

Degrees of Separation: Men & Women High-Net-Worth Investors

What are the critical differences between men and women high-net-worth investors? A recent survey of 1,013 high-net-worth investors by Federated Investors revealed several statistically significant differences. The survey found that women describe themselves as more conservative than men in their investment approach and are much less likely to plan to invest more in equities over the next 12 months. Women are also more likely to rely on their financial planner for investment advice and less likely to describe themselves as very knowledgeable on financial risks and to be hands-on in tracking their investments. Below is additional detail on the differences uncovered by the [2013 Investor Mindset Survey](#).

Equity Investments: Many high-net-worth investors say they are planning a decisive shift to equities over the next 12 months. But men are almost twice as likely than women to plan to invest more in equities.			
Issue	All HNWIs	Men	Women
Plan to increase investments in equities over the next 12 months	24%	27%	16%
Plan to maintain investments in equities over the next 12 months	62%	60%	69%
Risk Tolerance: When asked to describe their investment style on a spectrum ranging from “Aggressive highest risk” to “Secure lowest risk,” high-net-worth investors tend to see themselves as less conservative than advisors think they are. However, women high-net-worth investors are more likely than men to describe themselves as “low-risk” investors.			
Issue	All HNWIs	Men	Women
Describe their investment style as falling into one of three categories on the “lower risk” side of the spectrum	58%	56%	64%
Describe their investment style as falling into one of three categories on the “higher risk” side of the spectrum	42%	44%	36%
Perceived Knowledge of Portfolio Risks: High-net-worth investors were surprisingly lacking in confidence regarding their knowledge of external events that could affect their portfolio. However, men were more likely than women to describe themselves as very knowledgeable on these issues.			
Issue	All HNWIs	Men	Women
Very knowledgeable about market volatility risk	29%	34%	18%
Very knowledgeable about interest-rate risk	29%	33%	19%
Very knowledgeable about inflation risk	26%	30%	16%

Very knowledgeable about tax legislation/policy implications	20%	22%	16%
Very knowledgeable about potential bond bubble risk	18%	22%	9%
Perceived Familiarity with Income Products: Men claimed to be more familiar with most income products.			
Issue	All HNWIs	Men	Women
Extremely familiar with money markets	62%	64%	56%
Extremely familiar with equities	49%	54%	38%
Extremely familiar with bonds	42%	45%	33%
Extremely familiar with balanced	32%	34%	26%
Extremely familiar with international	20%	24%	13%
Hands-on Investment Approach: In general, high-net-worth investors believe the relationship with their financial planner should be a partnership but most prefer to take an active role in tracking investments. Men, however, are more likely to take a hands-on approach and less likely to rely on others to track their investments and influencing factors.			
Issue	All HNWIs	Men	Women
Rely on themselves to track their investments and influencing factors closely	70%	78%	48%
Rely on advisor to track their investments and influencing factors	17%	15%	24%
Rely on spouse to track their investments and influencing factors	9%	4%	21%
Role of Financial Planner: Most high-net-worth investors use a financial professional but men are less likely to use one. Most investors say their key expectation for advisors is listening to their goals and then helping them to formulate a plan. However, women are somewhat more likely than men to cite this as their key expectation.			
Issue	All HNWIs	Men	Women
Rely on a financial advisor for guidance	61%	59%	67%
Do not rely on a financial advisor for guidance	39%	41%	33%
Key expectation for financial advisor is that he or she listen to client goals and then recommend most effective strategy	60%	58%	65%



About the Survey

The 2013 Investor Mindset Survey was fielded online nationally between June 20 and July 5, 2013. Interviews were conducted with 1,013 high-net-worth investors, who were U.S. adults, age 18 and older, with at least \$500,000 in investable assets, excluding primary residence and employer-based retirement funds. The 301 financial advisors interviewed were primarily Certified Financial Planners, Chartered Financial Analysts, Registered Investment Advisors and Personal Financial Planners.

KRC Research, an independent third-party research firm, designed and conducted the survey on behalf of Federated Investors.

Investments are subject to risks and fluctuate in value. There is no guarantee that any investment approach will be successful.

Bond prices are sensitive to changes in interest rates and a rise in interest rates can cause a decline in their prices.

While stocks offer the potential for greater returns than bonds, they tend to be more volatile.

There are no guarantees that dividend paying stocks will continue to pay dividends. In addition, dividend paying stocks may not experience the same capital appreciation potential as non-dividend paying stocks.



Federated Investors, Inc.
Federated Investors Tower
1001 Liberty Avenue
Pittsburgh, PA 15222-3779

Contact us at **FederatedInvestors.com**
or call 1-800-341-7400.

G45361-06 (12/13)
Federated is a registered trademark of
Federated Investors, Inc.

2013 ©Federated Investors, Inc.