## The (Financial) Future Is Female

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While it's been around for more than 40 years, the rallying cry "The Future Is Female" is breathing new life into gender-equality movements around the world, as women gain greater political power, social sovereignty, and economic agency.

This last current of change, which has yet to grab the spotlight in the same way as other transformations, may soon take center stage. With women's control of investible wealth on the rise, possibly reaching $\$ 72$ trillion dollars worldwide by $2020^{1}$, the ramifications are clear: Women's influence as investors in global financial markets-and, by extension, national economieshas grown substantially, and will continue to do so. In this light, it's critically important to consider the approach women take to their finances and the issues they care most about.

S\&P Global recently polled women and men in the 11 countries with the largest stock markets to gauge aspects of financial preparedness, investment behaviors, and financial market sentiment.

Women's preparedness and participation in each of those markets varies, and this collaborative effort is an attempt at revealing interesting insights about cultural and economic factors representing women's realities. However, one thing is clear: Whatever comes next comes down to women.

Note: The U.S. is the world's largest stock market and makes up more than half of the global market value. The U.K., Germany, Switzerland, Canada, Australia, France, Korea, China, India and Japan are the 10 next largest by market capitalization.


## Women's control of the world's investible wealth may reach

# $\$ 72$ trillion 

adding to their influence as investors in global financial markets

## 

## More than

# 80\% 

of women in Japan and Korea are worried about their personal finances

## Key Takeaways

- Women's control of the world's investible wealth may reach $\$ 72$ trillion by 2020, adding to their influence as investors in global financial markets-and, by extension, national economies. Women are also more likely than men to weigh a company's environmental and social impact when making investment or purchasing decisions.
- Only $26 \%$ of American women invest in the financial markets, despite $41 \%$ saying now would be a good time to invest. On the bright side, more than two-thirds of women in the U.S. and Canada believe that they are in charge of their financial well-being.
- More than 70\% of men and women in the U.K., Germany, France, and Switzerland say they are at least somewhat worried about their financial future. In each of these countries, a higher percentage of women said so, including a shocking 88\% of women in France.
- More than eight in 10 women in Japan and Korea are worried about their personal finances.
- Overall, trust and confidence in financial institutions and stock markets are high amongst the population in India, with approximately $80 \%$ of both women and men finding them to be at least "somewhat" credible sources of information.


## Global Overview



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## ESG Matters As Storm Clouds Loom

- In 10 out of 11 countries women said they are less prepared than their male counterparts to weather a financial setback.
- Higher shares of women around the countries surveyed said they were in "fair" or "poor" financial shape.
- In most markets surveyed, women are more likely than men to weigh a company's environmental and social impact when making investment or purchasing decisions.

The survey results, when viewed through a global prism, show a stark contrast between genders on a variety of issues. These differences cast light on the ways in which women often feel less financially secure and less optimistic about their economic futures. Paradoxically, women feel a greater sense of conviction when it comes to betting on themselves and using their economic strength to exercise their values. Understanding these differences, and their causes, can help countries, companies, and individuals take practical steps toward the sort of inclusive economic growth that will benefit everyone.

Consider that women are generally more likely than men to weigh a company's environmental and social impact when making an investment decision or buying a product. In every country but one, these considerations were even more of a factor when it came to investment decisions.

With women holding, by some estimates as much as $40 \%^{2}$ of the world's total wealth, it seems clear that fund and asset managers' increasing focus on environmental, social, and governance (ESG) issues is here to stay.

## Buying and Investment Behavior and Environmental and Social Responsibility

| Country | \% company's stance on environmental and social issues is important in investment decisions |  |  | \% company's stance on environmental and social issues is important in purchasing products/services |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Women | Men | Women-Men Margin | Women | Men | Women-Men Margin |
| Canada | 85\% | 66\% | +19 | 79\% | 66\% | +13 |
| Switzerland | 80\% | 68\% | +12 | 77\% | 65\% | +12 |
| Germany | 76\% | 66\% | +10 | 72\% | 61\% | +11 |
| United Kingdom | 75\% | 66\% | +9 | 71\% | 65\% | +6 |
| United States | 79\% | 70\% | +9 | 79\% | 67\% | +13 |
| Australia | 76\% | 70\% | +6 | 75\% | 70\% | +5 |
| India | 92\% | 86\% | +6 | 86\% | 89\% | -3 |
| France | 77\% | 72\% | +5 | 78\% | 72\% | +6 |
| Korea | 90\% | 85\% | +5 | 86\% | 81\% | +5 |
| Japan | 70\% | 70\% | 0 | 68\% | 66\% | +2 |
| China | 87\% | 91\% | -4 | 82\% | 92\% | -10 |

Q: "When it comes to deciding whether or not to invest in a company, how important is a company's stance on social or environmental issues?" and "When it comes to deciding whether or not to purchase a product or service from a company, how important is a company's stance on social or environmental issues?"

## With women holding

## as much as

# 40\% 

## of the world's total wealth, it seems clear that fund and asset managers' increasing focus on ESG issues is here to stay

## Financial Preparedness Snapshot

| Country | \% Unable to Afford Lifestyle for <1 Month |  |  | \% in "Fair" or "Poor" financial shape |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Women | Men | Women-Men Margin | Women | Men | Women-Men Margin |
| United Kingdom | 43\% | 30\% | +13 | 68\% | 59\% | +8 |
| United States | 39\% | 27\% | +12 | 60\% | 50\% | +10 |
| Germany | 32\% | 22\% | +10 | 70\% | 59\% | +11 |
| Switzerland | 34\% | 25\% | +9 | 73\% | 55\% | +18 |
| Canada | 35\% | 27\% | +8 | 58\% | 55\% | +3 |
| Australia | 39\% | 32\% | +7 | 67\% | 54\% | +13 |
| France | 45\% | 38\% | +7 | 79\% | 66\% | +13 |
| Korea | 32\% | 26\% | +6 | 85\% | 87\% | -2 |
| China | 16\% | 11\% | +5 | 56\% | 55\% | +1 |
| India | 35\% | 31\% | +4 | 37\% | 39\% | -2 |
| Japan | 33\% | 33\% | 0 | 87\% | 84\% | +3 |

[^0]Less rosy are the results on financial preparedness. In all countries but one, women in the survey said they are less prepared than their male counterparts to weather a financial setback such as the loss of a job. A surprisingly large percentage of women in almost all countries said that if they found themselves without work, they would only be able to sustain their current standard of living for a short time. In 10 of the countries we surveyed, anywhere from $32 \%$ to $45 \%$ of women said they would have to make some lifestyle adjustments within one month (if not immediately) if they were suddenly unemployed or unable to work-the lone exception being China, where $16 \%$ of women said they would have to do so. In every case but one, the percentages were significantly higher among women. (In Japan, an equal onethird of respondents said they would be unable to afford their current lifestyle.)

Moreover, generally higher shares of women said they were in just "fair" or "poor" financial shape, and similar (though somewhat less striking) figures can be seen in the results concerning retirement planning-with more women saying they feel behind where they would like to be.


In 10 of the countries we surveyed, anywhere from
32-45\% of women said they
would have to make some
lifestyle adjustments
within one month

## Overall Trust in Financial Institutions

| Country | Total Trust | Total Not Trust | A lot | Some | Not too much | Not at all |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| India | 80\% | 20\% | 32\% | 48\% | 17\% | 3\% |
| China | 71\% | 29\% | 13\% | 58\% | 21\% | 8\% |
| Korea | 68\% | 31\% | 10\% | 58\% | 27\% | 4\% |
| United States | 59\% | 39\% | 8\% | 51\% | 30\% | 9\% |
| Canada | 56\% | 41\% | 9\% | 47\% | 33\% | 8\% |
| United Kingdom | 56\% | 44\% | 7\% | 48\% | 35\% | 9\% |
| Japan | 52\% | 47\% | 4\% | 48\% | 38\% | 8\% |
| Australia | 52\% | 47\% | 10\% | 41\% | 35\% | 13\% |
| Switzerland | 50\% | 50\% | 6\% | 44\% | 37\% | 12\% |
| Germany | 44\% | 56\% | 6\% | 38\% | 40\% | 16\% |
| France | 42\% | 58\% | 6\% | 35\% | 40\% | 18\% |

Q:"How much do you trust information from financial institutions when it comes to making decisions?"

## The U.S. and Canada



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## Millennial Women Are More Wary of Markets

- Two-thirds of millennial women across the U.S. (68\%) and Canada (65\%) say they were in "poor or fair" shape.
- Only 26\% of American women invest in the financial markets despite $41 \%$ saying now would be a good time to invest.
- On the bright side, a majority of women (69\% U.S. and $67 \%$ Canada) believe that they are in charge of their financial well-being.
- Women are more likely (Canada +19 and U.S. +9) than men to weigh a company's environmental and social effect when making an investment decision or buying a product.

In the U.S., the world's largest economy ${ }^{3}$, women hold an estimated $42 \%$ of wealth yet, a clear majority are pessimistic about their personal finances. Three-in-five American women rate their current financial situation as "fair", at best-with more than one-in-five saying they are in "poor" shape. The same goes for women in Canada.

If faced with a financial setback such as sudden unemployment, $22 \%$ of American women say they would immediately be unable to afford their current lifestyle—far higher than the number of men (13\%) who said the same. (It's worth noting here that labor force participation among prime-

#  2/3 <br> of millennial women across the U.S. and Canada say they were in "poor or fair" shape financially 

age women in the U.S., which was near the top of 22 advanced OECD economies as recently as 1990, has since fallen to 20th. This is critical, since women are $14 \%$ more likely than men to participate in job-related savings plans, and they save at higher rates up and down the income ladder ${ }^{4}$.)

Sadly, the picture is even bleaker for millennial women across North America, with more than two-thirds of respondents saying they were in "poor or fair" shape financially.

This helps either explain why only $26 \%$ of American women invest directly in the financial markets or through mutual funds, despite $41 \%$ saying now would be a good time to do so. Even when the market offers the potential for economic prosperity, women are generally in less of a secure position to take the risks associated with investing.

However, despite similar sentiments about their financial status, Canadian women are far less risk-averse than American women are. North of the 49th parallel, $42 \%$ of women invest in the financial markets. This holds true at all levels of education, even for women without college degrees. More than half of college-educated Canadian women invest in financial markets, more than 10 percentage points higher than their American counterparts.

Three-fourths of women in both countries are at least "somewhat worried" about their financial future but interestingly, a solid majority believe they are in charge of their financial well-being. Highlighting this confidence, more than two-thirds say their own actions-such as working hard, saving, and investing carefully-are more important than events largely out of their control, such as what happens to the economy, an unexpected illness, or the fate of financial markets.

## Europe

U.K, Germany, France, Switzerland


## Alexandra Dimitrijevic

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## Worries Weigh on Investment

- Amongst the population in some of Europe's wealthiest nations, economic uncertainty abounds - with over $70 \%$ of the population in the U.K., Germany, France and Switzerland saying they are at least somewhat worried about their financial future.
- In each of these countries, a higher percentage of women are worried about their financial future, including a shocking $88 \%$ of women in France.
- Their worry may be well founded - In France and England 45\% and 43\% of women respectively said they would need to make lifestyle adjustments within one month if faced with a financial setback, outpacing the number of men who said the same.

The decade since the global financial crisis has seen a rise in populist attitudes and this has been especially evident in Europe. Financial uncertainty and sweeping demographic change are at the root of the backlashes against traditional government and financial institutions seen across the continent.

These concerns are reflected in our survey results-with the highest numbers of women in France (45\%) and the U.K. ( $43 \%$ ) saying they would need to make some lifestyle adjustments within one month (if not immediately) if faced with a financial setback such as sudden unemployment. (To be fair, elevated percentages of men in those countries also felt the same way, at $38 \%$ and $30 \%$, respectively.)

Additionally, large majorities of women in the four European countries we surveyed are at least somewhat worried about their financial future. In Switzerland, $73 \%$ of women expressed such worry; in the U.K., 74\%; and in Germany, $75 \%$. However, that figure jumps to a shocking $88 \%$ among women in France. This is in stark contrast with the fact that women in European countries hold roughly $40 \%$ of the continent's total wealth ${ }^{5}$.


## Amongst the populations in some of Europe's wealthiest nations, more than

70\% of men and women in the U.K., Germany, France and Switzerland saying they are at least somewhat worried about their financial future

Still, there are some positive aspects. Even in the U.K., where tense negotiations over the country's departure from the E.U. are raising the specter of a no-deal Brexit, only a minority of women (36\%) are either "very" or "extremely" worried about their financial future. The figures are similar in Germany and Switzerland, but significantly higher, at 59\% in France.

Along these same lines, British women have greater trust in traditional financial institutions than women in France, Switzerland, and Germany do. Yet, this trust doesn't necessarily translate into actual investment. In fact, only around $20 \%$ of women in the four largest E.U. markets think it's a good time to invest in financial markets. This is particularly telling, given that solid majorities of women in each country (figures range from a low 57\% in Germany to a high of $70 \%$ in France) believe they are in charge of their financial well-being.

## Asia

China, Japan, South Korea and Australia


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## China Stability Isn't The Whole Story

- Almost half of Chinese women surveyed can sustain themselves without income for more than six months
- More than eight in 10 women in Japan and Korea are worried about their personal finances
- Interestingly, Asian women proved to be more financially independent than their global counterparts

The most populated region in the world, Asia is a mixed bag when it comes to economic outlooks. Among the Asian countries we surveyed, women in South Korea and Japan proved the most pessimistic about their personal finances. More than eight in 10 women in Japan (87\%) and Korea (85\%) believe they are in "poor" financial shape.

Financial preparedness is highest in China; with $49 \%$ of women financially stable enough to sustain themselves without their income for more than six months, and $37 \%$ able to make it a full year! Fewer than one-in-ten Chinese women (7\%) say they have no safety net at all-and that holds true even among the youngest cohort of women aged 18-34. Ninety-two percent of them have some form of financial cushion. Meanwhile, in Japan, $87 \%$ of women and $84 \%$ of men consider themselves in fair or poor shape financiallythe most pessimistic outlook of countries surveyed.

Chinese women are most likely to think it's a good time to invest in financial markets (45\%). Korean and Japanese women are the most reticent-only $21 \%$ of Korean women and $16 \%$ of their Japanese counterparts say it's a good time to invest. Interestingly, roughly two-thirds of women in China and South Korea say their own actions are more important for their financial well-being than events largely out of their control are, while a minority (46\%) of Japanese women feel they are in the driver's seat in this regard-by far the lowest percentage in any of the countries we surveyed.
 sustain themselves without their income for more than six months

37\%<br>able to make it a full year

This runs alongside where women rank "jobs and the economy" among the issues that matter most to them. In South Korea, $59 \%$ of women rank it as their most pressing issue. It's also critical in Japan, where 29\% of women rank it as their top concern-nearly as high as the next two issues, the environment and education, combined. In China, 30\% of women identified it as their primary focus, more than 10 percentage points higher than other concerns, such as healthcare and education.

Interestingly, in all the markets surveyed, Asian women are most likely to keep their finances separate from their partners. This independence speaks to the growing autonomy and power women hold in the marketplace.

## India



Ashu Suyash
CEO of CRISIL

## Institutional Trust Sky High- Bucking Global Trends

- Overall, trust and confidence in financial institutions and stock markets are high amongst the population in India, with approximately 80\% of both women and men finding them to be "somewhat" credible source of information.
- Economic confidence is reflected across gender, with $92 \%$ of women and $88 \%$ of men rating their current financial situation as "excellent" or "fair"significantly more than the global average of 79\%.
- While both men and women expressed concern about their financial future, women were slightly less worried, with 83\% expressing concern compared to $87 \%$ of men.

Bucking overall global trends on market sentiment, Indian women (71\%) and Indian men (73\%) think that now is a good time to invest in the stock market.

That optimism corresponds with high trust in financial institutions, with at least 80\% "somewhat" trusting information from these institutions, and $32 \%$ showing "a lot," of trust. These numbers are higher than any other country surveyed.

Across gender, there is also confidence in the current economic situation with $92 \%$ of women and $88 \%$ of men rating their current financial situation as "excellent" or "fair." That's significantly more than the global average of 79\%.

Lest we paint too rosy a picture, $84 \%$ of women in India (and $88 \%$ of men) are at least somewhat worried about their financial future, with a further $35 \%$ of women are "extremely" worried - the highest rate of any country. This comes as aggregate wealth among Indian women falls shy of the other countries we surveyed, with women in the country controlling between $20 \%$ and $30 \%$ of total wealth ${ }^{6}$.


Economic confidence is reflected across gender, with 92\%

of women and 88\% of men rating their current financial situation as "excellent" or "fair"

With India set to become the world's most populous countryand its ratio of elderly citizens on track to double by 2050sustaining current lifestyles will require a vibrant, sustainable labor market and wage growth that would enable more provisioning for education and healthcare. This is reflected in the policy priorities of both men and women in India, who ranked "jobs and the economy" as their most pressing issues of concern (25\%), closely followed by education (24\%) and health care (21\%).

The paradox: optimism and investment confidence are high, but their continuation is contingent on income security, which, in turn, is far from assured.

Small wonder then, that $32 \%$ of the respondents believe their financial well-being depends on events mostly outside their control, such as economic development, the stock market, or an unexpected illness.

## Conclusion

If the past few years are any indication, the conversation around gender equality will continue to be top of mind with an ever-increasing imperative for measurable change. We have only begun to scratch the surface of what that change will look like and more importantly, what it will mean for the workplace, government institutions, education systems and much more.

In the meantime, women continue to earn more seats at the proverbial table, pushing the global financial system to grow more inclusively. Our research shows that progress has been made and we expect it to continue because the (financial) future is female, and the future is now.

## Endnotes

1 Boston Consulting Group "Global Wealth 2016: Navigating the New Client Landscape"
2 CreditSuisse "Global Wealth Report 2018"
3 CreditSuisse "Global Wealth Report 2018"
4 S\&P Global Ratings "The Key To Unlocking U.S. GDP Growth? Women," Dec. 5, 2017
5 CreditSuisse "Global Wealth Report 2018"
6 CreditSuisse "Global Wealth Report 2018"
7 Global Aging 2016: 58 Shades Of Gray

We believe that the overall share of female adults in China is between $30 \%$ and $40 \%$. On the other hand, the Asia-Pacific region (excluding China and India) is very heterogeneous. It contains countries where the wealth situation of women is similar to that in India (e.g. Pakistan and Bangladesh), but other countries are more similar to China. We assess the women's share in the region at between 25\% and 35\%.

## Weighting methodology explained:

United States and Canada data: This analysis is based on SurveyMonkey online polls conducted among adults ages 18 and older in the United States and Canada. Respondents were selected from the more than 2 million people who take surveys on the SurveyMonkey platform each day. Data have been weighted for age, race, sex, education, and geography using the United States Census Bureau's American Community Survey and Statistics Canada's Census Profile to reflect the demographic composition of the age 18 and over within each country.

For all countries outside of the United States and Canada, SurveyMonkey used a third-party panel provider to obtain the sample with quotas for gender, age, and region, where available. The following countries were conducted in-language: France, Germany, Japan, China, Korea, Switzerland. Data have been weighted for age, sex, education, and geography using the country's respective census data for India, China, Australia, Switzerland the United Kingdom, and Canada. Data have also been weighted for age, sex, education, and geography using the Pew Global Attitudes Survey for Germany, Korea, and Japan. Data have been weighted for age, sex, and geography using census data and education using the Pew Global Attitudes Survey for France.

| Country | 2018 Field Dates | Language | Sample | Margin of Sampling Error |
| :---: | :---: | :---: | :---: | :---: |
| United States | Nov. 29-Dec. 3 | English | 9,943 | Total:+/- 1.5 Women: +/- 2 Men:+/- 2 |
| Australia | Nov. 30-Dec. 8 | English | 2,026 | Total:+/- 2.5 Women: +/-3 Men:+/- 2.5 |
| United Kingdom | Dec. 3-4 | English | 2,010 | Total:+/- 2.5 Women: +/-4 Men:+/- 3.5 |
| China | Dec. 13-15 | Simplified Chinese | 2,080 | Total:+/-4 Women:+/-6 Men:+/-5.5 |
| Germany | Dec. 13-16 | German | 2,028 | Total:+/-2.5 Women: +/-4.5 Men:+/-4 |
| Japan | Dec. 13-17 | Japanese | 2,024 | Total:+/-3.5 Women: +/-5 Men:+/- 4.5 |
| Switzerland | Dec. 13-17 | German | 2,029 | Total:+/-3.5 Women:+/-4.5 Men:+/-4.5 |
| Canada | Dec. 15-19 | English and French | 2,013 | Total: +/- 3 Women: +/- 4.5 Men: +/-4.5 |
| South Korea | Dec. 13-18 | Korean | 2,017 | Total:+/-3 Women: +/- 4 Men:+/-4.5 |
| France | Dec. 17-18 | French | 2,332 | Total:+/-4 Women: +/-5.5 Men:+/- 5.5 |
| India | Dec. 17-18 | English | 2,029 | Total:+/- 4.5 Women: +/- 6.5 Men:+/- 6.5 |

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[^0]:    Q: "If you were to find yourself unemployed or unable to work, how long would you be able to afford your current lifestyle?" and "Thinking about your personal finances, how would you rate your own personal financial situation?"

