



More wealth, more impact: How women at the highest levels of wealth help society



When women, particularly younger ones, acquire US\$5 million+ in assets, they tend to reach a tipping point where they take more control of their financial decisions and use their wealth to improve the world.

For example, while men at the US\$5 million+ wealth level cite tax benefits as the top influence on where they decide to give, women in the same bracket most often cite the ability to make the greatest impact.

Moreover, younger women at the highest wealth levels are more likely than men to align their investments with their giving goals, thereby not only trying to increase their wealth, but also help others.

These are among the findings of a survey of 1,051 high-net-worth individuals (HNWIs) around the world by The Economist Intelligence Unit, commissioned by RBC Wealth Management.¹

Written by

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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 US of 1,051 HNWIs with at least US\$1 million in investable assets.

Taking the lead on legacy planning

As women’s wealth increases—27% of women in our survey have US\$5 million+ in investable assets vs. 22% of men—the more often they take control over their financial decisions.

“There are more female wealth creators [at the highest levels] than in the past, and within wealthy families overall, more women are taking the lead in terms of planning how the family’s wealth is used, particularly in the long term,” says Catherine Grum, head of family office services at KPMG.

By taking control over their financial decisions, these women can better connect how they use their wealth to build their legacies. For many women in the survey, that means not only building strong relationships with family, but also placing more emphasis on helping friends and the world-at-large financially.

In addition, the survey finds giving shifts more towards charitable and community giving at the highest levels of wealth. While many still do give to family, it tends to be less general gifting and more for specific reasons such as paying for medical bills or funding a business start-up.

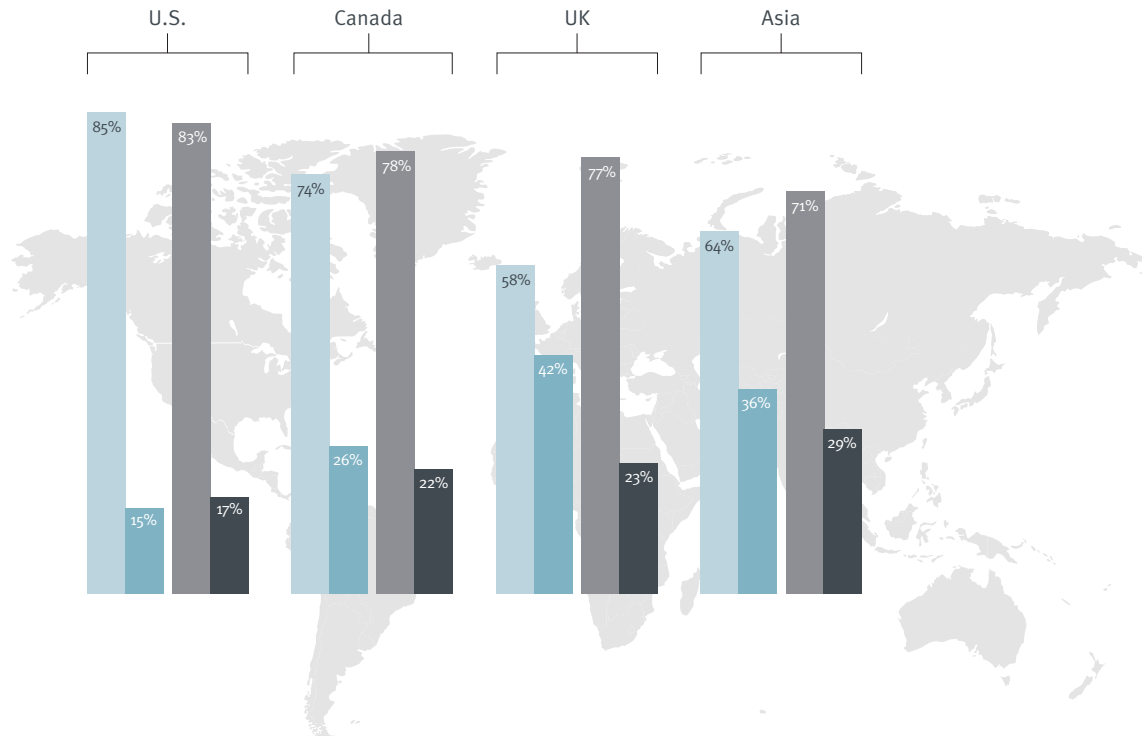
When speaking to clients, Grum notices women in particular “almost always comment on how they can manage to pass on enough wealth so their children have the world at their feet ... without having so much that they feel like they don’t need to do anything. Having that balance is key, and therefore they look at how they can balance giving to family and philanthropy.”

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Catherine Grum, head of family office services at KPMG

Wealth levels of EIU survey respondents

■ HNW women US\$1MM to <US\$5MM
 ■ HNW women US\$5MM+
 ■ HNW men US\$1MM to <US\$5MM
 ■ HNW men US\$5MM+



A positive convergence

From mentoring other aspiring female entrepreneurs to encouraging science, technology, engineering and math (STEM) education for young girls, women at the highest wealth levels are frequently using their resources to support gender equality.

“There’s a convergence of more women coming into the philanthropy space on their own as donors, and broader public awareness about the importance of giving to initiatives that support greater gender equality and supporting women and girls in general,” says Alisha Miranda, chief executive of philanthropy consultancy I.G. Advisors.

For example, Zhai Meiqing, a leading philanthropist and successful Chinese businesswoman who grew a furniture business into a multi-sector conglomerate, supports initiatives that provide practical opportunities for girls and women to reach their potential. Her foundation’s work has included building affordable housing for single mothers, establishing a venture fund for female entrepreneurs that provides interest-free micro-financing, and working with the Women’s Federation of Guangdong Province to establish child-friendly community centres focused on family education and childcare.

“Women invest and give as a point to demonstrate the social change they want to see in the world,” says Dr Sandip Lalli, president and CEO of the Calgary Chamber of Commerce. “It’s encouraging because now that kind of wealth is going to propel communities and society further.”

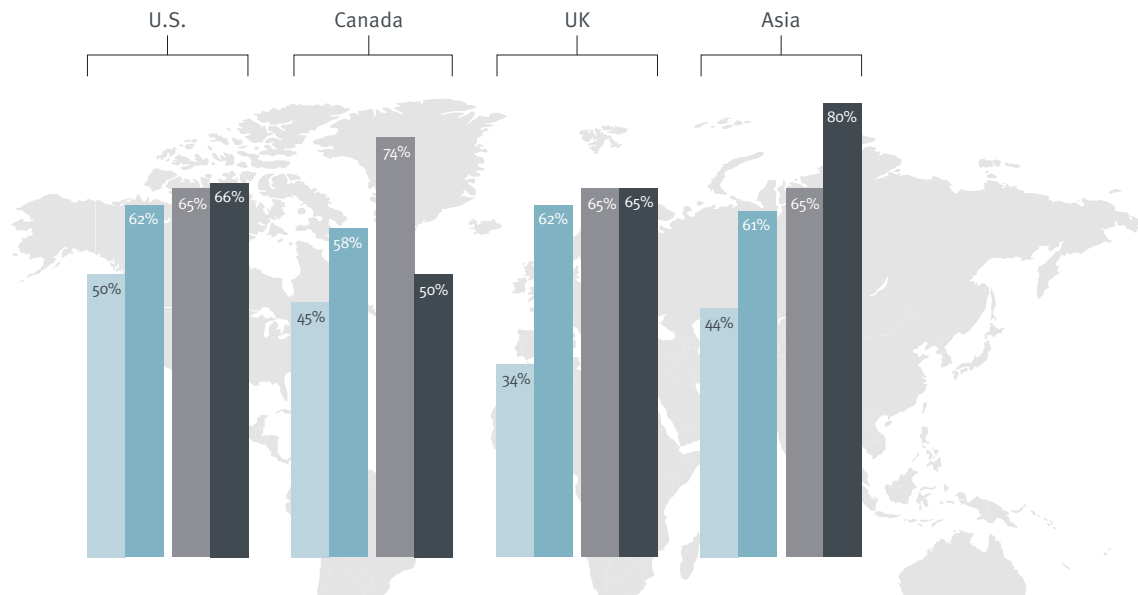
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As wealth increases, more HNWI take the lead on legacy planning

Percentage of each group who serve as the primary decision maker for legacy planning

■ HNW women US\$1MM to <US\$5MM ■ HNW women US\$5MM+ ■ HNW men US\$1MM to <US\$5MM ■ HNW men US\$5MM+



Over 60% of U.S. women at the highest wealth levels are the primary decision makers on financial planning, legacy planning and charitable giving, compared with less than half of women with US\$1MM-US\$5MM in assets.

At the highest wealth levels, Canadian women, more often than men, are the primary decision makers on legacy planning, charitable giving and household purchases.

In addition to closing the gender gap on decision-making for legacy planning, HNW women in the UK with US\$5MM+ in assets also serve as primary decision makers for financial planning (71%) at virtually the same rate as men (72%) at that wealth level.

A higher share of women in Asia with US\$5MM+ in assets take the lead on will/estate planning (64%) than women at the same wealth level in any other surveyed region (51% on average).

Impact over structure

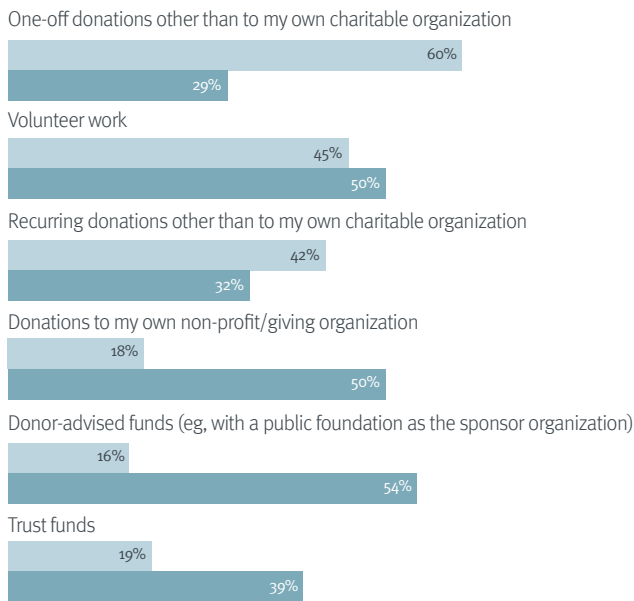
Not only are women doing more to help society as their wealth increases, but they are also investing time and thought into where their money will generate the most impact.

How the ways in which women give vary by wealth level

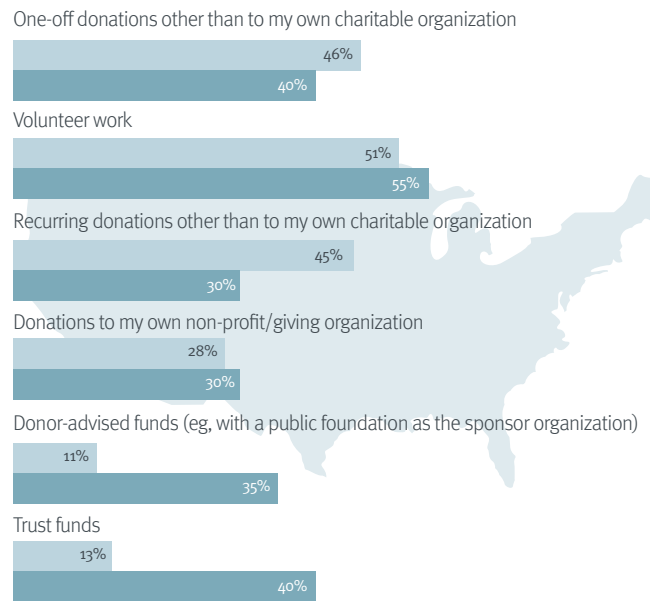
Percentage of each group who say the following is a top three way they structure their giving

■ HNW women: US\$1MM to <US\$5MM
 ■ HNW women: US\$5MM+

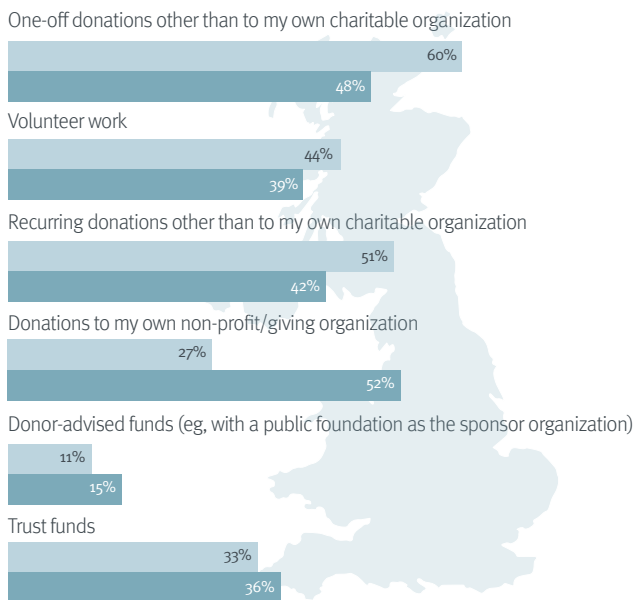
Canada



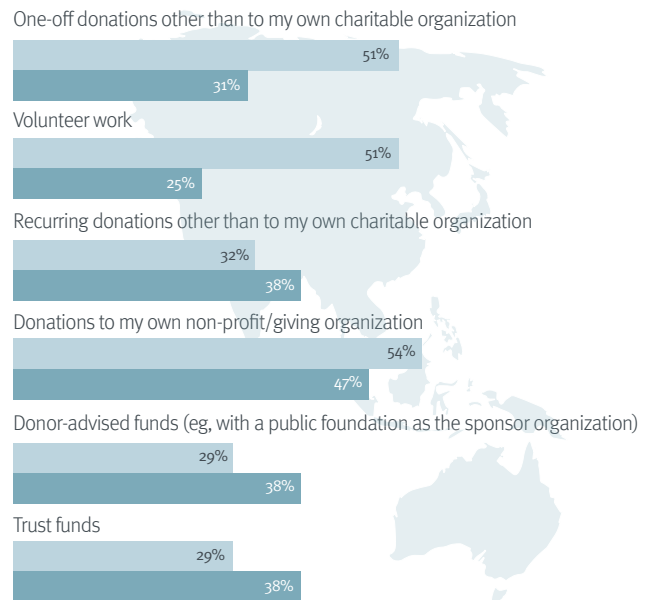
U.S.



UK



Asia



“One of the biggest mistakes philanthropists of any size make is coming into a cause area fresh and thinking they’re the first or only ones to do it when often there are numerous partners they could be working with,” says Miranda.

Our research demonstrates women at the highest wealth levels do take a more thoughtful approach to where they can make the most impact. For example, 23% of women with US\$5 million+ in assets say the ability to measure impact is a top influence on where they decide to give, compared with 11% of men in that bracket who feel the same.

Conclusion

As more women and younger people acquire more wealth, they are thinking about how they can make a positive societal impact more than ever before. In particular, women and the next generation are focused on collaborating with others to help more women and young girls have opportunities to lift themselves into better circumstances.

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