

WOMEN TAKE CONTROL *of* GLOBAL WEALTH



THE 2030 FORECAST

Ten ways our human civilization
will come to grips with the forces
it has unleashed

Ogilvy CONSULTING

Introduction

Actuarially speaking, most women will outlive the men (if any) in their lives, and as they assume full control of more and more assets, wealth management will have to catch up to the ways women relate to money. That means focusing on wealth as a tool, not as an intrinsic value, and looking for ways to put it to work for hard financial goals and social betterment alike.

Women aren't just different in how they invest money. They're a better home for it, too. Investing in women pays higher returns and can boost GDP accordingly, but it's incumbent on businesses and capital markets to invite women into the networks that control financing. It's not just the right thing to do; it makes economic sense, too.

Short-term thinking has never been a prudent way to grow a business or brand.

Ogilvy Consulting has identified 10 macro shifts and major inflection points effecting world politics, global economics, the future workforce, health and wellness and ESG.

The 2030 Forecast helps prepare business and brands for these major global shifts, with critical insights for our clients to help plan for the future.

For the full report go to:
www.ogilvy.com/ideas/2030-forecast



THE 2030 FORECAST

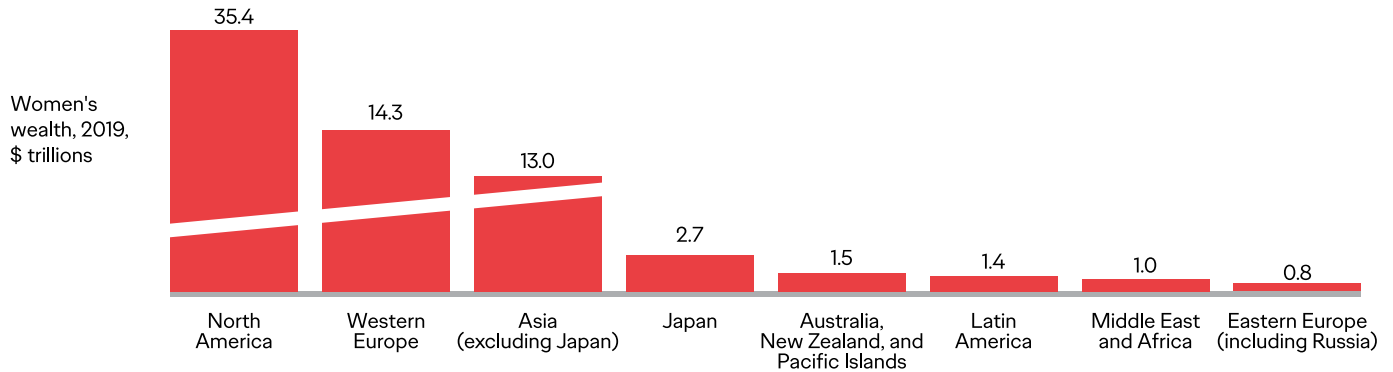
One of the largest wealth transfers in history will take place as women assume control of trillions of new assets by 2030. Whether that's a blip or a new way of being depends on how society evolves.



That's Right—the Women Are Richer

Women live longer than men. In the United States, women outlive men by five years on average. One of the less discussed aspects of this biological quirk is wealth transference.

WEALTHY WOMEN WORLDWIDE

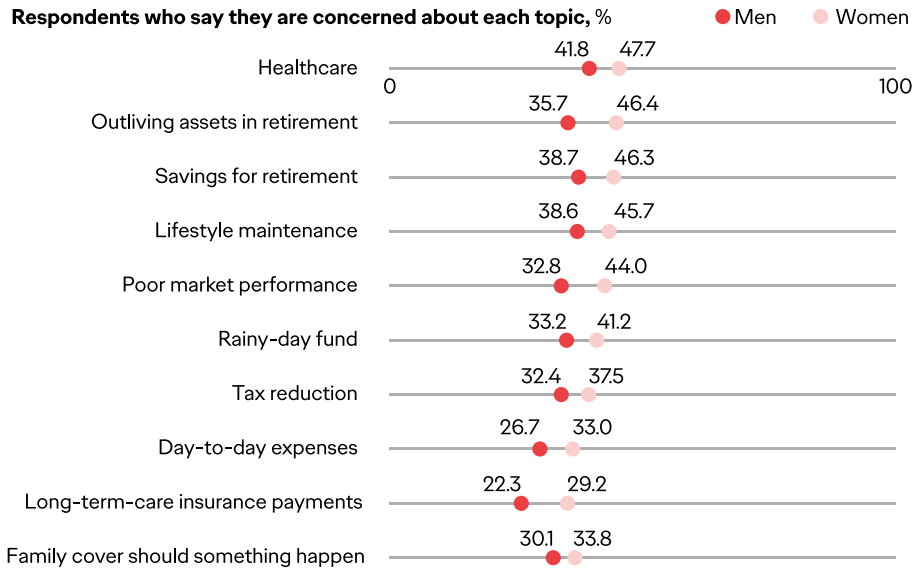


Source: "Managing the Next Decade of Women's Wealth, BCG, 2020.

As the baby boom generation ages, assets that had been held as community property are moving to the hands of surviving women. Given that generation's substantial wealth, the shift is historic, and by 2030, McKinsey reports, much of the \$30 billion in financial assets held by the baby boom generation will be controlled by women. That's a \$20 trillion swing from male or joint ownership to female control in just the 2020s.

Women control more wealth globally than ever before, too. According to BCG, they claim 32% of the world's financial resources and are adding \$5 trillion to the global wealth pool annually—outpacing the market as a whole. By 2024, women will control some \$97 trillion worldwide. The reasons for this are more than just a growing number of new widows.

WOMEN ARE GENERALLY CONCERNED ABOUT MEETING THEIR FINANCIAL GOALS



9 OUT OF **10**

categories in which women are more concerned than men in regard to meeting their financial goals

Source: "Women as the next wave of growth in US wealth management," McKinsey, 2020.

The world has a long, long way to go before achieving gender parity, but the gains women are making in pay equity, more seats at the leadership tables, and representation in startups are finally starting to show in their assets. Women are also taking control of their (or their families') investments at a greater rate, with 70% of millennial women taking the lead on financial decisions, according to BCG.

The increased presence and authority of women will, no surprise, change the world. For starters, they ought to make business more successful. A BCG analysis shows that for every dollar of capital raised, women-owned startups produce 78 cents in revenue. Those owned by men return just three shiny dimes and a penny.

More women in charge of more money will also change the flow of assets and finance. Women think differently about investment. After all, their lived experience is significantly different; they have often suffered from the wage gap and the challenges of managing a career through a maternity leave—not to mention juggling family responsibilities that still fall disproportionately on the shoulders of women. As a result, BCG found, "women tend to invest to fund specific goals, whether those goals involve leaving a legacy for the next generation, supporting a postretirement lifestyle, endowing a family business, or making a social impact in their community." That last point is key, given that 64% of women report factoring ESG concerns into their investment decisions.

The increased presence and authority of women will, no surprise, change the world

Women are, in short, more tangible in their investing, going after goals that relate to life rather than aiming for abstract thresholds. McKinsey research noted that women are nearly 10 percentage points less likely than men to take big investment risks for big returns. They go for capital preservation, real-life goals, and passive (rather than active) money management. All this makes sense given the concerns women have about meeting their financial goals.

Wealthier Women = Better World

So women consider ESG factors, invest efficiently, eschew foolish risks, seek to have a social impact, and think generationally. They also perform better than their male counterparts when they are the subject of investments. It's no wonder then that "the European Investment Bank's report *Funding Women Entrepreneurs* states that greater gender diversity could lead to a potential increase of 26% of annual global GDP

and USD 160 trillion of human capital wealth, and could enhance business performance by 15%," as UBS wrote in their *Women's Wealth 2030* report.

As UBS lays out, there is still a long way to go in unleashing the capital genius of women, and for that to happen much of the world's mental furniture needs to be tossed out. Humans are still captive to long-standing biases—both conscious and unconscious—that dictate how women are judged and what opportunities come to them. Education is woefully unequal, and not just in parts of the world known to be hostile to women and girls. Household, child-rearing, and family care responsibilities still fall to women far more than to men. Women remain far too rare at the senior-most levels of business and politics, not to mention in the unofficial power centers where connections are forged and access is smoothed. One need only look at the state of abortion access in the United States to see how unequal healthcare and legal rights are. Consider all that and then paint a gloomier picture: That's what it's like for women of color.

“Greater gender diversity could lead to a potential increase of 26% of annual global GDP and USD 160 trillion of human capital wealth, and could enhance business performance by 15%”

This Women's Wealth

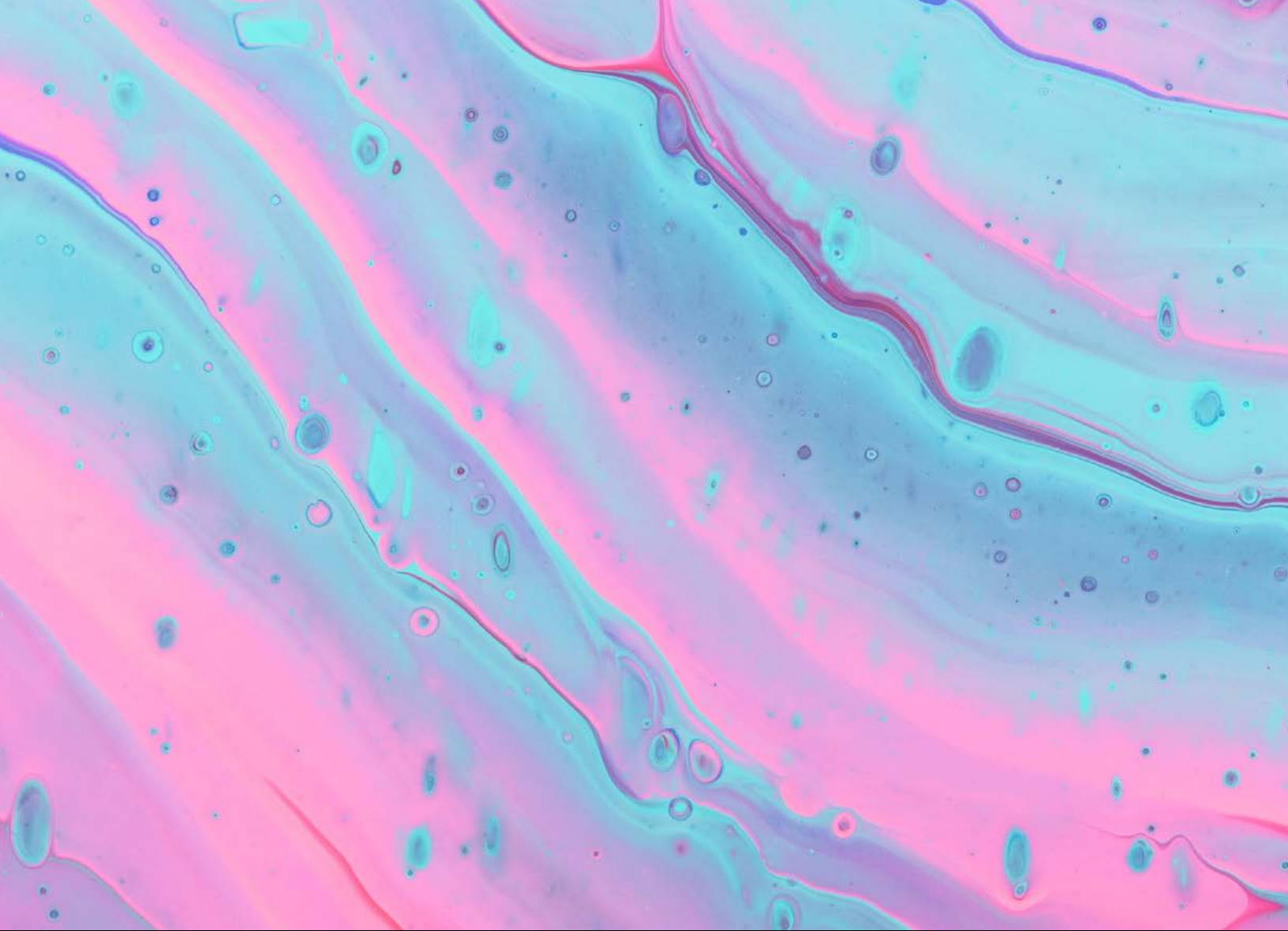
A bunch of newly flush women should inspire the financial services industry to design products and services attuned to women's needs, but the political backlash against ESG suggests that won't be a smooth development. But even so, the gendered influences on investment behavior need more study. The money preferences of women, at least as identified so far, fall neatly into how society likes to pigeonhole women's desires. It's a little suspect.

Still, this shift of capital power points to something deeper: The world works better when women have more opportunities. Marketers cater fluently to women as consumers, but markets are all but mute when it comes to women as capitalists. The formal and informal networks that nurture startups are unwelcoming to women. Venture capital funds don't underwrite nearly enough women-founded companies, and that hinders wealth creation for all.

Any business not actively working outside its own walls to build its pipeline of women leaders should be punished by shareholders for sheer stupidity. Gendered norms and gated opportunities are so ingrained in our thinking that businesses need to step beyond the spheres in which they operate and nurture gender parity in everything from educational institutions to politics. Setting aside the moral panic around "woke capitalism" and looking instead at business outcomes will reveal that investing in women from one end of civilization to another is just good business.







Conclusion: The Violet Hour

In the midst of daily doomscrolling and climate despair, it may seem that the violet hour of civilization's dusk has arrived.

It hasn't. For all the bad news—war, climate emergencies, creeping authoritarianism, and increased uncertainty—the trajectory humanity is on looks a lot better than it did just a short while ago. People are not going to reduce their energy usage in any meaningful way. Nor is veganism going to become the preferred diet around the world anytime soon. A giant

new generation won't spring up to help fill jobs, either. But technological progress and human need are, once again, coinciding to give humanity the tools to get past a sticking point.

The question remains, however, if civilization will take advantage of them in time to avert cascading crises. Not entirely, but business—a supremely agile form of human organization and collective effort—has awakened to the need for rapid action and the urgent demands of a substantial subset of their customers.



Unhindered by forces seeking retaliation, businesses are among the best vehicles for enacting widespread change, and the seven years commencing now, at the beginning of 2023, will be the years when they, with the help of regulatory nudges and governmental incentives, take the lead. This is not a perfect way forward. It's definitely not the way that many would have selected. But it is the method left to us now, after three decades of climate paralysis. The coinciding forces—AI, volatility, hemispherical competition, shifting wealth, new energy

technology, and a rethinking of the boundary between the individual and the collective—also weigh on business. They, too, argue for rapid action, if businesses are to remain sustainable in the full sense of that word—if they are, to put it bluntly, to even *last*.

The window for action is small. These seven years are crucial, and the world will earn no sabbatical when they end. To squander this opportunity will be to beget a wasteland. So hurry up, please. It's time.



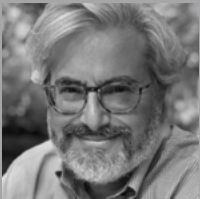
**CONTRIBUTORS
TO THIS REPORT**



Carla Hendra
Global CEO
Ogilvy Consulting



Susan Machtiger
President
Ogilvy Consulting NA



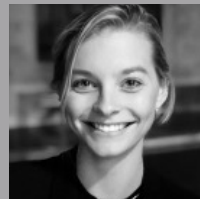
Jeremy Katz
Author / Editor



Ashley Wood
Global Principal,
Brand Innovation & Insights
Ogilvy Consulting



Farid Mozafari
Primary Researcher
Global Consulting Director
Ogilvy Consulting



Lavinia Arl
Global Analyst
Ogilvy Consulting



Vanessa Perry
Global Partner
Marketing & Partnerships
Ogilvy Consulting



ENDNOTES FORECAST 10



Ann Higgins
CEO
Ogilvy Consulting, EMEA

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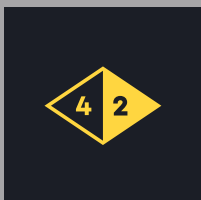
Emily Yuan
Global Analyst
Ogilvy Consulting

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Jessica Prestia
Global Analyst
Ogilvy Consulting



C42D
David Card, Founder and CEO
Alison Abate, Art Director
Christa Gonzales, Project Manager
Justin Cangiano, Senior Designer

For more information, please visit us at:
www.ogilvy.com/work/consulting

Or contact us at:
ogilvyconsulting@ogilvy.com