



The Rise of the Female Investor - Part 1

Historically, the financial advisory has centered around male clients. As women have risen in professional and financial spheres, they have become key decision-makers in households and control a significant portion of wealth. Today, women represent a substantial economic force and financial advisors need to adapt to effectively serve this evolving market for long-term business success.

In this article Lisa Polson, Seed Investment Analyst takes us on an exciting journey exploring the Rise of the Female Investor.

For a long time, financial advisors' target market has been males investors.

This makes sense - rewind a few decades and males were generally the breadwinners and financial decision makers in the household. They both earned the money, and managed it. Naturally, this meant that the language, approach and process of the financial advisor had to be tailored to males. The wealth management space, the whole financial services industry actually, was created by men to serve men.

However, as we know, things have changed drastically over the last few decades. We have seen females on the rise on a professional and financial level. Women have not only entered the workforce, but have become business owners, entrepreneurs, CEO's and often the breadwinners in their homes. Women are much more directly involved in their households' financial decisions, and more and more are becoming the primary decision makers. According to the JSE, approximately 7.6 million households in the South Africa are female headed.

In 2022, women controlled a third of total US household financial assets—more than \$10 trillion. Women have not only become a sizable economic force, but they are creating wealth faster today than at any time in history. Women are also receiving a bigger portion of intergenerational wealth transfers. Looking out into the next few several decades, it is estimated that women stand to receive 70% of intergenerational wealth transfers.

The picture today clearly looks much different than it did a few decades ago.

Over these decades many programs have been implemented that are aimed at promoting financial literacy among women as this is a key contributor towards ensuring diversity within the investor community and achieving economic inclusion. However, despite these efforts, investment among females still heavily lags that of men. The reason being that many advisors still speak the old language, designed for the male ear. As a result, women remain largely underserved by the wealth management community.

If you are a financial advisor and are only tailored to advise men, the future success of your business might be limited. At the same time, if you haven't yet tapped into it, this market of the female investor or potential female investor, presents you with a massive opportunity. You might just need to shift gears a little and renew your mind.

As with any area in life, the first step to bridging a gap is recognising that the gap exists. Be sure to be on the lookout for Part 2 for valuable insights as to how you can do this.



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