



**Wealth
Management**

Closing the wealth gap: How women leverage entrepreneurship and cultural change to generate wealth

Around the world, women have made great strides in creating independent wealth. For example, in a survey of 1,051 high-net-worth individuals (HNWIs) by The Economist Intelligence Unit, commissioned by RBC Wealth Management,¹ 27% of women report having at least US\$5 million in investable assets vs. 22% of men. Although this survey represents just one slice of the HNWI market, the results indicate, at the very least, gender equality in wealth is becoming more of a reality.²

From unfettered access to education to better business funding pipelines to new technologies, women in the survey highlight growing opportunities to generate wealth today.

To continue to build on this success, our survey findings suggest society at large needs to continue shifts across a broad range of factors such as greater access to information, the ability to choose non-traditional gender roles and access to the same level of financial, educational and societal support for women that men already receive in starting a business or trying to reach leadership positions in the corporate world. Many successful women are also reaching out to help other women by providing the support needed to create equal opportunities and support their communities more broadly.

Written by

1. From March to May 2018, The Economist Intelligence Unit (EIU), commissioned by RBC Wealth Management, undertook a study across Canada, China, Hong Kong, Singapore, the UK and U.S. of 1,051 high net worth individuals with at least US \$1 million in investable assets.
2. This survey finding is a natural result, as there was no gender quota on the number of respondents with US \$5 million+ in assets.

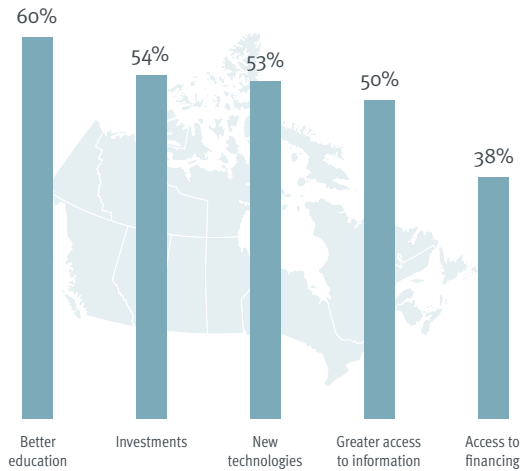
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Top 5 factors for wealth generation among HNW Canadian women

Percentage of respondents

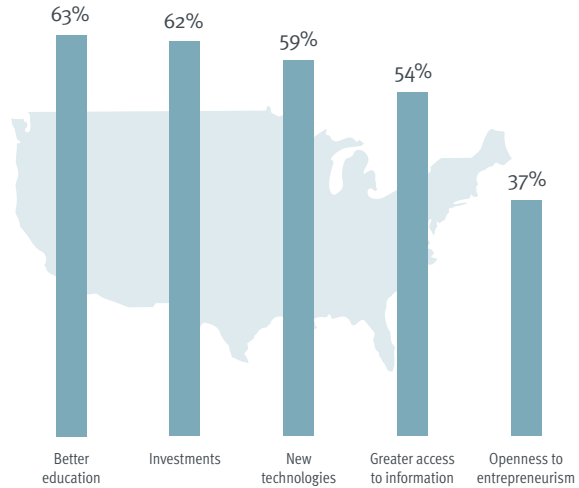
Beyond these top five factors, Canadian women see ones such as changes in family planning and greater resources to support starting a business as more important than globalization. Compared to other regions, HNW Canadian women are least likely to cite globalization as a factor for wealth generation.



Top 5 factors for wealth generation among HNW U.S. women

Percentage of respondents

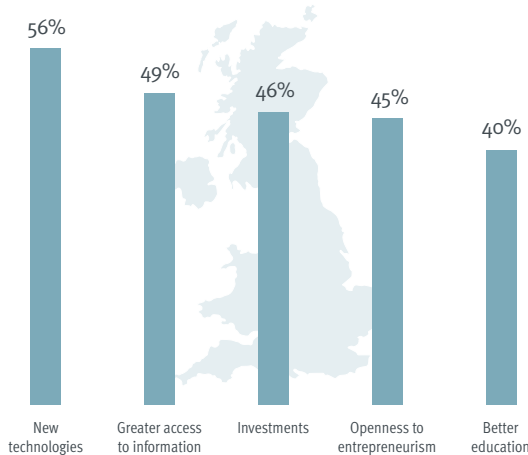
In addition to seeing investments as important for people in society overall to generate wealth, many women in the U.S. have also personally reaped the rewards of financial markets: More HNW women in the U.S. (71%) than in any other surveyed region cite financial instrument investments as the main way in which they've accumulated wealth.



Top 5 factors for wealth generation among HNW UK women

Percentage of respondents

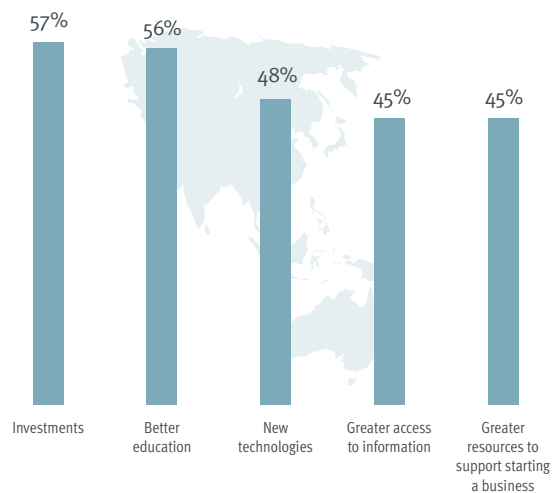
Women in the UK cite openness to entrepreneurship as a top-five factor behind wealth generation for people in society overall, and it's also a source of personal wealth for many respondents: More HNW women in the UK (26%) than in any other surveyed region are business owners or entrepreneurs.



Top 5 factors for wealth generation among HNW Asian women

Percentage of respondents

In addition to these top factors, more HNW women in Asia than in any other surveyed region cite openness to wealth accumulation (44%) and globalization (42%) as factors behind wealth generation.



“From the women leading Fortune 500 companies to the women leading the startups of tomorrow, we’re exerting an unparalleled influence as we lead our companies. We’re showing other women that it’s possible to run a company, to innovate and to lead in various types of industries,” says Cheryl Gentry, founder and CEO of Glow Global Events. “But we’re also showing that you can do those things with heart and with purpose. We’re leaving the door wide open for other women to enter and start their businesses. And hopefully, they can avoid some of the challenges and roadblocks that today’s leaders have already faced.”

Broader cultural shifts to support wealth building

The majority of women credit cultural change as contributing to wealth generation, according to our survey. Younger³ women in particular see cultural change as a positive—74% cite at least one cultural factor (e.g. openness to entrepreneurship, changes in family planning) as contributing to wealth generation, compared with 68% of younger men. And these changes are clearly underway, as 92% of female respondents agree women have more opportunities to own businesses than they did in previous generations.

“Women are most able to succeed financially when barriers to being in the workplace are removed,” says Paulette Senior, president and CEO of the Canadian Women’s Foundation (CWF). “When there are more programs available to meet their childcare, training, networking and funding needs—including more financial institutions that make funding women-led businesses a priority—more women can generate their own wealth.”

Cultural change also extends to how businesses are run. For one, more family businesses are passing on to female rather than exclusively male heirs. In fact, 58% of younger women in our survey say they were or are expected to take over their family business, compared with 21% of older⁴ women. In addition, many women have created their success by repositioning or branching off from family businesses based on their own strengths, including the ability to adapt to modern culture.

For example, Cheryl Wee, a Singaporean actress and model, is the daughter of Jean Yip, who runs a successful beauty business across Asia. Yet rather than simply lending her celebrity to the company’s traditional products, Wee branched out to create a subsidiary brand, which connects more to a younger audience through its offerings of modern wellness products.

“When someone takes over their parents’ business, sometimes they miss out on reaching out to the younger generation,” explains Renee Tan, founder of business training consultancy Rendeur and the H.E.R. Entrepreneur conference where Wee shared her business advice with other aspiring female entrepreneurs. “But Cheryl’s been able to create a different brand and act as an ambassador to reach a new age group.”

Another speaker at Tan’s conference, Jenny Tay, took over her father’s traditional funeral services business in Singapore. Since 2014, under Tay’s guidance, the company has grown from a team of five full-time staff to a 65-person company focusing more on hospitality, such as providing an emcee at wakes, despite the taboo subject matter.

More women achieving business success not only enables them to generate significant wealth but also to give back to society. Overall, our survey shows, more women business owners than men think it’s important for their businesses to make both a positive economic (71% women vs. 67% men) and charitable (72% women vs. 65% men) impact on the communities in which they operate.

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Cheryl Gentry, founder and CEO of Glow Global Events

3. “Younger” is defined as people in Generation X or the Millennial generation, born between 1965 and 2000.

4. “Older” is defined as Baby Boomers or people in the Silent Generation, born in 1964 or earlier.

A growing wave of support for entrepreneurs

HNW women more often than men recognize both cultural factors and business support play a key role in helping people generate wealth. Overall, 50% of HNW women, for example, say openness to entrepreneurship or greater resources to support starting a business have helped people generate wealth, compared with 42% of HNW men.

To continue this momentum, women around the world are increasingly stepping up to provide support ranging from mentorship to access to financing.

Public initiatives are also increasingly sprouting up, such as the WE (Women Entrepreneurs) NYC initiative, created by the New York City Department of Small Business Services. The city found that men own 1.5 times as many businesses in NYC and generate 4.5 times more revenue than women. So to close these gaps, the WE NYC initiative offers programs such as access to free 1-on-1 legal support, access to local lenders and leadership training.

And this type of support is not limited to New York. Gentry, a mentor for the WE NYC program, notes friends and fellow women entrepreneurs have expressed interest in implementing similar initiatives in their respective cities. “I can see a growing trend in which organizations are specifically targeting women to support,” she says. “We’re discovering that there’s strength in numbers, especially in big business.”

The importance of gender equity

Another important factor in helping women generate their own wealth is increasing their representation at all levels of leadership and in traditionally male-dominated networks and activities.

Breaking down corporate walls like these is critical, because despite comprising the majority of U.S. college graduates, for example, women are hired less often than men in corporate entry-level positions. From there, their representation decreases at each level of the corporate ladder, according to a LeanIn.Org and McKinsey study.⁵

“Everyone benefits when women who face systemic barriers are recognized and chosen for leadership opportunities, and it’s about time that businesses start to acknowledge that,” adds Senior.

Conclusion

Cultural shifts and focused, well-rounded support for entrepreneurs and those in the corporate world, among other factors, have helped people in today’s society acquire significant wealth, particularly women. In the future, they will likely acquire greater wealth as additional barriers fall. Many successful women are particularly intent on doing what they can to help other women and young girls thrive, which will likely create a virtuous cycle of women creating professional and social progress.

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5. Women in the Workplace 2017. <https://www.mckinsey.com/featured-insights/gender-equality/women-in-the-workplace-2017>

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