



FINANCIAL SERVICES INDUSTRY

Women in Wealth: Moving Towards Equity

Despite controlling billions in household financial assets across north America and western Europe, and occupying senior and influential roles in companies, women remain largely overlooked by the wealth industry on the whole. They are also under-represented in wealth management roles, and tend to invest less than male peers. This isn't news – it's a widely acknowledged issue that the sector continues to grapple with. What will it take to really empower women as investors and to enable career progression as wealth professionals?

The space between

With around US\$68 trillion in wealth projected to change hands over the next 25 years, there is an expectation that women will soon control more than half of the world's wealth¹, which will take place against a backdrop of financial companies increasingly pledging to implement balanced intake ratios and address gender imbalance.

From a career perspective, while women have solidified positions as CEOs of FTSE 100 and Fortune 500 companies and are founders of some of the world's most important companies, the wealth gap endures.

On the whole, women have less access to private capital and are more likely to pause their careers during prime earning years and then earn less than men over the course of their lives. The challenge is also that as women tend to outlive men, they are tasked with making their wealth stretch further.

Meanwhile, a gender investment gap can be seen across all age groups: 28% of men aged between 18 and 35 invest, compared to only 14% of women in the same age group; 47% of men aged 65 and over invest, compared to just 28% of women².

According to recent research by the Pensions Policy Institute, there is also a growing gap between the pension savings and payments of men and women. When it comes to state pension incomes, women who retired before 2016 get £146.78 a week on average, while men receive £172.71³.

The average state pension
incomes for those who
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Women:
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Men:
£172.71/week

Women investors are not a niche demographic and are well aware of how investing can benefit them. Following the pandemic, some 80% of women surveyed in the UBS 'Own Your Worth' report said events of the past two years made them reassess what's important to them and 90% view money as a tool that can be used to help achieve their purpose in life⁴.

1. [What the \\$68 trillion Great Wealth Transfer means for advisors \(cnbc.com\)](#)

2. [Women miss out on £599bn due to the gender investment gap | MoneyWeek](#)

3. [Women still lag behind in pension savings - Hampstead Wealth Management](#)

4. [UBS Own Your Worth: Women are acting on their convictions to pursue greater purpose in their lives | UBS Global](#)

Investing gap

So what has led to this investing gap in the first place? A lack of engagement is often cited as a factor, with the industry often over-jargoning to the point where it is off putting. Income expectations and risk aversion also play a role; studies often note the saving styles of men and women, showing that women prefer holding onto cash and having it instantly available to cover expenses if needed, an important key to unlocking and maintaining financial independence.

It is crucial that businesses look at how to develop products that are accessible to women – particularly at key milestones in their lives (e.g. marriage, divorce, and starting families). According to a study by BNY Investment Management, women invested at the same rate as their male counterparts, there would be an estimated US\$3.2 trillion of assets under management today⁵.

Women must also be involved in conversations about finance. As reported by UBS, seven in 10 men and nearly half of women said the husband takes responsibility for long-term financial decisions, with around only 20% of women and men reporting they make such decisions together⁶.

Financial advisors should be careful their approach to client meetings is not exclusionary and ensure women participate in financial planning conversations. This is not about simplifying the language or ‘taking it to basics’ – women are just as capable of understanding investing principles, however there may be opportunities to create a more open dialogue in which questions and queries are welcomed, and explanations on different investments explained thoroughly.

This is ever more important as women have historically invested more responsibly than men⁷, and take longer to consider what is worthwhile. In a study conducted in 2021, those who identified as women were more than twice as likely as men to say it is extremely important that the companies they invest in integrate ESG factors into their policies and decisions⁸. It also found that 74% of women were interested in increasing their share of ESG investments in their current portfolios and were significantly more likely than men to have an interest in learning more about ESG investing.



Women are **2x** more likely to insist that investment companies integrate ESG factors into their policies and decisions

To encourage women to invest further, portfolio and fund managers should ensure that all ESG-related and sustainable products are well-described and make clear what their goals are, and consciously design products for a more inclusive client group.

Once women are firmly in the conversation, the discourse around markets and investing must change. It is mostly written by men for men, routinely referencing the maximisation of gains and doubling down on investments in a sort of “performative machismo” which instead of creating inclusive dialogue around wealth-building and supporting the family priorities that women often undertake, tends to discourage⁹.

New-age challenger banks and investing platforms with younger, more diverse staff are well-positioned to tap into women’s awakening to investing, something previously neglected by traditional institutions. In an increasingly congested marketplace, winning the trust and custom of female investors can also prove to be a money-spinning achievement for the platforms that champion inclusivity.

5. [The Pathway to Inclusive Investment | BNY Mellon](#)

6. [Women and finances | UBS United States of America](#)

7. [IWD: More women invest with ESG in mind than men - ESG Clarity](#)

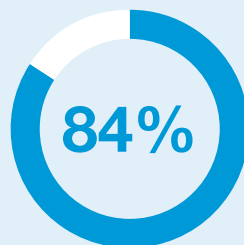
8. [ESG Investment Trend 2020: Women Leading The Charge \(environmentalleader.com\)](#)

9. [The reasons for the \\$3.2 trillion gender investing gap, and how to bridge it \(cnbc.com\)](#)

Careers gap

Alongside the investing gap, the lack of women working in the wealth sector is a stark reminder of how much work there is to be done.

Women account for
16% of UK's regulated
financial advisers



84% of women believe
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In the UK for example, women account for a mere 16% of regulated financial advisers according to Financial Conduct Authority records¹⁰. In some instances, firms have also been accused of hiring administrators in their 50s in order to mitigate what they view as “disruption” that comes from younger women deciding to take a career break to have children¹¹.

According to a report published by the Personal Finance Society last year – which collated experiences from 15 women in the financial planning industry across the UK – the advice industry is still promoting sexist stereotypes and barriers to female career progression¹². Some women said they were less likely to be considered appropriate for senior roles, such as a financial planner, because it has a “masculine” perception.

The importance of gender representation and role models in the workplace cannot be understated. In a survey by InHerSight, it found that some 84% of women believe it to be important or very important to see women filling leadership roles where they work, while 78% of women say the same for women performing the same work as them¹³.

In terms of financial literacy, a survey conducted of 150,000 adults spanning over 140 economies about money and their financial knowledge showed that just 30% of women could be considered “financially literate”¹⁴. Women were also more likely to skip answering financial questions they were unsure of much more frequently than men, rather than attempting to answer and possibly getting the question wrong.

While we have focused on women in wealth management, there is a much broader discussion to be had regarding the role wealth management can play in supporting a more inclusive society. A recent report by TIAA found that 54% of Black Americans cannot afford to retire¹⁵. Meanwhile, the LGBTQ+ community are likelier to feel excluded from wealth management services and products, and are 7% less likely to have a savings account and 12% less likely to have an individual retirement account¹⁶.

The industry has a responsibility to actively look at diversity in all its forms – both in terms of creating inclusive workplaces that provide progression opportunities for a more diverse workforce, and in terms of developing products and services that speak to a more diverse demographic.

10. [FCA data shows just 16% of advisers are women - FTAdviser.com](#)

11. [IFAs hire older female administrators to avoid children interfering - FTAdviser.com](#)

12. [Women's career progression in the UK financial planning sector \(thepfs.org\)](#)

13. [‘You Have to See It to Be It’: Why Women Role Models Are Key to Gender Equality | InHerSight](#)

14. [Finlit paper 16_F2_singles.pdf \(gflec.org\)](#)

15. [#RetireInequality :: Home](#)

16. [LGBTQ+Wealth-Gap-Summary.pdf \(lgbtq-economics.org\)](#)

Businesses could consider the following focus areas to start addressing the imbalance:



Access & Talent: Develop a clear strategy to attract and retain female talent while addressing any cultural and structural barriers that inhibit career progression. The areas of particular importance are pay transparency and a greater focus on sponsorship and support for women progressing into leadership roles. There are also organisations with which wealth management firms can partner, to engage with schools and raise awareness of the wealth management sector.



Financial literacy: Businesses should look to encourage financial literacy and confidence by organising workshops, supporting charities and schools in embedding financial literacy in the curriculum, and training employees within organisations about financial resilience and investing (this is often not done well within wealth management firms).



Clear ambition: While target setting can be a contentious area, it is important that organisations set clear ambitions when it comes to the representation of women across their client and talent pools. We must all be intentional about making progress otherwise it will remain a talking point for years to come with minimal progress.

To date, wealth management businesses have played an important role in the lives of individuals, families, and society more broadly. If we are to see the true potential of the industry in shaping a more positive and inclusive society, decision makers within the industry must reflect society and the products/services offered must be more inclusive.

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