

Media release

\$2.4 trillion inheritance at risk as financial services fails to meet needs of women

Friday 4 September, 2015

The ING DIRECT Women & Finance report, launched today, reveals the financial services industry is failing to adequately meet the needs of women, risking the preservation and growth of an imminent intergenerational wealth transfer of \$2.4 trillion.

The report reveals that women are set to be the main beneficiaries of a \$2.4 trillion wealth transfer from baby boomers and Gen X in the next three decades. However, while women are increasingly confident in their financial decision-making and engaged with their finances, there remains a misalignment between women's needs, what's currently on offer, and the manner in which women wish to be served.

Key findings

Independent research commissioned by ING DIRECT shows that women are increasingly confident and in control when it comes to financial matters:

- 93% of women are either the main financial decision-maker or joint decision-maker
- 84% of women would be confident in taking on all financial decisions
- 31% of women currently receive professional financial advice
- 35% would use a financial planner if they came into a substantial inheritance
- 34% would turn to family and friends for advice

Lisa Claes, ING DIRECT Executive Director of Customer Delivery said: "Women identify with feeling a responsibility to preserve wealth, particularly inherited wealth, and to leave a legacy for the next generation. For women, the focus is often on 'making it last' rather than 'watching it grow'."

"Sometimes the best solution is not the one which delivers the highest investment returns and it's important that the financial services industry recognises this and adapts its approach to address some of the intangible factors that are important to women, such as consistency, longevity and security."

What women want

The ING DIRECT Women & Finance Report outlines a number of key characteristics among women that shape their approach to financial matters:

- Women are more conservative investors than men, favouring capital-guaranteed [deposits](#) and investments and having a higher exposure to cash and fixed income
- The top financial concerns for women are feeling financially secure (59%) and having enough for a [comfortable retirement](#) (57%)
- Women want to be empowered to make wise decisions and will actively seek out expert advice – 31% currently receive professional financial advice and 35% would seek professional [financial advice](#) (if they came into a substantial inheritance)
- Women tend to take their time and ask more questions – gathering insights to make informed decisions rather than operating in 'fight or flight' mode
- For women, referrals play a significant role in their financial decision-making, and they place a particularly high value on the opinions and recommendations of other women, be it through close relationships or social media communities

Ms Claes said circumstances today present a unique opportunity for financial services providers to nuance their offerings to appeal to the specific needs of women:

"There is evidence in the financial services industry of an increasing focus on women and supporting their financial needs, but I don't believe that the industry has got it right yet. We don't need to divide

the genders with a compartmentalised approach; instead there must be an integrated approach to product development, marketing and distribution that addresses female nuances seeking greater access to information, simple and straightforward communication and clear advice. Most profoundly, the manner in which we communicate presents the greatest opportunity for the industry.”

“We are at the threshold of a time when women will be increasingly taking on more financial decision-making while assuming custodianship of a significant inheritance, supplemented by the vast wealth they have already earned, invested and amassed. The challenge now is for financial services to capture this opportunity.”

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About ING DIRECT

ING DIRECT changed the way Australians bank 15 years ago by launching the country’s first high interest, fee free online [savings account](#). Since then, we’ve brought this low fee value to [home loans](#), transactional banking and superannuation.

With over 1.5 million customers – and \$32 billion in savings and \$38 billion in mortgages – ING DIRECT has the highest Net Promoter Score of any bank.

Australia’s most recommended bank according to Nielsen Consumer Media View, Sep ‘14 –Feb ‘15 (n=10,220).