The next generation of investors will be younger and more diverse, with women taking a more prominent role in building and growing family and personal wealth.

How will this new paradigm shape the future of products and services on offer in the industry, and will wealth managers be ready to cater to these changing needs?
Women are:
underrepresented in the investing world - but this is changing fast.
While various cultural and societal reasons contribute to this shift, there is also a more simple driver: **rising economic might.**

**Women are:**
**key decision-makers** for families when it comes to financial moves.

**Women are:**
becoming more **important drivers** of income and wealth for their families.

**Women are:**
highly educated. They make up the majority of recipients for these degrees in the U.S.

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**Women-controlled wealth in North America.**
BMO Wealth Report

**Personal wealth in the U.S. controlled by women.**
BMO Wealth Report

**Intergenerational wealth set to be inherited by women over the next 40 years.**
Forbes

**Women who have primary, or shared, responsibility for family financial decisions.**
Forbes

**Consumer purchases driven by women, through buying power and influence.**
Forbes

**Percentage of U.S. households where women are the primary breadwinners.**
This represents nearly a 4x increase from 1960.
BMO Wealth Report

**Private businesses in the U.S. owned by women.**
BMO Wealth Report

**Management, professional, and related positions held by women.**
BMO Wealth Report

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**Associate’s degrees**
61%

**Bachelor’s degrees**
57%

**Master’s degrees**
60%

**Doctoral degrees**
52%

*Georgetown University*
Interestingly, studies show that women think about money and wealth differently than men, and differently from the precedents set in the financial services industry.

Women Save More
On average, women save 9.0% of their salary in comparison with men.

<table>
<thead>
<tr>
<th></th>
<th>Salary Saved</th>
<th></th>
<th></th>
<th>Amount Invested</th>
</tr>
</thead>
<tbody>
<tr>
<td>Men</td>
<td>8.6%</td>
<td>Women</td>
<td>9.0%</td>
<td>-40%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Men</td>
<td>2.6</td>
<td>Women 2.4</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Women</td>
<td>2.7</td>
<td>Women 2.9</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Gen X</td>
<td>3.4</td>
<td>Men 3.6</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Boomers</td>
<td>3.4</td>
<td>Women 2.9</td>
</tr>
</tbody>
</table>

Some studies show women can earn higher rates of return on investments. In one study, women earned a 0.4% higher rate of return than men.

Women Score Lower
On financial literacy test scores (out of 5) in 2015:

- Men Millennials: 2.6
- Women Millennials: 2.4
- Men Gen X: 3.4
- Women Gen X: 2.7
- Men Boomers: 3.6
- Women Boomers: 2.9

Women consistently score lower than men on financial literacy measures, and this gender-based gap may negatively impact women’s long-term financial well-being.

- Gary Mottola (FINRA)

Women Invest Less
One survey shows that women invest 40% less than men.

According to another study, if women were given $1k, they would be 35% less likely to invest the money than men.

Lexington Law
Data from a recent survey by New York Life Investments sheds light on why women may be underserved by the industry.

Let’s look at why women are switching financial advisors:

**Reasons for Switching Financial Advisors in the Past 2 Years**
(Among those who switched)

- **33% Poor Performance**
- **27% Poor Customer Service**
- **29% Lack of Personal Connection with Financial Advisor**

Women don’t switch investment advisors simply because of poor performance - there are other, more complex factors involved.

Part of this is likely because 62% of women say they have unique investment needs and challenges:
Based on these results, it is not surprising to learn that 29% of women agree that having a female financial advisor would be more attuned to their needs.

But there are other opportunities to serve women better as well:
Women Investor Survey

The areas that women rank as important, yet also have a low level of satisfaction, are opportunities for financial advisors to better serve women.

(Bubble size = Opportunity size)

Soft skills can be a huge contributor to satisfaction levels, improving the relationship between women and their investment advisors.

But perhaps just as important is to better understand the client.
Deeper Dive

It is crucial for advisors to understand that women are not one large, homogenous group. In fact, research shows that there are four unique segments of women that approach investing differently – and they each have different sets of needs.

Suddenly Single
Women who have been recently separated, divorced, or widowed in the past five years

Married/Partner Breadwinner
Professional women who represent the primary source of income for the household

Married Contributor
Professional and non-professional women whose primary contributions to the household tend to be non-financial

Single Breadwinner
Professional and non-professional women defined as living alone or as a single family unit

Work with a financial advisor
78% 70% 63% 71%

Primary Objective
Ensuring Independence
Retirement

The financial services industry can only unlock the power of women and investing if these unique client needs are taken into account.
Stay tuned for Part 2 of this infographic series, which will detail the differences between these segments.

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Insights presented in this report are derived from a 2018 study conducted by NY Life Investments in partnership with RTi Research and Sub Rosa. The study employed both qualitative and quantitative methods to better understand the needs of women when it came to investing in the U.S. (Sample size: N=32; N=800 respectively).