



# Money and Meaning

By David Lansky

## Men, Women and Money

Most financial advisors would strive to understand and to appreciate basic cultural expectations and practices in order to work effectively with foreign nationals. This makes sense—otherwise, we risk offending our clients, and we may fail to get accurate information. But how often do financial advisors address differences between men and women—gender roles and expectations—that *also* have an impact on our effectiveness and on client retention?

The scenarios below are true stories that were drawn from my consulting practice, although names and identifying information have been disguised. I use these to illustrate how behavior and financial decision making can be affected by gender roles and expectations.

*Grace, a married woman in her 70s, sounded resigned and depleted on the other end of the phone. "I'm scared," she said. "Since he was diagnosed with cancer, my husband keeps spending. He's raiding our savings and the money we were to leave to our kids. He bought the boat he's always wanted, he bought rental properties in Phoenix and he just made a bid for an apartment building in San Jose." "Have you talked to him about this?" I asked. "Yes, of course," she replied, "Each time he makes a decision he tells me about it."*

Grace was an educated woman who knew a great deal about her family's finances. She was, in this way, unlike many women of her generation who were excluded from business and financial decision making by a culture that minimized a woman's role in these areas.

But, in spite of her financial astuteness, Grace practiced a communication style that women often demonstrate, which is a potentially critical factor in financial advisory relationships and

decision making. When I asked her if she talked to her husband about his decision making—*really* talked to him, stating her fears and concerns, setting limits if possible—she realized that she hadn't been clear or assertive enough because she had tried so hard to understand his feelings and to avoid conflict.

In *YOU JUST DON'T UNDERSTAND*, her groundbreaking study of gender differences in communication, Deborah Tannen, a linguist, described some important contrasts between men and women in communication style. Women tend to view communication as "rapport building" rather than "report building." In other words, women often view the goal of communication as building relationships. As a result, they may communicate indirectly, looking for compromise rather than conflict. In addition, women tend to negotiate from the "outside in," rather than "inside out"; in other words, a woman is likely to begin a negotiation by asking first what the other wants, then moving to what she wants. Men, on the other hand, view communication as an opportunity to exchange information and as a means of establishing one's status in a relationship—who is in charge, who is dominant and so on. Men tend more to negotiate from the "inside out" than "outside in." Men often mistakenly assume that women will communicate as men do, and women often assume that men will communicate as women do. Furthermore, when women try to communicate in

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a “report building” style—being assertive, factual, not avoiding conflict—they tend to be judged in a negative light. The differences are so striking and consistent between men and women that Tannen suggests that cross-gender communication is really a form of cross-cultural communication.

These observations have important implications for financial advisors: Even when the stakes are high and discerning judgments are called for, women may be inclined to seek agreement and to avoid controversy and conflict, resulting in the withholding of information and points of view, and in failure to act out of informed self interest. Financial advisors—particularly male advisors—should not assume that silent harmony connotes agreement to financial decisions. We must give our clients—all clients—an opportunity to express their views, in private if necessary, without fearing negative judgment; some clients—particularly women—may need more encouragement than others to do so.

*Sitting at their kitchen table, Suzanne and Robert, a couple in their late 50s, were glaring at each other. Robert had interrupted Suzanne again, to tell her what he thought she should do with her business. “It’s my business,” Suzanne retorted firmly, “I don’t need you to tell me how to run it.” “Then why keep telling me your problems?” asked a bewildered Robert.*

When I was a graduate student and working in a psychology clinic, one of my first clients was a woman who had recently been diagnosed with breast cancer. She was coming in with her husband because they had been arguing incessantly. I was awed by my supervisor’s ability to predict that they would be in conflict because she wanted to talk about her medical condition while her husband was determined to fix each problem she mentioned. Today I understand that *many* of the difficulties between men and women stem from this dilemma: women often talk about problems as part of their connection process; they are not necessarily asking for help. Men hear problem talk as an opportunity to flex their problem-solving muscles. When problem solving is unwelcome, however, it can be demeaning and it may cloud

communication rather than enable it. Advisors who are accustomed to solving the financial problems that their clients discuss should be aware that some of their clients—probably more women than men—want to share their difficulties without feeling pressured to accept or to arrive at solutions at someone else’s behest.

*Lauren, a bright woman in her mid-30s, appeared confused at first. Gradually, the meaning of the conversation that was occurring around her in the boardroom became clear to her. “Does this mean that we’re selling the company?” she demanded angrily of her three brothers and father. “Did anyone bother to ask me? Do I not work here? Am I invisible?”*

As I noted earlier, senior generation women have often been excluded from financial and business decisions, occasionally by their own choice, occasionally not. But even younger generation women can be affected by exclusionary attitudes and behavior, even though American business is becoming increasingly diverse when it comes to gender. Lauren was a competent businesswoman, but in her family, men were historically the decision makers. Some women will withdraw when treated in this way, remaining quietly resentful. Others will be viewed as disruptive when they try to change the situation. When this happens, the business, the family and the advisor suffer from the loss of key information and important perspectives. Our role as advisors could be to question our clients about their gender-based attitudes—for example, to ask them if they are aware of the gender rules in their families—and to ask whether they would like to operate differently—for example, “Would you like to provide financial education for the people who have not participated in financial decision making in the past?” These actions could benefit both advisors and their clients.

As I was preparing to write this column, I found it surprisingly easy to think of scenarios to illustrate the impact of gender on business and financial decision making. This was somewhat sobering since I have heard so little discussion

of this issue among financial advisors. If you agree that recognizing and working with gender issues is important, you might want to ask yourself some questions:

- With regard to your clients and their families, what are the rules and roles regarding gender?
- Whose rules are they?

- What are the rules that guide *your* behavior regarding gender?
- Are you getting all the information that you should be?

By answering some of these questions, we may begin to establish a meaningful dialogue about the impact of gender on financial advice and decision making.



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