the biases that are built in culturally, right? And, do we assume that that woman has children? Well she very well may not, right? Or, do we assume, as you said, that this woman is definitely going to retire, or maybe she is newer in the job market, or whatever it may be. We've got to put all those biases and assumptions, we've got to kind of check them a little bit, don't we, Jill?
- Jill Slomski: Right. We've got to take the blinders off. When you look at new businesses starting, new businesses

are currently being started by more men, by more women than men, and the average age of new business start-ups is in 50 and 60 year olds.

John Diehl: Yes.

Jill Slomski: So just because someone is getting close to their early 60's doesn't mean they're heading out to pasture. They might be going after their next passion project. And so, you have to be very, very careful about that, and not making those assumptions. Now that, ask the good questions.

John Diehl: Hi, Jill, can I ask you about something that, again, is totally accidental. But I've got to tell you, when this comes up in my conversations with advisors it's touchy how you handle the topic because I want to do it with some appreciation for what they are trying to do. But the advisor who says, you know what, you're right, I'm dealing with more and more clients who are women, my practice is changing, you know what we should do? We should hold a women's event.

Jill Slomski: Sure.

John Diehl: What would your reaction be to that, because based on that, because based on what you say maybe I need to change my thinking, but how would you react to that?

Jill Slomski: I would say good for you, OK, but hold up, fine. I would say good for you, you should have a women's event, and we have a rolling marketing calendar program that we do with our financial advisors. And on that rolling marketing calendar, I oftentimes hear things like fashion finance; wine, women and wealth. Those are all wonderful, because women do relate to each other very differently when it's only women in the room. But, it can't be a token women's event, like okay, I had my women's event. Check. And then anything else that you do, you don't consider that they might be -- they might like to be invited to that event as well. Don't, if you're going to have some sort of a golf clinic, don't just have that just be the guy event. Have a people event. And so, you can certainly focus on the way women communicate and have a women's only event, but don't consider that to be a tick on your box of, OK, took care of that. Because, I'll tell you what, women can -- women will be able to pick up on that in a heartbeat. So it can't be a token event. There's the word I'm looking for, John.

John Diehl: Yes, yes. Because, I think, where we found more success is rather than just saying we're going to have a women's seminar. Why don't we have a workshop around the topic that is of great interest to probably more women than it is men? Even though, like you said, it's a people event, but topics on care-giving, right? Topics on, not to say that it's to say it's always a woman who's a caregiver, or never a man who's a caregiver, but we know demographically that women are in these kinds of roles. Or as you mentioned Jill, even, how do we start a new business after age 60, right?

Jill Slomski: Yes.

John Diehl: We actually have more applicability to the female consumer, correct?

Jill Slomski: And you know, absolutely. And, John, we have our clients go through, a good top 25 top clients, whether it's assets or commission. And, so, sometimes we expand that to 50, and you're actually going to find financial advisors already have a niche of women in there to create events for them. So they may have divorced, they may have widowed, they may have women who are care-givers, just like you said.

You may have women in health care, some are in there you already have a female niche and you don't even know it, and so you might speak a certain language that resonates with women already with a little bit of analysis you'll be able to hone in on that and create engaging ways for you to relate and communicate other than an annual review. And the other thing that's pretty phenomenal about women is, they usually—they love doing things in groups and they will refer you.

John Diehl: Yes.

Jill Slomski: So if all of a sudden you have an even and it's talking about how to reduce stress for the caregiver, and bring your friends, say bring your friends. They refer three times more than men.

So you can actually, with some very intentional efforts, really grow your business people who communicate your value to other people and bring the assets that we know are coming, that are transitioning to women over the next five to 10 years. It's a win for everyone, with very minor changes.

So but, let's go back to the stereotypes, John, because I think we do these things without knowing it.

John Diehl: Right.

Jill Slomski: I remember going to buy a car with a friend of mine, I'm a single mom. And so, I -- and so a friend said, I'll go with you and the friend was a guy. And so, I'm standing on a car lot and the only person that the car salesperson was talking to was my friend. And he could feel the fact that my -- I was so frustrated and finally he turned to the car salesperson and said, she's buying this car and you better talk to her or she's leaving.

So think about the stereotypical things that we do without knowing. Like do—oh, and do you work, when you're meeting with someone, oh, and do you work also? Well, why wouldn't I work?

John Diehl: Right.

Jill Slomski: So going back to those assumptions and then doing things that are gender specific. You know in the presentation, John, we have some really funny things that companies have done, thinking that women will like it.

And—for example, pink computers, because every woman wants a pink computer or I have financial advisors who have pink pens to attract women their office.

How do you explain to someone who really thinks that that's a great idea, a pink pen is not going to draw any affluent female investor who wants to have a good relationship and a conversation or the old pink Cadillacs that were given as prizes.

You go into -- you go into hotels and if you're a female business traveler and a male business traveler, are you really going to give them different things in a hotel room? It doesn't make any sense.

And so, to try to drop those stereotypes that, granted, we've all been raised with, they've been on television, they've been in books, literature, so you've got to let go, because there's so much opportunity out there.

John Diehl: Yes, I had an advisor approach me this week and we were talking about the change in the financial services industry, because our value proposition as advisors used to be that, A, first all we were providers of information, right, because other than newspapers, there wasn't a lot of financial information available. Well, now it's all available at our fingertips, right?

But the other thing is that a lot of where we came from in the financial services industry was trying to communicate to our clients that this topic is very complicated, right? And you need a professional to help you sort these things out.

And while I'm not going to disagree that there certainly are areas of financial planning that are extremely complicated, we've got to understand that our clients are more educated than ever before. And they're very smart people and often times they may just be looking for the advisor to cut through the clutter.

But again, about those biases, now Jill, I don't want to go the way of calling them sexist, because again, I think that's why you labeled it accidental sabotage, is that I think men have to check themselves in this idea of thinking, the reason I'm trying to help you is this is very complicated and sometimes in serving a female client, that may be over-the-top trying to be expressed.

Look, I'm going to simplify this for you as much as I can, this is a very complicated area. Well, the lady I'm sitting across from is a mechanical engineer, right? You want complicated, she can wrap my head in knots around the things that she deals with everyday.

And so these are the things that I think it really helps to kind of check ourselves and our assumptions before we enter into these conversations, wouldn't you agree?

Jill Slomski: Oh John, you're absolutely right. Matter of fact, when I am now coaching financial advisors on how to take people through a client meeting agenda, I actually have been there.

The question for new clients, what role do each of you have in finances in your home right now? And that simple question is—it just levels the playing field. OK, I'm just saying, who does what, instead of, oh, do you work also. Kind of that old antiquated type of thing and it's—and it just helps.

And so, sometimes just to remind yourself, there are actually just a little bit of speaking points in your client meeting agenda just to pull you back to center, so you don't go running off because you didn't mean to. It's accidental. It's just pattering, it's history, it's how we were raised, or society before.

John Diehl: Well, and I think the complication here Jill, and I know you're especially sensitive to, we talked about whenever we talk about this topic is, whenever you talk about one group of individuals for one particular reason, right, so we're going to target investors over age 70, or we're going to target millennials or we're going to target women, we always run the risk of generalization, right?

And how do you suggest—you mention it as you and that three other women were creating some of this content about how unique each of you were. Can you just take a moment to talk about how important that is within a population to recognize the uniqueness of the individual?

Jill Slomski: It—I love the fact that you're saying that we all have these categories, but when we go back and look at—go back just a bit and look at women as potential, and that we—and that there are so many different education levels and there are so many different life cycle stages, because when we initially were going to do this presentation, we were going to take women through various stages of life cycles and realize that if four of us didn't have the same ones, then what—expendably what was that going to impact as far as the listener was concerned, right?

So you have to— John, the key is, to go back and ask questions. Get to know someone as a person, not as a female. So in your knowing it's kind of what's given, given is that women want a relationship, they want connectivity, they want to be valued, they want to be heard, they're very educated, they're very discerning.

Their connectivity of thought is exhausting for us and for the men in our lives. That we—that we want to have access to our financial advisor.

And so, when you're getting to know them as a target market, you have to start at ground zero and say, tell me a little bit about yourself, tell me a little bit about how involved are you in finances to this point. What do you want from this partnership and what are your goals?

And you will have them so loyal to you and referring to you, because you chose to get to know them as a person. So you can know that, as a woman, they're a fabulous target market for you, but get to know them as a person. And that's the key. No assumptions.

Get to know them as a person, completely—almost without understanding the idiosyncrasies of the gender, but not making any— not applying any preconceived notions whatsoever.

John Diehl: So I would think, Jill, in hearing you say that, that patience may truly be a virtue, right? In the advisor that is trying to come to a productive relationship with a client, right?

Jill Slomski: Right. And patience—and I think it's really important, John, that it's patience with the new client, understanding the value in the long-term, but also patience with yourself. That as you sit down with that female investor with this newfound knowledge, that potentially you've been accidentally sabotaging relationships in the past, that you're going to do a better job, that if you did—if you did stumble over a question or if you did ask something and it felt uncomfortable to you that may not have been heard in an uncomfortable fashion, that this is worth it.

By numbers, by education, by assets and affluence, this is worth it. And I'm going to go back to

when I ask my financial advisors and I—over and over again what makes your favorite client and it's the characteristics that you often times experience when you have the female as a client. They communicate, they listen, they value and they stay with you for the long term and they always—and they always introduce you to the next generation because they're now family and it matters.

John Diehl:

And I think Jill, I think it was in the—in our previous podcast episode we were talking about decision bracketing and how women are concerned about their decisions may impact a more extended circle of relationships, if you will that maybe a male client would.

And I think one of the hypothesis that I've heard from the researchers that we've worked with, and I just wonder if you would validate this, is it again nothing's ever written in stone but the researchers shared with me that often times women will take longer to make a financial decision because of a couple of things.

One, that extended network does kind of tie them up a little bit in making sure that they can be as confident as they can in the decision and secondly they told me that women are much deeper researchers than men are.

So they will vet their decisions not just online through online information, but they'll vet it through their friendship network, people that they trust. They'll ask them what they think, they'll come back, they'll go back to the advisor.

The advisor may answer some of those concerns or questions, they will then take what the advisor told them and re-vet it again through that network before coming to make a decision, whereas often times generally speaking men are a little bit more sporadic, a little spur of the moment, a little more yell at just let's go do this.

And at least in my experience I think advisors have to be prepared for that a little bit. Is that something that you would generally agree with?

Jill Slomski:

I do agree with that, women do go through that process over and over and over again and it's exhausting to the F.A. and it's exhausting to women. But they're looking for the perfect answer because their level of care.

And so—and so we create—we have another practice tool for our financial advisors and it's a funnel, and it's a—and on it we have 20 of our current perspective clients who have money in motion in six months.

And I often times have people sit -- they're only allowed to be on there for six months and so we have 20 people who have money in motion, whether it's inheritance, rollovers, sale of property and it's how do you get them—how do you get them off of that funnel or off of that strategic pipeline.

And when it's women, I—we always suggest phrases that resonate with women, and it's a matter—and so for anyone we say our next step, just tell them OK our next step in getting ready to retire is this.

For women, it's a matter of we know you're very busy and we -- let's take this off of your list because women are—have this connectivity, they have these to do lists, they're trying to make perfect decisions in the present and in the future, and so to motivate women to let them know that they've been understood by the advisor to say we've had a—this is—this is what we have agreed is good for us but right now we can make modifications in the future, let's get this taken care of, let's get this off of your list, I will take care of this and you can take care of the rest of the things that you have under your care.

And it makes a difference, but it does take longer, but that patience is worth it. The rewards for the client and the rewards for the advisor and their business is pretty significant.

John Diehl:

So Jill, in summary of the past episode that we just recorded and this current one that we're talking about today, if I'm an advisor, I'm listening to these two podcasts and I can see some of the things that I've been doing, I may need to change so on and so forth, but what is—if we summed it all up, what are a couple—maybe one or two bullet points that you would say are the most important things out

of these—out of all this information that advisors really need to be thinking about as we—as we really attempt to strengthen and build relationships with our female clients. What are those key points you would say in summary?

Jill Slomski:

Well number one, it's about the female client, it's not about you. Don't sell her anything, get to know her and what's important to her and share some information about you and why you are doing what you're doing and a little bit about your personal self.

Number two, communicate wisely with those female clients, remember that they take a little bit longer to process information but it's not because they can't pick up on what you're saying, it's because they're assessing the impact.

And when you're communicating with those women, make sure that you're not making assumptions, that they're not in charge of the finances and John please remember do not misinterpret silence for acceptance.

And lastly please remember that women want to be treated as individuals, not as category, that they have various needs and interests that cannot be put into an age group or into a marital status.

And so get to know them as a person, it takes a little bit of time but the rewards for both the client and for the financial advisor are significant.

John Diehl:

And Jill I know we're developing this material into materials that advisors can use, we'll develop them into presentations, we may be able to give to a given team or an office.

We'll have your thoughts and practices and a worksheet and summary white papers. And so we really look forward to kind of learning from you throughout those presentations and those materials.

So on behalf of Hartford Funds, Jill, I just wanted to thank you for your participation and helping us and helping advisors really think about how we better serve our clients going forward.

Jill Slomski:

Well thank you John, it's been a great process and we hope that the work that we've done really does make that big positive impact on advisor's businesses and most certainly on the women that they serve.

John Diehl:

And for all of our listeners today from all of us at Hartford Funds, we want to say thanks for listening to the podcast and we will talk to you again soon on the next episode of the Human Centric Investing Podcast.

Operator:

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