

WeDigest: Wealth Management

Women: Steer your wealth journey with confidence

Empowering women to thrive through wealth management and protection

8th March 2023

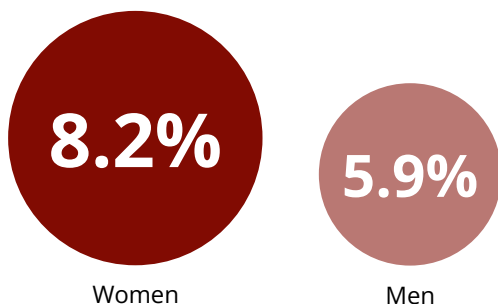
Burgeoning wealth among women

Women are getting wealthier at a faster pace than men.

According to a 2022 UBS report ("Women and Investing"), the growth in women's investible wealth has outpaced men's between 2016 and 2022. During this period, women's wealth increased at a compound annual growth rate (CAGR) of 8.2% compared to 5.9% for men. And women's growth momentum does not stop there, as it is expected to continue to accelerate more rapidly than men's in the coming years and beyond.

Snapshot of women's wealth landscape

Compound annual growth rate of wealth 2016-2022



Women projected to amass

35% of global personal investible wealth by 2050

67%

of female investors globally expressed that their wealth managers misunderstood their goals




With women projected to amass 35% of total global personal investable wealth by 2050, they are fast becoming a considerable force in the face of wealth and investing. Yet, it appears that women are still greatly underserved in their wealth management needs. The lack of adequate planning could boil down to factors such as deep-rooted historical and social norms that have shaped gender roles and financial decision power or a misalignment between what women need and what advisors believe they need. For example, 67% of female investors globally expressed that their wealth managers misunderstood their goals, according to a 2017 Ernst & Young report.

Recognising this shift in women's financial power, we need to begin by **understanding what makes women's wealth and investment needs different in order to effectively empower them in their wealth journey.**



Life Journey

While every individual encounters unique life experiences and circumstances, we can typify some common elements among women’s life journey and why it is paramount for women to give wealth planning extra thought and consideration.

	Challenges/Needs	How can wealth management mitigate them?
 <p>Income Gap</p>	<ul style="list-style-type: none"> • Long-standing pay differences between genders can diminish women’s wealth-creation potential. 	<ul style="list-style-type: none"> • With lower average earnings, women and men begin their journey on uneven ground. • To bridge the gap with their male counterparts, women should leverage tailored wealth planning tools and investment strategies while balancing risk and reward to maximise wealth opportunities.
 <p>Caregiving Responsibilities</p>	<ul style="list-style-type: none"> • With women often acting as the dominant caregivers for children and ageing parents, the demands of caregiving can fall disproportionately on them. • This can result in career breaks and lead to long-term implications such as stifling career prospects, progression and income. 	<ul style="list-style-type: none"> • It is critical for women to undertake sophisticated wealth growth and protection strategies to ease the financial pressure of shouldering caregiving responsibilities. • It is essential that they create and protect generational wealth to prepare for both their and the next generation’s financial future.
 <p>Life Expectancy</p>	<ul style="list-style-type: none"> • Statistics also show that women have a longer life expectancy than men, which translates into longer retirement years. 	<ul style="list-style-type: none"> • Women’s wealth planning has to be designed with a longer time horizon and effective cash management in mind to provide for more years of retirement.

Risk and Preferences



Risk tolerance: risk-averse or risk-aware?

There is an underlying assumption and conventional wisdom that women are more risk-averse than men in investing. This conservative risk appetite could stem from gender norms and masculinity traits tied to investing or even a lack of financial literacy. But we can also discern women's risk tolerance from a different angle. BCG's report, "Managing the Next Decade of Women's Wealth", found that women seek to pursue their goals with a higher degree of confidence which thus could be perceived as lower risk tolerance. But in fact, women are possibly not more risk-averse but more risk-aware. They want to be geared with the accurate data and facts before making an informed decision. When this information gap is bridged, they share a similar investment profile to men.

It is an impactful quality as it demonstrates the potential women can attain if they partner with experienced wealth advisors who can provide them with valuable insights to navigate important wealth decisions.



Investment preference: goal-based investing

Women's perceptions of wealth and money can differ from men's too. Studies have suggested that women gravitate towards attaching wealth to their goals and needs instead of simply chasing the market. A UBS report ("Women on Purpose", 2022) found that 87% of women agreed that money is a tool to help fulfil their purpose. This pursuit of meaning can also extend to a woman's preference in having their investments aligned with their values, such as environmental, social and governance (ESG) factors. For example, women (71%) are more likely than men (58%) to include ESG concerns in their investment process, according to a UBS Investor Sentiment Survey.

For women, it is not all about the numbers. The picture is more intricate, so it is rewarding to have wealth advisors take a holistic view of a woman's needs, goals and values. The key is to weave wealth management with what they genuinely want in value and purpose.

How We Can Empower Women

A woman's wealth journey is not straightforward; it is multi-faceted, tying in unique life circumstances and challenges. At the same time, we have to recognise that their goals are distinctive. It calls for delicate and holistic attention such that this myriad of factors is comprehensively accounted for in future-proofing their wealth and legacy.

As an underserved segment in the wealth management community, there is so much unrealised potential that proper wealth planning can offer. SingAlliance is an independent wealth management company based in Singapore, Geneva, Hong Kong and Dubai. As a wealth manager, we are committed to delving deep to understand your real needs and align your interests with your goals. Our unparalleled experience and expertise in wealth planning equip us to empower you in your journey and support you in every stage to give you greater peace of mind.

Contact Us

For more information:

SingAlliance Pte Ltd



| info@singalliance.com



| +65 6303 5050



For more wealth-related insights:

Visit **WeDigest** – www.singalliance.com/wedigest

Disclaimer

This material and the information included herein has been carefully prepared, but has been written in general terms and should be seen as broad guidance only and is not intended to be an offer or solicitation for any investment products and/or services. This material cannot be relied upon to cover specific situations and you should not act, or refrain from acting, upon the information contained herein without obtaining specific professional advice.

Any research or analysis used to derive, or in relation to the information herein has been procured from sources deemed reliable by SingAlliance for its own use, without taking into account the investment objectives, financial situation or particular needs of any specific individual. Although the information herein has been obtained from sources believed to be reliable, no representation is made as to its accuracy, completeness and fairness. Whilst reasonable care has been taken to ensure that the facts stated herein are accurate and that opinions and expectations contained herein are fair and reasonable, neither SingAlliance nor any of its representatives or employees shall in any way be accountable or responsible for any incorrect opinions, comments and the contents hereof and no reliance should be placed on this document.

This information is not directed to any person in any jurisdiction where (by reason of that person's nationality, residence or otherwise) such publications are prohibited.