

Young women: the wealth generators of today

Previous generations may not have been as affluent at the same age, but they paved the way for those to come

Chalk it up to confidence, education, upbringing, opportunity and a slightly more level playing field—young women today are taking the reins on their finances and wealth generation.

A recent study, sponsored by RBC Wealth Management—which surveyed 1,051 respondents (men and women)—revealed that high-net-worth young females around the world are savvier than preceding generations when managing money, making financial decisions and defining their legacy. According to the study, millennial women (born 1981-2000) are creeping up in asset ownership faster than women born earlier, with 22 per cent of baby boomer women (born 1946-1964) having \$5 million or more in assets, and millennials (men and women combined) surpassing this at 32 per cent.

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“More women are entering the workforce at an earlier age, as compared to previous generations,” explains Abby Kassir, vice president, high net worth planning services for RBC Wealth Management. “They are more involved in completing their education, and accumulating wealth at an earlier age, starting and running their successful businesses.”

Though the study focused on the affluent—1,051 respondents (men and women) from Canada, the U.S., the U.K. and Asia (mainland China, Hong Kong, Singapore) with US\$1 million or more in investable assets—their influence shouldn’t be discounted. There’s a potential ripple effect on women from varied socio-economic backgrounds, suggests Camilla Sutton, president and CEO of the Women in Capital Markets (WCM). “This is an important group of women,” she says. “They are role models, they have the ability to educate and they have substantial wealth with which to have impact.”

CASE IN POINT

Charlotte, who declined using her last name for professional reasons, is an example of this. For this 31-year-old Toronto-based financial trader, financial planning and investing come naturally given her education, profession and upbringing. “[My father] really did shape how we saw money as children,” she says. “That dollar meant something when we scrubbed the deck or did our chores.”

In her marriage, Charlotte often takes the lead on financial decisions. “I think he [her husband] knows that I’m more of a numbers’ person, so he’s happy to have me take the lead on things,” she says. “He is always a part of the conversation.”

If mum and grandma didn’t pave the way for up-and-comers, like Charlotte, then who did? Surely the shift we see today didn’t happen overnight with millennials but is a “work in progress” from the generation before.

BEHIND THE SHIFT

The careers and experiences of financial executives Shauna Hibrant and Kimberly Stephens would suggest so. Both women, aged 47 and 39, respectively (post-baby boomers)—who are members of the Financial Executives International Canada (FEI Canada)—rose to the top of their professions in the late ’90s to early 2000s despite a glass ceiling well intact. They attribute ambition, hard work and a belief in themselves to their success—as well an opening up to the idea of women as leaders.

“I grew up with the mentality ‘you want something you go do it,’” says Hibrant, VP of finance for Morneau Shepell, and mom of a teenager. “I wasn’t brought up to think, how do I rely on someone else? It’s my money and I’m going to be responsible for it.”

For Stephens, CFO of Appili Therapeutics Inc., who isn’t married with children, her career is top priority. This has shaped her decisions and the opportunities that came her way, including taking on an executive role as CFO with IMV Inc. (formerly Immunovaccine) at just 32.

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"I did think, in regards to my career, that at various points in my life, if I was to get married and had to go on maternity leave, I'm not sure how I could have made it work and still advance in my career," she says, "That is not why I did not have kids, but I do think early on I was so focused on my career, I didn't have that luxury of just saying 'I'm going to take some time off.'"

Karin Mizgala, co-founder and CEO of Money Coaches Canada, believes dilemmas like this still limit women professionally and financially. An investment coach for more than 20 years, with a focus on women, Mizgala has seen an, all but, slow shift from the status quo.

"I know our work is not done on this, for sure," she says, recalling the barriers she faced at management levels. "Today, they [young women] are balancing other priorities, having kids, and still there is something in the structure of our institutions that are built on a patriarchal foundation. Women are trying to manoeuvre within this and the financial infrastructure is holding on fast and tight."

ON THE HORIZON

Perhaps there's a brighter horizon. Though just three per cent of Canada's top 100 CEOs are women, companies like Tangerine with Brenda Rideout, ACL with Laurie Schultz and Plan International Canada with Caroline Riseboro are changing the guard. CPA Canada, itself, has a woman at its helm, CEO Joy Thomas, and 64 per cent of its executive team are women.

According to Statistics Canada, women represented 35.6 per cent, or 950,000, of all self-employed people in Canada in 2011, up more than 20 per cent in a decade. That same year, roughly 47 per cent of small and medium sized businesses (SMEs) were entirely or partly owned by women, contributing more than \$117 billion per year in economic activity in Canada. A 2013 RBC report projects this contribution to reach \$198 billion within a decade.

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Clearly, the Canadian government thinks that's worth investing in. The 2018 budget committed \$1.65 billion in new financing to female entrepreneurs via the Business Development Bank of Canada and Export Development Canada. Meanwhile, in June, Startup Canada launched Startup Canada Women Founders in STEM (Science, Technology, Engineering and Math) Fund, providing grants to female entrepreneurs and women-led companies working in the STEM fields.

For Charlotte, as the sole female on her team, it's full steam ahead, despite gender dynamics. "I think men might have a view...until they meet a woman that doesn't subscribe or meet those views and then you are an equal," she says. "Once on the trading desk, I wasn't a woman anymore. I was Charlotte, a colleague."

"The concept of the glass ceiling is still there, but women have to put themselves out there and make that first connection to really be seen as an equal," she adds. "...the rest, kind of, falls in line."