Women in Wealth

Managing the Next Decade of Women's Wealth

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AT A GLANCE

Wealth managers that fail to adequately address the needs of female investors will miss out on a massive opportunity—one that is all the more significant as clients seek guidance in navigating the COVID-19 crisis.

A $93 Trillion Opportunity

Women are accumulating wealth at record rates, adding $5 trillion per year to their assets globally. Strengthened by greater educational attainment and workforce participation, women are likely to see their wealth reach $93 trillion by 2023.

Women Manage Their Wealth Differently from Men

Women tend to link their wealth goals to specific life stages and goals, and to use a more deliberative investment calculus than men do. They also tend to hold a higher proportion of their assets in cash, which can result in lower long-term yields.

There Is No One-Size-Fits-All Approach

The women's wealth market is huge and relatively untapped. To capture it, wealth managers need to eradicate long-standing, gender-based biases and instead focus on the individual—an approach that will improve outcomes for all clients.

WITH A THIRD OF the world's wealth under their control, women have become a sizable economic force. Not only are they increasing their wealth faster than before—adding $5 trillion to the wealth pool globally every year—they are outpacing the growth of the wealth market overall.

Despite the increasing power of their purse strings, however, a comprehensive global study by BCG finds that women remain largely underserved by the wealth management community. Too many banks and firms rely on broad assumptions about what women are looking for, resulting in products, services, and messaging that can feel superficial at best and condescending at worst.

Fortunately, our research shows that wealth managers can turn their approach around. By recognizing that the women's segment is not a marketing opportunity but a massive business opportunity—and by personalizing their approach to meet the specific needs and priorities of individual clients, regardless of gender—they can make the '20s a defining decade for women in wealth.

Women Control 32% of the World's Wealth

Women are amassing greater wealth than before, and that share is likely to grow significantly in the years ahead.[1] From 2016 to 2019, women accumulated wealth at a compound annual growth rate (CAGR) of 6.1%. (See Exhibit 1.) Over the next four years, that rate will accelerate to 7.2%.[2] BCG's analysis finds that women are adding $5 trillion to the wealth pool globally every year—faster than in years past. With future growth expected to accelerate, that tally will get even larger.

Women are adding $5 trillion to the wealth pool globally every year—and that tally will get even larger as growth accelerates in the future.

Although the COVID-19 crisis will undoubtedly have near-term effects, larger trends in women's evolving role in the world will continue. Our pre-COVID-19 scenario anticipated that the total wealth pool owned by women would rise to $93 trillion by 2023. In the wake of COVID-19, however, any of three scenarios could emerge:

- **V-Shaped Scenario.** Gross domestic product falls steeply, with some displacement of output, but growth eventually rebounds. Under this scenario, women's wealth would recover from any short-term hit and rise to $93 trillion by 2023—a CAGR at 7.2%—effectively remaining on a par with our pre-COVID-19 projections.

- **U-Shaped Scenario.** Economic shocks persist, with some permanent loss of output despite resumption of the initial growth path. Under this scenario, we project women's wealth to grow to $85 trillion by 2023—a CAGR of 4.9%.

- **L-Shaped Scenario.** Economic impacts are severe enough to cause structural damage to the labor market, capital formation activities, or the productivity function. Under this scenario, we project women's wealth to grow to $81 trillion by 2023—a CAGR of 3.7%.

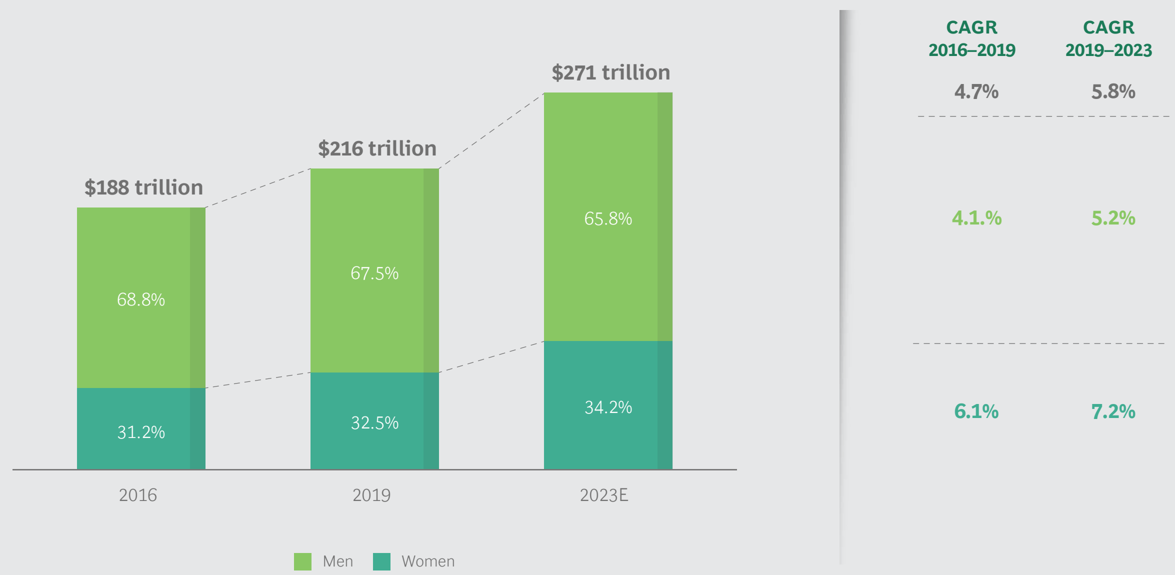
In sum, although the COVID-19 crisis has taken a tragic toll, its economic impacts will gradually lessen as the crisis abates. Overall, our pre-COVID-19 reporting is likely to hold, and we expect women's wealth to outpace global wealth growth over the next several years.

How women generate that amount varies by region. Women in North America hold the largest share of wealth (37%) relative to the total regional wealth pool. (See Exhibit 2.) They also hold the greatest volume of assets in absolute numbers ($35 trillion). Women in the region comprising Australia, New Zealand, and Pacific islands hold the next-highest share at 33% ($1.5 trillion), followed by Asia exclusive of Japan at 32% ($13 trillion) and Western Europe at 31% ($14 trillion).

From 2019 to 2023, North America will continue to have the largest concentration of female-owned assets, with women's wealth in the region projected to rise at a steady CAGR of 6.9%, although this rate is slightly lower than the anticipated global average of 7.2%.

However, Asia exclusive of Japan will be the fastest-growing hub of wealth creation for women. If growth in women's wealth continues there at its current heady 10.4% annual rate, Asian women will add more than $1 trillion per year to their total

EXHIBIT 1 | From 2019 to 2023, Women's Wealth Should Grow by a CAGR of 7.2%



Source: BCG Global Wealth 2019 Market Sizing Database.

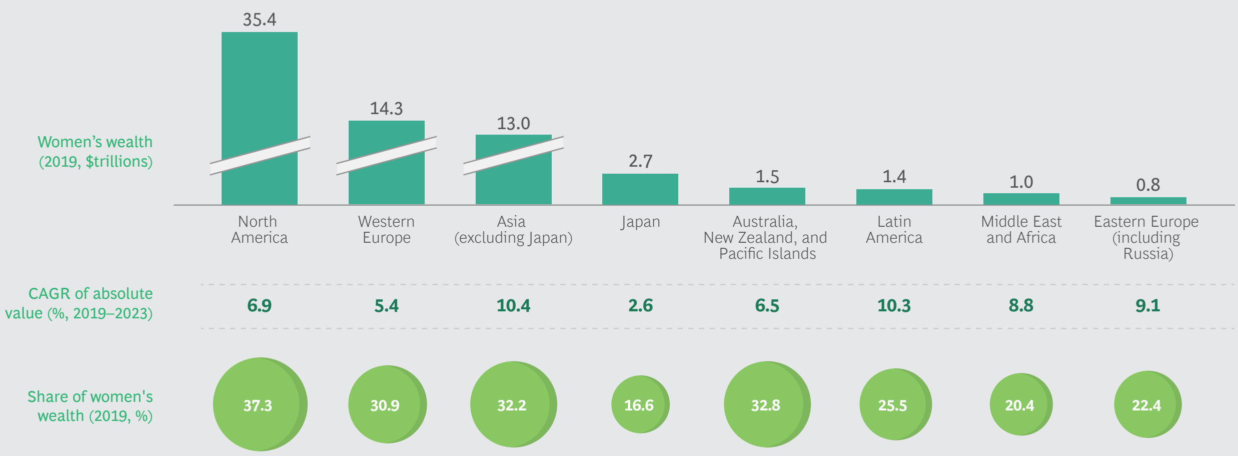
wealth over the next four years. That stunning trajectory would result in Asian women holding more wealth assets than women in any other region in the world aside from North America by 2023.

Japan is the notable exception to the trend in Asia. With a total wealth share of just $2.7 trillion, Japanese women lag well behind other industrialized nations in investable and noninvestable assets. One reason for this situation is that Japanese women face more barriers to economic inclusion than their global peers do. The obstacles include relatively limited advancement opportunities, as comparatively few women have positions in the managerial ranks. In addition, Japanese culture places primary responsibility for family and domestic care on women—and as a result, women exit the workforce earlier than men and have a harder time returning. Owing to these entrenched factors, men control more than 80% of the nation's wealth. Nonetheless, relative to the rate of absolute wealth growth in Japan, women will increase their share of wealth significantly faster during the period from 2019 to 2023 (by 2.6% CAGR, compared with 1.2% for men and women combined). But clearly, their wealth is starting from a much smaller pool.

Western Europe, too, is likely to experience much slower growth in women's wealth over the next four years compared with other advanced markets. The tepid forecast will translate into a wider gap in women's wealth between Western Europe and its largest peers by asset volume, North America and Asia.

Elsewhere, Latin America, Eastern Europe, and the Middle East will see strong growth from 2019 to 2023, albeit on a much smaller asset base. The expected rise in women's wealth in the Middle East is especially noteworthy. Greater political and economic stability across the region and improving health-care and educational access for women are fanning the expected 9% CAGR. Girls' rates of primary and sec-

EXHIBIT 2 | Women's Share of Regional Wealth Is Highest in North America, but It Is Growing Fastest in Asia



Source: BCG Global Wealth 2019 Market Sizing Database.
Note: Estimates encompass all wealth bands. The analysis was prepared prior to the COVID-19 outbreak.

ondary school participation are now similar to boys', and women outnumber men at the university level in 15 of 22 Arab countries. Women are making the most of these educational opportunities. In Bahrain, for example, girls consistently make up the majority of top-ten high school graduates, based on academic performance.

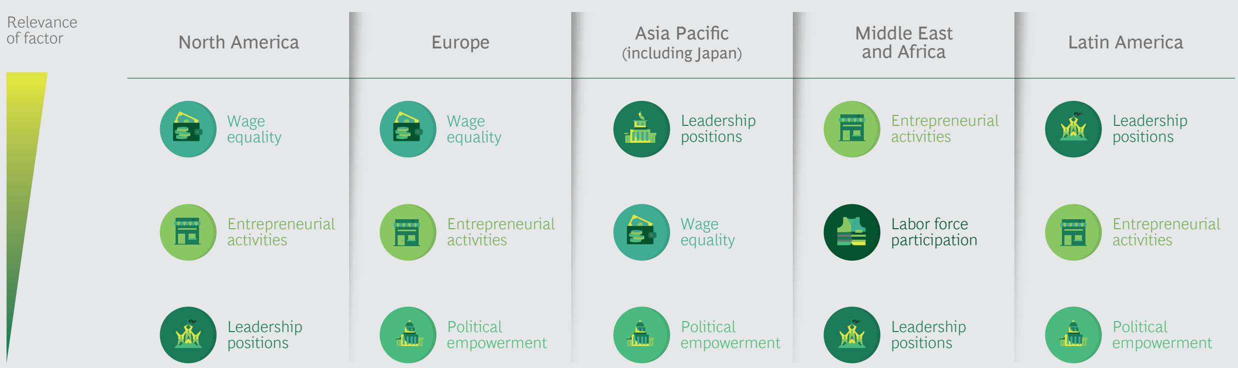
The opening up of the Middle East is further evidence that expanded access to education and health care can have powerful and positive implications for women. Labor force participation, leadership positions, and political empowerment also play important roles in economic advancement. (See Exhibit 3.) Our data shows, however, that these indicators have developed at different rates. Labor force participation has grown much faster than wage equality, for example.

Of all the criteria examined, wealth creation for women is most highly correlated with holding high-skilled jobs. For example, women account for roughly 50% of high-skilled workers in North America, compared with around 20% to 40% in most developing countries.[3] In the future, greater wage equality and higher rates of inclusion in managerial positions and in entrepreneurial roles will be major factors in driving women's wealth globally.

Women Invest Differently, but Not in the Ways Most Wealth Managers Think

Women used to be an afterthought in the wealth management industry. Even with the increasing prominence of women in global wealth, many banks continue to uphold historical social norms that regard men as the primary financial decision makers. Those attitudes are changing, but too many women still feel underserved. Al-

EXHIBIT 3 | Wage Equality, Entrepreneurial Activities, and Leadership Advancement Are Driving the Creation of Women's Wealth Globally



Source: BCG Global Wealth Market Sizing Database.
Note: "Political empowerment" reflects the number of women in parliament and in ministerial positions. "Entrepreneurial activities" relates to the number of women who are self-employed. "Leadership positions" indicates the share of women in managerial positions. "Labor force participation" measures the proportion of a country's working-age population actively engaged in the labor market. "Wage equality" gauges the degree of commensurate pay for commensurate work and is derived from participant answers in the Opinion Survey of the World Economic Forum in 2018–2019.

though banks and wealth management firms frequently offer products designed for women, the gender distinctions are often superficial or reflect outdated assumptions about women's role in driving wealth and about their interest in managing their financial affairs.

To understand how gender influences wealth management decisions, we conducted a global investor survey, capturing inputs from 300 affluent and high-net-worth individuals across genders, supplementing this research with wealth industry interviews.[4] The results reveal that women's investment priorities differ from men's, but in ways that go beyond conventional assumptions.

In all, five themes emerged from our research.

For Women, Wealth Is a Means to a Number of Ends, Not an End in Itself

Globally, women continue to bear disproportionate responsibility for family priorities. Shona Baijal, managing director of UBS Wealth Management in the UK said, "Generally speaking, women face five different challenges through their financial life journeys, compared to men: the gender pay gap, the need for flexible working conditions, maternity leave, longer life expectancy, and a lower risk tolerance." These factors mean that women are more likely to anticipate and plan for key events and life stages. Kristy Wallace, CEO of Ellevate Network, explained, "Women are more sensitive to specific inflection points in their lives and the financial impacts that come from them." As a result, women tend to invest in order to fund specific goals, whether those goals involve leaving a legacy for the next generation, supporting a post-retirement lifestyle, endowing a family business, or making a social impact in their community.

Women are also more likely than men to invest on the basis of their values, favoring funds that perform well but also create a positive impact, as opposed to investing solely for performance. Tracey Woon, vice chairman of UBS Wealth Management for the Asia-Pacific region, said "Women do not just want to boost the bottom line; they also want to help develop the communities we live in, by investing in education, health care, and our planet. " In our survey, 64% of women said that they factor environmental, social, and governance (ESG) concerns into their investment decisions. As women accrue greater wealth, such topics factor even more heavily in their thinking. (See Exhibit 4.)

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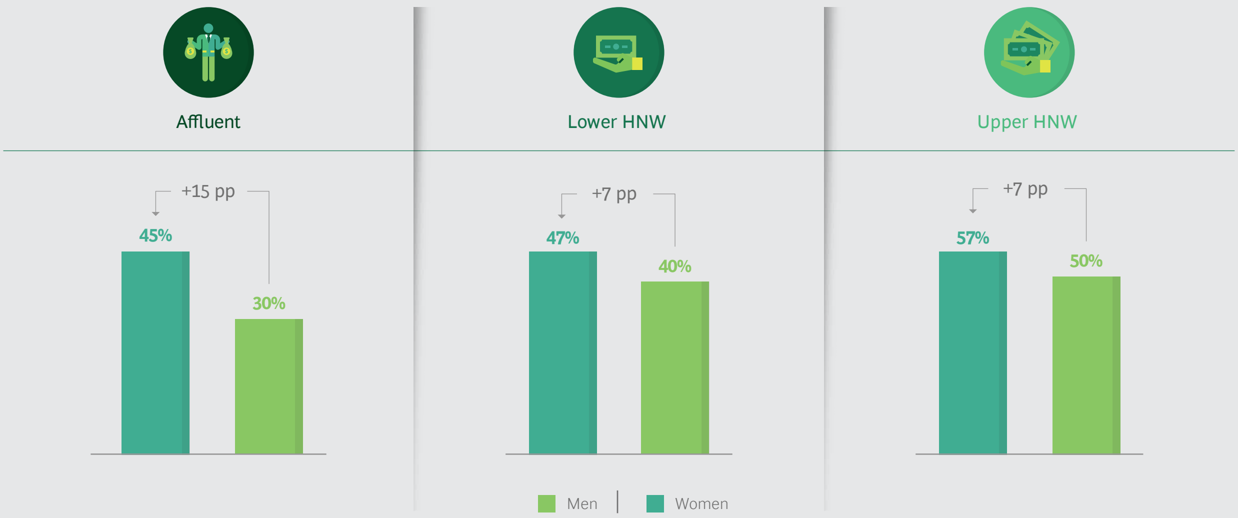
Men, by contrast, tend to place more emphasis on pure performance: 96% of males in our survey said they invest to increase their income and base investment decisions on an asset's track record for growth and yield. Madeleine Sander, chief financial officer of the German private bank Hauck & Aufhäuser, said, "Female and male investors differ in their investment approach. While women tend to prioritize risk reduction and doing good, men place a stronger focus on historical performance and the process for individual stock picking." Steph Wagner, director of women and wealth for Northern Trust, added, "Wealth managers continue to assume that language around performance resonates with men more than women, when actually both genders value performance. However, women are more likely to push back and ask questions to better understand its impact on their short-term and long-term goals."

EXHIBIT 4 | Women Are More Likely to Take a Value-Based Approach to Investing

Share of respondents by segment who ranked "investing in thematic topics" within their top three objectives (%)



Source: BCG survey.
Note: "Thematic topics" include such things as the environment, sustainability, new technology, and social justice. HNW = high net worth; pp = percentage points. The affluent segment comprises individuals with $250,000 to $1 million in bankable assets; the lower HNW segment comprises individuals with $1 million to $20 million in bankable assets; the upper HNW segment comprises individuals with $20 million to $100 million in bankable assets.

Women Make Investment Decisions Based on Facts, Not Their Gut

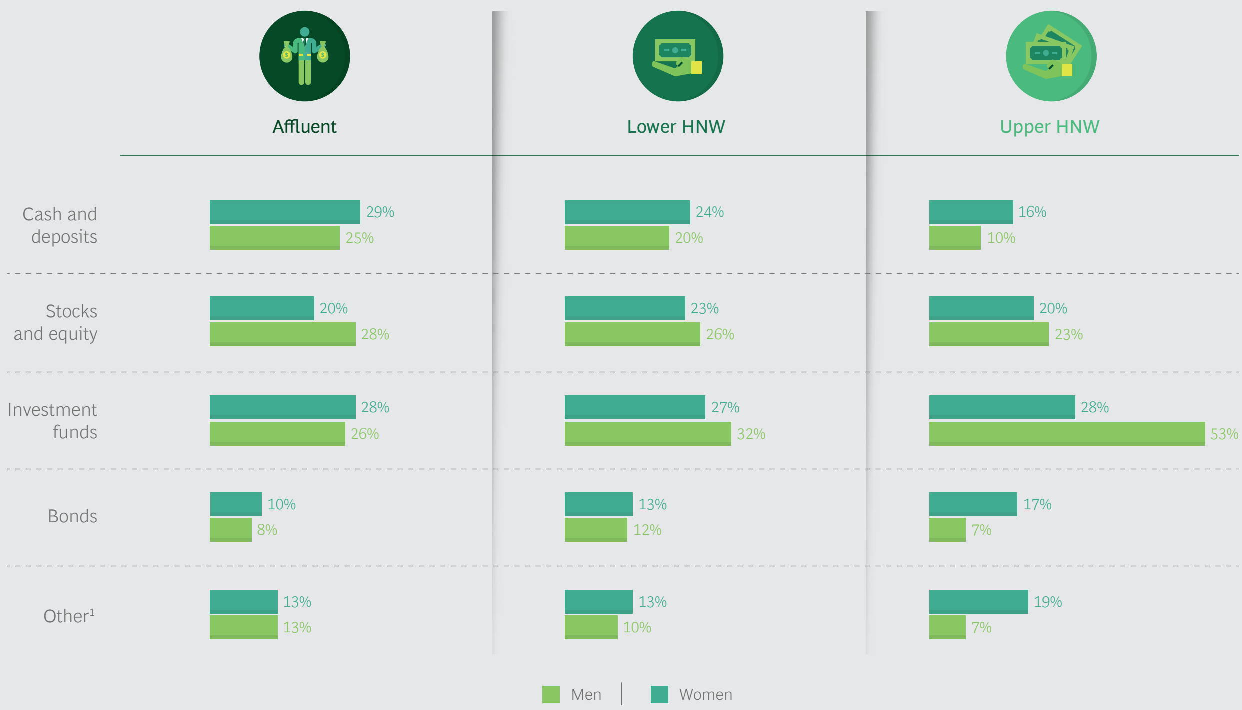
Although both men and women are willing to embrace risk, women tend to be more deliberative and are more averse to uncertainty. Once they have the data needed to make an informed decision, however, our research shows that their investment profile is similar to that of men. Katie Nixon, chief investment officer of Northern Trust, said, "Women seek to reach their goals with a high degree of confidence. At times, this may appear as a lower risk tolerance; however, it is often a gap in information. In focusing on personal goals, women want to be armed with the right data—an articulation of the tradeoffs and how an opportunity relates to them, not the market itself."

The fact-based approach appears to pay off. Although women may not invest as much or as often as men, they often outperform men when they do. Shona Baijal said, "Once women are investing, research shows they are more diligent than men, more agile in changing markets, and more optimistic about the long term." When Fidelity Investments examined the results of 8 million of its male and female retail clients in 2017, the analysis showed that women, on average, earned nearly 1 percentage point more per year than men.[5] A study of 2,800 men and women by the Warwick Business School found that women's returns were nearly 2% higher than men's returns overall.[6] Why are women such successful investors? One answer is that women are more likely to spread their risk, using funds that distribute their investments over a broader base of companies. Minimizing investment concentrations helps women reduce their overall portfolio risk. Men, by contrast, often favor individual stock picking and are more likely to consider alternative investments, which can be more volatile. The investment horizon also tends to differ. Women are more likely to invest for the long term and are less likely to sell in a market dip. They also trade less frequently than men, on average, and as a result they spend correspondingly less on fees.[7] More-diversified holdings and a better-balanced risk profile can lead to lower losses.[8] Caroline Poetsch-Hennig, team head of Deutsche Bank Wealth Management in Frankfurt, said, "It is not a matter of holding more cash, but rather overcoming the hurdle to invest in capital markets—a hurdle that is sometimes higher for women. However, women who engage in capital markets are not only interested in investing, but also have a risk profile that is not that different from men."

Because women tend to avoid uncertainty risk and require more data before investing, they are also more likely to keep a higher percentage of their assets liquid. Although both men and women place the largest percentage of their wealth holdings into investment funds, men are more likely to choose publicly traded equities next, whereas women overwhelmingly prefer cash and deposits. (See Exhibit 5.) That preference for cash means that women risk losing out on higher-yield opportunities.

Exhibit 5 | Women in Most Wealth Bands Tend to Be More Risk Averse Than Men

Distribution of respondents' bankable assets across different asset classes (%)



Source: BCG survey.
Note: HNW = high net worth. The affluent segment comprises individuals with $250,000 to $1 million in bankable assets; the lower HNW segment comprises individuals with $1 million to $20 million in bankable assets; the upper HNW segment comprises individuals with $20 million to $100 million in bankable assets.
[1]This designation includes such investment categories as alternative investments, financial derivatives, private equity, and collectibles.

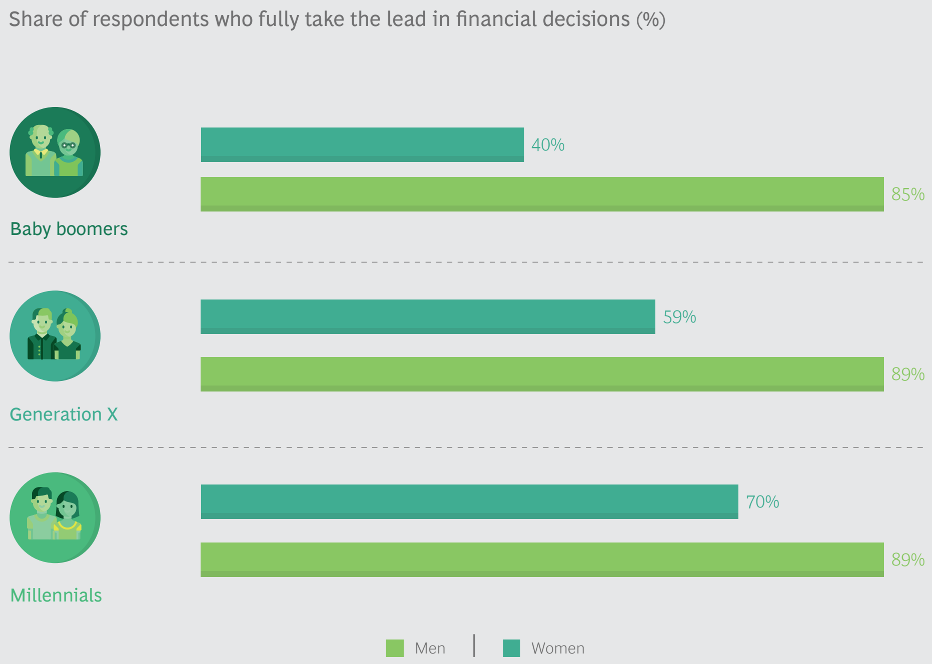
With nearly 30% of their holdings concentrated in slower-growing assets, women can experience a wealth deficit during their retirement years—a deficit exacerbated by their having a longer average lifespan than men.

No More Back Seat: Millennial Women Are Taking Charge of Their Wealth

Younger women are more financially literate than older women, our survey shows, and that literacy translates into greater confidence and empowerment. An impressive 70% of millennial women (those born between 1980 and 1995) said that they take the lead in all financial decisions, compared with just 40% of female baby boomers. (See Exhibit 6.) That independence endures even as millennials marry. Unlike most women of past generations, 66% of married millennial women remain involved in financial decisions; the corresponding figure for female baby boomers is 29%. In all, our research found that gender-based differences in investor behavior and attitudes diminish as generations get younger, with millennial men and women sharing similar views, including a shared preference for purpose-driven investing in ESG and related topics.

The confidence that millennial women display is partly an outgrowth of their higher rates of educational attainment. Our study found that 91% of affluent and high-net-worth millennial women had obtained a university-level education, compared with

Exhibit 6 | Younger Women Are More Likely Than Older Women to Take the Lead in Financial Decisions



Source: BCG survey.

80% of female baby boomers (our survey sample was skewed toward an unusually well-educated audience). Other studies corroborate this shift. In the US, millennial women are the most highly educated generation to date. Almost half (46%) of employed millennial women from 25 to 29 had a bachelor's degree or more; that compares to 36% of Gen X women when they were at the same age in 2000.[9]

Younger women are also entering the workforce in greater numbers. Of the female millennials who participated in our study, 98% are in professional careers, compared with 86% of female Gen-Yers and 73% of female baby boomers. They also embrace entrepreneurship and self-employment and, in many cases, are gaining greater earning power and flexibility. As a result, young women today are earning a greater share of their own wealth than young women of prior generations did. With that can come a stronger sense of empowerment and agency.

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Cultural Differences Play a Significant Role in Shaping Investment Behavior

Attitudes about women and wealth vary across regions. Women in the Middle East, for example, face cultural barriers that limit their role in financial affairs. In our survey, no Middle Eastern women respondents said that they were involved in making financial decisions.

The opposite is true in Asia where most female respondents in our survey stated that they take the lead in managing financial decisions for their households. This was true regardless of whether women earned the money themselves or inherited it. Ling Xia, head of private banking at the Bank of Shanghai, said, "In China, the wealth market is still young. In general, men in the family still put more focus in creating new wealth, while women are responsible for managing the accumulated wealth and putting it in the bank where they expect to earn a more stable return. As a result, women make up a larger proportion of our customers."

The story is similar in North America, where women say they make the majority of wealth management decisions, regardless of the origin of that wealth. Across the Atlantic, European men and women seem to share financial and investment planning responsibility jointly.

Unconscious Bias Still Permeates the Wealth Management Sector

Even though financial institutions and wealth managers have been paying more attention to the women's wealth segment in recent years, their approach shows signs of being mired in the past. Too often, firms treat women as a homogeneous group, ignoring the vastly different needs and preferences of different female clients. In addition, banks commonly view the women's segment through a marketing lens and not from a business revenue and growth perspective. Most problematic are attitudes that reflect prevailing stereotypes. In interviews, many women told us that they feel "talked down to" in wealth management discussions and that advisors frequently assume that a woman's wealth comes from her spouse or family. In our survey, 30% of the women participating said that their relationship manager spoke to them differently because of their gender. One wealth management client told us that a few days after she and her husband had their first meeting with a new advisor, the advisor sent the couple a package that included follow-up documents for her husband and a bracelet for her, even though the woman was the primary breadwinner in the relationship. Another woman told us that after her husband died, her wealth manager assumed that she would not want to be engaged in financial decisions. She promptly switched wealth managers.

Such tone-deafness is alienating: 64% of female respondents felt that their bank or wealth management provider needs to improve its value proposition, with working women and those in the highest wealth bands expressing their discontent with current models most acutely. Advisors should take note. Although wealth management relationships tend to be stickier and longer lasting than other banking partnerships, our research finds that women are more likely than men to switch managers.

Firms that pay attention to women's specific needs and preferences and tailor their service accordingly can capture a large share of this important and growing market.

To Win the '20s, Wealth Managers Must Focus on the Individual, Not the Gender

With women's wealth expected to reach $93 trillion globally by 2023, we believe the '20s will be a watershed decade for women and wealth.

Wealth advisors have been late to apprehend this shift, but they can turn things around. The most successful will take committed steps such as the following.

To root out prejudicial assumptions, wealth managers must create a more consciously inclusive workplace and service environment.

Create a culture of conscious inclusion. Wealth managers must address the industry's deep-seated biases. Outdated assumptions about what female investors want, combined with an inadequate understanding of women's actual behaviors and preferences, have contributed to subpar service. Female clients frequently complain of subtle—and sometimes not-so-subtle—slights; for example advisors may direct comments to the husband or male partner and dumb down the information they provide to women. Unless banks and firms address this underlying bias, they will lose the women's market, regardless of how stellar their products or how advanced their analytics may be. Sofia Merlo of BNP Paribas said, "It's all about inclusion. Five years from now we should be talking parity. This for me is the new normal."

To root out prejudicial assumptions, wealth managers must create a more consciously inclusive workplace and service environment. That starts with awareness and a recognition that everyone has biases. As our brains absorb and synthesize vast amounts of data, they take shortcuts, slotting information into categories and applying attributions—for example, assuming that dogs that bare their teeth are not friendly. These neural processing shortcuts can help us make time-sensitive decisions—for example, avoid that dog. But unfortunately, they can also introduce false connections—for example, the notion that men are the hunter-gatherers and thus the primary income earners in society, or the idea that women are empathetic and therefore prefer soft topics. Because most neural activity takes place subconsciously, we may not be aware of the implicit biases we form.

Senior leaders and relationship managers alike need to learn what their unconscious biases are and become attuned to how these biases may be affecting the institution's tone and the service it offers, so they can make positive changes to culture and behavior. The implicit association test (IAT), developed by Harvard University, has become a widely used tool in other industries. The test can reveal underlying attitudes and beliefs that individuals may not have known they hold. As part of a wider inclusion initiative, the IAT can help banks gain more systematic insight into personal judgments so they can see where interventions are most needed.

Wealth managers also need to update training regimes to mitigate biases and increase cultural competency. Diversity education must do more than simply lay out the firm's values, and it must extend beyond gender topics. Women represent 50% of the world's population. Continuing to bundle this large and varied group into one generic diversity box is outdated and reductive. Effective training should detail specific practices and the verbal and nonverbal behaviors that undermine inclusion. Field and forum sessions that enable employees and managers to practice what they've learned and then meet with mentors or their training group to share feedback and refine their client communications can help embed the knowledge, resulting in more targeted, relevant, and actionable training.

Organizations with diverse management teams have EBIT margins 9 percentage points higher than those of organizations with below-average diversity.

These are just the basics. To truly differentiate themselves, wealth managers need to shift their culture to become inclusive and client focused. One of the most tangible and effective ways to do this is by creating varied teams. BCG research shows that the EBIT margins of organizations with diverse management teams are 9 percentage points higher than those of organizations with below-average diversity. The research indicates not only that female advisors perform as well as or better than their male peers, but also that clients with female relationship managers are more likely to feel that their bank is a trusted advisor that acts in their best interests. (See the sidebar.)

Another way to reduce bias is to use standardized questions during the onboarding process. For instance, advisors at this stage tend to ask female clients less often than male clients about their personal and financial information. Incomplete information can lead to faulty assumptions and ill-fitting recommendations, which in turn can make women feel misheard or undervalued. By collecting the same types of information from both men and women, wealth managers can establish an objective baseline to help them make recommendations based on the whole individual, not merely on gender. Banks and others then need to build on these basics to create a culture and an environment that are truly and consciously inclusive. They should also adapt performance management and incentive structures to encourage transparency in decision-making processes, and embed and reward desired behaviors.

Focus on the individual. Women do not want or need products that are different from those offered to men. They want a personalized approach that is tailored to their financial objectives and personal goals. As Beatriz Sanchez, regional head for Latin America and member of the executive board at Julius Baer & Co. Ltd., said, "It is about treating the individual. Banks need to treat female clients the same way they treat men but must realize the dialogue needs to be different." Advisors need to shift that dialogue to focus on goals and to understand specific outcomes that female clients want to achieve, as well as the desires behind them. For example, two women might wish to retire from their current jobs at age 55, but one might be interested

WOMEN'S WEALTH IS GROWING—WHY NOT THE NUMBER OF WOMEN WEALTH ADVISORS?

Although women represent almost half of the financial services workforce in many countries, they remain underrepresented in segments such as investment banking and personal wealth. Among the wealth management clients we surveyed, only 39% of women had female relationship managers, and only 23% of men did. The imbalance represents a missed opportunity—not because women prefer female advisors (our survey found women to be more or less equally satisfied with advisors of either gender), but because female advisors may be more effective at representing the bank and managing client relationships with both male and female clients. For example, women with female relationship managers were 1.7 times more likely than other women to "strongly agree" that their bank acts in their best interests.[1] Men with female advisors strongly agreed with that proposition at an even higher rate (1.8 times) than other men did.

Why does the number of female wealth advisors remain low in many advanced markets? A BCG study that included 2,500 financial services employees found that, although women in financial services are more likely than women in other industries to feel that their institution is committed to diversity, only a third of women working in financial services believe that they have benefited from those programs. The study found that women in financial services perceived greater obstacles to gender diversity than women in other industries did. This pattern held true across the employee life cycle, from recruiting to retention. Women in financial services were also 20% more likely than women in other sectors to report challenges to advancement.

One of the study's key findings is that most decision makers in financial services institutions (overwhelmingly white heterosexual men aged 45 or older) underestimate the obstacles that women face. This lack of understanding leads many institutions to prioritize some initiatives that are less important to women over efforts in other areas that women say would benefit them more. Banks and wealth management firms need to make a firm commitment to address the right set of issues meaningfully. Creating an inclusive environment that unlocks the potential of their female workforce will close the gender gap, improve client satisfaction, and enhance the firm's reputation overall.

NOTE
1. Source: BCG survey, Women@BCG, 2020.

in having enough funds to travel the world, while the other might be interested in starting a new venture. These goals have very different investment requirements. Helping women to catalog their wealth management priorities, and then designing a portfolio that is aligned with them, can change the service paradigm in profound ways, enriching the quality of client conversations and improving outcomes.

Banks that distinguish their service most successfully will take personalization even further, helping female clients model the impact of different priorities—such as generational planning, philanthropic giving, or sponsoring a family entrepreneur—and offering specific guidance on how women can plan for these events while continuing to advance their overarching wealth goals. Northern Trust's Steph Wagner adds, "These approaches must respond to the fact that women are living longer, living single before and after marriage longer, and seeking more alternative investments, and factor these generational changes into wealth goals and investment patterns."

Recognizing the importance of data, leading advisors will use visualizations, simulations, and analytics to help women reach informed decisions. Dynamic tools that make it easy to evaluate different scenarios can enable women to see how they might put a portion of their cash and deposits to more productive use while preserving the liquidity they need.

The same ethos should apply to marketing and communications. Some women who are new to investing might enjoy female-only events, seeing them as a safe environment in which to ask questions they might otherwise be uncomfortable posing; but more experienced investors and women in the upper wealth bands might get more value from inclusive events that offer access to a range of ideas and insights. As Anke Sahlen, market head for Germany North for Deutsche Bank Wealth Management, observed, "Banks need to listen and understand what types of events and topics women are interested in and cater to that."

Unlike the product-led wealth management model of the past, the new wealth management model will focus on the whole person, not on their gender. By examining preconceptions about female investors, moving beyond labels to treat the individual, and shifting to a goal-based and evidence-backed advisory approach, banks and others can win share in this important and rapidly expanding market. Beatriz Sanchez put it well: "Women will increasingly become more demanding and seek more information to make their own decisions, instead of delegating them to someone else. They will continue to be an economic force to the point where, hopefully, in five years, we will no longer be asking if women should be treated differently."

Notes

1. For purposes of this report, "global personal financial wealth" reflects the personal financial wealth of the total resident population, as collected from central banks or equivalent institutions, on the basis of the global System of National Accounts. For countries that do not publish consolidated statistics on

financial assets, we generated bottom-up analyses on the basis of country-specific proxies, in line with the System of National Accounts, with data sourced from the central bank or equivalent institution. We measure private financial wealth, including life insurance and pensions, across the resident adult population.

2. Our estimates were prepared prior to the COVID-19 outbreak.

3. Source: "Women and the Wealth of Nations: Toward a Better Allocation of Female Talent," The Brookings Institute, April 2016.

4. For purposes of our research, "affluent individuals" are those with $250,000 to $1 million in assets, and "high-net-worth individuals" are those with $1 million to $20 million in assets.

5. Source: "Who's the Better Investor: Men or Women?" Fidelity, May 2017.

6. Source: "Are Women Better Investors Than Men?" Warwick Business School, June 2018.

7. Source: "Male Investors vs. Female Investors," Wall Street Journal, May 2015.

8. Source: "Do Women Really Make Better Investors Than Women?" Financial Times, April 2019.

9. Source: "Today's Young Workers Are More Likely Than Ever to Have a Bachelor's Degree," Pew Research, May 2017.

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