



FINANCIAL SERVICES INDUSTRY

WOMEN IN WEALTH: INCLUSION THROUGH PHILANTHROPY

The philanthropy sector is in transition. Demographic changes, technology and evolving societal expectations are redefining priorities and approaches to charitable giving, with significant implications for the philanthropic ecosystem of philanthropy advisers, non-profit organisations and wealth managers.

One dimension of this ongoing shift is the rising influence of women in philanthropy. Women already control a greater share of the global wealth than ever before and are more likely to give than men, according to research. Now, their giving power is being turbocharged by the “great wealth transfer” – the estimated £5.5 trillion set to pass from older generations to their Millennial and Gen Z successors, which include many more women.¹

This calls for changes in how the philanthropy community and the wealth management industry can reach, advise and support clients — particularly women — in their charitable giving. In this article, we will explore the evolution of philanthropy in recent years, focusing on how the wealth management sector is responding — or not — to its new demands.



The changing face of charitable giving

Philanthropy has a long history, with people helping their fellow humans throughout different times and cultures.

The modern idea of philanthropy took off in the late 1800s, buoyed by high-wealth individuals including George Peabody and Andrew Carnegie, who set up foundations for strategic investments in different institutions and social causes.

In the past decade, however, focus has shifted from the act of giving to its tangible impacts. Although “effective altruism” remains a relatively contentious approach in the world of philanthropy, more donors have embraced it in their philanthropic actions, advocating for an evidence-based approach and applying efficiency metrics to charity. Furthermore, virtual tools and social media have recently opened new opportunities for philanthropists, with direct giving platforms enabling people to donate directly to those in need rather than to an organisation.

While women have a long history in giving and diverse expressions of generosity, their leadership in philanthropy is a more recent phenomenon that is largely driven by their increased financial power and influence in society. In 2023 there were 337 women billionaires globally,² up from only a few dozen in the early 2000s, and the percentage of women in the ultra-high net worth (UHNW) population is also on the rise. The emergence of high-profile female philanthropists, with many garnering media attention for their groundbreaking donations and unique giving approach, has provided further impetus.

337 women billionaires globally in 2023



2% of all funding in the U.S. goes to organisations supporting women and girls



32 out of 93 CEOs leading the U.K.'s 100 biggest charities by income are female



¹ [Advising the giving generation: How philanthropy advice could head off a client crisis \(CAF\) – Investment Week](#)

² [The World's Richest Women Billionaires 2023 – Forbes](#)



This growing influence, however, has not translated to more funding for women-focused initiatives. In fact, only 2% of all funding in the U.S. goes to organisations supporting women and girls, a tiny fraction of that received by subsectors such as education and health.³ Similarly, donations to women causes in 2022 have grown at a slower pace than overall charitable giving.

This disparity may result from the underrepresentation of women in decision-making philanthropic roles, as only 32 out of 93 CEOs leading the U.K.'s 100 biggest charities by income are female,⁴ and a lack of data on the specific needs facing women and girls.

In this environment, charities and non-for-profit organisations have to work against the odds to make an impact. Raakhi Shah, CEO of The Circle, a global feminist organisation, summarises the challenges faced on the ground:

"We are at a critical time globally for women's rights. 1 in 3 women will face violence in their lifetime. 300 million women and girls live in extreme poverty. And women's rights are being rolled back across the world. Support to fellow women and their empowerment has never been more needed. Our work at The Circle gives women an opportunity to support fellow their women who are vulnerable and marginalised through support to women-led grassroots partners and advocating for long-term change."



The way forward for wealth advisers in supporting philanthropy

With attitudes towards giving changing rapidly, wealth advisers have the opportunity to play a larger role in philanthropy than before.

Historically, there has been a disconnect between wealth managers and their clients regarding philanthropy. Only 20% of wealth managers regularly bring up philanthropy with wealthy clients despite a growing interest from UHNW individuals,⁵ and only one in five U.K. wealth management firms provide this service.⁶ Family offices are also falling behind. Globally, 71% of family offices are involved in philanthropy, but only 41% have a strategy in place to guide them.⁷

As in other areas of financial services, women remain underserved, with wealth management services often failing to understand woman philanthropists' needs and tailor their approach to them.

So how could advisers bridge this gap? Increasing awareness of philanthropy is one part of the solution. By weaving philanthropy into "fact finding" conversations around wealth planning, advisers have an opportunity to understand clients' philanthropic aspirations, as well as educate them about giving options and tax incentives. These engagements may also give them a chance to deepen relationships with clients.

Support may then evolve to advice on structuring philanthropic vehicles, project selection and impact measuring — an area that is particularly top of mind for younger donors. In catering to new demands of transparency and efficiency, advisers should seek to leverage data and analytics. There are several tools available today that can take care of the back-end while also optimising decision-making and monitoring processes.

³ [Women and Girls Continue to be Underfunded by Philanthropy – Philanthropy Women](#)

⁴ [Women and the charity sector – Pro Bono Economics](#)

⁵ [Why Wealth Managers Miss Philanthropic Opportunities \(fa-mag.com\)](#)

⁶ [Awaken the giant: Wealth managers should do more to unlock philanthropy – Alliance magazine](#)

⁷ [Philanthropy in a Family Office | Milken Institute](#)



Training and networking within the wider philanthropic ecosystem are also crucial. Relationship managers must be able to talk about philanthropy with confidence to ensure they can educate clients and give valuable advice to support their giving. This will also help build critical mass and efficiency in the service offering over time.

Finally, the industry needs to do more to understand the unique needs and interests of women philanthropists of all ages, creating a culture that understands and engages this group so they can be better served. Working towards diversity within staff and leadership is perhaps the most powerful step in that direction. Areas of particular importance are recruitment, including investment in academy programmes, pay transparency and a greater focus on supporting career progression.

As the great wealth transfer continues to reshape philanthropy, finding an effective approach to serve the new generation of philanthropists — particularly women — can prove a differentiator for wealth management players in a crowded marketplace.

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