



Smarter Succession: Women and Wealth

Wealthy women, business, families, and financial advice – supporting the change in global decision makers

We stand on the edge of the biggest wealth transfer in history where, over the next decade, an estimated \$15 trillion dollars of wealth is set to pass down to the next generation. Four in five women (82 per cent) from high-net-worth (HNW) families expect to inherit a large portion of this substantial wealth. As this wealth transfer is fast approaching, Barclays Private Bank commissioned global research to investigate the role of women in wealth, succession planning and family business decision-making – and ultimately, how these roles are shifting family and banking relationships.

Women's share of wealth has risen considerably over the past decade, with a third of the world's wealth under their control today. In fact, women are increasing their wealth faster than ever before: adding \$5 trillion dollars to the wealth pool globally each year. However, biases that persist within some HNW global families mean women tend to have less involvement in the family business, despite similar levels of ownership to men. Similarly, decisions around family wealth very much remains a role for the men in some HNW families. There is, however, a cultural shift occurring – younger generations have a less traditional outlook on life and don't necessarily see the role of women in the same way as in the past. This shift has been recognised in the financial services industry, but still, women often feel they are treated differently to men. The wealth management industry remains heavily male orientated and this creates subtle biases towards HNW women who seek financial advice, often leaving many feeling unheard. In turn, this leads to fewer women seeking professional advice for their own wealth. Changes are needed within financial services to better support the growing number of HNW women across the globe, as they inherit ever greater wealth and responsibility.

Business ownership does not mean business involvement

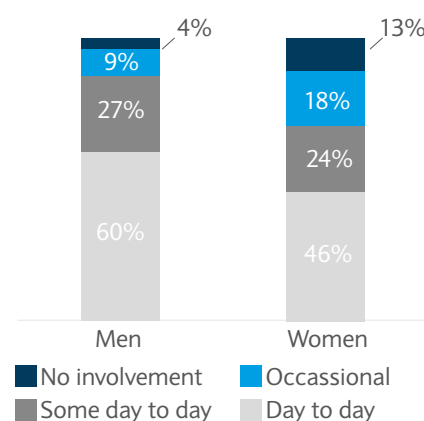
Women remain significantly less likely to be involved in the day-to-day running of the family businesses compared to male family members.

Only 46 per cent of women are involved on a daily basis in the family business(es) compared to 60 per cent of men. Women are also over three times more likely to have no involvement at all within the business than men (Males 4 per cent, Females 13 per cent).

This is despite a majority (57 per cent) of women now holding a similar level of direct ownership of those businesses compared to men (54 per cent).

The fact that female ownership of family businesses does not equate to high levels of day-to-day involvement, potentially leaves female voices less heard in family business board rooms.

Involvement in the family business

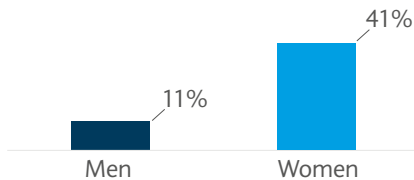


Source: Q29. What is your involvement in the family business?
Base: All with family business (290) Male (218) Female (72)

Women also have less involvement when it comes to wealth

Women are also unlikely to be involved in managing the family's financial wealth. Four in ten women say they are not involved in the management of the family wealth compared to only one in ten men. Even those women who are involved tend not to be the main decision maker. Typically, the main decision-makers in HNW families tend to be the fathers and sons. Statistics support this hypothesis with 83 per cent of key financial decision makers in HNW families being male, compared to only 11 per cent of being female.

I am not involved in managing the family wealth



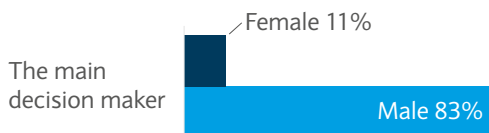
Source: Q17. What is your involvement in managing the family wealth?
Base: All participants. Male (290) Female (112)

This bias stems from historic and more traditional roles of women within these families – an outlook which impacts the role of the women in both obvious and subtle ways.

“My brothers, spent time investing in London. Bankers recommended some programs for my father and so they got a lot of exposure. When I meet women my age, I feel like they want more information. A lot of women tell me, ‘Oh, I don’t know how to invest in the stock market.’”

Female UHNW

Main decision maker for the family wealth



Source: Q18. Who is the main decision maker in your family regarding the family wealth?
Base: All respondents (402)

Women without involvement in the management of their family wealth tend to have significantly less interest in finance and investments (17 per cent), compared to those who are involved (39 per cent) – potentially leaving their priorities and perspectives ignored.

As a result, when it comes to conversations around wealth, 39 per cent of global wealthy families believe women are ignored in any financial discussions.

This is more common in Indian families (76 per cent agree) and for those in the Middle East (46 per cent). Both comparing rather starkly to only 27 per cent in the UK.

Yet globally there will be a further shift in the involvement of women

However, this situation is changing. There is a slow generational shift in the involvement of women, and the family roles that women have typically fulfilled, are evolving. HNW women are taking an ever greater role in the financial and business decision making of their families.

Almost two in three (62 per cent) believe that women have a core role in running the family business. And, whilst this falls to 20 per cent for families in the Middle East, both bankers and experts believe that equality is on the rise globally.

“There’s a sense that more of it is moving into female hands. Some of the large companies have appointed the daughters as the CEOs. So there is a sense that they’ve educated the girls better in some respects.”

Barclays Private Banker

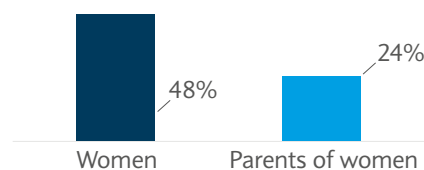
“Certainly, the women are being better educated now than they were in previous generations. The companies are run far more professionally, they have family offices. There’s just a much more professional attitude around how everyone operates.”

Barclays Private Banker

Younger generations are driving the change in women’s roles within wealthy family businesses and in decision making over wealth, both supported by and in some cases challenging their parents’ more traditional outlook.

More women are feeling empowered to achieve ever higher levels of education and take on professional positions within the family business. Over half of women (59 per cent) who are involved in the family business are educated to a Masters diploma or higher. More widely, twice as many women from wealthy families have completed a Masters diploma or higher compared to their parents (48 per cent compared to 24 per cent).

Achieved a masters diploma



Source: Q58. Please select the highest degree or level of school you have completed and Q61. Please select the highest degree or level of school your parents completed
Base: All female participants (112)

“I always feel that I don’t know enough, and I always need to educate myself more about financial services. Even though I studied business, I did an honorary course in family wealth and management because I thought that I don’t have enough information.”

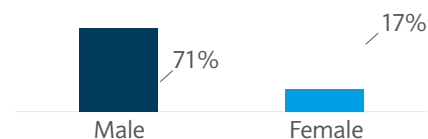
Female UHNW

That means that the financial advisors to these families must embrace the greater power and influence of women around the world, or they risk alienating these more educated and informed female decision makers. Wealth managers need to further empower wealthy women by giving confidence that they are understood and their needs respected

Female under representation in the financial advice industry can lead to women feeling uneasy and uncertain

Most key advisers to wealthy families are male (71 per cent male vs. 17 per cent female) and, as a result, women tend to have a male financial adviser.

Gender of main professional financial adviser



Source: Q23. What is the gender of your main professional adviser, such as a financial adviser, wealth manager or private banker?

Base: All participants (402)

“There is a lack of women in finance. It matters. Women invest a lot more if they have a female advisor. She feels more confident.”

Ylva Baeckstrom, a Lecturer in Finance at King’s Business School

There is evidence to suggest that, due to the male dominated industry, both in the adviser profile and the historic cultures in the industry, curated traditionally by men for men, women too often feel excluded.

Research shows that 59 per cent of HNW families believe that women are treated differently to men by professional financial advisors. As a result, fewer women feel truly understood by their professional advisor. Statistics bolster this hypothesis: 72 per cent of women feel that their advisor understands their risk tolerance, compared to 82 per cent of men. Similarly, fewer women feel their knowledge of investing is understood by their adviser (75 per cent) than men (86 per cent).

As a consequence, we find that women are more than twice as likely not to have a main professional adviser (22 per cent compared to 9 per cent of men). The financial services industry needs to overcome existing gender biases and provide women the opportunity to succeed. There is a need to break down barriers in terms of language, tone, marketing material and so forth, which are created with the male investor in mind.

“Professionals in financial services were asking women to succeed in an environment that’s not optimised for them. And, then we’re asking female clients, to come into that environment and asking them to be comfortable in there.”

Ylva Baeckstrom, a Lecturer in Finance at King’s Business School

“Some advisors in the past, one or two of them, have been a bit chauvinistic. Perhaps they would have talked to my husband and not me. You’ve got to work with someone that you can form a relationship with, who understands you and looks out for your needs, not what the bank wants to provide you with, but what you actually need.

Female UHNW

Final thoughts

It is undeniable that despite women’s increasing wealth ownership, fewer women are currently involved in the day-to-day running of family businesses and management of family wealth. Traditional gender roles have left women feeling ignored in the family conversations around wealth. However, these roles are breaking down. Women are increasingly seeking higher education, gender stereotyping is deteriorating, and there’s a shift with women getting more involved with family businesses and financial decision making.

Professionals in the financial services industry play a crucial part in embracing these changes by providing women with the confidence that they are truly understood and taken seriously. Current biases exist as a result of how financial services has traditionally functioned: it was created by male professionals for wealthy males.

Within the industry, focus needs to be placed on breaking down these biases, providing an environment in which they are supported, and further encouraging female involvement.

Visit our ‘Smarter Succession’ content hub to find out more:

<https://privatebank.barclays.com/smarter-succession>

Research summary

This research, ‘Smarter Succession: The Challenges and Opportunities of Intergenerational Wealth Transfer’, was conducted by Savanta on behalf of Barclays Private Bank and included both qualitative interviewing and a quantitative survey.

Qualitative in-depth interviews were conducted with Barclays Private Bank bankers, intermediaries to ultrahigh net worth families and Barclays Private Bank clients themselves. In total, 20 interviews were conducted: banker and intermediary interviews taking place in March 2020, and client interviews in June 2020.

In addition, a quantitative survey was conducted with individuals from very-high net worth families (total net worth of more than £5 million). A total of 402 interviews took place across three generations of wealthy family members including under 40s (151), 41 – 60 year olds (158) and over 60s (93). 290 were male and 112 female. Participants are primarily living in France, Germany, Hong Kong, India, Italy, Qatar, Saudi Arabia, Switzerland, Singapore, the UAE and the UK.