2023 Advisable Australian Report

Women as the new face of wealth

netwealth

Contents

Women as the new face of wealth

Despite the gains in market power and social standing over the last quarter century, women still appear to be underserved by the wealth management industry.

As an industry we should recognise that women are often getting paid less and have just as many demands on their time, regularly balancing competing commitments such as job, home, friends and family.

Further, wealth managers need to appreciate there is a significant transfer in wealth happening partly due to several macro-economic factors including:

- the rising number of married women taking responsibility for household wealth decisions;
- women living longer than their male partners and as result, taking greater responsibility for family wealth as it changes hands from their Baby Boomer partners;
- the rise of the younger, educated, single affluent women ('the Emerging Affluent').

In late 2022, Netwealth surveyed more than 1,300 Australians aged 18+, including 681 women to better understand the wealth needs of Australian women. Besides identifying their wealth goals, portfolio construction habits and advice needs, the research identified several opportunities for wealth management professionals.

Equipped with these insights, it is clear wealth managers have a role to play to better service women in a more tailored way and to significantly improve their financial experience and outcomes in the process.

Data presented throughout the report reflects women 18+ only, unless otherwise stated.

Not all women are the same, but exhibit some important similarities

Though diverse, women share certain commonalities.

Although the needs of no two women are the same, our research shows there are certain wealth attitudes, decision-making styles, risk profiles and approaches to investing, and attitudes to financial advice which are commonly found in women. These however are regularly exaggerated by age, lifestage or affluence – for example 55% of women feel confident they can achieve their financial goals, yet for younger Gen Z women, 70% are confident.

As a result, wealth firms need to start with understanding the similarities of women, but then will be well placed to focus on the needs of one or two sub-segments (such as young families or young affluent singles or older singles or divorcees) so they can better hone their service offering and marketing activities over time.

Where does Baby Boomer wealth go to? Hint: It's not their kids.

Six in ten (65%) Baby Boomer males (who today control a significant proportion of Australian wealth – $3.5trillion[1]) are married, and as their wealth is transferred to their (often younger) wives who have longer life expectancies, women are often left to carry the burden of family wealth management. Our research shows widowed women are less prepared for this, creating an opportunity for wealth professionals to offer greater support to them.

Younger affluent women are engaged with investing, are financially literate and want advice

Our research highlights younger Gen Z and Y (under 42) women are more engaged in their investing (42% say they are actively engaged vs. only 34% of Baby Boomers) and are typically more financially literate than older generations, particularly Baby Boomers and older. Today Gen Ys are 28-42 years old, so they are no longer the youngest generation but represent the largest part of the workforce (75% of the workforce by 2025[2]), with the higher-than-average levels household income (22% of Gen Y have household income over $150,000 compared to 17% of all women 18+).

A third of Gen Y and Gen Z (35%) women are single. The remainder are in a relationship or have young families with growing wealth needs, making them likely candidates for wealth advice. A subset in this group is the Emerging Affluent female (11%), who as a segment are one of the most likely to seek financial advice, appreciating the value it provides (32% use today and 34% are considering).

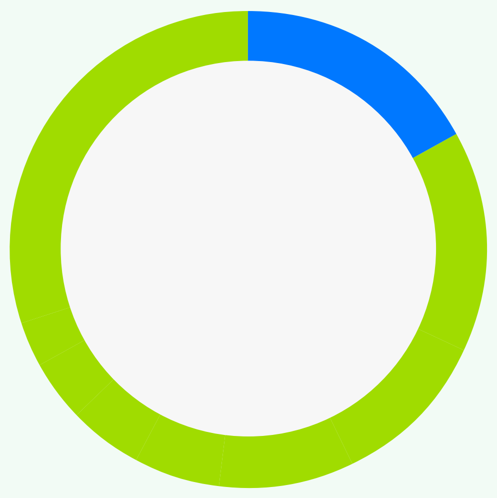
1 Productivity Commission, December 2021
2 PWC 2020 – www.pwc.com.au/digitalpulse/millennials-five-generations-workplace.html

Meet the Emerging Affluent women

Emerging Affluent · All women 18+

	Emerging Affluent	All women 18+
Gen Y or younger	96%	51%
Degree or post-grad qualification	70%	40%
Single	18%	36%
Who live with a partner	75%	60%
Married	47%	43%
Employed	95%	63%
Tech savvy (early adopter & comfortable with new tech)	87%	65%

Population



Emerging Affluent
1,569,684

Total 18+ women
13,882,527

Avg. Household wealth

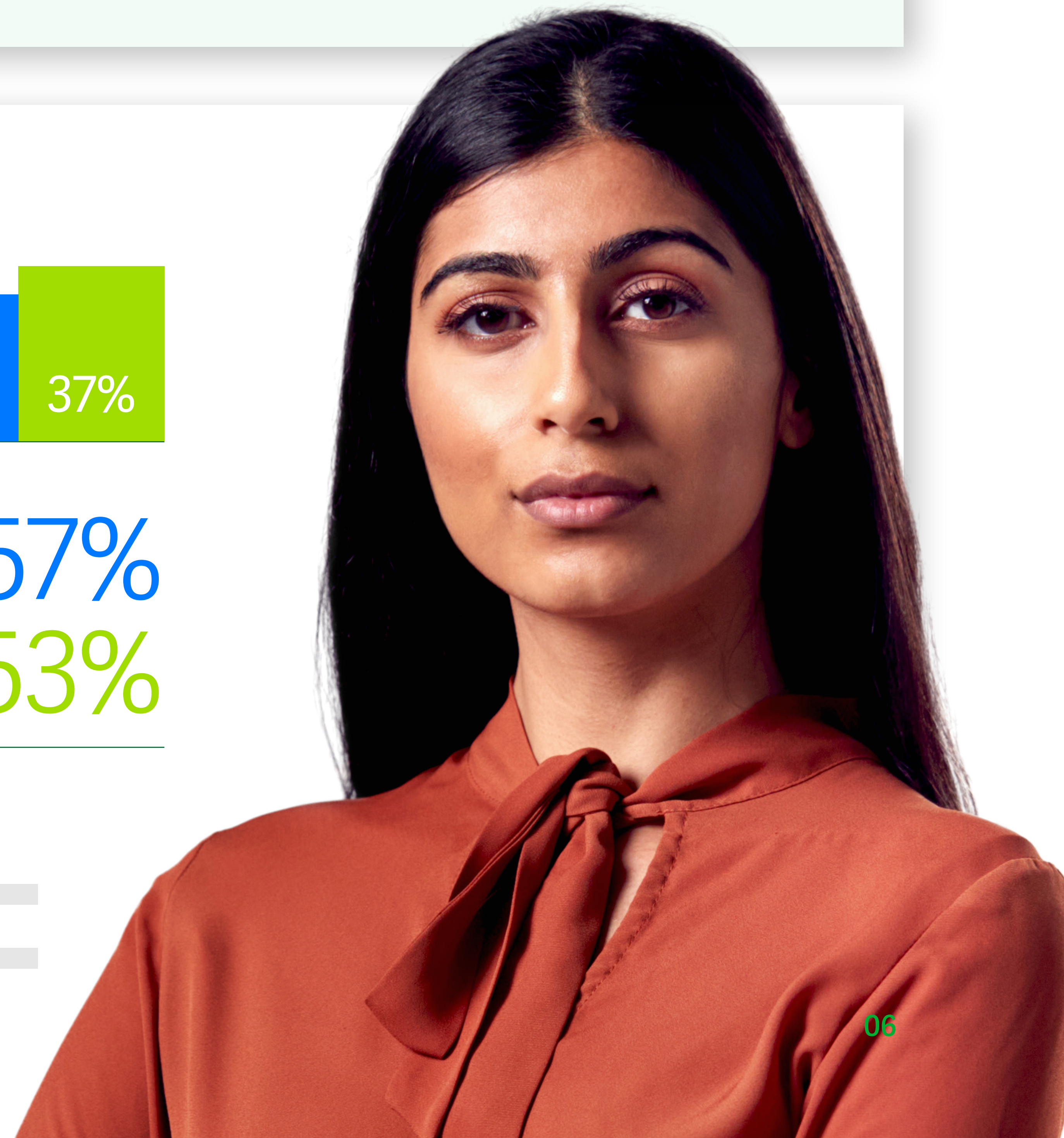
Emerging Affluent
$1,496,548

Total 18+ women
$985,866

	Emerging Affluent	All women 18+
My understanding of the relationship between risk and return is good or very good	55%	42%
I could live off my savings (with no income) for more than 6 months (inc. more than 12 mths)	31%	37%
I strongly agree or agree that I feel engaged with my investments	57%	40%
I worry about money more than weekly	57%	53%

Using an adviser

	Currently	Considering
Emerging Affluent	32%	34%
All women 18+	25%	26%



The opportunity for advice is now

Wealth professionals should look to act now, if they haven't already.

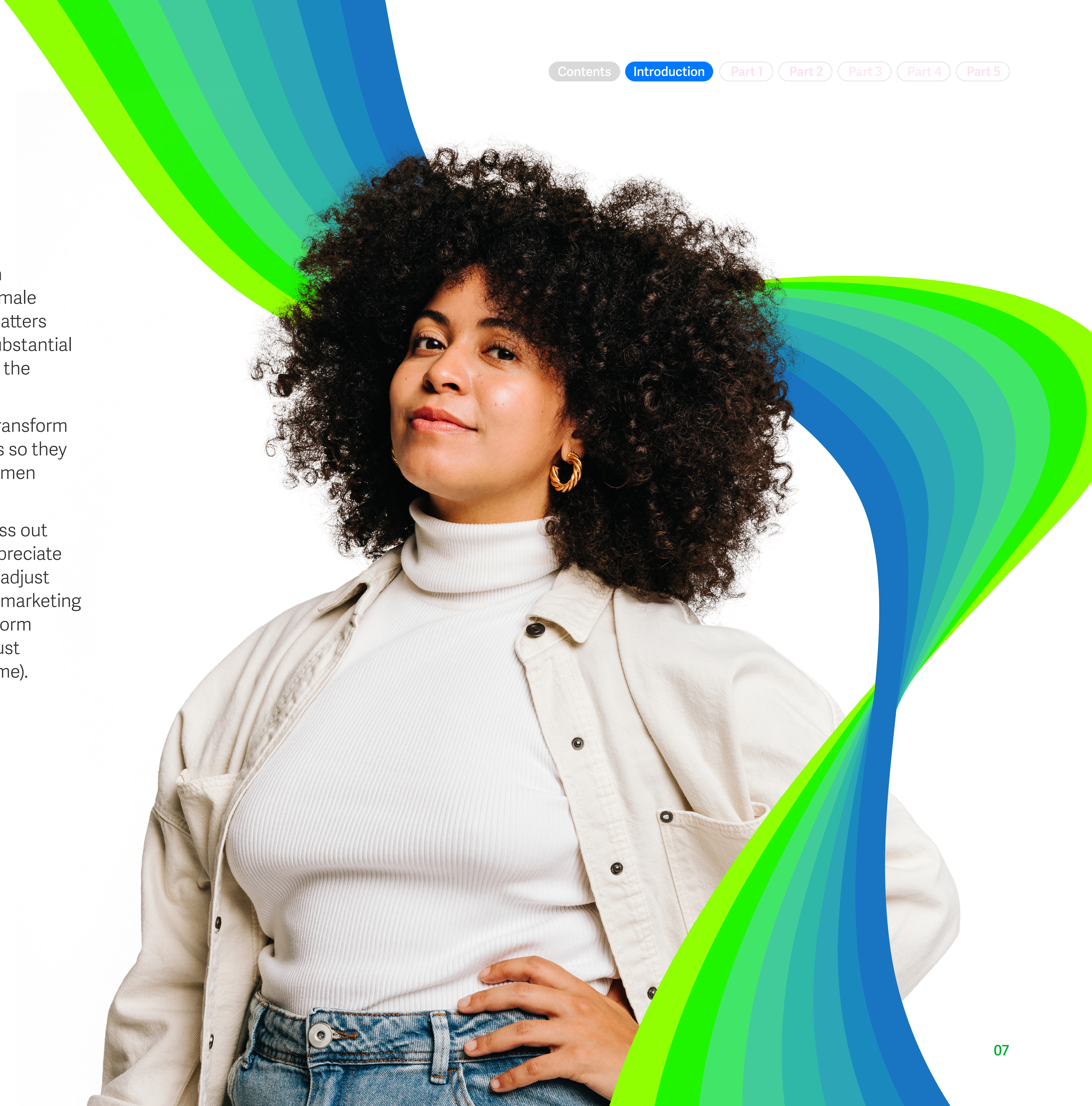
It is now widely recognised that women represent a key growth market for a range of industries, particularly if their needs can be met and addressed in a targeted way. As a result, we have seen other industries such as cars and real estate take the lead in evolving their product and service design to attract women. For example, real estate has created a value proposition that focusses on the growing prevalence of single women looking to buy property.

With the expectation that over the next three to five years, women will be increasingly in charge of household financial decisions, it is important wealth managers consider and act on how they can better service women. While some wealth managers currently do specialise in servicing the needs of women, these are niche and do not reflect the larger opportunity on offer to the whole wealth management industry.

Developing a value proposition for women as a key market goes beyond recruiting female advisers, educating women on financial matters and product development. To influence substantial change requires the industry to recognise the differences and act on the opportunity.

To do this, wealth managers will need to transform their businesses and client service models so they can attract, acquire, retain and service women as long-term clients.

In order for wealth professionals not to miss out on this growing opportunity they must appreciate the wealth characteristics of women, and adjust their advice offer, service proposition and marketing accordingly. This research provides a platform to do this, to offer some guidance, but is just a starting point (or a reinforcement for some).



What does financial success look like for women?

Part 2

Security, freedom and stability

Financial success is commonly focussed on not being stressed about finances, having enough money set aside for unexpected expenses and being able to retire when you want to. For women, we know they value security, freedom and stability, however working status and household wealth is also important to them.

The top three words women of all ages and lifestages associate with wealth are: security (54% of women), freedom (39%) and stability (39%).

Generally speaking, women face a different set of financial and life challenges to men: gender pay gap, the need for flexible working conditions, maternity leave and a longer life expectancy. As a result, financial success to them is about having enough money, whether that be for a comfortable retirement (51%), for unexpected events (53%), to provide for family and loves ones (43%) or for a holiday (39%).

For women who are working or have greater household wealth, an additional success criterion is being able to retire when they want (36% all women vs. 51% of women households earning $150k+ vs. 41% women employed) or to work when they want (28% all women vs. 43% of women households earning $150k+ vs. 37% women employed).

For many women these goals are largely being met, with over half (56%) saying 'My finances allow me to do the things I want and enjoy in life,' and over half (55%) saying 'I feel confident that I can achieve my financial goals', which is even higher (70% feel confident) for younger, under 27 year old Gen Z's.

However, for those aged over 50, over half (53%) are not particularly prepared for retirement, with the majority (74%) of single women aged 50 years and above not prepared at all.

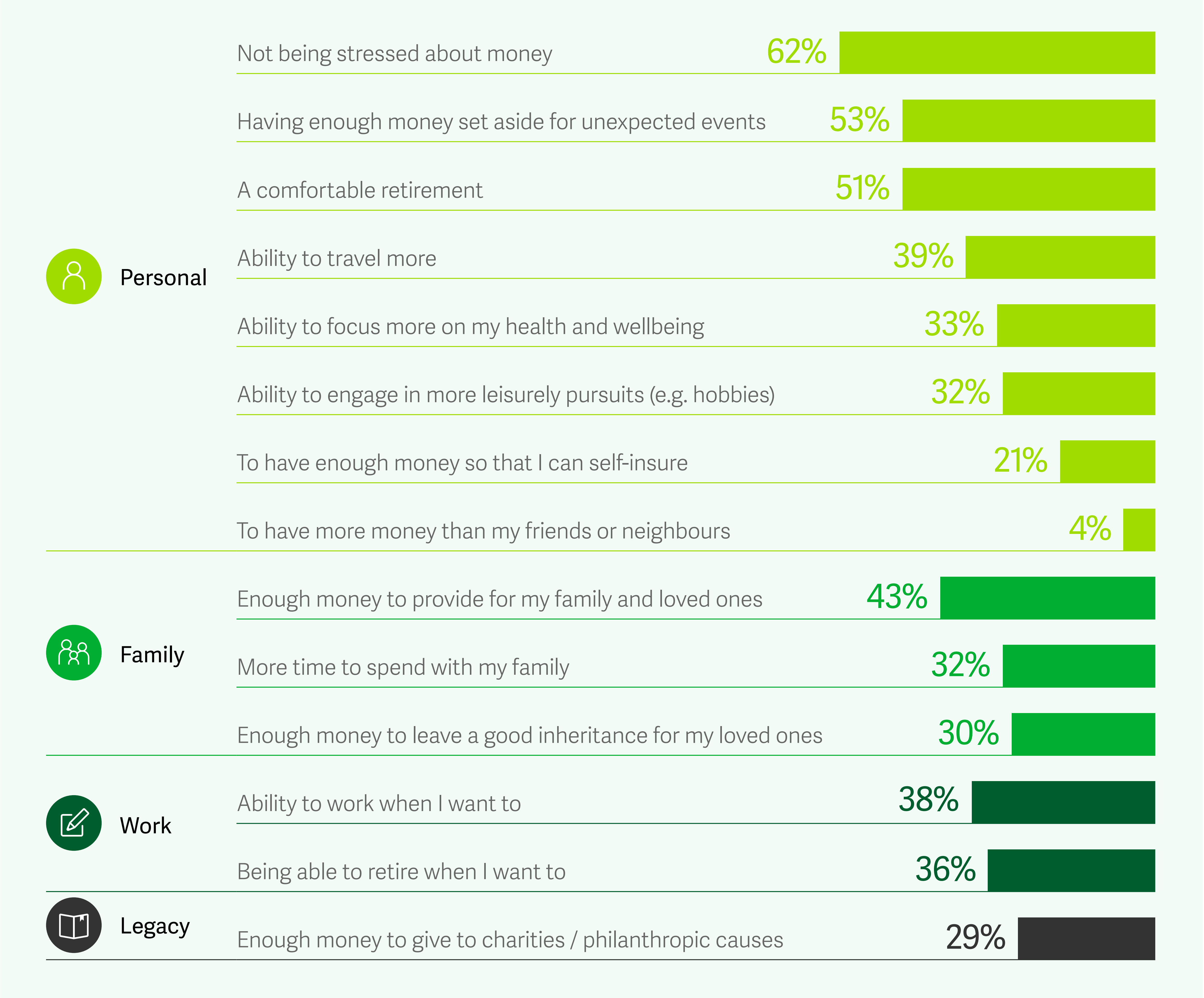
Although not as an important measure of financial success, it is interesting women are more likely than men to say financial success is allowing them to 'focus more on their health' (33% vs 25%).

Finally, six out of ten (62%) women tell us that financial success is not wanting to be stressed about money.

#action

Wealth professionals need to recognise that for many women, wealth is a means to achieving a number of goals, not just a goal in its own right.

Which of the following demonstrates what financial success looks like for you?



Finances cause stress for many women

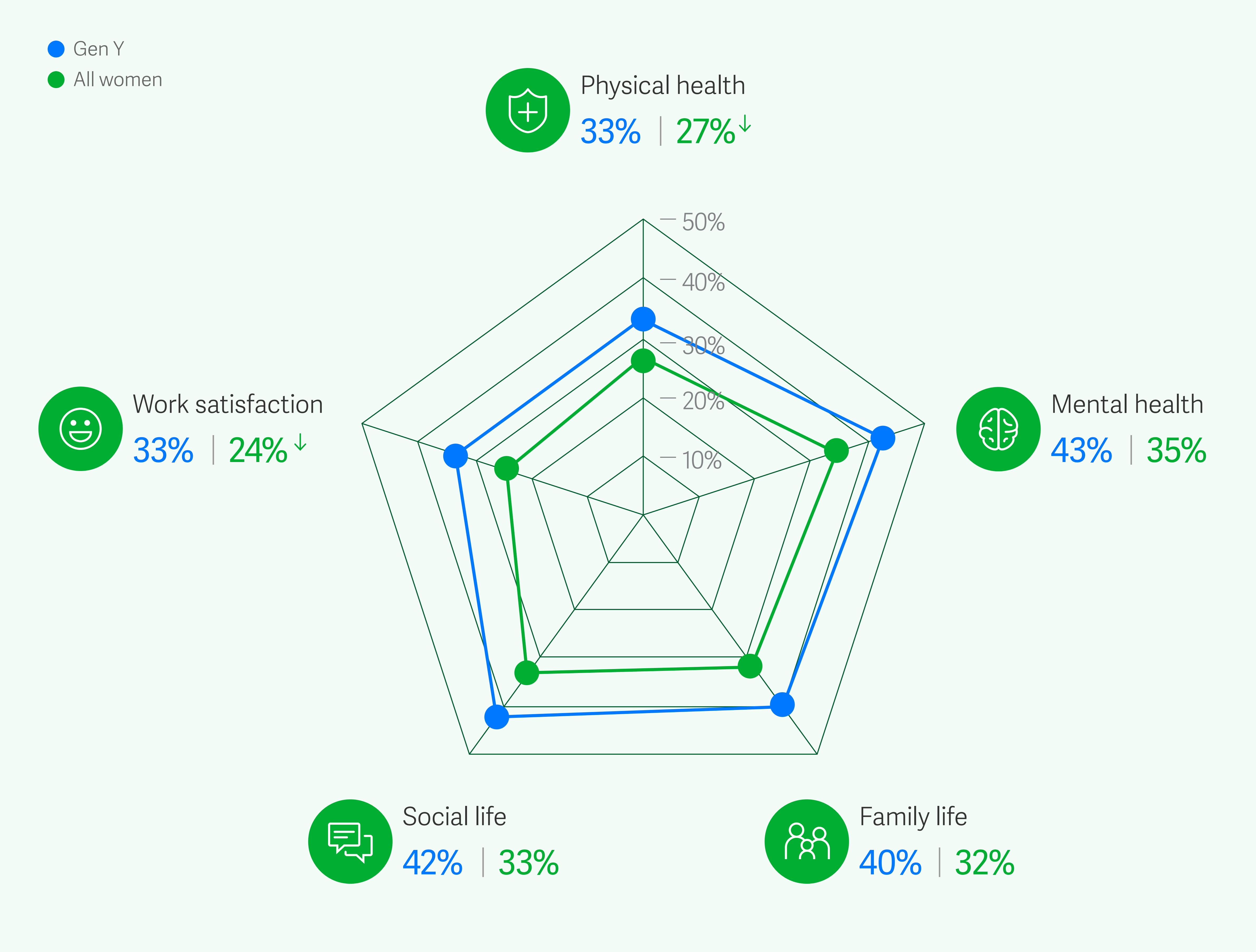
Although many are confident in achieving their financial goals, over half of all women (53%) worry about money daily or weekly.

Interestingly, while affluence (or improved wealth) seems to have little impact on this, older generations of women worry less about money, with four in ten (40%) Baby Boomers and only one in three (30%) retirees worrying about it on a daily or weekly basis. Males also tend to worry less on a weekly basis (37%). Not surprisingly those women who are not working, tend to worry more (63% worry weekly or more).

This financial stress often permeates into a woman's health, family, social and working life. One in three women reported it has had a severe impact in the last three years on their physical or mental health, family or social life and work satisfaction, again with affluence not really impacting this.

Younger Gen Z and Y report their mental health has been even more affected than women in general (43% have had severe impact on their mental health in last three years due to finances). Also more Gen Ys report finances have had a severe impact on their family life (40%) as well as their social life (42%).

Have you had severe impact to any of the following in the last 3 years, due to financial issues?



#action

Wealth professionals play an important role in helping to manage these real-life stresses, by demonstrating empathy and in showing how their services can provide greater peace of mind.

How women manage their investment portfolios

Part 2

Women are not confident in achieving their investment goals

While women are confident managing their day-to-day finances, they are less so when it comes to investment activities, seeking support in different degrees from partners, professional service providers or in the case of the younger generations, their parents.

Women in general across all ages and life stages see the main reasons for investing as a long-term wealth building exercise (47% of them), to have an additional income stream (45%), to put their money somewhere other than in the bank (34%) and to leave something for their family (31%). Of interest, they are significantly less likely than males to invest as a hobby (13% vs 27%).

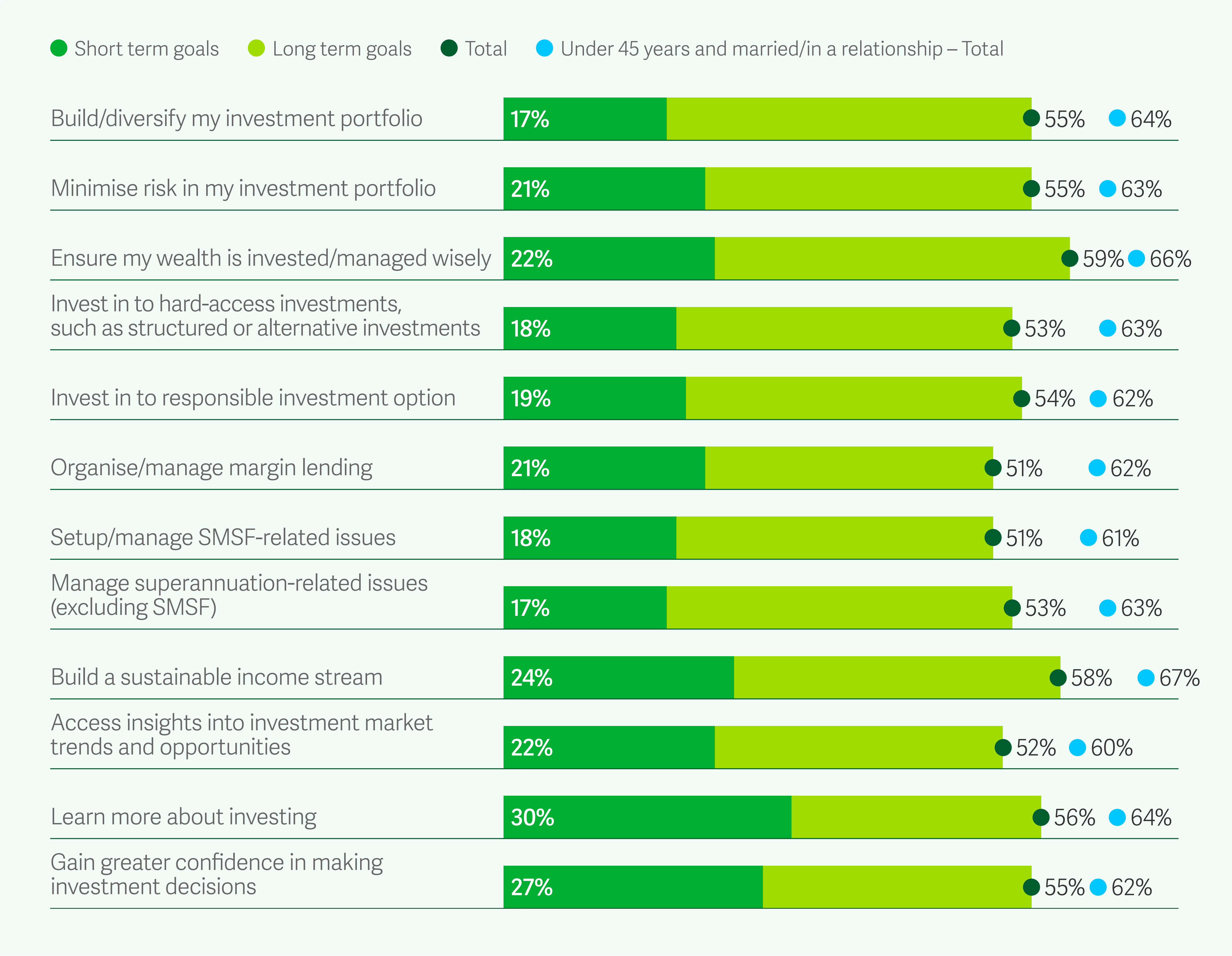
Specifically, around half of all women have several short and long-term investment goals. These include building a sustainable income stream (58% of them), build/diversify their investment portfolio (55%), and ensuring their wealth is invested/managed wisely (59%).

They also include minimising risk in their investment portfolio (55%), investing in hard to access investments such as structured or alternative investments (53%) and managing superannuation (non SMSF) related issues (53%). Women under 45 years and who are married or in a relationship are more likely on the whole (around six in ten) to be actively looking to achieve these goals.

#action

Our research however highlights something quite concerning: less than one in five women feel very confident about achieving these goals. This highlights the need of a financial adviser as coach and support.

Which of the following financial and wealth goals are you actively working towards in the short term (less than five years) and long term (five years plus)?



Financial literacy and investment confidence in women

Women are much less likely than males to agree with the statement 'I feel confident in making decisions about my investing activities' (42% v 62%), while a further quarter (23%) 'are not confident at all'.

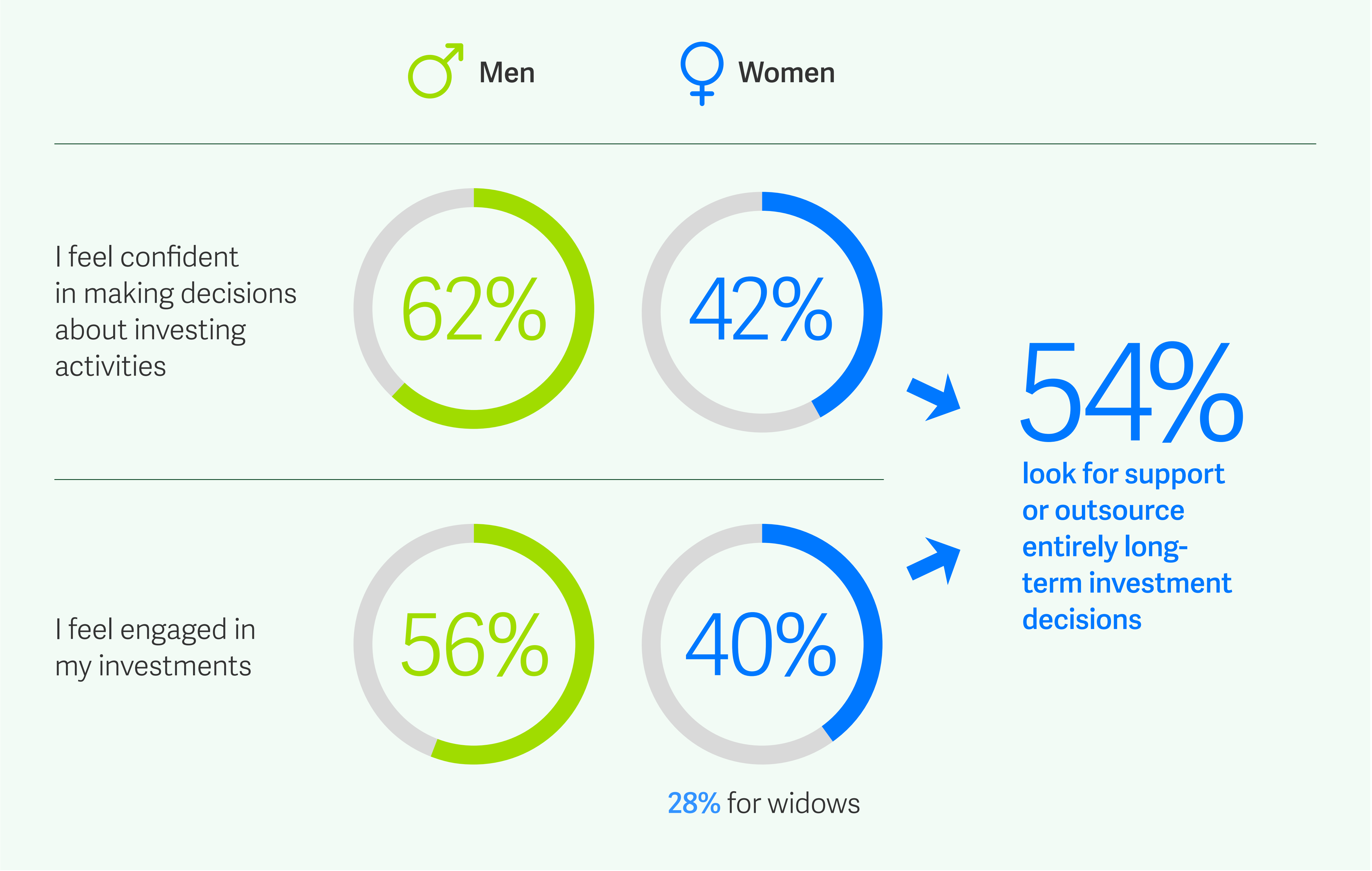
They are also less likely than males to 'feel engaged with their investments and investing activities' (40% vs 56%), with a quarter (23%) not engaged at all. Widows are even less likely to feel engaged in their investments (28% are engaged).

This could have something to do with the fact that approximately only two in five rate their understanding of financial concepts such as the relationship between risk and return as good or very good, while even less rate their understanding of the different types of investments available or concepts of asset allocation as good or very good. These figures are about 30% lower than their male counterparts. That said, women who have a Degree/Post-Grad qualification or those married, typically demonstrate higher levels of financial literacy.

Looking for help in decision-making

A likely result, over half of women look for support when making investment or other major decisions. Our research suggests over half (54%) look for support or outsource the decision entirely when choosing long-term investments like superannuation or starting a share portfolio, and over half (57%) when making major financial decisions like buying a house or investment property. Typically, they will rely on their partner or in some instances a professional service provider. Gen Z women need even more support, typically from their parents, as do those who are widowed or separated/divorced, who frequently rely on their children and friends.

Confidence and engagement in investment activities by gender



Women want to increase their financial knowledge

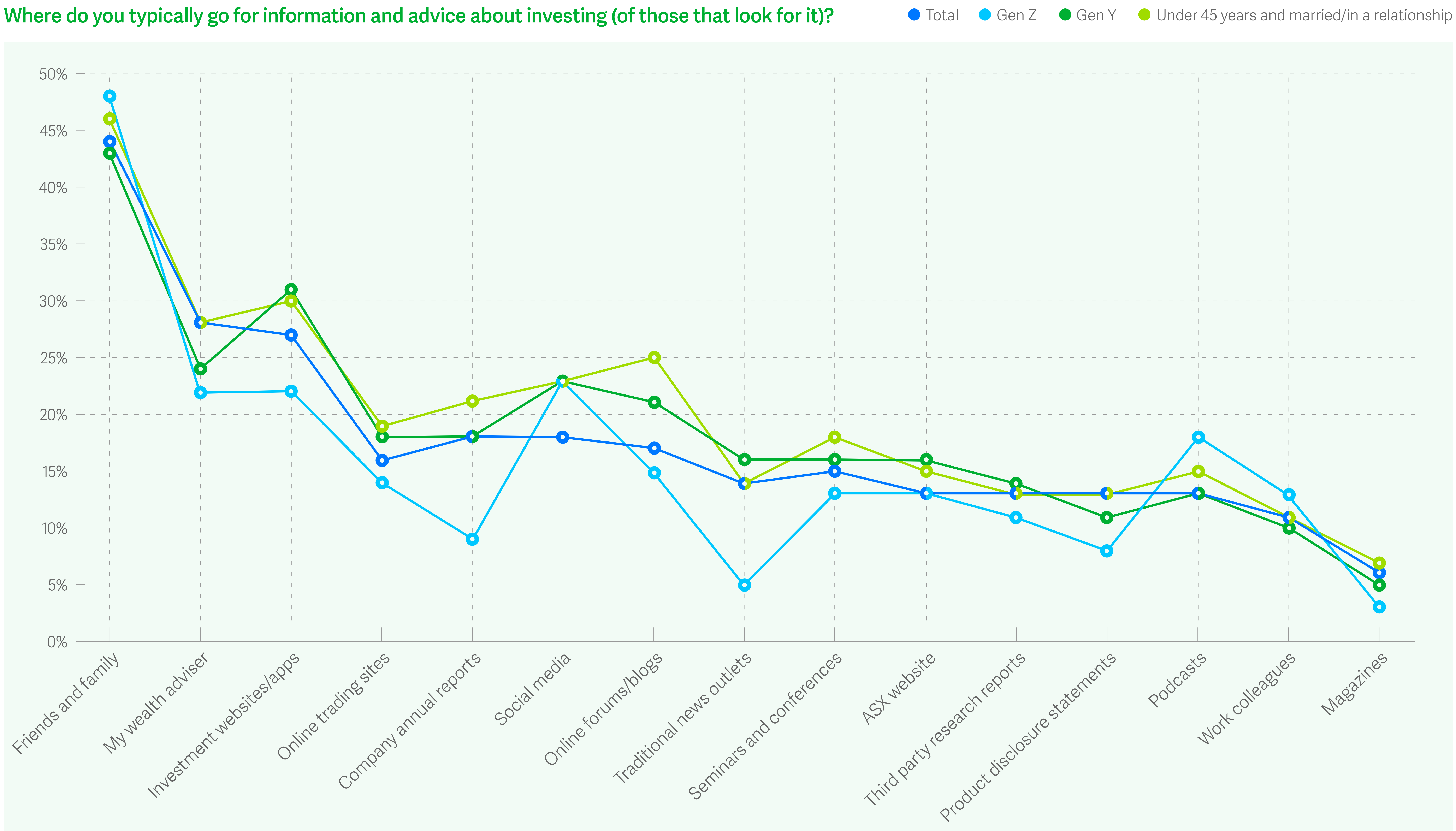
Women are willing learners, with over half (57%) agreeing 'I'm eager to learn about money matters', particularly younger Emerging Affluent women (84% of them).

Today, women use a variety of sources for advice about investing including their networks of friends and family (44%), their wealth adviser (28%) or from specialist investment websites, blogs or podcasts (27%). Of note, Baby Boomers and older women are less likely to use online sources, whilst not surprising, younger women will also use digital sources, such as podcasts or online forums.

#action

Wealth professionals have an important role to educate and help women build trust in their own financial literacy. They should look to be the 'source of truth' for investment insights helping to remove the noise and inconsistencies from the many information sources available today.

Where do you typically go for information and advice about investing (of those that look for it)?

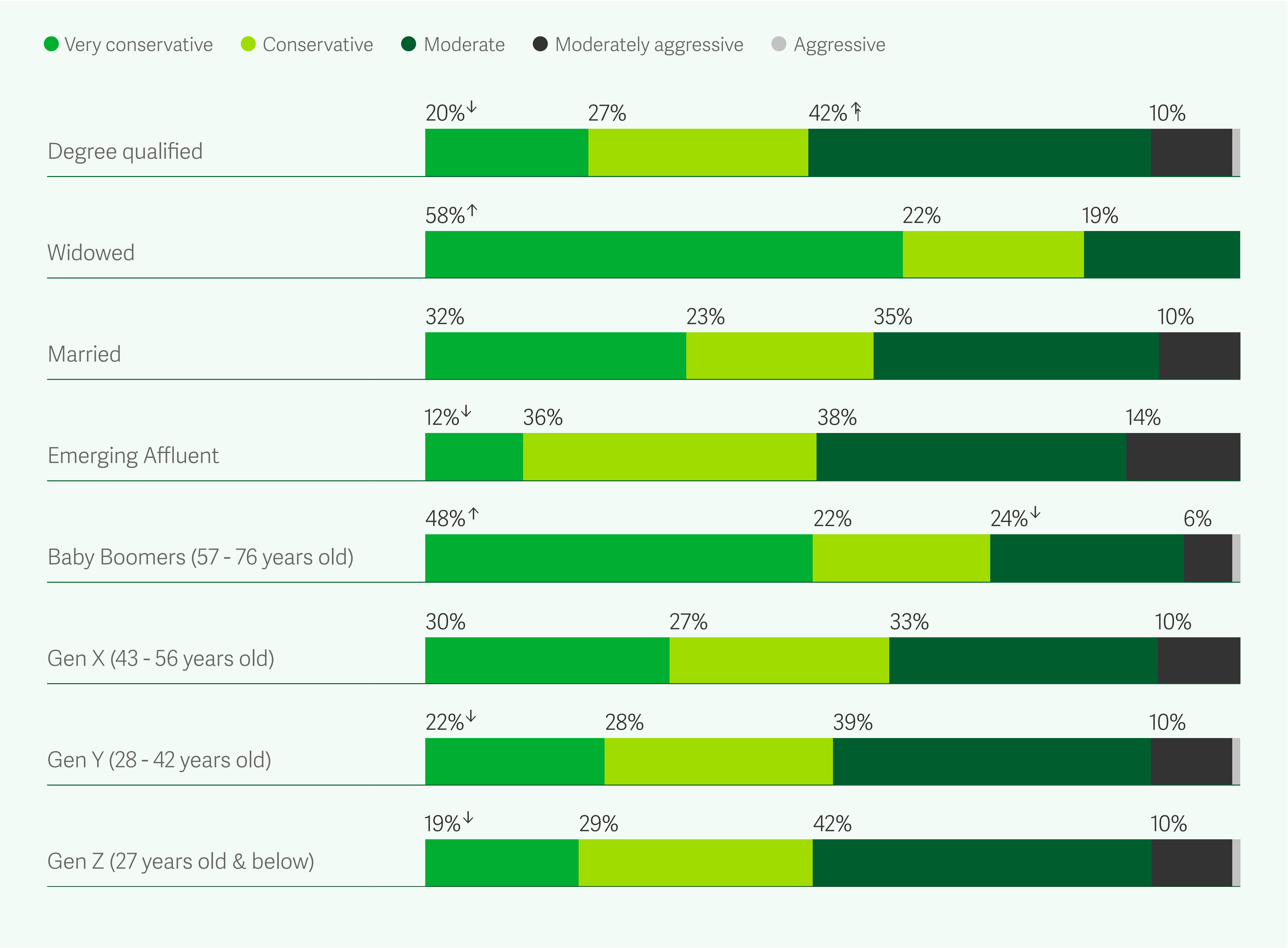


Women tend to have a conservative risk profile, unless they are younger

Women tell us they are largely conservative investors, with one in three (31%) claiming they are 'very conservative – avoiding any exposure to risky assets', a further quarter (26%) saying they are 'conservative – looking for guaranteed returns with minimal exposure to risky assets', and another one in three (33%) identifying themselves as 'moderate – looking for stable and reliable returns without much risk'.

However, this conservativism shifts with both age and education. We find that Gen Y and Z prefer more risk being more moderate investors (42% and 39% respectively), as do those with a Degree (42% are moderate). Older Baby Boomers are at the opposite end of the spectrum and are very conservative (48% avoiding any exposure to risky assets) as are those women who are separated/divorced (42% very conservative) or widowed (58%).

How would you best describe yourself as an investor?



Women invest in commonly known asset classes

Two in three (64%) women prefer to invest in more commonly known and available investments, creating a significant skew in their portfolio to asset classes such as Australian equities (17% currently invest in them), term deposits (15%) and residential property (14%), with a quarter (23%) of their portfolios sitting in cash.

Other asset classes they invest in include cryptocurrencies (11%), managed funds (10%), property/real estate trusts (9%) and ETFs, managed accounts and gold (8% each respectively). More alternative asset classes such as private equity or debt, are held by less than 8% of all women regardless of their age or lifestage.

In comparison, women that use an adviser are less likely to have a portfolio that has an overweight in cash (17% of their portfolio in dollar terms vs 26% of those unadvised) and much more inclined to have greater investment across other asset classes, including more alternative ones.

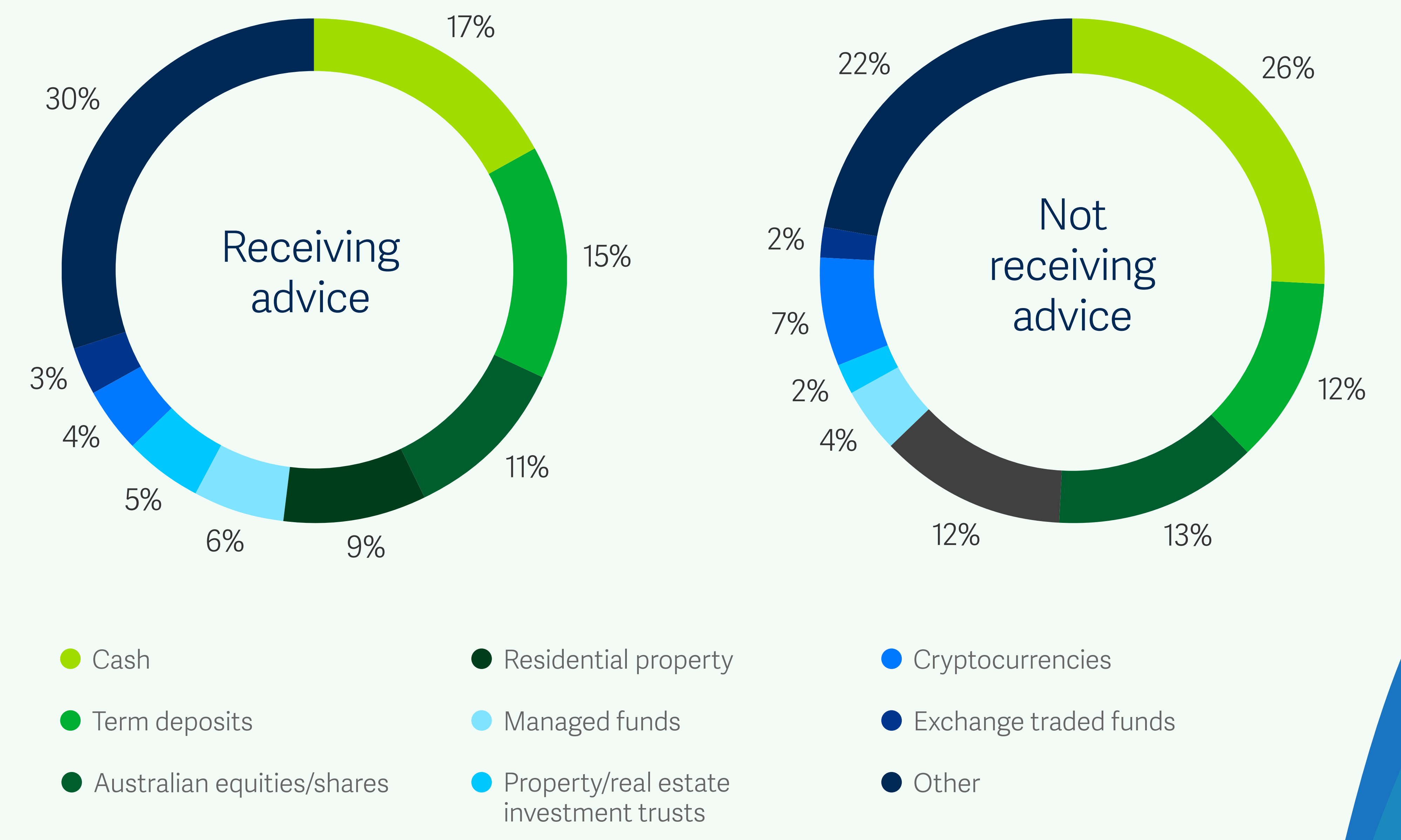
Our research has however indicated that despite their current investing behaviours, women are open to other types of options, with around half of them, and around seven in ten Gen Y and X, saying they would consider investing in other asset classes (from commonly known ones to more exotic ones), particularly if they had a better understanding of them.

#action

Wealth professionals should look to educate their clients more to help them understand the benefits of diversification, proper asset allocation and the variety of asset classes available to them to help meet their short and long-term investing goals, particularly for older women.

However, a conservative approach favouring more commonly available options is not entirely bad as long as it is diversified, so encouraging women to invest in more alternative style investments may not even be necessary.

% allocation in dollar terms of their investment portfolio for those women...

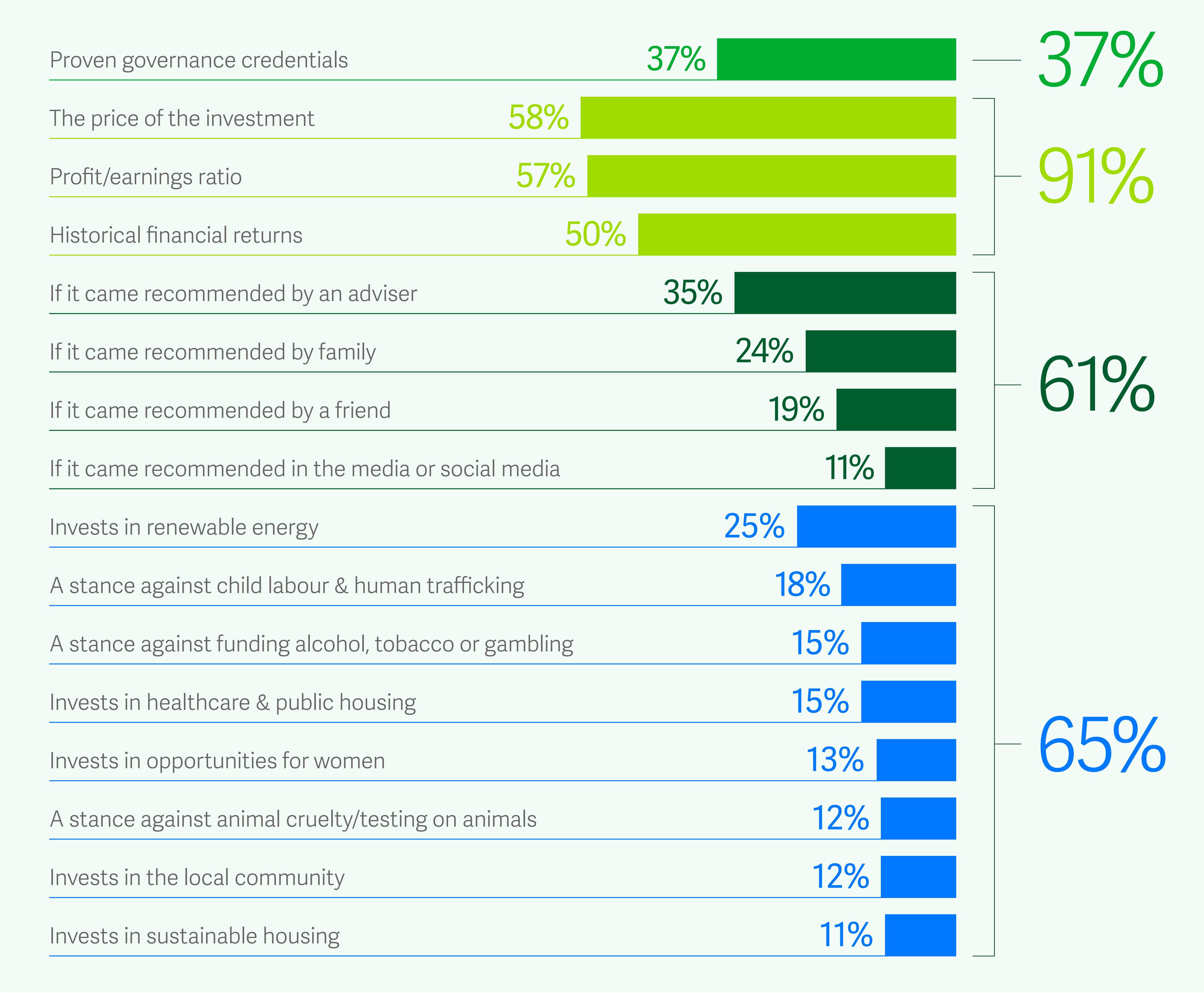


ESG goals are an important consideration for women

Despite their financial literacy levels, women like to use financial criteria such as the price of the investment (57% of those that invest use this criterion), P/E ratios (57%) and historic financial returns (50%) when choosing an investment.

However, ESG factors are also important, with one third (37%) of women expecting 'proven governance credentials' in their investments. Two in three (65%) also identify the 'E' and 'S' as important, indicating the following rating attributes of the investment as important: 'Invests in renewable energy' (25%), 'Invests in healthcare & public housing' (15%), 'Takes a stance against child labour & human trafficking' (18%), 'Takes a stance on funding alcohol, tobacco or gambling' (15%) and 'Invests in opportunities for women' (13%).

Which of the following attributes are most important to you when choosing an investment, you may choose up to five (of those currently investing)?



#action

It goes without saying, that understanding women's investment goals and the specific life goals they want to achieve are critical in meeting the investment needs of women. Take two women nearing retirement – one wanting to spend her time travelling the world regularly, the other interested in supporting her grandchild's new start-up. Or consider a household where the husband and wife don't see eye-to-eye on investment risk. These are important conversations to not only have, but to appreciate they may shift the advice discussion and provide for improved outcomes.

Investing responsibly for the good of society and the world

Over half of women care deeply about environmental issues (59%) and social issues (54%), which skews higher for female Emerging Affluents (70% and 66% respectively), yet only a quarter of females (24%) currently hold responsible investments in their portfolio, with young Emerging Affluents significantly more likely to do so (44% hold).

This looks set to grow, as two in three (67%) women not holding responsible investments report they would consider this type of investment if they didn't need to pay more, sacrifice returns (or if returns were better) or the investment made a quantifiable difference to the environment or society.

Those women holding a Degree are more likely to consider (82% not investing in them would consider them), as are the female Emerging Affluent (85%).

On the flipside, those less likely to consider responsible investments are Baby Boomers (52% not investing in them would consider) and women over 45 years married or in a relationship (59%).

Also supporting this growth is three in five (64%) women who either currently hold or previously held responsible investments, plan to allocate more of their portfolio to them in the next 5 years.

#action

Many women look to invest in line with their values, so they may favour investments that not only perform well but also create a positive impact, as opposed to investing solely for performance alone.

Wealth professionals should investigate the different responsible investment options available and develop a philosophy and position so they can then offer them to their clients.

Further, their appetite for reporting on responsible investments goes beyond financial reporting, with four in five responsible investor women indicating they would like periodic reporting on the 'quantifiable environmental or social impacts achieved by the responsible investment/s'.

Women's wealth goals beyond investing

Part 3

A focus on the day-to-day

A woman's desire for security, freedom and stability is likely to influence her willingness to plan and set other wealth goals, however factors such as relationship status, age and affluence may impact the ability to stay motivated to achieve these goals.

Most women (75%) are confident they can manage their own day-to-day finances, and when making daily money decisions, such as managing the daily budget, most (64%) will not rely on others.

However, younger Gen Z women will be less likely to rely on themselves (45%), whilst widowed (89%) or separated/divorced (87%) women will be more likely to be self-reliant.

Which of the following financial and wealth goals are you actively working towards short term (less than five years) and long term (five years plus)?

	All women 18+			Single (under 45 years old)	Single (over 45 years old)	Married/in a relationship (under 45 years old)	Married/in a relationship (over 45 years old)	Emerging Affluent
	Short-term	Long-term	Total					
Managing household expenses	39%	22%	**61%**	55%	59%	67%	60%	75%
To save for something substantial (e.g. house deposit)	22%	35%	**57%**	58%	43%↓	67%↑	53%	75%↑
To save for something less substantial (e.g. holiday, car)	36%	22%	**58%**	57%	45%↓	66%↑	56%	78%↑
Create and stick to a budget	35%	25%	**59%**	60%	48%	66%↑	57%	78%↑
Manage debt, including my mortgage	29%	27%	**56%**	55%	40%↓	66%↑	55%	73%↑
To have a passive income stream	25%	32%	**57%**	59%	43%↓	65%↑	53%	75%↑

Only 1 in three (35%) feel very confident about achieving these goals.

Budgeting is still a priority

Around three in five have unmet budgeting and savings goals

Many women are actively saving in the short and long-term – whether that be for something substantial, e.g. house deposit (57% of females) or something less substantial, e.g. holiday or car (58%). To achieve this, they recognise budgeting is important, with almost three in five (59%) actively working on creating and sticking to a budget or managing their debt, e.g. mortgage (56%).

For those single women over 45 years, they are less likely to have savings and budgeting goals, whilst those married or in a relationship and under 45 years, are more likely to have them.

Half of women are actively arranging or reviewing their insurance

Today, like many Australians, only one in three women (34%) have any type of risk-based insurance (life, income protection, TPD, etc.), which is lower compared to males (46%). As expected, the older they get, the less likely they are to have insurance.

Encouragingly, more than half of women (56%) are actively working towards arranging or reviewing their insurance, yet less than one third (29%) of those say they are very confident they will achieve this goal.

Among women who have savings and budgeting goals, only one in three of them (35%) are very confident in achieving them.

Which of the following financial and wealth goals are you actively working towards short term (less than five years) and long term (five years plus)?

	All women 18+			Single (under 45 years old)	Single (over 45 years old)	Married/in a relationship (under 45 years old)	Married/in a relationship (over 45 years old)	Emerging Affluent
	Short-term	Long-term	Total					
Ensure my family could manage wealth if I got sick/pass away	21%	37%	**58%**	57%	49%	66%	56%	75%↑
Estate planning/ transfer of wealth planning to the next generation	18%	38%	**56%**	53%	46%	64%	55%	73%↑
Set up/manage family office services	16%	35%	**51%**	50%	34%↓	63%↑	47%	73%↑
Ensure there is enough money to pay for children/grand-children education	17%	37%	**53%**	52%	38%↓	64%	50%	74%↑
Manage aged care issues	15%	42%	**57%**	55%	48%	63%	55%	70%
Arrange/review insurance	33%	23%	**56%**	54%	47%	64%	53%	75%↑
Start/manage charitable/philanthropic activities	20%	32%	**52%**	53%	38%↓	61%↑	48%	73%↑

Less than one in three feel very confident about achieving these goals

#action

Although most women say they can manage their day-to-day finances, it appears they aren't putting enough aside for those little or big luxuries. Wealth managers should work with those women, particularly the younger families, to help free up some cash through more medium to long-term cash flow planning.

Family and legacy planning

Earlier we saw that financial success for women includes being able to provide for their family and loves ones (43% of females).

More specifically, around half are actively (in either the short or long-term) engaged in estate planning for the next generation (56%), ensuring their family could manage if they got sick or passed away (58%) or ensuring there is enough money to pay for children/grand-children's education (53%).

Perhaps not surprising, the wealthier women are, the more likely they are to have these goals, and for some this extends to a desire to set up a family office.

Women are also supportive of doing good with their wealth beyond their family and leaving a legacy, with almost half of women (52%) looking to invest more in their charitable/philanthropic activities. This skews higher for married women (62% of them) and Emerging Affluent (77%).

For all women who have these goals, less than 20% are very confident in achieving them.

#action

Not surprisingly women of all ages have a variety of goals that go beyond investing, yet in most instances they are not confident in achieving them in the short or long-term.

Wealth professionals are clearly well placed to support their needs, but for some, they will need to broaden their offering to extend to family and legacy planning.

This is particularly relevant to segments such as divorcees that may have a broader range of wealth goals. Wealth professionals could look to offer a holistic (one-stop-shop) service that brings in the expertise of a range of professionals including divorce lawyers, real estate agents, estate planners and accountants.

The service model for women clients

Part 4

A growing number of women are considering financial advice

When servicing women, it's important to look beyond the actual advice you provide and think about the service model. Whether they are married or not can influence the conversations you have, their age might influence how digitised your service offer is and their desire for outsourcing vs. coaching will change the service model too.

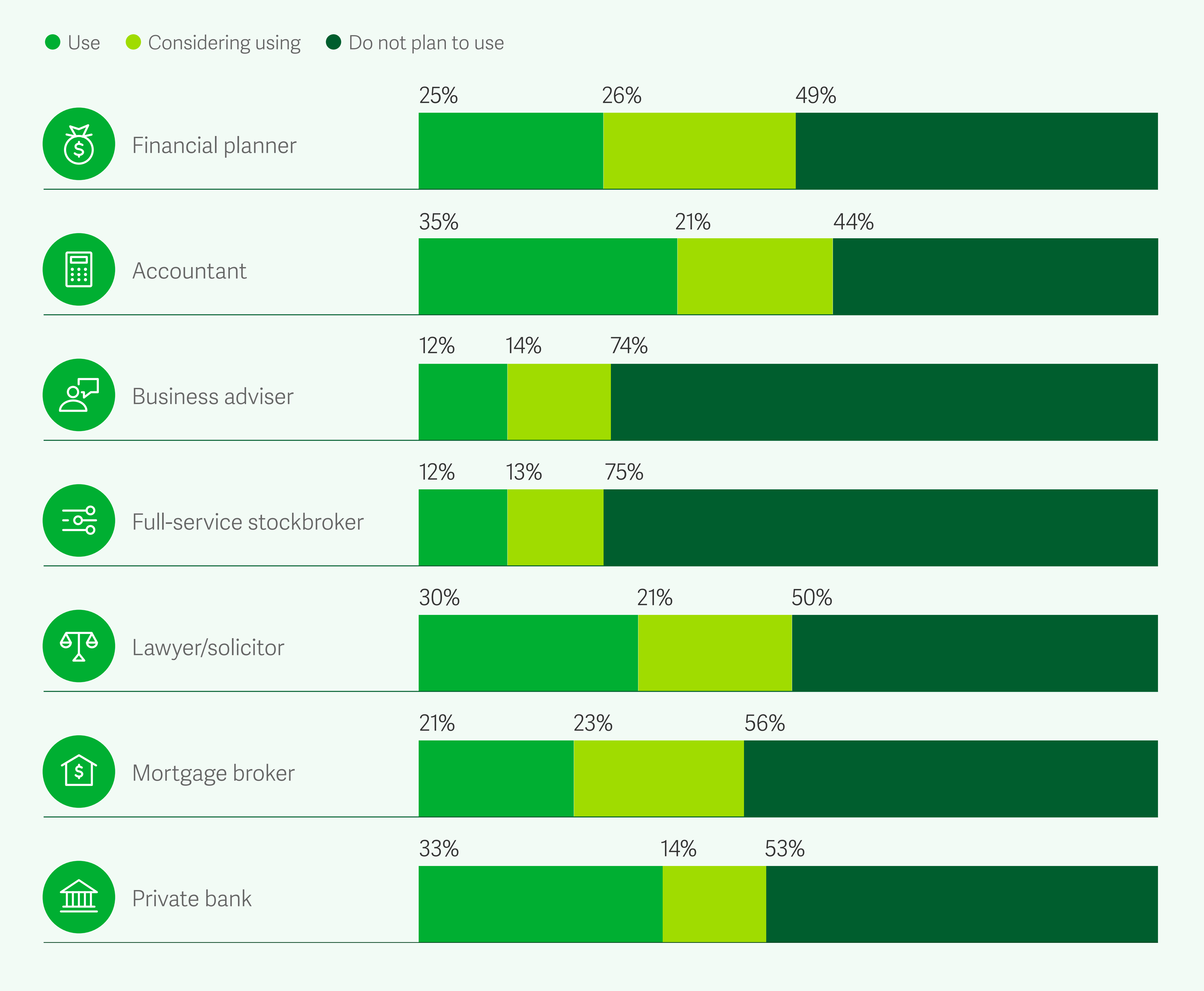
Women use financial advisers slightly less than they use other mainstream professional service providers highlighting the opportunity for wealth professionals. We found a quarter of women (25% or 3.5 million) use a financial adviser, which is lower than their use of accountants (35%), lawyers (30%) and private banks (33%).

Even more promising for the industry is a further quarter of women (26% or 3.5 million) are considering using a financial adviser, and almost one in five (17%) tell us they are planning to use one in the near future.

Not surprisingly, age, life stage and affluence affect the usage and consideration of financial advice.

For example, younger Gen Z and Y women are even more likely to consider a financial adviser (37% and 30% respectively), as are those in a relationship/ married (26% with 18% in the near future), those employed (32% use and 30% considering) or those women who are running a business or are self-employed (48% considering). Emerging Affluent women are also more likely to use (32%) and consider (34%), however single women over 45 years are less likely to use one (61% would never consider one), as are retirees (65% would never consider one) and widowed women (75% would never consider one). Interestingly, men are significantly more likely to use a financial adviser than women (35% use vs 25% female).

Which of the following do use for your personal/business financial advice?



Look to overcome any deep-seated biases

To coach or do it for them?

For those women who currently use advice, they want their financial advice relationship to be either coach, where they partially rely on their adviser to explain things or provide information or high level ideas (51%), or as a critical source of support where they outsource mostly everything to their adviser (49%).

#action

It is important for wealth professionals to ask their female client, rather than assume, whether they want a coaching relationship or want to outsource their entire affairs.

Treating families different to single women

Given around 4 in 10 women 18+ are married, wealth professionals are regularly dealing with household wealth rather than an individual's wealth. The remainder who are not married are often under-represented in terms of income and overall household wealth, compared to single males ($47,425 vs $81,228, $685,456 vs $1,049,875 respectively).

When working with a household it is important you talk to both people, not just the dominant voice (which can often be the male) and personalise the communication, education and service to both parties – without leaving one out. When dealing with a single woman you normally only personalise the experience for one.

Although our research does not fully address this, a US based BCG survey[3] in 2020 indicated that one in three (30%) women receiving advice said their relationship manager 'spoke to them differently because of their gender' which can undermine the relationship by not treating everyone equally.

#action

Wealth professionals need to create a culture that weeds out any deep-seated gender biases, deleting any outdated assumptions they may have about what women want. Senior leaders and relationship managers need to examine themselves to be sure their unconscious biases are not getting in the way.

Consider hiring more women to help with this – at all levels, creating a more consciously inclusive workplace. Also consider diversity education for your staff (which should extend beyond gender topics into things like cultural diversity).

3 www.bcg.com/publications/2020/managing-next-decade-women-wealth

Client experience is as important as the quality of your advice

Financial advice is about the experience, not just the quality of the advice itself.

Almost all women (81%) who use an adviser today say the client experience and service of an advice firm is as important to them as the quality of advice provided (84%) and its overall value for money (81%). However, it does not stop there, with around seven in ten women expecting their advice firm to be an educator, to provide a personalised service, to have strong digital and technology capabilities and to offer a breadth of services. Almost half of women expect a financial advice firm to play a role in the community and have some level of positive environmental impact.

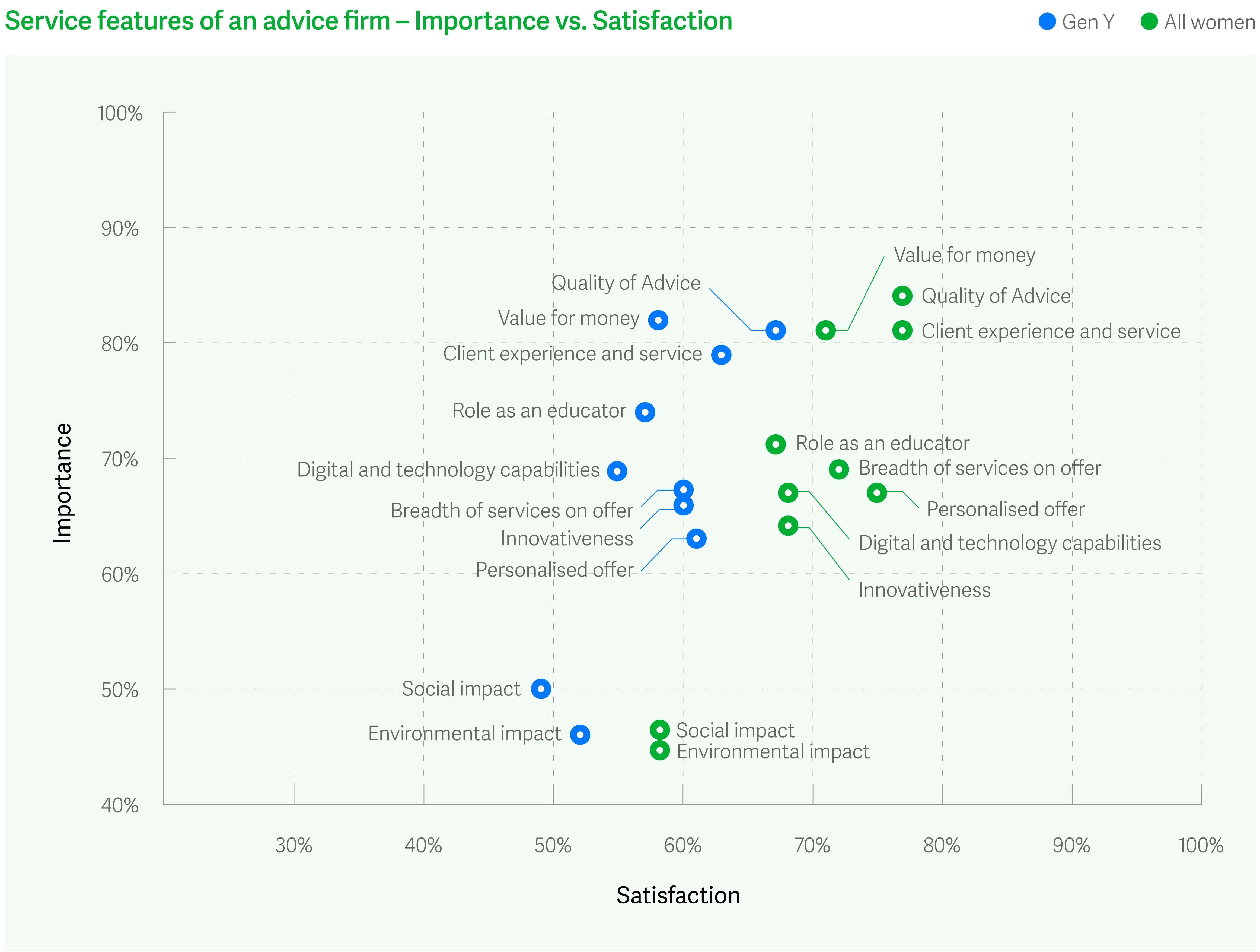
Currently, financial advisers are meeting the broad advice and service needs of their clients, with around seven in ten women who receive advice today indicating they are satisfied with the advice offered, the service model and its overall value. The two areas where advice firms have more work to do is in their community and their environmental impact, with only six in ten of those who are looking for this, satisfied on this aspect.

For those with Gen Y clients however, there is more to do, with satisfaction ranging from approximately five in 10 to seven in 10 for the above service factors. This likely reflects the higher demands and expectations of younger generations who have grown up with more instant gratification experiences delivered by technology.

#action

Wealth professionals need to focus as much on the quality of their advice as on the less tangible service aspects, such as the overall client experience which should be personalised to the client, educational and supported by a strong digital experience. For many, what you give back to the community and the environment will also be important.

Service features of an advice firm – Importance vs. Satisfaction



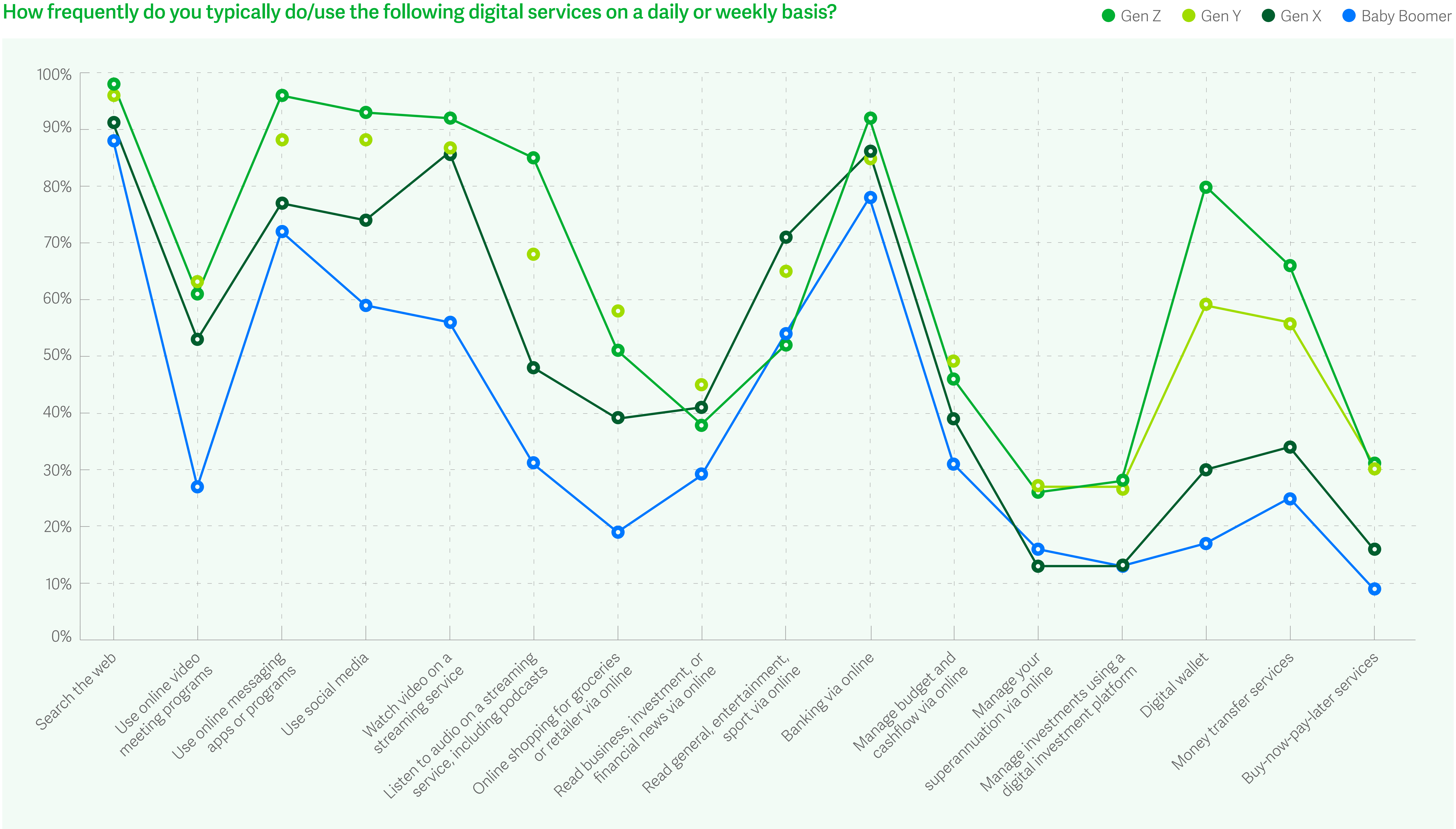
Building out digital service capabilities

Women in general are tech savvy, with one in five (20%) identifying themselves as early tech adopters and almost half (46%) saying they largely understand new technologies but wait for others to try them first.

Unsurprisingly, younger women under 42 years (Gen Z and Y) are more likely to be early adopters of tech having grown up with tech as digital natives (80% are either early tech adopters or largely understand new tech). Being employed and in the workforce with the expectation on many white-collar workers to use 'work' technology daily makes them also more likely to be tech savvy (78% are either early tech adopters or largely understand new tech).

Interestingly we found women in some instances use certain digital technology differently to males. For example, they are more likely to regularly use social media like Instagram or TikTok or online messaging apps like Facebook Messenger or WhatsApp than males. However, males are around twice as likely to regularly use digital wealth apps like their investment app or 75% more likely to use their super app – unless of course they are younger women, who are just as likely to use them.

How frequently do you typically do/use the following digital services on a daily or weekly basis?



Advice firms are rising to the digital challenge

According to Netwealth's 2022 AdviceTech Report, advice firms are rising to the challenge to make their client experience more digital.

#action

Wealth firms need to double-down on their digital experience. This will not be just limited to their online presence (website, social media, online content such as articles, podcasts and videos) but the actual digital advice offering itself – through the use of online meetings, digital signature tools, online fact-finds, client portals, digital document vaults, online calculators, and the list goes on...

Selected use of AdviceTech by wealth firms

AdviceTech Stars

A segment of advice firms that have better than average use of technology adoption and better business performance.

89% Use online virtual meeting technology.

42% Use client portals, with a further third (33%) planning to introduce them in the next 24 months.

60% Use of online fact-find tools increased.

↑ 38% of AdviceTech Stars in 2021

Overall Advice Firms

80% Use of online virtual meeting tech increased.

↑ 46% of firms overall in 2020

66% Use email campaigns and online newsletters as part of their hybrid communications strategy to help get their message out digitally.

68% Use of digital signature tools increased, largely due to a necessity to work remotely because of COVID-19.

↑ 56% of firms overall in 2021

Source: 2022 Netwealth AdviceTech Report

Marketing to women

Part 5

Marketing is part science, part art

Marketing is part science, part art. There is no silver bullet, and it takes time – trying new approaches and learning which tactics work best and those that do not. Often the hardest part for advice firms is to commit the time and energy. Marketing and attracting women through marketing activities will take the same effort of time and commitment, so we suggest you just start. Outlined in this section are some of the things you might want to consider as you build out your marketing plan.

#action

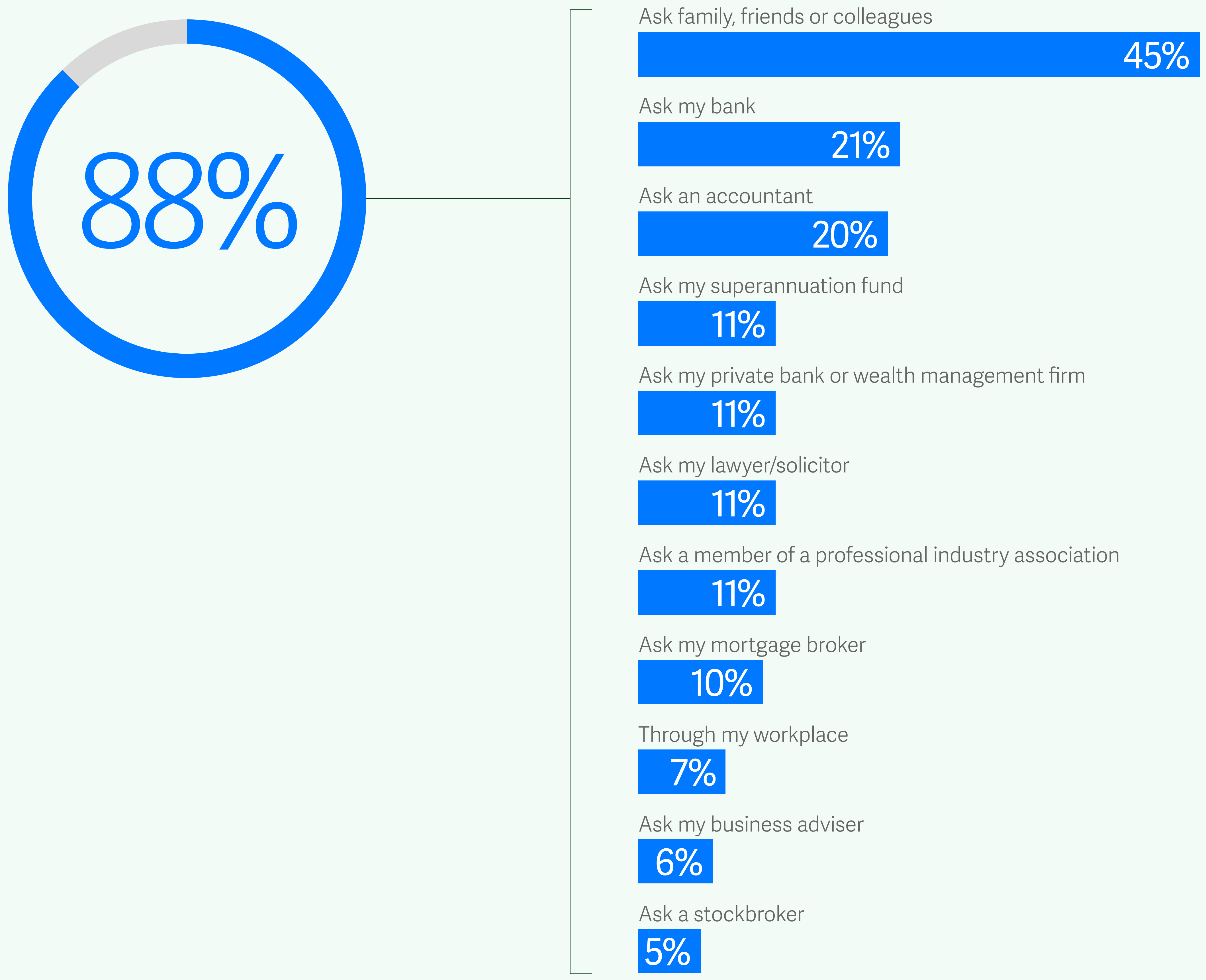
One tactic that might be relevant here in leveraging word of mouth is hosting an event. You may consider women-only events where they may be more inclined to ask questions and to engage with other women and advisers. However, this approach may not be suitable for other groups of women who are more experienced and confident in financial matters and who actually may prefer more inclusive male-female events, where they can learn. You can even involve local groups, corporate executives, and role models as guest speakers.

Women look to their personal networks for referrals

Of those women who use a financial adviser today or are considering one, almost (88%) relied/would rely on their personal networks in sourcing one, half (45%) will rely on their family, friends/colleagues, and and one in five (21%) on their banking relationship, or their accountant (20%).

Use their personal networks when looking to find a financial planner

Specifically, the personal networks they rely on are...



Digital marketing cannot be ignored

Although slightly less important, you cannot discount the importance of digital online sources as a lead source, with almost half of women (48%) using them to find an adviser. Not surprisingly, a Google search is the most common (26%) way for women to find a financial adviser followed by online ratings and review websites (20%), while some women also use online forums (11%) and social media (8%).

Your website will often be the next 'click' from a search or a review website, so it will then be important to have website messaging tailored to all of your audiences, including women.

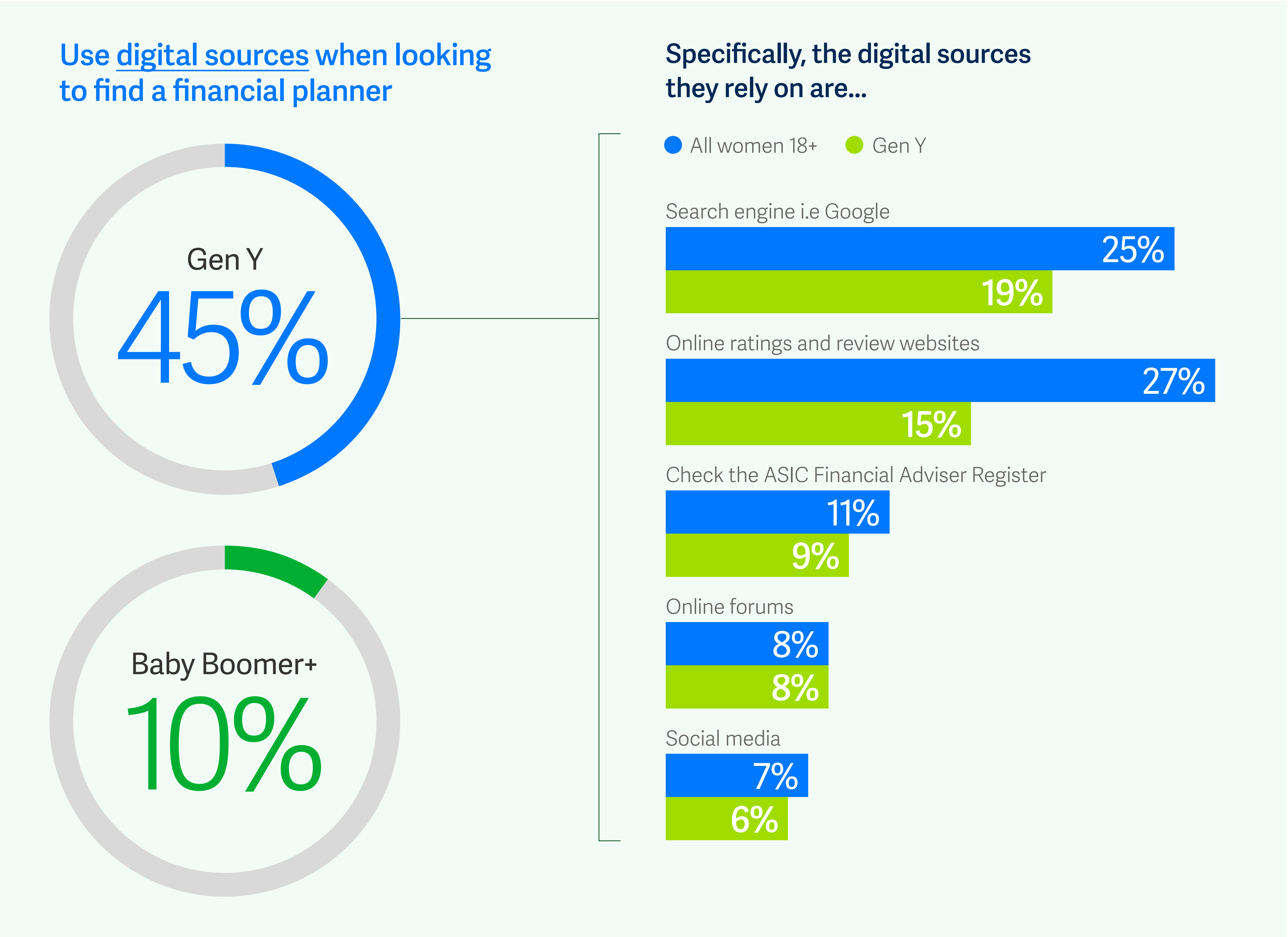
For those wealth managers wanting to build their strategy around social media, the best place to start is Facebook (79% of women use this), or YouTube (57%) for those with a video strategy or Instagram (53%). That said, LinkedIn could be useful too, as one in five (18%) women social media users would use LinkedIn if looking to find a financial planner, which grows to almost one in three (29%) Emerging Affluent social media women users.

We have found that most women (around 85%) will rely on their personal networks when looking to find a financial planner. However younger, educated or employed women will also rely on digital sources (albeit to a lesser extent). For example, almost half (49%) of women aged under 45 years and are married or in a relationship will use digital sources to find a financial planner.

Search terms used by women

For those wealth managers looking to build out their search strategy, it is worth noting the most commonly used search terms for over 25% of women are: financial planner/adviser or financial planner nearby (e.g. in Australia, near me, in local area).

Other 'long-tail' or less frequently searched (but still relevant) terms include: financial planner (specific to a need/s), independent financial planner/adviser, professional/experienced adviser, accredited financial planner, licensed financial planner, good financial planner/adviser, best rated financial planner/adviser, top financial planner, cheap/affordable financial planner/adviser, reliable financial planner/adviser, financial advice reviews and cost of financial planner/ adviser.



Convincing women of your value

Once a woman decides to get advice, you still need to convince them you are the right option for them.

Initially they will be looking to see whether they can trust you. One in three (32%) women considering advice say they would likely start receiving advice if they could find an adviser they trusted. Qualities like reputation, credentials (experience and qualifications) as well as if you have been recommended will go a long way in helping establish their trust.

One in three (33%) women considering advice also say they would likely start receiving advice if they had a better understanding of what it could do for them. This means as well as building trust, you will need to educate prospective clients on how your offer solves many of their known (and often unknown) wealth needs and goals.

Leverage content marketing

A tactic you could consider here is content marketing, that is the creation of articles, videos or podcasts that demonstrate your knowledge and expertise. You could even create a magazine for women that share their perspectives on wealth and finance. Topics to cover might include kid savings, wealth family planning, funding education, healthcare, retirement, and alternative investments.

By offering these free resources, women can engage with your business in their own time, get to know you and as a result hopefully gain the confidence in your service offering. When building your pieces of content, try to make them interesting whilst also being 'human' where you inject your personality into them.

Get social proof

Another tactic in demonstrating experience is through third party or external validation. In showcasing client case studies, external ratings and reviews, or even awards that you may have won, it may go a long way in building trust with your future female clients.

Tailor your language

A third tactic revolves around the language you use. As we have seen, financial success for females generally revolves around security, stability and freedom. You should look to approach a new relationship prioritising these aspects, speaking and understanding these things first to build trust in the relationship. Once these foundations have been established discussions about growth, a bigger house, holidays or status will flow naturally. Ask questions like: Do you regularly worry about money? Are the needs of your children met?

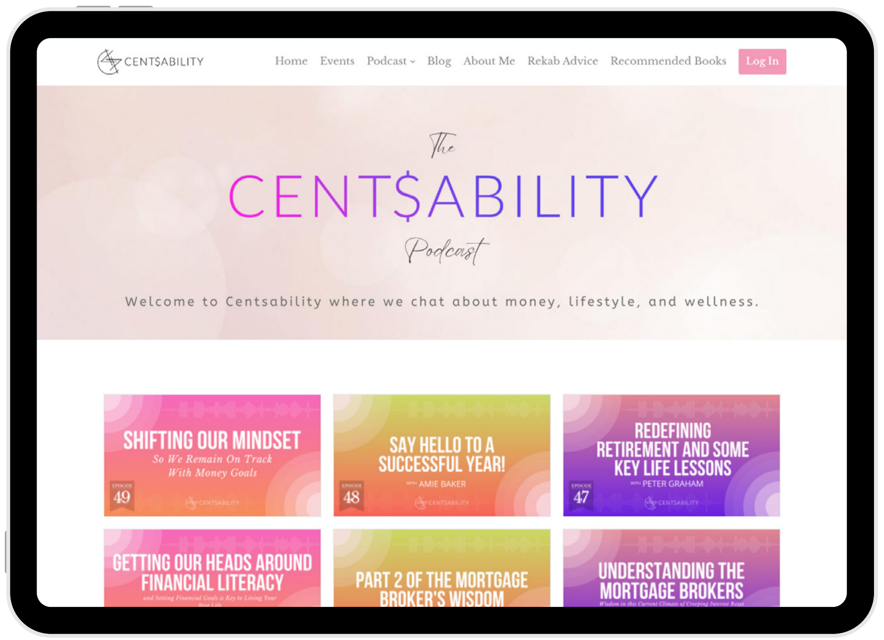
Resource:
Wealth firms targeting women

Here we have a selection of businesses that could be useful resources for financial advice firms when building out their value proposition and marketing strategies for women investors.

This is by no means an exhaustive list, nor an endorsement by Netwealth, and in some instances they might be users of Netwealth's products and services.

Rekab Advice and Centsability

Category: Financial advice and money coaching

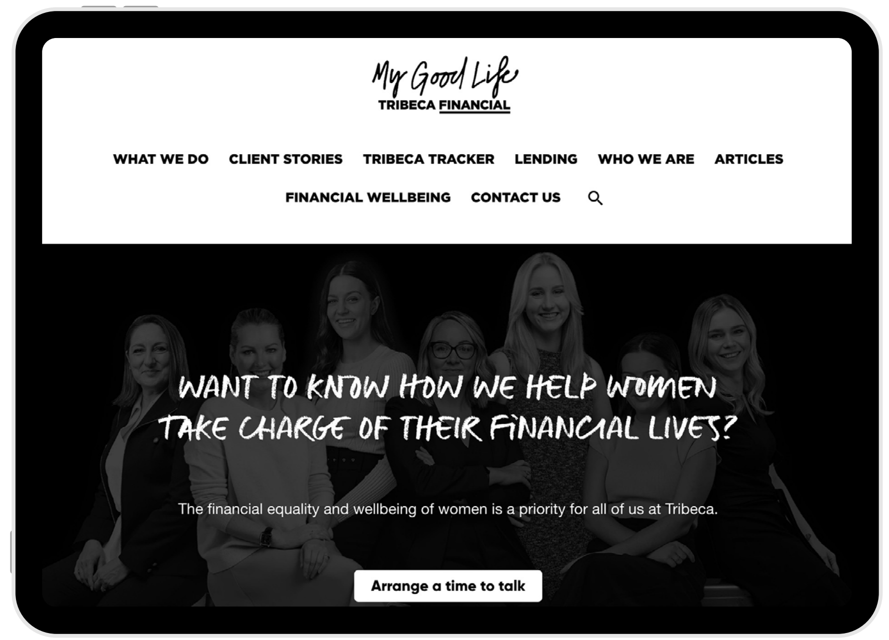


An example of a traditional financial advice (Rekab Advice) that has added money coaching services with its two podcasts, Centsability and Equity Gals.

Visit site

Tribeca Financial

Category: Financial advice

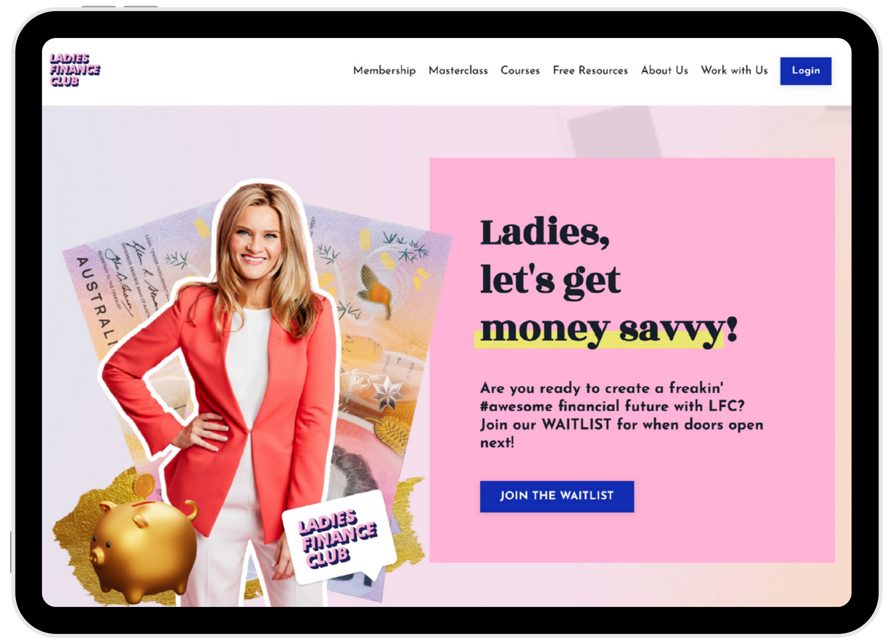


An example of a wealth firm that talks to all genders. It has a dedicated page on its website introducing the female members of its team, and amongst its service offerings are 'managing a divorce' and 'cashflow for families.' It has case studies showcasing women and families.

Visit site

Ladies finance club

Category: Money coaching for women

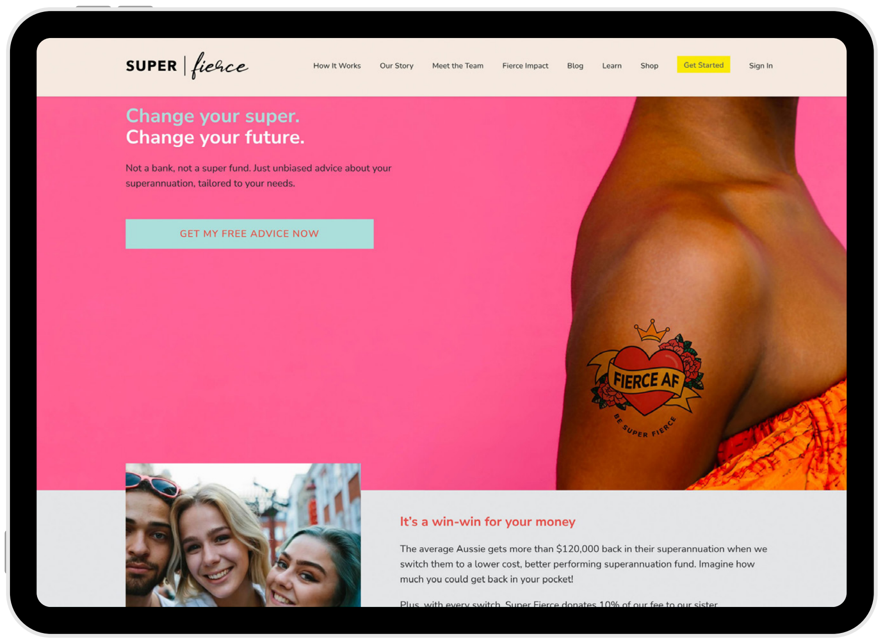


An example of a business that looks to increase financial literacy in women. It is a membership model where women have access to masterclasses, coaching sessions, summaries of finance books, as well as videos and sessions with experts.

Visit site

Super Fierce

Category: Financial advice for young women

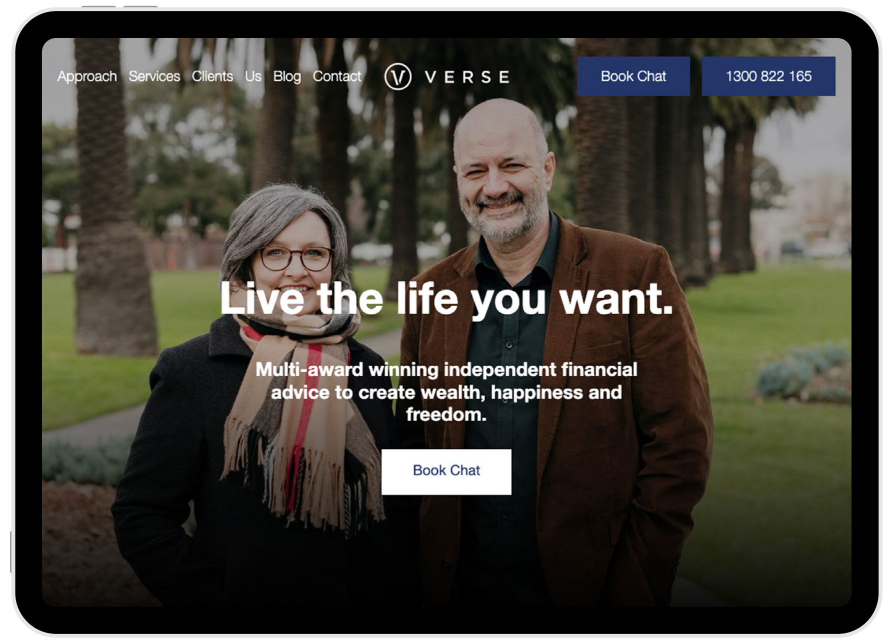


An example of a financial advice firm that has a very clear focus – young women and superannuation advice. Their offer is to help clients find the best super fund for their needs. They are also purpose-driven by looking to support women in need.

Visit site

Verse Wealth

Category: Financial Advice

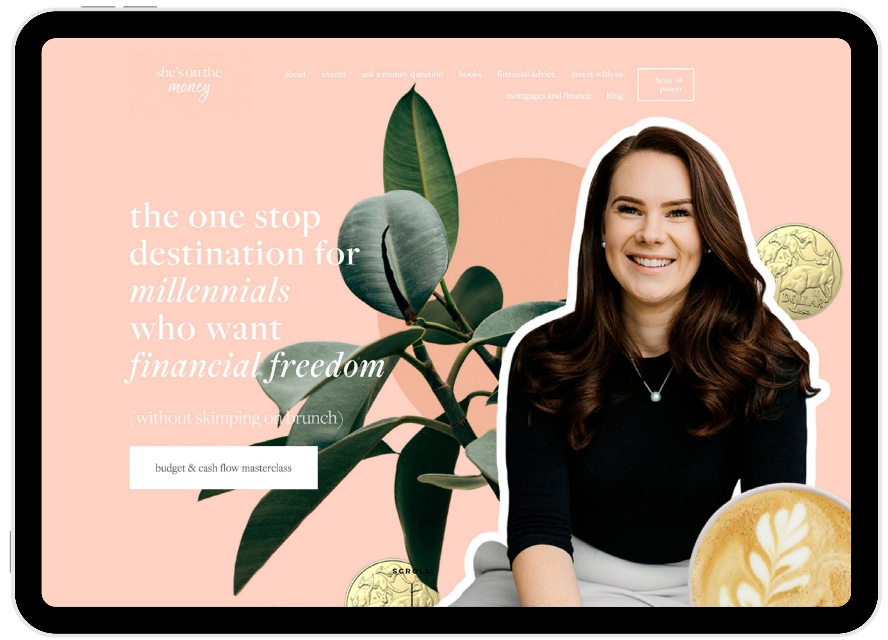


An example of a wealth firm that talks clearly to diversity. Through its rich use of imagery, you can see their service offering caters for all genders, as well as the LGBTQ community. Through their 'My Best Life' fact finding process, they take a values-based approach to advice.

Visit site

She's on the money

Category: Money coaching for millennial women

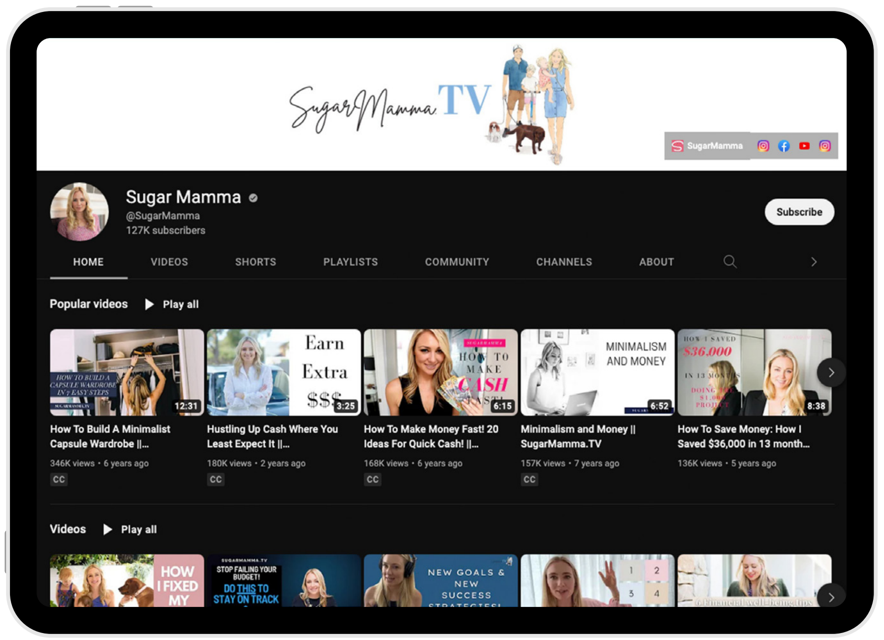


An example of a business that caters for millennial women, with a focus on money coaching. Masterclasses (on budgeting and cashflow), a successful podcast (with topics like the top 5 performing ASX ETFS for the year), a blog (with articles like the psychology of money, and five ways to save on travelling), and even a book, form the basis of their education services.

Visit site

Sugarmamma.tv

Category: Money coaching for millennial women

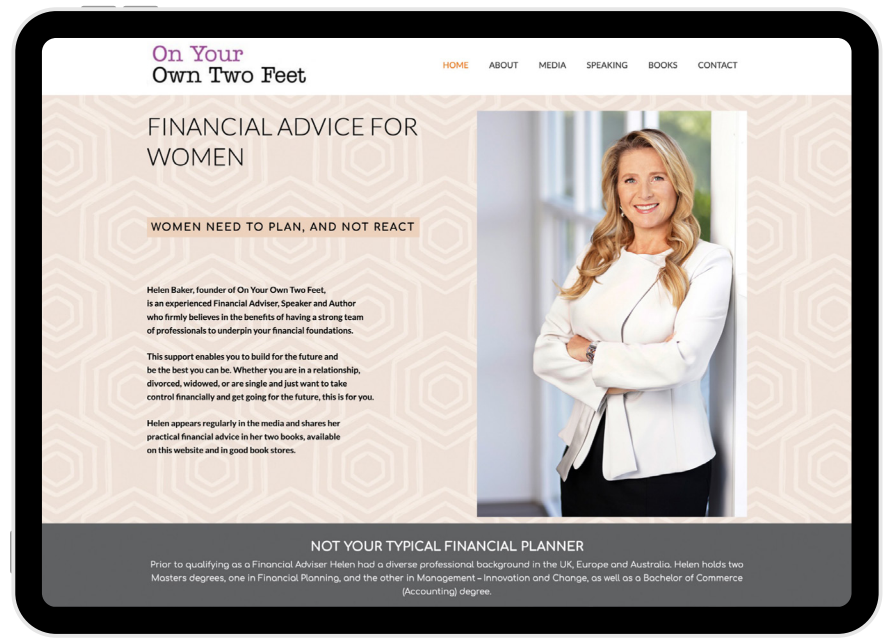


An example of a business that uses videos to help millennial women with their finances. They have both lifestyle and money videos dropping weekly on diverse topics like: 'How I afford luxury designer handbags', '10 money hacks for busy people' and 'The 7 traps of minimalism'. They have over 120,000 subscribers to their YouTube channel and a popular Instagram site.

Visit site

On your own two feet TruWealth

Category: Financial advice

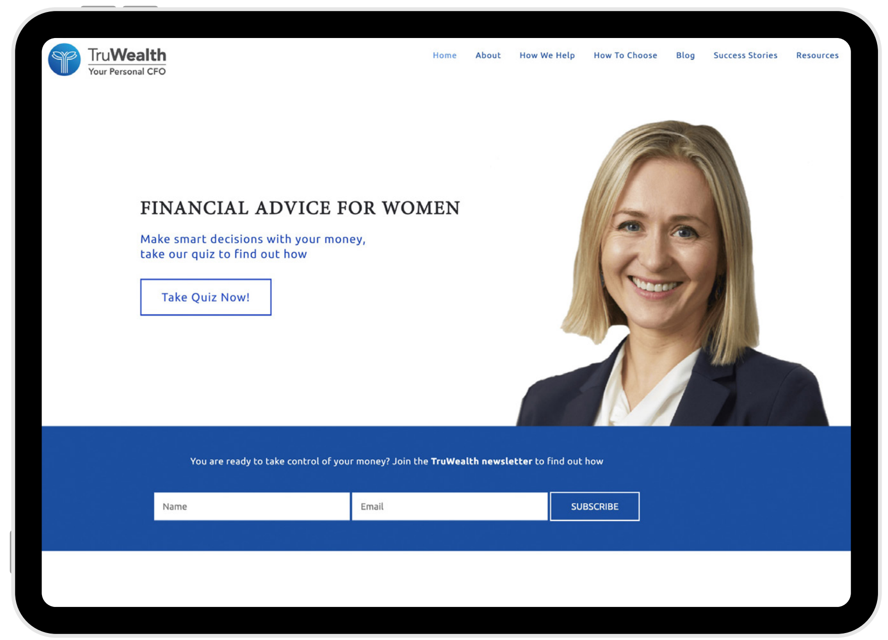


An example of single-practitioner financial advice firm with a sole focus on women's needs.

Visit site

TruWealth

Category: Financial advice



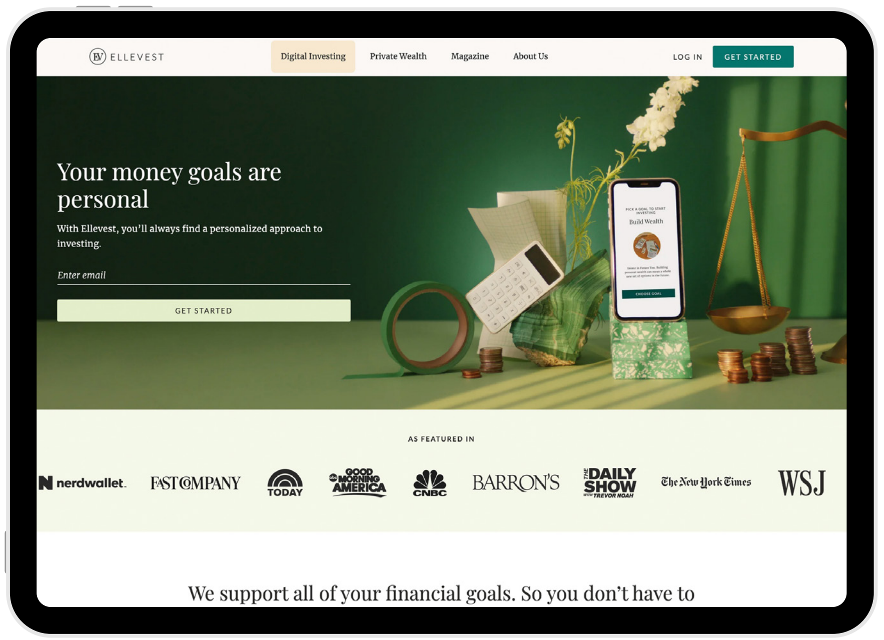
An example of single-practitioner financial advice firm with a sole focus on women's needs.

Visit site

Resource: Selected Global examples

Ellevest

Category: financial advice, robo investing and money coaching.



One of the international pioneers in women's wealth with an innovative business model, Ellevest is a US-based robo investing service coupled with money coaching plus private wealth advice. It's robo service is a monthly membership, whilst it charges a per module fee for coaching (e.g. retirement checkup module or homebuying strategy module).

Visit site

Financielle

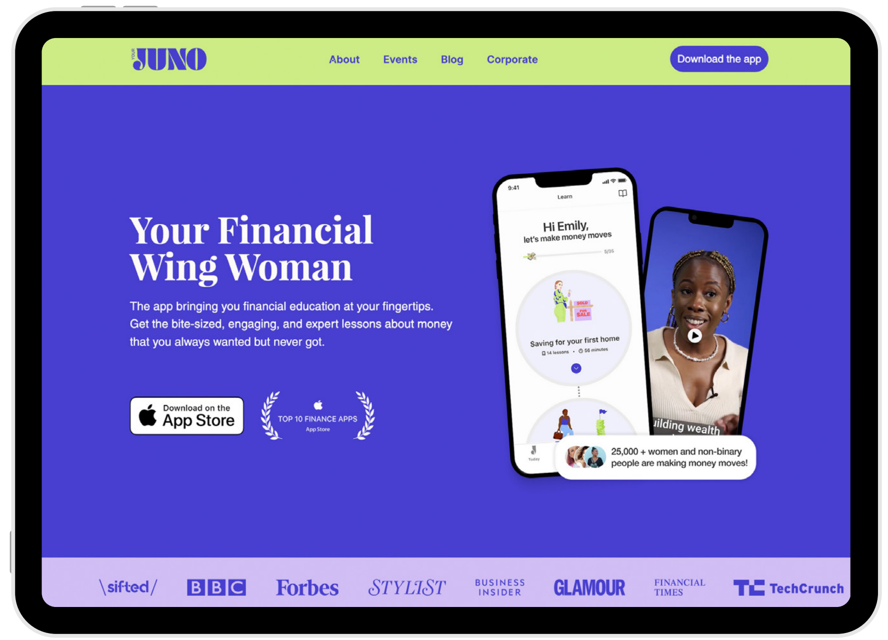
Category: cash management app for women

A budgeting and cash management mobile app for young women underpinned by a large community of women who share their stories, experiences and inspirations.

Visit site

Your Juno

Category: money coaching

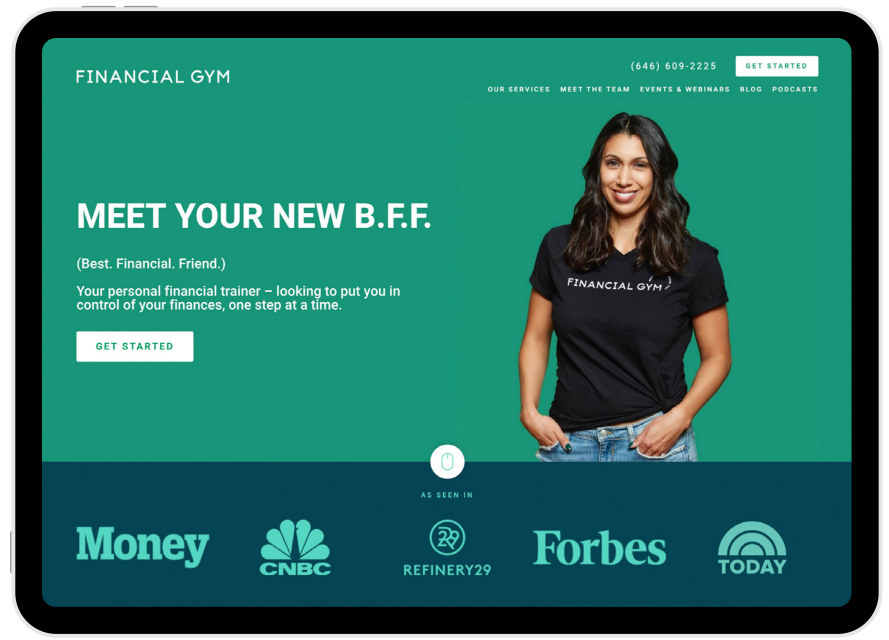


Your Juno is a UK based mobile app service helping women learn about wealth. It creates a personalised learning path for its users based on its library of money lessons (such as buying your first home or living debt free or maximising pension). For a fee you can also access physical and digital events.

Visit site

Financial Gym

Category: Financial Advice



A US-based financial advice firm positioning itself more like a gym with a membership-based offer where women work with certified financial 'trainers' on their wealth goals. Although gender neutral, it was started by female planners and has a strong sense of diversity, catering more for a younger audience. It is supported by loads of female advisers, events, blog articles and podcasts.

Visit site

Methodology

Women as the new face of wealth report surveyed 1,318 Australians 18 years and over and was in the field from 31st October to 7th November 2022.

The survey consisted of 681 women, and 631 men. It also included 393 Australians currently advised by a financial planner, 307 who would consider advice from a financial planner and 618 unadvised and not considering a financial planner.

Data presented in the report

The focus of this year's report is on women and data presented throughout the report reflects women 18+ only, unless otherwise stated.

Segment information

The report references the 'Emerging Affluent', a segment comprised of those that are aged 45 years and under. The affluent portion is determined based on if the respondent reaches any of the following criteria:

- Personal income is greater than $100,000, or
- Household income is greater than $150,000, or
- Household investment portfolio is over $250,000, or
- Residential property equity is greater than $650,000 (this is determined by subtracting outstanding household debt from residential property value), or
- Household super is greater than $100,000 if aged under 35 years, or greater than $250,000 if aged 35 to 45 years.

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