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Own Your Worth

The increasing financial influence of women

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By the year 2030, American women will own much of the wealth possessed by baby boomers, according to a new study from McKinsey & Company. As large sums of money shift hands in the coming decades, \$30 trillion in financial assets are expected to be controlled by women. The financial services industry, says McKinsey, should be prepared for this critical inflection point and be ready to cater to female investors.

Wealth management is a male-dominated industry. According to [the McKinsey report](#), not only are the majority of financial advisors men, but their customers are more likely to men as well. In two-thirds of affluent American households, the key financial decision-maker is male, but, according to the research, this will dramatically change in the near future.

One reason for the anticipated shift is that baby boomers control 70% of US affluent-household investable assets and two-thirds of those assets are held by joint households in which a female is present but not the key decision maker. Many of these men are likely to cede control of their assets to their female spouses when they pass away. Another explanation is that younger women are becoming more financially savvy, with 30% more married women making financial and investment decisions than five years ago, according to McKinsey.

In April, Boston Consulting Group (BCG) released a report with similar findings. According to [Managing the next decade of women's wealth](#), despite the near-term economic effects of the COVID-19 pandemic, women's financial influence continues to grow. The report looks at the global ownership of private wealth by women and the different ways gender influences wealth management decisions.

The expected increase in women's wealth in the United States and globally presents opportunities for financial institutions who can start taking action now. The BCG report says, "By recognizing that the women's segment is not a marketing opportunity but a massive business opportunity—and by personalizing their approach to meet the specific needs and priorities of individual clients, regardless of gender—they can make the '20s a defining decade for women in wealth."

Analysis by McKinsey's PriceMetrix indicates that firms could see one-third higher revenue simply by retaining female baby boomer clients, but to do this will require them to rethink old ways of doing things. "Attracting and retaining female customers will be a critical growth imperative for wealth management firms. To succeed, firms will need to deeply understand women's differentiated needs, preferences, and behaviors when it comes to managing their money," says the report.

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To learn more about how women engage in financial decisions, read the latest UBS Own Your Worth report [Women, wealth and the path to financial independence](#), 2020.

Read the article [Women's wealth in the next decade](#), 11 May 2020.

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