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Wealth Management

Women: the changing face of wealth

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As women take over more of the world's fortunes, the wealth management industry looks to attract and retain these relative newcomers.

Women are gradually increasing their shares of wealth, making their presence felt in the world of wealth management, explains Karen Ruphy, Head of Wealth Planning at Banque Havilland. First for demographic reasons, women will be in first line benefiting from the great wealth transfer. Their earnings have increased as they become entrepreneurs, take executive roles, and fill top management positions. About one-third of the world's fortunes are

now held by women, a proportion that is certainly going to increase¹.

How should the wealth management industry adapt to this shift?

Attracting and retaining female customers will be a critical growth imperative for the wealth management industry in general.

Even though wealth managers have been paying more attention to the women's wealth segment in recent years

with, specific services or department dedicated to women, the gender distinctions are often superficial or reflect outdated assumptions.

Too often, women are treated as a homogeneous group, ignoring their vastly different profile, needs and preferences. Most problematic are attitudes that reflect prevailing stereotypes, assuming that a woman's wealth comes from her spouse or family and/or they do not want to be engaged in financial decisions.

Photo → Eva Krims (Maison Moderne)

«Women tend to have a more holistic approach to wealth management.»

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Head of Wealth Planning
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Those attitudes are changing, but too many women still feel underserved. This may result, as reported by a McKinsey study in 2020 to a dramatically change of the wealth management industry landscapes as 70 percent of women switch their wealth relationship within a year following a spouse's death.

This also shows that women are more than willing to look elsewhere if they do not have a satisfactory experience and it reflects the urge of tackling a genuine customer-centred approach.

A Investor Survey conducted by Boston Consulting Group in 2020 reveals that women's investment priorities differ from men's, but in ways that go beyond conventional assumption. Women tend to have a more comprehensive approach of wealth management focused on the long-term picture and fact-based investment's decision.

In Banque Havilland, we strongly believe into a holistic and highly personalized approach aligned with financial and personal goals of each individual. In practice, it means taking the time to enrich the quality of client conversations, adapt the dialogue towards the objectives to provide a comprehensive wealth management strategy regardless of gender. ■

¹ From 2019 to 2023, Women's wealth should grow by a CAGR of 7.2%. Source: BCG Global Wealth 2019 Market Sizing Database.

Women in wealth

01

A FACT-BASED APPROACH

Because women tend to avoid uncertainty risk and require more data before taking the plunge into investing, they are also more likely to keep a higher percentage of their assets liquid missing higher-yield opportunities. It is not a matter of taking more risk, but rather of overcoming the hurdle to invest—a hurdle that is sometimes higher for women who feel less confident in their financial knowledge. Recognizing the importance of data, dialogue and transparency are of utmost importance to help clients reach informed decisions and notably women to enhance their investment strategy.

02

INCLUSION

Female clients seek out expertise and tailor-made customer service regardless of the gender of their wealth management advisor.

03

INVESTMENT DECISION WITH IMPACT

While men place more emphasis on pure performance, women tend to invest on the basis of their values, not only to perform well but also to create a positive impact.

04

WEALTH PLANNING FOCUS

Women show more concern to invest to fund specific goals and are more likely to anticipate for life stages such as protecting their spouses, partners, supporting a postretirement lifestyle or ensuring wealth is safely passed along to the next generation. A successful wealth management approach is based on helping female clients model a wealth plan with priorities i.e. entrepreneurship activity, generational planning or philanthropic project and offering specific guidance on how they can plan for these events while continuing to advance their overarching wealth goals.

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