Industry Misperceptions of the Female Investor Linked to Trillions of Dollars in Unmanaged Wealth

Study provides an in-depth depiction of the nuanced female investor market

NEW YORK, May 22, 2014 - Women in the U.S. exercise decision-making control over $11.2 trillion of investable assets and 62 percent of women in the U.S., UK, China, Hong Kong, Singapore and India identify as the primary source of household assets. Yet, a majority (53 percent) of female wealth in these markets is unmanaged by an advisor and, according to new research from the Center for Talent Innovation (CTI), closing the gap will require, in part, correcting industry perceptions of women as a monolithic market. The report, “Harnessing the Power of the Purse: Female Investors and Global Opportunities for Growth,” draws a nuanced picture of female investors around the world.

The report finds that geography, generation, source of wealth and asset level are all factors that affect how women perceive wealth and arrive at decisions about its allocation. Women don’t just differ from men. In important ways, they differ from each other. Key findings include:

- **Female wealth is increasingly self-created and growing:** Women are increasingly wealth creators and decision-makers:
  - Seventy-five percent of female wealth creators describe themselves as primary decision makers. Yet, more than half do not have a financial advisor.
  - Fifty-eight percent of female wealth creators and 48 percent of inheritors say their household assets are increasing.

- **Women are not a monolithic market:** Women differ from men and from each other in how they perceive wealth and make decisions pertaining to their finances:
  - Women, like men, want good returns. But once these priorities are met, women look to wealth to provide a larger basket of goods, not just for themselves and their families, but also for society at large. Fully 88 percent of women in our global sample want to invest in organizations that promote social well-being.
  - American women under the age of 40 (creators, inheritors, and spouses) are dramatically more inclined to see wealth in terms of career latitude: 38 percent say this is important, versus 16 percent of the 40-and-over crowd.
  - Fifty-five percent of U.S. women with $1 million or more in assets define wealth as having financial independence versus 84 percent of women in India and 40 percent of women in Hong Kong.

- **Diversity matters:** Women want to invest in organizations with diversity in senior leadership:
  - Ninety-four percent of women in China, 93 percent of women in India, 88 percent of women in Singapore, 83 percent of women in Hong Kong, 69 percent of women in the UK, and 52 percent of women in the U.S. consider diversity in senior leadership a factor in choosing an organization in which to invest.

- **Wealth management gap:** Women want to be served, not marketed to:
  - Of those women in the global sample who do have advisors (53 percent), 67 percent feel their advisor does not understand them.
Women do not necessarily prefer a female advisor but they do expect their advisor to have gender smarts and exhibit inclusive behaviors. Advisors who create an inclusive environment—one in which women feel welcome to ask questions and feel assured they’re heard and understood—tend to earn women’s trust, satisfaction, and loyalty.

a) Advisors who take pains to understand their female client are 42 percent more likely than advisors who do not to earn her trust and loyalty (64 percent versus 45 percent).

b) Advisors who are sensitive to women’s time constraints and manage details women do not have time to attend to are 69 percent more likely than advisors who are not to forge a satisfactory and enduring relationship (61 percent versus 36 percent).

“A virtuous cycle is created when banks promote women and women trust banks to manage their assets,” stated Sylvia Ann Hewlett, founder and president of CTI. “Women who leverage their wealth in powerful ways can drive positive social change. If banks tap into this growing market, it’s a win-win for everyone involved.”

Also highlighted in the report are key initiatives designed by financial firms to improve the pipeline of female leadership candidates and the pool of perspective female investors. Featured companies include Goldman Sachs, Morgan Stanley, Standard Chartered Bank, and UBS.

To view the report findings, visit www.talentinnovation.org.

Research Sponsors
Credit Suisse, Deutsche Bank, Goldman Sachs, Morgan Stanley, Standard Chartered Bank and UBS

Research Authors
SYLVIA ANN HEWLETT is an economist and the founding president and CEO of the Center for Talent Innovation, a nonprofit think tank where she chairs a task force of 83 global companies focused on fully realizing the new streams of talent in the global marketplace. She’s also codirector of the Women’s Leadership Program at the Columbia Business School. She is the author of 11 Harvard Business Review articles, 11 critically acclaimed nonfiction books including Off-Ramps and On-Ramps; Winning the War for Talent in Emerging Markets; Forget a Mentor, Find a Sponsor (named one of the ten best business books of 2013 and 2014 Axiom Award winner); and Executive Presence: The Missing Link Between Merit and Success. She is currently ranked #16 on the Thinkers50 list of the world’s most influential business gurus. Her writings have appeared in the New York Times, the Financial Times, and Foreign Affairs, and she’s a featured blogger on HBR Blog Network. She is a frequent guest on television, appearing on Oprah, Newshour with Jim Lehrer, Charlie Rose, the Today Show, and CNN Headline News. Hewlett has taught at Cambridge, Columbia, and Princeton universities. A Kennedy Scholar and graduate of Cambridge University, Hewlett earned her PhD in economics at London University.

ANDREA TURNER MOFFITT is a senior vice president at the Center for Talent Innovation and managing director at Hewlett Consulting Partners. She specializes in issues relating to female investors and consumers, leadership development, diversity and social impact. Applying her expertise in leadership development and inclusive cultures, Turner Moffitt helps companies build talent and business strategies that connect them to women as investors and consumers. She’s the cofounder of Wealthrive, Inc. a start-up platform inspiring and empowering women to be confident investors. With a decade of experience on Wall Street in investment banking and asset management, she worked globally at Citibank and, earlier in her career, she helped build a hedge fund and financed high growth technology
companies. An honors graduate from Columbia Business School and the School of International and Public Affairs, she earned her BA from Tulane University. She is the cochair of Columbia Business School’s Social Enterprise Alumni Circle, a board member of Tulane University’s Center for Engaged Learning and Teaching and is a term member of the Council on Foreign Relations.

MELINDA MARSHALL, senior vice president and director of publications at the Center for Talent Innovation, drives the Center’s research on sponsorship and innovation. She coauthors articles for the Harvard Business Review (“How Diversity Can Drive Innovation”; “The Relationship You Need to Get Right”) and CTI reports including Innovation, Diversity and Market Growth as well as Sponsor Effect 2.0: Road Maps for Sponsors and Protégés. She is currently leading projects on “Women and Power” and “Global Executives.” A journalist and editor whose experience ranges from wire service reporting to national humor columnist, she has published 11 books in collaboration, and is the author of the award-winning Good Enough Mothers: Changing Expectations for Ourselves. A magna cum laude graduate of Duke University, she earned her Master’s in Human Rights Studies at Columbia University.

About the Research
The research consists of a survey, Insights in-Depth® sessions (a proprietary web-based tool used to conduct voice-facilitated virtual focus groups) involving more than 100 people from our Task Force organizations, and more than 60 one-on-one interviews. The survey, conducted online in November 2013 through February 2014, sampled 5,924 respondents (4,200 men and 1,724 women: 1,101 US, 1,000 UK, 1,008 China, 1,007 India, 808 Singapore, and 1,000 Hong Kong), aged 21 and older. In addition, screening was done to confirm personal annual income of $100,000 or more or investable assets of at least $500,000. Data in the U.S. were weighted to be representative of the U.S. population on key demographics (age, sex, race/ethnicity, region, education, and income). The base used for statistical testing was the effective base. Data for the UK, China, India, Singapore, and Hong Kong were not weighted.

About the Center for Talent Innovation
The Center for Talent Innovation is a nonprofit think tank based in New York City. CTI’s flagship project is the Task Force for Talent Innovation—a private-sector task force focused on helping organizations leverage their talent across the divides of gender, generation, geography and culture. The 83 global corporations and organizations that constitute the Task Force, representing nearly six million employees and operating in 192 countries around the world, are united by an understanding that the full realization of the talent pool is at the heart of competitive advantage and economic success.

---

Female Investors with a personal income of $100K+ or investible assets of $500K+.

##