

LIFE MOMENTS: A Strategy for Serving Women Throughout Their Lives

**in
brief**

Digitization means easy access to a range of financial services formerly provided exclusively by banks. To maintain relevance, leading-edge providers are shifting their approach toward personalizing the customer experience based on their specific needs at critical life moments. Evidence suggests this is the right move. For example, research in Australia shows that 70 percent of customers switching banks do so during a critical life event.¹ Being there in these moments that matter creates new and lasting relationships with the customer – and is particularly important for women, who value a more relationship-based approach to financial services and often face such life moments with financial pressures. Because of this, a life-moments strategy can be a particularly successful way of creating value for both the financial services provider (FSP) and the client.

This InBrief report explores the life-moments strategy to segmenting and serving the Women's Market, starting with mapping 10 of the most important moments in the lives of women. It then highlights the experiences of four members of the Financial Alliance for Women in developing solutions that solve for specific life moments, their key recommendations and lessons learned. The aim is to help FSPs think through personalized solutions that both boost women's resiliency across their lifetimes and help deepen customer engagement.

Understanding the Life-Moments Strategy

At its core, a life-moments strategy for the Women's Market identifies the major stages in women's lives and seeks to understand and solve for their key motivations and financial needs in each phase. This type of segmentation enables FSPs to develop more meaningful service propositions and is particularly important for women, who have under- and unmet needs around financial services at each life stage. FSPs may opt to fold demographic criteria such as income, age or occupation into a life-moments segmentation framework to further hone the service proposition, which usually features both financial and non-financial solutions.

A successful life-moments strategy also requires a well-oiled distribution network with fully trained front-line staff capable of having the appropriate empathic conversations during the moments that matter to women. The capacity to be there and add value during a particular life moment is what makes an FSP relevant to women, resulting in a deeper relationship, more engagement, increased usage and greater brand loyalty.

Based on the experiences of Financial Alliance for Women members as well as industry research, we have mapped the dynamics behind some common critical moments in women's lives and showcased the ways FSPs can help support them during these times. It's important to note that these moments are often non-linear, and women may experience some of them simultaneously. Because women's life experiences differ around the world, institutions should conduct their own market research in order to understand the common significant events in women's lives in their particular markets.

Mapping Women's

The Moment	Pursuing Education	Entering or Re-entering the Workforce	Starting or Scaling a Business	Building or Breaking Relationships	Investing in a Home
	Prioritizing education and learning	Often having non-linear career paths	Making entrepreneurial decisions	Committing to or separating from a romantic partner	Deciding to own, renovate, build or invest in a home
The Background	Women are pursuing formal education at increasing rates around the world, graduating from college in higher numbers than men in some countries.	Women's labor force participation has increased in almost every country in the past three decades. Forty-three percent of educated women take a career break at some point to tend to their families, yet 90 percent say they would eventually like to return to work. ²	Women are starting businesses at significant rates globally, ⁴ but on average, women's businesses are smaller and are more likely to be informal or semiformal. ⁵	An increasing proportion of women in developed economies are delaying marriage, but more are also cohabitating without marrying. Divorce rates have also been rising globally over the past few decades, ⁶ with financial woes often cited as a top reason for divorce. ⁷	Women of all income levels are less likely to own homes than men, and just 20 percent of the world's land is in women's names. ⁸ Acquiring a primary home is a life goal for many women, and having investment property is also a goal for some.
The Considerations	Because of rising tertiary education costs, women hold a significant portion of student debt. When compounded with the gender pay gap that widens across women's lives, women can experience this as a double burden: higher debt and less capacity to pay it off.	On average, women start their careers earning less than their male counterparts – in some cases due to unequal pay rates and in others due to the sectors they work in. Later in life, women often opt for part-time work or to take career breaks. These factors can make it harder for women to establish a strong financial basis. ³	Women-owned/-led businesses face a number of challenges in accessing capital sufficient to grow. Women tend to have less collateral than men, self-report lower business knowledge and take a different approach to risk.	Marrying or committing to a partner often involves combining assets, which means women may also have to share a spouse's liabilities. Splitting up can hit women harder financially if they have lower earnings and assets. Women who cohabit without marriage are at even greater risk of a financial hit, due to their lack of claim over household assets.	The gender wage gap and other financial burdens women face can impact their capacity to afford purchasing or maintaining a home. There are also adverse cultural norms and marital legal regimes in some countries that limit women's rights – for example, their right to be on the title or to own more than 50 percent of a home. ⁹
How FSPs Can Help	Access to low-interest student loans, as well as information and advice on the process, can be valuable for women pursuing education. Repayment deferral based on employment status can help women who are transitioning to the workforce post-education. Leading up to this moment, a goal-based savings account may be useful.	Information and tools around salary negotiation, financial planning and workforce re-entry could all prove highly useful for women in this life moment.	Relevant business information; formalization support; education on cash flow forecasting and financing; modifications to loan policies, including accepting non-traditional collateral; access to mentoring, coaching and networks; supplier diversity programs; and access to female-friendly incubators are a few ways FSPs can support women.	Financial planning assistance and financial awareness trainings, accounts and tools that support with merging finances, loan repayment flexibility during separation, and access to legal advice may all be valuable.	Accounts to help women save for a down-payment, flexible mortgages during pregnancy and maternity leave, home insurance with home technical assistance, and legal advice are all solutions that may deliver value to women in this life moment.

Life Moments

Having Children	Taking Care of Others	Health Setbacks	Losing a Loved One	Retirement	The Moment
Bearing or adopting one or more kids	Caring for children and elder family members	Experiencing medical issues themselves or within their families	Experiencing the death of a spouse or a partner	Planning for and ceasing work	
<p>While many women find motherhood emotionally rewarding and fulfilling, it is also the single strongest predictor of bankruptcy and poverty in some countries.¹⁰</p>	<p>On average, women do 3x more unpaid work than men, even when they also work outside the home.¹² Apart from traditionally being the primary caregivers of children, women represent between 57 and 81 percent of caregivers to the elderly around the world.¹³</p>	<p>Women face unique and heightened health concerns throughout their lives. Because women live longer, they are also more likely than men to face aging-related diseases such as dementia, and the consequential costs associated with care.¹⁵</p>	<p>In more than half of married households, the male spouse leads all long-term financial planning.¹⁷ Yet eight out of 10 women will end up being solely responsible for their own financial well-being.</p>	<p>Women tend to outlive men by 4 to 8 years,¹⁹ and therefore need more money for retirement. Yet women's retirement savings is on average 30 to 40 percent less than that of men across the globe.²⁰</p>	The Background
<p>Maternity itself implies significant health risks and costs. Having and raising children also poses challenges for women's financial trajectories. For many women, maternity means loss of or reduced income, or being passed up for promotions.¹¹ This motherhood gap increases with the number of children and is compounded by rising childcare costs in many countries.</p>	<p>Women may be obligated to take on this caretaker role unexpectedly, and even if expected, the impact on women's finances can be immense. To care for elders or children, women often need or choose to reduce work hours or leave the workforce entirely, resulting in significant income losses and/or impacting retirement provisions.¹⁴</p>	<p>Healthcare costs can add up, and while health events can be financially burdensome for many, women can be disproportionately impacted by them due to their average lower net worth.¹⁶ Compounded with loss of income in the case of the breadwinner falling ill, health setbacks can be devastating, especially for low-income women.</p>	<p>Women who lose their partners or spouses not only have to deal with bereavement, but often find themselves solely responsible for household finances and investments for the first time. Most widows are not prepared for this.¹⁸ Losing a partner is often experienced as a financial shock to women.</p>	<p>Accumulating enough money for retirement can be a challenge for women as they tend to be primary caregivers for both children and the elderly. Women's longer lifespans mean they may be living alone for a period of time and may need professional care themselves, compounding the impact of the pensions deficit.</p>	The Considerations
<p>Bundled insurance solutions with wrap-around services like babysitter sourcing, flexible loan repayments during pregnancy and maternity leave, mortgage rates based on return-to-work income, tailored savings products, and financial planning tools and support may be useful.</p>	<p>Help women prepare ahead of time by integrating care planning and financing children into savings and retirement planning. Women may also value insurance coverage that includes access to health care professionals as well as financial, legal and health advice, alongside investment advice.</p>	<p>In addition to assistance planning and saving for medical events ahead of time, low-interest loans can help women with medical expenses as they occur. Life insurance products with differentiated protection for female illnesses, cancers and maternity could also prove extremely valuable, as could hospital-cash products in low-income markets.</p>	<p>Women need guidance around managing their accounts after the death of a spouse or partner, and may need assistance with planning for their financial futures without a partner. Financial packages that cover the cost of funerals, support with probate, investment advisory and access to bereavement counseling all deliver value to women in this life moment.</p>	<p>Retirement planning services, investment products that account for women's realities, personalized financial education courses as well as empathetic wealth advisory that incorporates family financial planning can support women approaching and experiencing this life moment.</p>	How FSPs Can Help

DELIVERING SOLUTIONS TO WOMEN IN KEY LIFE MOMENTS

With a deep understanding of women's critical life moments and the resulting financial dynamics and emotional impacts, FSPs are able to tailor customer value propositions (CVPs) that solve for women's particular life stages. Holistic solutions that incorporate both financial and non-financial services, as well as service delivery strategies that help further personalize the customer interaction and offer a truly empathetic experience are a winning strategy for women.

Solving for women's life moments sometimes involves simple product modifications. For example, introducing flexibility – such as the ability to offer a temporary break on a mortgage repayment if a woman is on maternity leave or going through a divorce – can allow women the breathing space they need during financially challenging times. Product bundling that combines financial products like insurance, savings and loans with assistance services and other add-ons delivers holistic value in a particular life moment.

There are opportunities across each of the life moments to address women's pain points and enable them to prepare for life's eventualities using tailored product information and educational programming. Digital hubs with personalized resources like planning and budgeting tools, as well as financial education programs organized by life moment can help women and their

families to better plan for and get through financial hardships.

In addition to offering financial and non-financial solutions, staff need to be equipped to meaningfully engage women customers who are facing these moments with confidence and understanding. Navigating these conversations can be tricky, but staff can be trained on having empathetic conversations and be provided with tools on these topics to enhance their understanding of what women may be experiencing during each specific life moment. Ultimately, this type of genuine, empathetic approach can help an FSP deepen relationships with all its customers.

A number of financial institutions are putting in place solutions to engage and serve women customers in specific life moments. Here, we offer case examples from leading members of the Financial Alliance for Women.

Westpac: Help, Empathy and Service Flexibility

Long-term View of Critical Life Moments

in case study
brief



Australia-based Westpac introduced a life-moments strategy in 2017, recognizing that in order to maintain relevance and build an emotional connection with customers in the age of digitization, the bank had to be there when it matters the most.

To achieve this, Westpac re-examined its approach to segmentation and positioning. Its research revealed that 70 percent of Australians who switched banks had a significant life event occur in the previous year. Taking a deep look into the customer journey and key life moments enabled the bank to discover what truly matters to Australians and how they experience critical events in their lives. Westpac looked at complaints, compliments and Net Promoter Score feedback to learn the pain points in people's lives, what the bank was doing well to help overcome them and where it needed to improve.

Segmenting customers' needs by taking a deep, end-to-end look into Australians' emotional journey through major life milestones is now the bank's primary segmentation principle. Westpac focuses on life moments that have the highest opportunity for the bank to provide support as well as the highest propensity for customers to switch banks. These moments include having a baby, divorce or separation, and losing a loved one, among others. The bank has found that segmenting customers by life moments yields much greater insights than standard demographic segmentation – which doesn't play as strong a role as banks traditionally think – and that for the most part, everyone needs the same kinds of things during specific life moments.

"We believe what matters the most to our customers matters to us" – this is the mantra of Westpac's brand and the underlying basis of the life-moments strategy. This strategy consists of building a connection and empathizing with customers, offering product flexibility and new solutions, as needed, and providing significant valuable content, guides and checklists through its online Life Moments Hub.

To execute on this new strategy, Westpac has given its frontline staff and bankers the tools they need to empathize with customers during critical

life moments and offer them something tangible. Empathy and understanding were the focus of training and toolkits support staff use to assist customers, with prompts and guides that borrow from specialists in each life moment's topic area. If the issue is too complex for the relationship manager to handle, they call on the company's "priority assist team" to provide additional support to the customer.

While the focus of the strategy is on service, a key component to accommodating customers' changing life circumstances is being able to offer product flexibility. For example, many families preparing to have a baby are preparing for maternity leave, and in many cases, preparing to live on one income for a certain period of time. Product flexibility allows the bank to grant that woman a pause on her mortgage payments and waive transaction fees while she is away from work. The bank is now also able to recognize her return-to-work income if she seeks a mortgage for a bigger house while she is on parental leave.

Women going through a divorce or separation often have an immediate need for access to funds. Providing short-term loans or vouchers to shopping malls for lower-income customers shows them that the bank understands what they're going through and is there to help them get back on their feet. And for those who are dealing with the loss of a loved one, easing the burden of paperwork, allowing for related expenses to be made from estates and providing a case management approach during this emotional time creates a positive experience.

The life-moments strategy has also been made part of the bank's external branding, and Westpac actively communicates emotional life-moment stories through advertising – helping customers understand what the bank is offering and getting them to come to Westpac.

Supporting customers to step through key moments of joy, uncertainty and change is helping to differentiate the bank: By the end of 2018, non-customer brand consideration rose by 29 percent. Banker productivity is also up, by 25 percent.

Building Relationships with Entrepreneurs



Life-Moment Focus:
Starting and Scaling a Business

NatWest, under the RBS Group, is the leading bank for women entrepreneurs in the United Kingdom, with a strategy that's centered around building relationships with women entrepreneurs and harvesting their ambition and skills to grow their businesses.

NatWest's Women in Business Specialists are at the heart of the institution's relationship with women entrepreneurs, with more than 600 of them working across the bank. These trained Specialists provide women entrepreneurs with business advice, access to financial solutions and connections to relevant local organizations and experts. In 2018, the NatWest Women in Business Specialists and Women in Business core team organized more than 250 events that reached over 12,000 women entrepreneurs and business owners, focusing on access to finance, business growth, networking and mentoring.

In recent years, NatWest began to focus on the development of its staff's own entrepreneurial mindsets, which has helped to deepen these relationships. In the Entrepreneurial Development Academy (EDA), the bank places

emphasis on training staff to understand how women entrepreneurs think, how they problem solve, and what challenges they face when starting and growing a business. While the Women in Business Training is focused on frontline staff who then go out to support women entrepreneurs or business owners, the EDA is open to all staff in the bank. The two training programs run in parallel, with EDA giving deeper knowledge on the entrepreneurial mindset and challenges businesses face around growth, scale and funding, regardless of gender. As of June 2019, more than 16,000 employees have participated in the EDA.



Banco **BHD León**

Offering Targeted, Bundled Solutions

Life-Moment Focus: Buying and Investing in a Home

Banco BHD León in the Dominican Republic launched its Women's Market strategy in 2015 after conducting human-centered design research to understand women's motivations, concerns and needs. The bank found that regardless of employment status, education, lifecycle or business stage, women in the Dominican Republic have concerns and goals around: personal and family health, children's health and education, owning a home, business success and need for balance, and caring for their elderly parents.

The bank's research revealed that owning a home is a dream for many women in its market, and that dream is tied to their motivation to provide for their family. The research also revealed that in order to be able to buy and renovate a home, women need more support than just a mortgage. The bank addresses multiple needs with bundled solutions, offering programmed savings

accounts to help women save for a down payment, documentation service support during the complex mortgage application process, as well as access to trusted appraisal services for a low price. In addition, Banco BHD León's mortgages come with home technical assistance, which provides women access to plumbers, technicians and other maintenance services that are certified as safe and reliable. Finally, the bank provides women who are renovating their homes a longer-term loan that is cheaper than the alternative consumer loan.

The holistic housing support Banco BHD León provides to women has led to a boost in mortgages sales, with women responsible for 42 percent of the bank's mortgage growth in 2018. The bank has also found that women with mortgages own more products per customer than those without mortgages – at 5.2 vs. 2.2 – and are more profitable, contributing on average US\$1,514 per customer per year compared to US\$187 for those without mortgages.

Tailoring Retirement Planning Solutions



Life-Moment Focus: Retirement

AXA, a global insurance company, launched a global Women's Market strategy in 2016 after conducting extensive market research on the risks, protection needs and attitudes toward insurance of a variety of segments of women. The insurer found that while men will buy financial products on a regular basis, women tend to only seek financial solutions during key life moments such as becoming pregnant, entering the workforce, launching a company, separating from a partner and retiring. To address these findings, AXA designed a variety of solutions for women in emerging and developing markets that are tailored to their needs during critical life moments.

When it comes to preparing for retirement, AXA's research found that women are primarily concerned with financial independence and not becoming a burden to their children. At the same time, just when women need to really shore up their retirement funds, they are often pressured with competing priorities, including caring for elders and affording long-term goals like children's tertiary education. AXA designed insurance solutions for retirement to include assistance that supports women with household duties, caring for their own mental and physical health and that of their parents and children, and credit protection that covers them in case of widowhood.

In France, AXA organizes pre-retirement meetings for clients and their friends. During these meetings the company provides an overview of the retirement landscape and the disparities between men and women, specifically around divorce or widowhood, in order to help women prepare for this key life moment. Sixty percent of women who attend the meetings subsequently ask for an appointment with an AXA agent, and 45 percent buy a new product from the company.

LEADING IN LIFE MOMENTS

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Top financial institutions around the world are increasingly understanding that various life moments women face create distinct financial pressures, often during heightened emotional states. FSPs can develop a deeper understanding about how to create value for women experiencing these events by conducting a life-moments segmentation in their markets. The insights yielded can help an FSP determine both how to meaningfully solve for women's financial needs across their various life stages and how to most effectively deliver those solutions.

A successful life-moments strategy supports women's financial resilience, builds their loyalty and ensures an FSP's relevance in this age of disruption. The life moments and solutions mapped out in this paper offer a starting point for these efforts.

ENDNOTES

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FINANCIAL ALLIANCE FOR WOMEN

About the Financial Alliance for Women

Founded in 2000, the Financial Alliance for Women – formerly the Global Banking Alliance for Women – is the only global consortium of financial institutions dedicated to supporting its members to capture the opportunity of the Women's Market. Our members work in more than 135 countries to build innovative, comprehensive programs that deliver women the tools that they need to succeed, including access to capital, information, education and markets.

Membership in the Alliance provides financial institutions access to a unique global community of peers that have proven the business case for serving women. As a close network of practitioners, the Financial Alliance for Women provides a wide range of services to help organizations design, implement and refine effective Women's Market programs. The Alliance also seeks to use its collective voice to advocate for greater awareness of women's vital economic role as consumers, investors and job-creating entrepreneurs.

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