Overview

Nearly all affluent women enjoy making money and accumulating wealth, and more than half believe that money helps buy happiness. While most say they worked hard to create their wealth, the majority credit their investments and stock market growth for generating wealth. Additionally, most say that investing in the stock market is the best way to grow savings over the long term.

Affluent working women are proud of their earning power and say that having a career is important to them — even if they don’t need the money. When it comes to balancing career and family life, two-thirds say that working women can “have it all” and for those whom having it all is their goal, most feel they are succeeding. Yet, more than half of affluent women say they struggle with work life balance and while they would likely accept a big promotion if offered one, many would accept with reservations, mainly around work-life balance.

Affluent women generally take the lead in managing the day-to-day household finances yet only about half are taking primary responsibility for choosing and managing investment accounts. This percentage is even less for married women. Younger affluent women are the exception with more than half in their 40s managing the household investments.

As their wealth increased over time, nearly half of affluent women say they became more competent at handling the household investments. Additionally, about a third say they became more involved in financial decision making. Only a small percentage of affluent women say that men are better at managing money and investments than women.

Despite their enthusiasm for accumulating wealth and pride in their earning power, nearly all affluent women say that peace of mind is the most important measure of a successful life and nearly three-quarters value family and friendships over wealth and job satisfaction.

Affluent working women on average plan to retire at age 64 and anticipate needing $1 million in savings in order to live the lifestyle they want. Most are confident they will have enough savings to live the life they desire in retirement. Affluent women are more concerned about losing their mental abilities than they are running out of money.
Key findings

Managing finances

Affluent women take the lead on handling day-to-day finances with 82% managing the household budget and purchase decisions, 79% managing the household cash flow and 75% paying the bills (see chart 1). However, when it comes to choosing investments and managing investment accounts, the percentage drops off significantly to less than half (46%). For married women, the percentage is even less with only a third (34%) taking on this responsibility. Affluent women in their 40s are an exception to this trend with more than half (56%) choosing and managing investments for their household.

Among those who are not currently taking responsibility for all their household finances, most (83%) feel that they could take this on.

As their wealth increased over time, more than four in ten (43%) affluent women say their competence at handling investments increased as well, while more than half (53%) say it stayed the same (see chart 2). Similarly, a third (36%) have become more involved in financial decision making, while the majority (58%) say their involvement has stayed the same and 6% became less involved.

Learning how to invest

While nearly two-thirds (64%) of affluent women say their parents did a good job teaching them about managing money, roughly the same percentage (69%) say that no one ever taught them how to invest in the stock market (see chart 3). Virtually all (98%) affluent women say it’s important for women to feel confident about investing, but far fewer (71%) actually do.
When it comes to gender differences, only a small percentage (11%) believe that men are better at managing finances and investing than women. About a third (30%) did say they felt men are more interested in these topics than women.

**Implications:** Virtually all women say it’s important to feel confident about stock market investing, but far fewer actually are. Further, most say that no one taught them how. Financial advisors and financial service providers interested in attracting and retaining affluent women clients should consider offering programs and materials that teach affluent women about stock market investing to bolster their confidence.

**Investing in the stock market**

More than three quarters (78%) of affluent women say the stock market is the best way to grow savings. Additionally, as a result of the market recovery since 2009, more than a third (37%) of affluent women are more eager to put money in the stock market, a quarter (23%) more reluctant, and 40% admit that they don’t pay much attention to the stock market. Interestingly, three quarters (73%) disagree that the stock market is too risky for them (see chart 4), yet more than half (54%) worry about losing money in the market.

**Savings and lifestyle**

Among non-retired affluent women nearly three-quarters (72%) value their wealth more for the lifestyle and security it will provide them down the road in retirement than for what it can provide them now. The 2008-2009 financial crisis affected their propensity to save with more than half (54%) of affluent women saying it made them more aggressive about saving. Despite this sentiment, only four in ten (40%) have an annual savings goal. And, for those who do have one, the savings goals are modest — a median of $20,000 for non-retirees and $12,000 for retirees (see chart 5).

**Chart 5: Savings goals for 2014**

<table>
<thead>
<tr>
<th>Savings Goal (in $)</th>
<th>Median</th>
<th>2014 Median</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under $10k</td>
<td>16%</td>
<td>19%</td>
</tr>
<tr>
<td>$10k–&lt;$20k</td>
<td>25%</td>
<td>29%</td>
</tr>
<tr>
<td>$20k–&lt;$30k</td>
<td>24%</td>
<td>34%</td>
</tr>
<tr>
<td>$30k–&lt;$50k</td>
<td>16%</td>
<td>20%</td>
</tr>
<tr>
<td>$50k+</td>
<td>8%</td>
<td>9%</td>
</tr>
</tbody>
</table>

**Chart 4: Risks and rewards of the stock market**

<table>
<thead>
<tr>
<th>Statement</th>
<th>Disagree</th>
<th>Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>The stock market is the best way to grow savings over the long term</td>
<td>73%</td>
<td>27%</td>
</tr>
<tr>
<td>The stock market is too risky for me</td>
<td>22%</td>
<td>78%</td>
</tr>
</tbody>
</table>

Three quarters (73%) of affluent women say they are living within their means and a quarter (23%) are living beneath their means.
Working with advisors

More than two-thirds (69%) of affluent women say they work with a financial advisor. Further, nearly all (92%) credit their financial advisor with keeping them on a solid financial path. In terms of how financial advisors are evaluated, affluent women rate the ability to take a holistic view of their financial picture most important (see chart 6). This trumps the rate of return the financial advisor achieves for the portfolio (32%) and the overall relationship with the advisor (28%).

Chart 6: How advisors are evaluated

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Attribute</th>
</tr>
</thead>
<tbody>
<tr>
<td>40%</td>
<td>Ability of the advisor to take a holistic view</td>
</tr>
<tr>
<td>32%</td>
<td>Portfolio rate of return</td>
</tr>
<tr>
<td>28%</td>
<td>The relationship</td>
</tr>
</tbody>
</table>

Implications: In evaluating their financial advisors, affluent women value the ability to focus on their overall financial picture as the most important attribute — ahead of focusing on portfolio returns. Financial advisors who are interesting in attracting and retaining affluent women clients should take note of these preferences in their approach to these clients.

Attitudes on wealth

Nearly all affluent women say they enjoyed making money and accumulating wealth (93%) (see chart 7). Additionally, more than half (53%) believe that money helps buy happiness. While most (94%) say they worked hard to create their wealth, more than two-thirds (68%) acknowledge that most of their wealth was generated by investments and stock market growth. Affluent women are more excited about watching their money grow by making good investments in the stock market (64%) versus earning and saving a lot (36%).

Chart 7: Attitudes on wealth

<table>
<thead>
<tr>
<th>Category</th>
<th>Disagree</th>
<th>Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>I've worked hard to create my wealth</td>
<td>6%</td>
<td>94%</td>
</tr>
<tr>
<td>I enjoy making and accumulating money</td>
<td>7%</td>
<td>93%</td>
</tr>
<tr>
<td>Most of my wealth has been generated by investments and growth in the stock market</td>
<td>32%</td>
<td>68%</td>
</tr>
<tr>
<td>I think money helps buy happiness</td>
<td>47%</td>
<td>53%</td>
</tr>
</tbody>
</table>

Implications: In evaluating their financial advisors, affluent women value the ability to focus on their overall financial picture as the most important attribute — ahead of focusing on portfolio returns. Financial advisors who are interesting in attracting and retaining affluent women clients should take note of these preferences in their approach to these clients.

In tracking changes in their attitudes as their wealth has grown, nearly two-thirds (63%) of affluent women say their feelings of financial security have increased as their wealth increased (see chart 8). Despite reporting feeling financially secure, more than half (54%) say they worry about money just as much as they used to. And, only a relatively small percentage (13%) has become more comfortable with risk.
Career and family

Affluent working women say they are proud of their earning power (85%) and three quarters say having a career is important to them — even if they don’t need the money (see chart 9). Two-thirds (66%) think that they are fairly compensated. Yet, three out of five (59%) do not see pay equality happening in the next 10 years and a third (32%) don’t expect to see it within their lifetime.

When it comes to balancing career and family, two-thirds (62%) say working women can “have it all” — but only half as many (38%) say having it all is their goal (see chart 9). Among the group who say that having it all is their goal, 81% say they are succeeding at this.

The majority of affluent working women (58%) struggle with work-life balance.

Affluent working women struggle to find an appropriate work-life balance with nearly two thirds (62%) saying they’d rather have more time than more money in their life right now. Additionally, three quarters say they are content with their current career situation with only a quarter saying they are ambitious and striving for more. If offered a big promotion at work, while the vast majority would accept it (66%), more than half of this group (35%) would do so with reservations. The most frequently cited reservation was concerns about work-life balance.

Despite expressing pride in their work and earning power, only a small percentage of affluent working women say great achievements or job satisfaction are the most important measures of success (see chart 10 on page 6). Nearly all (89%) say peace of mind is the most important measure of a successful life and 71% say family and relationships are more important than wealth or job satisfaction.
Living in retirement

Nearly four out of ten (39%) affluent working women are reluctant to give up their paychecks saying they will continue working as long as possible. The average age they plan to retire is 64. Among those already retired, the top reasons given for retiring were financial related (45%) including they were eligible for a pension and Social Security, or had accumulated enough savings. Other reasons included wanting to do different things (39%) and a quarter (28%) retired because work became too stressful and unrewarding.

The top three goals and activities affluent women desire for their retirement years include focusing more on family and relationships (64%), focusing more on physical fitness (63%) and becoming more charitable with their time (58%). Half of non-retired affluent women recognize that retirement will likely be different from what they envision. For those already retired, more than half (58%) were in their 60s or beyond before they had a realistic picture of retirement.

Most affluent women define a successful retirement to mean having enough money to live the lifestyle they want (see chart 11). Women who are not yet retired anticipate needing $1 million in order to retire with median retirement savings so far of $600,000. Additionally, nearly all (95%) of those not yet retired are confident they will have enough money to live the lifestyle they desire in retirement. Additionally, affluent women are more fearful of losing their mental abilities (77%) vs. running out of money (23%).

Affluent working women are more fearful of losing their mental abilities (77%) than they are of running out of money.
Background and methodology

About the survey
The survey was conducted by Versta Research with a nationally representative sample of 1,872 affluent women in the U.S. between September 3 and September 15, 2014. Qualified respondents were ages 40-79, had household investable assets of at least $250,000, and all were working women either currently or for at least 15 years before leaving the workforce. Data were collected via a web-enabled probability-based panel designed to be representative of the U.S. population, recruited and maintained by GfK. Participants for the panel are chosen scientifically by a random selection of telephone numbers and residential addresses. Persons in selected households are then invited by telephone or by mail to participate in the panel. For those who agree to participate, but do not already have Internet access, GfK provides at no cost a laptop and ISP connection. Final data for this survey were weighted incorporating the probabilities of selection and population benchmarks from the US Census and Federal Reserve Board’s Survey of Consumer Finances. The maximum margin of sampling error for the full sample of 1,872 affluent women is ±2%.

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