

A study on how women and men experience banking and finances uniquely

# The value of inclusivity in banking

# Foreword by ABN AMRO's CEO Robert Swaak

**A**BN AMRO's purpose is 'Banking for better, for generations to come'. To live that purpose, I think it is key to foster an inclusive climate. An environment for both our people and clients in which the diversity of our society is reflected. Because it's not just the right thing to do, but also the smart thing to do as diversity and inclusion can provide benefits to our organization and to society as a whole.

Long before I joined the bank as a CEO in 2020, I was personally and professionally committed to contributing to diversity and inclusion. As a father by supporting the ambitions of my 2 daughters and 2 sons, and in my previous roles by creating transparency about gaps and implementing meaningful diversity programs to unlock potential and let talent flourish.

At ABN AMRO diversity and inclusion are prioritized and monitored in our HR policies, our social impact strategy and our sponsoring activities.

Thinking about diversity and inclusion in a broader sense than our own organization, we acknowledge that different clients have different client needs. And as it turns out, various groups of clients experience barriers towards banking and finances.

Our ambition to be 'a personal bank in a digital age', requires us to put our clients front and center of everything we do. To really be involved in who they are and what their needs during specific life stages are. To listen to them and their unique life stories and to build a personal relationship with them in a digital age. To make our products and services more inclusive.

Inclusive Banking is a very broad topic, which covers among others cultural background, mental/physical disabilities, illiteracy etc. Most existing studies write about gender differences, as women form the largest group of underserved people in banking. Therefore, ABN AMRO has decided to focus this Inclusive Banking report on the barriers women and men in various client segments experience with regards to banking and finances. This is not to say that different metrics within inclusive banking are less relevant, nor that the terms 'women' and 'men' cover all gender identities. It is an effort to provide insights on Inclusive Banking within the Netherlands, to support women in particular with managing their finances.

I hope this report helps raise awareness to discuss and overcome the barriers blocking equal opportunities to banking. To achieve a level playing field, we need to collaborate with other stakeholders (banks, corporates, networking organizations, NGO's and the government). So that a Dutch ecosystem in which everyone has equal opportunities can become reality.



As I continue to lead ABN AMRO, I intend to keep raising awareness about Inclusivity in banking, both within ABN AMRO and in society. So that we can learn from each other and build a stronger, future-proof banking environment that respects all people. We welcome your participation in this mission.

## **Robert Swaak**

Chief Executive Officer  
ABN AMRO



# Table of contents

- 1** Foreword by ABN AMRO's CEO Robert Swaak
- 2** Table of contents
- 3** Management summary
- 7** Introduction to Inclusive Banking
- 9** Research approach
- 11** How do women on a tight budget experience banking and finances?
- 15** How do wealthy women experience banking and finances?
- 19** How do female entrepreneurs experience banking and finances?
- 23** How do affluent women experience banking and finances?
- 27** How do female young professionals experience banking and finances?
- 31** Recommendations for next steps
- 32** Acknowledgements

# Management summary

## Introduction

Various groups of people feel underserved in banking. In absolute numbers, women form the largest group, as 67% of women in the largest economies feel their financial advisers don't understand them or are not interested in serving them. At the same time, women form a relevant group within banking, with two-thirds of all global household spending being controlled by women and 40% of total global wealth being held by women. In fact, it is estimated that better serving women could contribute to EUR 611 billion in additional annual revenues for financial service providers globally.<sup>1</sup> To ABN AMRO, improving banking conditions for women makes perfect sense, considering its purpose: 'Banking for better, for generations to come'.

## Research approach

Existing Inclusive Banking studies reveal that barriers towards finances and banking differ across various metrics like gender, age and income level. Since women form the largest group of underserved people globally, ABN AMRO has decided to start researching inclusivity in banking in the Netherlands by analyzing 5 female focus groups:

1. Women on a tight budget
2. Wealthy women
3. Female entrepreneurs
4. Affluent women
5. Female young professionals

These 5 focus groups have been researched in a qualitative and quantitative manner, to identify the key moments in women's lives (life stages) during which banking and finances play a role. Also, the research intends to ascertain what barriers are experienced by women and men with regards to banking and handling their finances.

## Key findings on the differences between women and men on a tight budget

There are many more women who are on a tight budget than men (3.1M vs. 1.8M) and their percentage is decreasing at a slower rate than men.

Women who are on a tight budget are more prone to financial difficulties than men who are on a tight budget as women more often work part-time and (have to) dedicate more time on household- and care responsibilities. Therefore, supporting women who are on a tight budget with their financial questions and challenges is important.

Inclusive Banking surveyed women and men who are on a tight budget revealing 5 key life stages, 4 of which are relevant to them and all of which they expect their bank to be able to help with:

1. Reviewing my finances
2. Managing unexpected events concerning health
3. Changing my lifestyle

4. Starting to save for the future/retirement
  5. Buying my first house (not seen as relevant)
- Women and men who are on a tight budget expect their primary bank to best help them with life stages "reviewing my finances" and "starting to save for the future/retirement".

Across their most important life stages, women who are on a tight budget unsurprisingly identified 3 key barriers:

1. Lack of financial education/experience
2. Unclear journey
3. Loss of income

Interviewed experts and people on a tight budget supported the barriers and suggested that better financial tools/instruments, easier and more apprehensive (online) journeys and insights on how to increase their income level could help them.

Creating financial gender parity among women and men on a tight budget, can only be achieved if the number of women on a tight budget is brought back to the same number as men (-20%). Also, helping women to increase their income beyond the tight budget threshold (EUR 25K) to the Dutch national average (EUR 36.5K) would further benefit the economy and society as a whole. Achieving both is estimated to lead to an additional EUR 30 billion in additional yearly incomes within the Dutch economy.<sup>2</sup>

<sup>1</sup> Source: Oliver Wyman - Women in Financial Services 2020

<sup>2</sup> Details of this calculation can be found in the section "How do women on a tight budget experience banking and finances"

## Key findings on the differences between wealthy women and men

Wealthy people are defined as individuals holding over EUR 500K in assets. In the Netherlands, there are over 544K households that hold more than EUR 500K in assets.<sup>3</sup> While the number of wealthy women has increased over the course of the years, over two-thirds of this group feel inadequately serviced. This not only affects how wealthy women feel towards banks, but also causes fewer women to invest. Which is a pity as wealthy women more often than wealthy men invest in Environmental, Social and Governance (ESG) focused investment opportunities.

Therefore, supporting wealthy women to achieve equal banking opportunities is not only just, but is beneficial to society as a whole.

The Inclusive Banking research has identified 4 key life stages for wealthy women, of which “giving back to society” is most top-of-mind for women:

1. Giving back to society
2. Managing changes in my family situation (e.g. divorce, death)
3. Growing my wealth
4. Passing on my wealth

Wealthy women state that they find giving back to society a relevant life stage, and expect their bank to offer specific advisory services about sustainable and ESG products.

Although women are more willing to pool their assets in a single bank, they are also more likely to switch bank in the event of separation from their partner.

Across their key life stages, wealthy women say they experience 4 key barriers towards banking:

1. Lack of personalized advisory services and tailored financial planning
2. Lack of a strong relationship with the bank, its relationship managers and specialists
3. Lack of products and services to support the transfer of wealth to the next generation (e.g., financial education of children, networking events, advice for donations)
4. Lack of products that protect the family's (future) wealth, lack of long term investment products and lack of ESG propositions

Interviews with respondents and experts substantiate that wealthy women are less in touch with their bank and have more interest in ESG investments.

Helping women to become equally wealthy as men could generate additional inflow into the economy and thereby benefit society as a whole. Since the Dutch numbers on wealth distribution do not differentiate between averages for wealthy and affluent women and men, the estimated upside for the economy comprises increasing the amount of wealthy and affluent women as well as their average financial (non- real estate) assets size. Increasing both is estimated to grow the Dutch economy by EUR 130 billion in additional financial assets.<sup>4</sup>

## Key findings on the differences between female and male entrepreneurs

Entrepreneurs are defined as individuals who currently own or co-own a business and employ 0-250 staff, including self-employed contractors (ZZP'-ers) and have revenues up to EUR 50M.

Entrepreneurs are relevant to society as they can create jobs, provide innovative products and services and stimulate economic development. Female entrepreneurs represent a swiftly growing segment, the majority of whom are self-employed contractors operating in business services, health, personal services and retail.

Entrepreneurs go through comparable ‘life’ stages as individuals. The first entrepreneurial stage is the intention stage. After this stage comes the start-up stage. Once the company has been created, entrepreneurs can sustain their business (keep it running) or scale it (grow it). Inclusive Banking surveyed female- and male-led businesses, revealing that women are somewhat less likely to start a business and much less likely to scale a business.

In the intention and start-up phase, female entrepreneurs say that 2 key barriers are blocking them:

1. Low access to/awareness of capital
2. Lack of relatable role models/mentors/sponsors

Women's and men's rationale for starting a business is comparable. However, more women than men start a business to make an impact on society and/or the environment.

<sup>3</sup> Source: <https://longreads.cbs.nl/welvaartinederland-2019/vermogen-van-huishoudens/>

<sup>4</sup> Details of this calculation can be found in the section “How do wealthy women experience banking and finances”

In the sustain and scale phase, female and male entrepreneurs state that 2 key barriers are:

1. Lack of business skills and capabilities
2. Primary care responsibilities that require additional attention when running their business

Also, both women and men mentioned that dedicated financial advice, although not seen as a significant barrier, would be highly valued.

In-depth interviews with entrepreneurs and experts substantiate that female entrepreneurs find it hard to attract capital and don't always feel understood by their bank and/or bankers.

Helping female entrepreneurs to overcome these barriers would imply that women have equal opportunities to start a business and scale a business. Enabling more female entrepreneurs to start a business and scale their business at the same rate as male-led businesses would generate EUR 139 billion in additional Gross Value Added (GVA)<sup>5</sup> for the Dutch economy.<sup>6</sup>

### Key findings on the differences between affluent women and men

For the purpose of this research, affluent people are defined as individuals who earn more than EUR 100K annually and hold between EUR 50-500K in assets. The number of affluent people is rising, with both the number of households holding EUR 20-100K in assets and the number of households holding EUR 100-500K in assets increasing.<sup>7</sup>

In recent years, affluent women have been looking at ways to change their lifestyle and become more involved in charities. Therefore, supporting affluent women to achieve equal banking opportunities is not only just, but also impacts society as affluent women often donate to charity and create sustainable impact.

In terms of banking, affluent women are less involved in managing investment portfolios and often feel inadequately serviced.

The Inclusive Banking research identified 5 key life stages for affluent women, of which they expect their bank to be able to help them in all stages:

1. Changing my lifestyle
2. Upgrading house (bigger/second)
3. Setting up my finances
4. Growing my wealth
5. Continuing to save for retirement

Across their key life stages, affluent women say they experience 3 key barriers to banking:

1. Lack of financial education/experience
2. Lack of personalized advisory services and tailored financial planning
3. Lack of products that protect the family's (future) wealth, lack of long-term and/or ESG focused investment products

Also, the survey and interviews support that affluent women (and men) would benefit from additional financial educational services to help them with better understanding banking information.

Helping women to overcome these barriers and become equally affluent as men would not only benefit women, but would also generate additional inflow into the economy and thereby benefit society as a whole. As mentioned in the wealthy section, the potential upside of helping affluent (and wealthy) women to achieve financial gender parity is estimated to be EUR 130 billion.<sup>8</sup>

### Key findings on the differences between female and male young professionals

Supporting young professionals is relevant as they represent a substantial part of the Dutch workforce, with female young professionals forming the majority, yet holding far less household assets (EUR 55K vs. EUR 110K).

Female young professionals traditionally save more and invest less than their male counterparts. Also, fewer female young professionals attest to being at least co-decision makers when it comes to household finances (56% vs. 80%). Additionally, female young professionals are less confident about their financial knowledge, which leads to challenges when handling their finances.

<sup>5</sup> GVA is the value generated by any unit engaged in the production of goods and services, equivalent to GDP minus tax plus subsidies;

<sup>6</sup> Details of this calculation can be found in the section "How do female entrepreneurs experience banking and finances"

<sup>7</sup> Source: <https://longreads.cbs.nl/welvaartin nederland-2019/vermogen-van-huishoudens/>

<sup>8</sup> Details of this calculation can be found in the section "How do affluent women experience banking and finances"

The Inclusive Banking research identified 5 key life stages for young professional women, of which they expect their bank to be able to help them in 3 of these life stages.

1. Buying my first house
2. Starting a family (no role bank)
3. Starting to save for the future/retirement
4. Growing my wealth
5. Changing my lifestyle (no role bank)

While men are mostly concerned with growing their wealth, women are more focused on saving for the future/retirement.

Across their key life stages, young professional women say they experience 3 key barriers to banking:

1. Lack of financial education/experience
2. Unclear journey
3. Lack of support/easily available advice

Interviewed young professionals state that financial information about for instance mortgages is quite hard to understand. Also, the interviews show that men more often than women engage in investing.

To achieve financial gender parity across female young professionals, these women should be supported to increase their average household assets to the same size as men (+55K) and should equally become involved in household finances (+24%). Achieving both could potentially lead to 160K newly financially resilient women and EUR 35 billion in additional financial assets flowing into the economy.<sup>9</sup>

### Recommendations for next steps

The barriers identified in this Inclusive Banking research lead to 5 interventions (recommendations) to advance inclusivity in banking:

1. Make it easier for people to approach a bank and set up personal contact
2. Make communication about banking and finances easier to understand and more inclusive
3. Tailor and develop products and services to meet the needs of women and men
4. Adapt advisory style to address inclusive needs
5. Gather and monitor Inclusive Banking data to track inclusivity

<sup>9</sup> Details of this calculation can be found in the section "How do female young professionals experience banking and finances"

# Introduction to Inclusive Banking

## Various groups of people feel underserved within financial services

Various groups of people feel inadequately serviced or are dissatisfied with their financial services. For instance, a BCG paper shows, that “black-owned businesses get turned down for bank financing twice as often as white businesses do.”<sup>10</sup>

## Women form the largest group of underserved people, even though they control over two-thirds of household spending

Women form a substantial group within financial services globally, with two-thirds of all global household spending being controlled by women and 40% of total global wealth being held by women.<sup>11</sup> However, women also form the largest group of underserved people, as a study by Oliver Wyman shows, that 67% of women in the world’s largest economies feel their financial advisers don’t understand them or are not interested in serving them.<sup>12</sup>

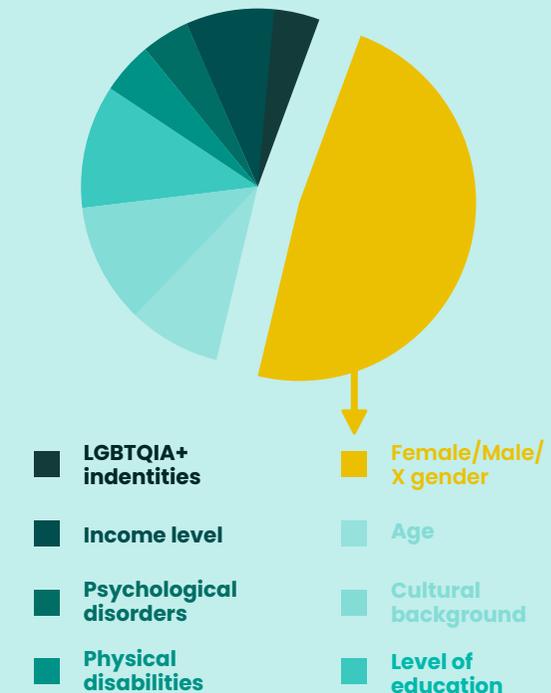
## This is a missed opportunity as there is an annual EUR 611 billion revenue potential and a societal responsibility to stimulate financial parity

Not providing adequate servicing to women is a missed opportunity, as it leads to a revenue loss of EUR 611 billion (USD 700 billion) for financial service providers globally.<sup>13</sup> Both individual organizations and the (financial) industry as a whole have a responsibility to improve (gender) equality in finances and society at large. International research conducted by the World Economic Forum, McKinsey & Company, and Oliver Wyman shows that unconscious biases form a key barrier in serving women optimally. This is a pity given the fact that women are careful borrowers, good savers and loyal customers<sup>14</sup> and banks could benefit from achieving financial parity.

## Gender inequality also holds true for the Netherlands, where 52% of women are not financially independent and female entrepreneurs are less successful at attracting financing

Gender inequality also plays a role in the Netherlands, where 52% of women are not financially independent (vs. 30% of men)<sup>15</sup>. Also, only 38% of female entrepreneurs succeed at attracting financing (vs. 46% of males) and 50% of women have an income that is less than 70% of the net minimum wage.<sup>16</sup>

**VARIOUS GROUPS OF PEOPLE EXPERIENCE BARRIERS TOWARDS FINANCIAL SERVICES. IN ABSOLUTE NUMBERS WOMEN FORM THE LARGEST GROUP OF UNDERSERVED CLIENTS.**



<sup>10</sup> Source: BCG - Financial Institutions Can Help Break the Cycle of Racial Inequality (2020)

<sup>11</sup> Source: Oliver Wyman - Women in Financial Services 2020

<sup>12</sup> Source: Oliver Wyman - Women in Financial Services 2020

<sup>13</sup> Source: Oliver Wyman - Women in Financial Services 2020

<sup>14</sup> Source: Financial Alliance for women

<sup>15</sup> Source: SEO Economisch Onderzoek “Gendergelijkheid” 2021

<sup>16</sup> Source: <https://www.rijksverheid.nl/onderwerpen/vrouwenemancipatie/arbeidsparticipatie-van-vrouwen#:~:text=Veel%20vrouwen%20werken%20niet%20of,70%25%20van%20het%20netto%20minimumloon>

## **To ABN AMRO, creating equal opportunities makes sense, considering its purpose 'Banking for better, for generations to come'**

In line with ABN AMRO's purpose 'banking for better, for generations to come', the bank is committed to creating equal opportunities for all to bank. To underline its intentions and ambitions, ABN AMRO signed the United Nations Women's Empowerment Principles (WEP) in March 2020 and joined the Financial Alliance for Women in 2021 - a global organization with the aim of enabling women to make a greater contribution to the global economy.

## **This report summarizes the key findings of the extensive quantitative and qualitative research**

In cooperation with McKinsey & Company and Better Future, ABN AMRO has performed extensive quantitative and qualitative analyses within various age groups, income groups and occupations. The aim was to identify key barriers as experienced by women towards banking and handling their finances in the Netherlands. The following chapters describe the research approach as well as the key findings per focus group.

The 5 female focus groups are:

1. Women on a tight budget
2. Wealthy women
3. Female entrepreneurs
4. Affluent women
5. Female young professionals

The outcomes of this research serve as a starting point for ABN AMRO to engage with a broad range of stakeholders and work together to address the barriers identified, in order to make banking more inclusive and accessible.

As Chantal Korteweg – Director of Inclusive Banking at ABN AMRO states: "Our aim is to create equal opportunities for people to finance and bank, no matter what their age, gender, cultural background, level of education or sexual preference is. The goal is Inclusive Banking, for all."



**Chantal Korteweg**

Director Inclusive Banking  
ABN AMRO

# Research approach

## Various research techniques were used to identify Inclusive Banking insights

ABN AMRO used an extensive set of research methods to identify Inclusive Banking insights in finance and banking. This chapter describes all the techniques used to perform the analyses.

## Desk research revealed that most studies on inclusivity analyze differences between women and men

Existing Inclusive Banking studies reveal that barriers towards finances and banking differ across various metrics like gender, age and income level. Studying existing research and papers revealed that globally, most of the existing Inclusive Banking literature focuses on differences between women and men. This is logical as many studies point out that women form the largest group of underserved people in banking.

## Therefore, ABN AMRO has decided to start analyzing inclusivity in banking in the Netherlands by concentrating on differences between women and men

The idea was to identify key moments in women's and men's lives (life stages) during which banking plays a role and to research how women and men experience these

differently. Having identified the life stages, the research aimed to identify what factors form a barrier towards banking.

## 5 female focus groups were identified for research<sup>17</sup>

1. Women on a tight budget
2. Wealthy women
3. Female entrepreneurs
4. Affluent women
5. Female young professionals

## These 5 focus groups were defined by age, income and in some cases occupation:

To analyze differences between women and men, Inclusive Banking included focus group specific identifiers like age, income level and occupation. These categories were designed to enable comparisons with data sources like CBS and Chamber of Commerce (Kamer van Koophandel) as well as common banking products and services.

1. **Women on a tight budget:** women between 18 and 75 years old who have a personal income below EUR 25K per year or a household income below EUR 30K per year, regardless of the amount of hours a person is employed.

2. **Wealthy women:** women between 45 and 65 years old, who hold assets over EUR 500K and are at least co-decision makers when it comes to finances.
3. **Female entrepreneurs:** women who currently own or co-own a business and employ 0-250 staff, including self-employed contractors (ZZP'-ers) and have revenues up to EUR 50M.
4. **Affluent women:** women between 45 and 65 years old who have a household income of at least EUR 100K per year, hold assets between EUR 50K to EUR 500K, and are at least co-decision makers when it comes to finances.
5. **Female young professionals:** women between 18 and 35 years old who work part-time or full-time as a self-employed contractor or for an employer, hold a bachelor's degree or higher and are at least co-decision makers when it comes to finances.

These 5 groups form the start of a broader approach to further inclusivity. It is important to mention that focusing on the differences between women and men in these 5 groups is a subjective choice and that studying other aspects such as age, cultural background, and other gender identities will be necessary to increase inclusivity across the entire spectrum.

<sup>17</sup> Although the 5 female focus groups were carefully chosen to provide statistically significant insights on Inclusive Banking, the writers acknowledge that inclusivity is a much broader topic that also covers among others; cultural background, mental/physical disabilities, illiteracy etc. This report does not want to forego by these other groups and merely serves as a starting point towards Inclusive Banking for all.

## Consequently, these 5 female focus groups were analyzed by means of qualitative and quantitative studies

Following the desk research, ABN AMRO applied both quantitative and qualitative techniques to gain insights into the different barriers experienced by men and women within the different focus groups.

### 1. Qualitative interviews by ABN AMRO

Qualitative interviews held by ABN AMRO with clients from various banks as well as ABN AMRO staff

### 2. Qualitative dialogues with Better Future

Qualitative dialogues with clients from various banks as well as ABN AMRO staff in cooperation with Better Future

### 3. Quantitative deep dive into ABN AMRO data

A deep dive into ABN AMRO client data to identify possible differences between women and men.

### 4. Quantitative survey with McKinsey & Company

A quantitative survey developed by ABN AMRO in cooperation with McKinsey & Company:

- a. Number of respondents for 'women on a tight budget' group: 749, of which female=492 and male=257.
- b. Wealthy women number of respondents: 50, of which female= 9 and male=41.<sup>18</sup>
- c. Entrepreneur number of respondents: 649, of which female=401 and male=248.
- d. Affluent number of respondents 284, of which female=130 and male=154.
- e. Young professional number of respondents 774, of which female=522 and male=252

### 5. Global Entrepreneurship Monitor (2020/2021)

Survey-based research on entrepreneurship and entrepreneurship ecosystems around the world

### 6. Additional proprietary McKinsey & Company research

Various studies on gender, investment preferences and banking

## Also, the Inclusive Banking team set-up an expert panel to consult during the research

Moreover, the team leveraged external proprietary data and expertise provided by an expert panel. This panel consisted of experts with a proven track record in Diversity & Inclusion across both consumers and entrepreneurs.<sup>19</sup>

## The following chapters provide an overview of the key differences between women and men experienced in financing and banking

The above mentioned techniques serve to provide insights about the differences between how women and men experience banking and finances.

## Identifying differences in needs and experiences serves to further inclusivity in banking

It is important to point out that this research into gender differences aims to help create equal opportunities and an Inclusive Banking environment for all. The research is not meant to stereotype women nor men. Results are considered to be statistically significant when the difference between women and men is more than 6%.

<sup>18</sup> The quantitative survey research of ABN AMRO and McKinsey & Company did not result in a statistically significant respondent number for wealthy women. Therefore, additional proprietary McKinsey & Company research on gender and investment preferences in banking were leveraged to gain relevant insights.

<sup>19</sup> An overview of the expert panel can be found in the Acknowledgements

# How do women on a tight budget experience banking and finances?

## Women on a tight budget

Financial challenges experienced by people who are on a tight budget can decrease or block development and participation in society. A person on a tight budget is defined as an individual who has a personal income of less than EUR 25K per year or a household income of less than EUR 30K per year. Supporting women who are on a tight budget is crucial as there are many more women than men on tight budgets and their percentage is decreasing at a lower rate. Inclusive Banking surveyed 749 women and men between the ages of 18 to 75, to identify the key life stages and barriers that play a role in the lives of women on a tight budget.

“Reaching out to a bank never really occurred to me... I find it hard to save for future spending..., but I would appreciate help to learn how to save more.”



## Key facts and figures about women who are on a tight budget within the Netherlands

■ Women  
■ Men



### Key life stages

#### Reviewing my finances



Men find accessing their finances slightly more relevant than women (25% vs. 30%). And more often expect that their bank is able to help them (27% vs. 40%).

#### Managing unexpected events concerning health



Women and men equally find this life stage relevant (23% vs. 24%). Also, both have low expectations that their bank is able to help with (12% vs. 11%).

#### Changing my lifestyle



To women, changing their lifestyle is slightly more relevant (21% vs. 18%). However, only a minority of women and men think that their bank is able to help with this (13% vs. 11%).

#### Saving for the future / retirement



To women saving for the future is slightly more relevant (20% vs. 18%). However, only 27% of women expect their bank to be able to help them (vs. 40%).

#### Buying my first house



More women find buying a house to be a relevant life stage (12% vs. 9%). Yet fewer women expect that their bank is able to help them to buy a house (33% vs. 36%). Only 27% of women (vs. 46%) feel prepared to buy a house.

### Identified barriers

Lack of financial education / experience

Unclear journey

Loss of income

For helpful ideas or more information please contact [inclusive\\_banking@nl.abnamro.com](mailto:inclusive_banking@nl.abnamro.com)

This analysis was based on a quantitative survey (female n= 492 and male n= 257), desk research, and qualitative interviews

## There are many more women who are on a tight budget (3.1M vs. 1.8M) than men and their percentage is decreasing at a slower rate than men

Over 3.1 million women in the Netherlands are on a tight budget, which is significantly more than the number of men on a tight budget (1.8M).<sup>20</sup> Men in this group make up only 25% of the active male workforce, whereas women who are on a tight budget account for approximately 45% of the active female workforce.<sup>21</sup> Over the past 5 years, the number of men and women who are on a tight budget has been decreasing. However, despite this decrease, the percentage of women who are on a tight budget still decreases at a lower rate (-1.9% per year in the past 5 years for women vs. -2.2% for men). Also, the share of women who are on a tight budget is still significantly higher than for men. This particularly holds true for the age group 35-75, where women represent almost 68% of the people who are on a tight budget (vs. 32% men).

## Supporting women who are on a tight budget with their financial questions and challenges is important

Financial challenges experienced by people who are on a tight budget can decrease or block development and participation in society. Also, they can hamper childcare and lead to loss of income, feelings of shame and health problems.<sup>22</sup> It is therefore key that people who are prone to financial challenges are supported in addressing their financial questions, concerns and problems.

## Women who are on a tight budget are more prone to financial difficulties than men who are on a tight budget as women more often work part-time and (have to) dedicate more time on household- and care responsibilities

Women more often work part-time than men, with average working hours being 26 for women and 36 for men.<sup>23</sup>

At the same time, women weekly spend an average of 9.5 hours more on household and care duties than men.<sup>24</sup> According to Sophie van Gool, author of the book “Waarom vrouwen minder verdienen” (Translated: “Why women earn less”), women are disproportionately strongly hit by unexpected events like sickness, death of a loved one or losing their jobs as they are often not financially independent.<sup>25</sup>

At ABN AMRO, people who are on a tight budget can request assistance from an ABN AMRO budget coach, who can help them balance their income and expenses. Illustrating the fact that women on a tight budget are more prone to financial difficulties, Anouk - a 33 year old ABN AMRO colleague with budget coach training- states: “I often see that women on a tight budget who suddenly have to care for someone, get into financial difficulties. Their limited financial means make it hard for them to put money towards savings accounts and therefore they are often unable to create a buffer to cope with financial downturn.”



<sup>20</sup> A tight budget is defined as an income below EUR 25K per person per year or EUR 30K per household per year

<sup>21</sup> Source: <https://www.cbs.nl/nl-nl/visualisaties/dashboard-arbeidsmarkt/werkenden>

<sup>22</sup> Source: Movisie- ‘Wat werkt bij de aanpak van armoede en schulden and Integrale nota ondersteuning van mensen met een laag inkomen en/of financiële problemen’ (2018 t/m 2021)

<sup>23</sup> Source: <https://www.cbs.nl/nl-nl/nieuws/2019/03/verschil-arbeidsdeelname-mannen-en-vrouwen-weer-kleiner>

<sup>24</sup> Source: <https://sociaal.net/achtergrond/gendergelijkheid-gezinnen-goed-vooriederen/>

<sup>25</sup> Source: Sophie van Gool- Vrouwen verdienen minder

## Inclusive Banking surveyed women and men who are on a tight budget revealing 5 key life stages, 4 of which are relevant to them and all of which they expect their bank to be able to help with

Surveyed women who are on a tight budget stated that their bank could help with 5 key life stages, of which 4 are relevant to them<sup>26</sup>:

1. Reviewing my finances
2. Managing unexpected events concerning health
3. Changing my lifestyle
4. Starting to save for the future/retirement
5. Buying my first house (considered to be less relevant as it is out of reach)

Figure 1 shows that these stages are similarly relevant for men. However, the share of women expecting their banks to help them in these key life stages is lower for most life stages, suggesting women might well feel underserved by their banks.

Women and men who are on a tight budget expect their primary bank to best help them with life stages<sup>27</sup> “reviewing my finances” and “starting to save for the future/retirement”.

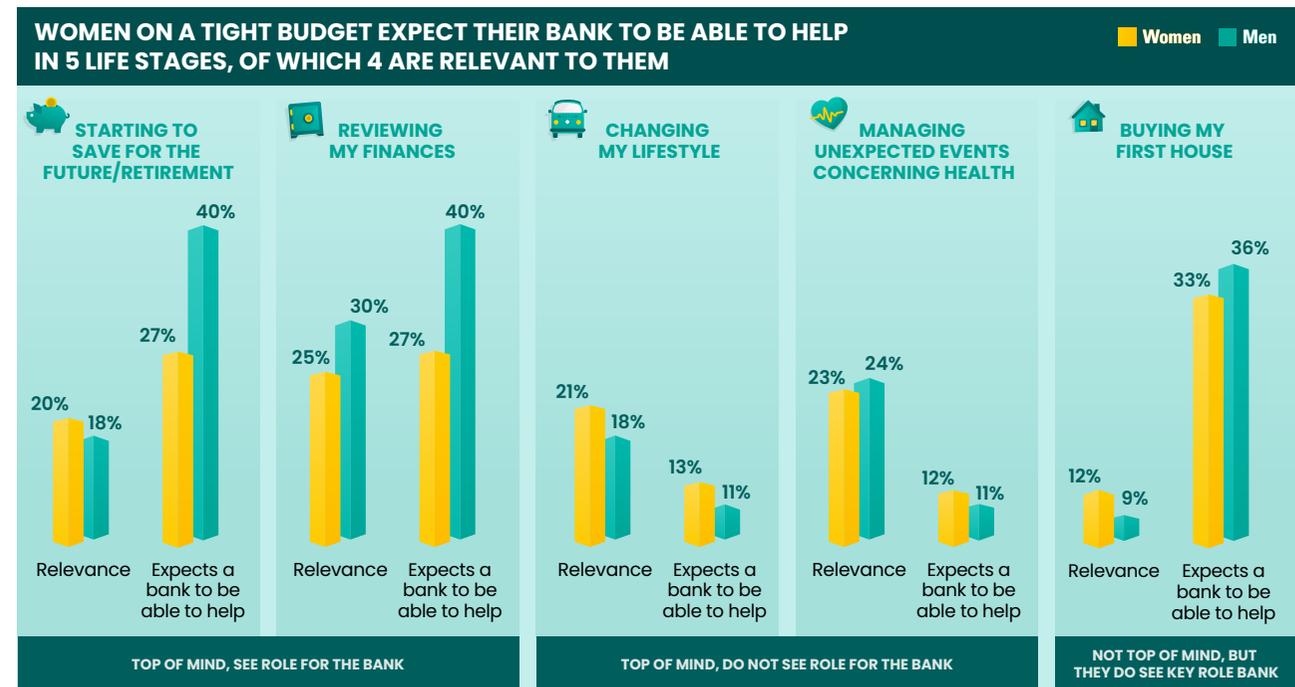
## Women who are on a tight budget state “loss of income”, “lack of financial education/ experience”, and “unclear journeys” as key barriers towards finances

Across their most important life stages, women who are on a tight budget unsurprisingly identified 3 key barriers:

1. Lack of financial education/experience
2. Unclear journey
3. Loss of income

To address these barriers, women mention 3 core needs:

- The need for better financial tools/instruments (e.g. how to set up regular budgeting, how to save money, preferably from an early age)
- The need for easier and more apprehensive (online) journeys required to achieve their goals (e.g. administrative burden/hassle)
- The need to gain more insights on how to increase their income level (e.g. possible ways to achieve a steady income stream)



<sup>26</sup> Indicated as important by >20% of female respondents

<sup>27</sup> Question asked: “Who do you expect to be able to help you best during ... event?”; Primary bank indicated by >40% of respondents

### These 3 needs were supported by interviews held with respondents who are on a tight budget and experts operating in this field

Interviewed respondents support that, to most people, the biggest stumbling block is setting up contact with a bank. People experiencing difficulties with budgeting are reluctant to reach out to banks as they often do not have a trusting relationship with their bank and find the financial jargon on websites hard to understand.

Anouk: "Often times I see that people who are on a tight budget find it hard to reach out to a bank, because they either do not trust them or do not know what banks can do for them."

However, once contact is established, both clients and experts state that they appreciate the personal contact, value the personal assessment and no longer feel distanced from their bank.

### Helping women who are on a tight budget could generate EUR 14-30 billion in additional incomes pumped into the economy

The barriers traditionally experienced by women on a tight budget lead to unequal opportunities for women and men. Helping women to get out of this tight budget would not only benefit these women, but would also generate additional inflow into the economy and thereby benefit society as a whole. Below analysis provides a guestimate on what the impact would be of helping women out of the tight budget situation.

Helping the number of women on a tight budget decrease to the same number as men, thereby closing this gap, would imply a 20% change. Enabling this large group of women to earn more, would allow for EUR 14 billion in additional annual incomes (money) to be pumped into the economy. And if these women can be supported to further increase their income beyond the EUR 25K 'tight budget threshold' to the Dutch National income level of EUR 36.5K per year, that would result in an additional amount of EUR 16 billion annually flowing into the economy.

These increased incomes could impact the Dutch society as a whole because people who earn more have more to spend, require less support and attest to better health.<sup>28</sup> Thus, supporting women on a tight budget to earn more money can generate EUR 14-30 billion in additional annual value for the economy.

#### KEY BARRIERS EXPERIENCED BY WOMEN ON A TIGHT BUDGET

	Lack of financial education/ experience	Unclear journey	Loss of income
 <b>REVIEWING MY FINANCES</b>	✓	✓	
 <b>MANAGING UNEXPECTED EVENTS CONCERNING HEALTH</b>	✓		✓
 <b>CHANGING MY LIFESTYLE</b>	✓	✓	✓
 <b>STARTING TO SAVE FOR THE FUTURE/RETIREMENT</b>	✓		✓
 <b>BUYING MY FIRST HOUSE</b>	✓	✓	

<sup>28</sup> Source: <https://longreads.cbs.nl/welvaart-en-welzijn-2019/welvaart-en-welzijn/>

# How do wealthy women experience banking and finances?

## Wealthy women

The number of wealthy women is rising, yet over two-thirds of this group feels underserved. This not only affects how wealthy women feel towards financial institutions, but also causes fewer women to invest. Which is a pity as wealthy women more often than wealthy men invest in Environmental, Social and Governance causes (ESG). Supporting wealthy women to achieve equal banking opportunities is therefore not only just, but could positively impact society as a whole. Inclusive Banking leveraged various studies about wealthy women and men who hold over 500K in assets under management (AUM), to identify key life stages and barriers experienced during them.

"I would be interested to find out more about sustainable investment products"



## Key facts and figures on the wealthy population within the Netherlands

■ Women  
■ Men

Total amount of wealthy households in the Netherlands  
**544,300**

Average size of household assets in EUR  
**1.5M for millionaires vs 25K for non-millionaires**

Average amount of banks per wealthy client  
**4** (Women) **6** (Men)

### Key life stages

#### Giving back to society

Nearly twice as many women require their primary bank to offer specific advisory services for ESG products (48% vs. 28%).

More than 5x as many women surveyed consider positive impact on environment when making their investment decisions (48% vs. 8%).

#### Managing changes in family situation

Women have a higher need to protect their wealth and family. Women are more likely to re-evaluate their financial services in the event of separation (38% vs. 25%).

#### Growing my wealth

48% of wealthy clients invests in ESG. Among wealthy women, this number is even higher, with over 68% of wealthy women investing sustainably. In addition, over half of all wealthy clients invest more than 20% of their portfolio in sustainable causes.

#### Passing on my wealth

Wealthy women more often than men have a long-term investment horizon (36% vs. 34%). While men are more interested in buying equity than women (80% vs 54%), the opposite is true for fixed income which is twice as often preferred by women (25% vs. 12% men).

### Identified barriers

Lack of personalized advisory services

Lack of a strong relationship with the bank

Lack of products to support wealth transfer to the next generation

Lack of products offering wealth protection, long term investment and ESG

For helpful ideas or more information please contact [inclusive\\_banking@nl.abnamro.com](mailto:inclusive_banking@nl.abnamro.com)

This wealthy analysis was based on various quantitative and qualitative studies



**Peter**

### **The number of wealthy women is rising, yet over two-thirds of this group feels underserved**

Wealthy people are defined as individuals holding over EUR 500K in assets. In the Netherlands, there are over 544K households that hold more than EUR 500K in assets.<sup>29</sup>

Female wealth is on the rise, with the 2021 Forbes list of the World's Billionaires featuring 328 women, an increase of more than 36% compared with 2020.<sup>30</sup> Nonetheless, according to a global study by BCG: "Despite the increasing power of their purse strings, women remain largely underserved by the wealth management community."<sup>31</sup> 67% of wealthy females in the Netherlands is not satisfied with their financial advice.

### **This not only affects how wealthy women feel towards banks, but also causes fewer women to invest**

In the Netherlands, only 1 in 7 investors is female, even though various studies show that women achieve comparable investment results as men.<sup>32</sup>

Testifying to this fact, one of our respondents, Peter- a 45 year-old man living in Haarlem with his wife and 2 kids- states: "I've been investing for a long time now, but to be honest my wife does not invest herself. I think if I were to ask her, she would surely want to invest- probably in one or multiple sustainable and/or social causes."

### **Which is a pity as wealthy women more often than wealthy men invest in ESG propositions**

According to the Inclusive Banking survey, a significant share of wealthy women are highly involved in ESG investment themes (28% vs 15% of men). Also, wealthy women clearly show different investment needs in terms of longer investment time horizons vs. men, and a portfolio allocation geared towards lower-risk assets. For 44% of wealthy women surveyed, a positive impact on the environment is a key priority (vs. 8% of men). At the same time, protection of wealth is indicated as a key goal by 30% of wealthy men (vs. 21% of women).

### **The Inclusive Banking research identified 4 key life stages for wealthy women, of which "giving back to society" is most top-of-mind for them**

Wealthy women state 4 life stages are key to them:

1. Giving back to society
2. Managing changes in my family situation (e.g., divorce, death)
3. Growing my wealth
4. Passing on my wealth

<sup>29</sup> Source: <https://longreads.cbs.nl/welvaartinnederland-2019/vermogen-van-huishoudens/>

<sup>30</sup> Source: <https://www.forbes.com/sites/denizcam/2021/04/06/the-top-richest-women-in-the-world-in-2021/?sh=71a694804598>

<sup>31</sup> Source: <https://www.bcg.com/publications/2020/managing-next-decade-women-wealth>

<sup>32</sup> Source: <https://www.abnamro.nl/nl/prime/speciaal-voor/preferred-banking/vermogensvragen/waarom-beleggen-vrouwen-goed-idee.html>

## Wealthy women indicate “giving back to society” to be a relevant life stage, expecting their bank to offer specific advisory services about sustainable and ESG products

Giving back to society is a primary focus point for wealthy women when it comes to investing. In comparison to men, more women say that they would classify their bank as a key player in ESG if their bank were to offer specific advisory services for ESG products (48% vs 28%). Contrarily, a majority of wealthy men state that to them, an above-average ESG investment performance would be the main factor for considering their bank as tier 1 in this space.

## Although women are more willing to pool their assets in a single bank, they are also more likely to switch bank in the event of separation from their partner

Wealthy women are more willing to pool their assets in a single bank and more often desire a single relationship for their financial needs. At the same time, wealthy women are more likely to switch bank and financial advisor in the event of separating from their partner. Moreover, wealthy women have a strong need to protect their wealth and family (i.e. finance education of children). Wealthy women often live longer than their spouses and therefore have a higher need for financial and inheritance planning. Also, they can face a wealth transition barrier with a longer time to decide and invest.

### WEALTHY WOMEN CONSIDER 4 LIFE STAGES TO BE RELEVANT



## Across their key life stages, wealthy women say they experience 4 key barriers to banking

The Inclusive Banking research indicates that across their most relevant life stages, wealthy women experience 4 key barriers to banking and/or financing:

1. Lack of personalized advisory services and tailored financial planning
2. Lack of a strong relationship with the bank, its relationship managers and specialists
3. Lack of products and services to support the transfer of wealth to the next generation (e.g., financial education of children, networking events, advice for donations)
4. Lack of products that protect the family's (future) wealth, lack of long-term investment products and lack of ESG propositions

## Interviews with respondents and experts confirm that wealthy women are less in touch with their bank and have more interest in ESG investments

Inclusive Banking research finds that banks seem to be more in touch with wealthy men than wealthy women. This is supported by experts and some of the male respondents who underline that they are often the ones who speak to the bank. Also, experts support that wealthy women indeed have more interest in ESG propositions.

KEY BARRIERS EXPERIENCED BY WEALTHY WOMEN				
	Lack of personalized advisory services	Lack of a strong relationship with the bank	Lack of products to support wealth transfer to the next generation	Lack of products offering wealth protection, long term investment and ESG
 <b>GIVING BACK TO SOCIETY</b>	✓			✓
 <b>MANAGING CHANGES IN MY FAMILY SITUATION</b>		✓		
 <b>GROWING MY WEALTH</b>	✓			
 <b>PASSING ON MY WEALTH</b>	✓		✓	✓

## Addressing barriers experienced by wealthy (and affluent) women can lead to a combined total of about EUR 130 billion in additional financial assets for the Dutch economy

The barriers traditionally experienced by wealthy women first and foremost lead to an unequal (unfair) wealth distribution across women and men. Helping women to become equally wealthy as men would not only benefit these women, but would also generate additional inflow into the economy and thereby benefit society as a whole.

Below analysis provides a guestimate on how much helping women to become equally wealthy could boost the economy. Since the Dutch numbers on wealth distribution do not differentiate between averages for wealthy and affluent women and men, the below calculation provides a combined estimate for both affluent and wealthy focus groups.

To become equally wealthy, the number of women holding financial (non-real estate) assets should be increased to the number of men holding financial (non-real estate) assets. There are currently approximately 700K wealthy/affluent men versus 400K wealthy/affluent women. Therefore, an increase of 300K wealthy/affluent women is necessary to even out this difference. Assuming that supporting more women to become wealthy/affluent will not impact the number of wealthy/

affluent men, the increase in wealthy/affluent women would boost the economy by EUR 60 billion. This amount is the result of 300K additional wealthy/affluent women multiplied by EUR 200K (the average amount of financial assets held by women).

In addition, if supporting women would not only increase their number but also the average amount of financial assets they hold, the economic benefits for society would be even larger. The current amount of financial household (non-real estate) assets held by women is EUR 200K compared to EUR 300K for men. To close this gap would mean that women should be supported to increase their financial (non-real estate) household assets by EUR 100K. If we multiply that by the new total of wealthy/affluent women – 700K – than this would lead to an additional EUR 70 billion in assets flowing into the economy. All in all, supporting wealthy and affluent women to achieve economic parity could grow the Dutch economy by EUR 130 billion (60+70) in additional financial assets.

# How do female entrepreneurs experience banking and finances?

## Female entrepreneurs

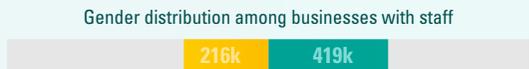
Entrepreneurs are very relevant to society as they can create jobs, provide innovative products and services and further economic development. Female entrepreneurs represent a swiftly growing segment, the majority of whom are self-employed contractors operating in business services, health, personal services, and retail. For both women and men the entrepreneurial journey goes from "intention", to "start-up", to "sustain", and finally "scale". However, women and men experience these stages differently. Inclusive Banking surveyed 656 people who own or co-own a business and employ 0-250 staff, including self-employed contractors (ZZP'ers) and have revenues up to EUR 50M.

"I would really appreciate some personal advice from time to time. This would have helped me during the start of my business, but could also help me now and in the future. Having to figure out everything on my own can be quite challenging"



## Key facts and figures on the entrepreneurial landscape in the Netherlands

■ Women  
■ Men



### Intention & startup stage

### Sustain & scale stage

8.1% vs 13.9%

Women are less likely to have the intention to start a business (8.1% vs. 13.9%), finding it more difficult than men to start a business (~59% women vs. ~49% men of working age).

9.0% vs 12.4%

Women are less likely to start a business (9% vs 12.4%). In the intention and start-up stage 22% of women highlight that they lack suitable professional networks (vs. 18% of men).

4.9% vs 14.5%

Men are almost 3 times as likely as women to sustain their business for more than 3.5 years (14.5% vs. 4.9%). Moreover, both women and men would value legal advice, but this is more so for women than men (47% vs. 40%).

1.3% vs 4.1%

Women are 3 times less likely to scale a business to a turnover between EUR 1-50M (1.3% vs. 4.1%). Also, 16% of women indicated that primary care responsibilities within the household have a negative impact on their ability to get support / funding (vs. 10%).



Low access and awareness of capital



Lack of reliable role models / mentors / sponsors



Lack of business skills and capabilities



Disproportionate primary care responsibilities

## Identified barriers

For helpful ideas or more information please contact [inclusive\\_banking@nl.abnamro.com](mailto:inclusive_banking@nl.abnamro.com)

This entrepreneur analysis was based on a quantitative survey (female n= 401 and male n= 248), the Global Entrepreneurship Monitor (2020/2021) desk research, and qualitative interviews



### **Entrepreneurs are relevant to society as they can create jobs, provide innovative products and services and stimulate economic development**

Entrepreneurship is important, as it has the ability to improve standards of living and create wealth, not only for the entrepreneurs but also for related businesses. Entrepreneurs also help drive change with innovation, where new and advanced products enable new markets to be developed.<sup>33</sup> Social entrepreneurship is a fast-emerging discipline that generates social impact through an entrepreneurial approach.<sup>34</sup> Vital to economic growth and inclusion, social entrepreneurship helps to boost a country's economy, as well as its social fabric. Social enterprises can create jobs, provide innovative services and products, promote sustainability and give hope for the future. According to the European Commission, the social entrepreneurship sector currently employs around 40 million people and engages over 200 million volunteers globally. And these numbers are increasing.

### **Female entrepreneurs represent a swiftly growing segment, the majority of whom are self-employed contractors operating in business services, health, personal services and retail**

Female entrepreneurs represent a swiftly growing segment in the Netherlands. Since 2015, the number of female entrepreneurs has grown by 25%, whilst the number of male-led businesses has increased by 19%. As of 2020, the approximately 750,000 female-led businesses account for 35% of all entrepreneurs in the Netherlands. The vast majority (528K) of female-led businesses are self-employed contractors (ZZP'-ers), whereas the remaining 214K female-led businesses concern businesses with staff.

Both for male- and female-led companies, 27% of the entrepreneurs who own a company have 2-10 employees. Only 3% of women own a company with more than 10 employees compared with 4% of men. In the 5 most productive sectors (energy, financial services, industry, ICT, Media and wholesale) women account for less than 10% of all entrepreneurs. The majority of female entrepreneurs operate in business services, health, personal services and retail.

Supporting this fact, one of our respondents, Xi - a 52 year-old female entrepreneur, who is divorced, has 2 children and lives in Bilthoven - states: "When I personally started working for myself, there were very few female entrepreneurs around. However I am seeing more and more women around now."

### **Supporting female entrepreneurs is not only fair, but can be of value to society as a whole as female entrepreneurs often invest in sustainable causes**

According to a 2020 BNP Paribas Global Entrepreneur Report: "54% of female entrepreneurs say that beyond financial returns, reducing their carbon footprint is their key measure of success in investing, compared with just 41% of men."<sup>35</sup>

### **The entrepreneurial life cycle goes from intention, to start-up, to sustain and scale**

Entrepreneurs go through comparable 'life' stages as individuals do. The first entrepreneurial stage is the intention stage. After this stage comes the start-up stage. Once the company has been created, entrepreneurs can sustain their business (keep it running) or scale it (grow it).

<sup>33</sup> Source: <https://www.investopedia.com/articles/personal-finance/101414/why-entrepreneurs-are-important-economy.asp>

<sup>34</sup> Source: <https://www.financierworldwide.com/the-impact-of-social-entrepreneurship-on-economic-growth>

<sup>35</sup> Source: <https://wealthmanagement.bnpparibas/en/expert-voices/2021-global-entrepreneur-family-report-part-3.html>

## Inclusive Banking surveyed female- and male-led businesses revealing women are somewhat less likely to start a business and much less likely to scale a business

The entrepreneurial life cycle is experienced differently by women than men, resulting in 3 key differences across these cycles:

- Women are less likely to start a business (9% of women vs. 12.4% of men)
- Women are almost 3 times less likely to continue operating (sustaining) their business for more than 3.5 years (4.9% vs. 14.5% for men)
- Women are 3 times less likely to scale a business to a turnover between EUR 1 – 50M than men (1.3% vs. 4.1%)

Xi: “I do see that women are sometimes quite reluctant to start a business, probably because they are afraid to fail. But when I first started I didn’t know everything either, so I would advise them to just go for it.”

## Men and women’s rationale for starting a business is comparable. However, more women than men start a business to make an impact on society and/or the environment

The 4 key reasons for women and men to start a business are:

- I would like to become independent and/or make my own decisions
- I would like to earn more money
- I would like to challenge myself
- I would like to make better use of my skills/experience

While more men (44%) than women (32%) start a business to make better use of their skills and experience, more women (16%) than men (9%) start a business to make an impact on society and/or the environment and to challenge themselves (36% women vs 27% men). Also, more women (26%) than men (14%) highlighted the ability to choose the people they would like to work with as being important for starting a business.

## In an attempt to move from the intention to the start-up phase, female entrepreneurs say that low access to and awareness of capital and lack of relatable role models form a barrier

During the intention phase, when entrepreneurs consider starting up a business within the next 3 years, 2 core barriers stand out:

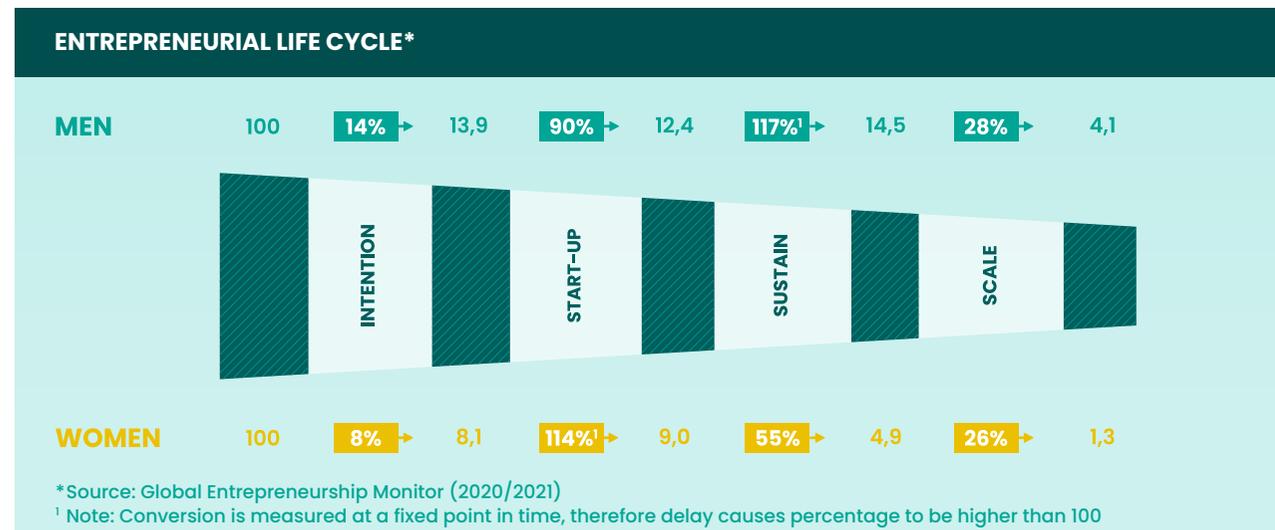
1. Both female and male entrepreneurs mentioned low access to and awareness of capital as the most important barrier, yet the share of women mentioning this barrier is significantly higher (69% of women vs. 59% of men)
2. Female entrepreneurs more often lack relatable role models/sponsors/mentors and would also appreciate more suitable networking opportunities (41% of women would value mentor/sponsorship programs vs. 34% of men)

Xi: “Female entrepreneurs shouldn’t want to be the same as men. We have more soft skills and are better listeners, which in fact is something the men around us value very much.”

## In the sustain and scale phase, female and male entrepreneurs state that a lack of business skills and capabilities as well as managing primary care responsibilities stand out as barriers

In the sustain (running a business that is older than 3.5 years) and scale phase (running a business with a turnover of EUR 1-50 million, regardless of age) 2 barriers stand out:

1. Both female and male entrepreneurs surveyed mentioned a lack of business skills and capabilities as barriers to run a business (38% of men and women stated a lack of relevant knowledge as negatively impacting their business)



2. Female and male entrepreneurs also state that primary care responsibilities that require additional attention interferes with running their business (41% of women experienced issues with balancing business responsibilities and personal life vs. 37% of men)

Also, both women and men mentioned that dedicated financial advice, although not seen as a significant barrier, would be highly valued- particularly for legal advice (47% of women vs 40% of men) and bookkeeping services (51% of women vs 48% of men).

### **In-depth interviews with entrepreneurs and experts substantiate that, female entrepreneurs find it hard to attract capital and don't always feel understood by their bank and/or banker**

Female entrepreneurs mentioned that they didn't always know where to go for capital. Also, experts find that even women who do know how to raise capital, don't necessarily feel comfortable having to pitch their idea to raise capital as a room full of male investors can feel quite intimidating. Female entrepreneurs look towards peers for guidance and perceive existing (online) financial advice as impersonal and difficult to understand. Also, both women and men stated that they don't always feel their banker understands them.

### **Addressing the barriers experienced by female entrepreneurs constitutes an annual value at stake of EUR 139 billion for Dutch society**

Supporting female entrepreneurs to overcome the barriers of starting and scaling their businesses could generate significant value. This value is referred to as GVA, which

stands for the value generated by any unit engaged in the production of goods and services, equivalent to GDP minus tax plus subsidies.

Enabling women to have equal opportunities to start a company would allow the number of female-led companies to grow to the same amount as male-led companies (+620K).

Also, increasing the scaling rate of female-led businesses to the same rate as male-led businesses would allow female entrepreneurs to reach equal annual GVA. The current GVA of female-led business is EUR 135K versus EUR 274K for male-led businesses (- EUR 139K).

If all existing (741K x EUR 139K) and newly established female-led companies (620K x EUR 274K) were enabled to scale at the same rate as men, this would account for EUR 273 billion in annual, additional GVA for the Dutch economy.

However, this amount should be corrected for the double-count of the GVA which would have otherwise been realized by business owners and their employees in their capacity as employees of another company. This is estimated to be 620K x EUR 73K x 96% = EUR 43 billion for business owners<sup>36</sup> and 620K x 2 x EUR 73K = EUR 91 billion for employees<sup>37</sup>, totaling a double-count of EUR 134 billion.

Hence, the estimated value for Dutch society from the potential contribution of female entrepreneurs if parity to men is achieved in the Netherlands is estimated to be EUR 139 billion (EUR 273 – EUR 134 billion) annually.

### **KEY BARRIERS EXPERIENCED BY FEMALE ENTREPRENEURS**

	Low access to and awareness of capital	Lack of reliable role models/mentors/sponsors	Lack of business skills and capabilities	Disproportionate primary care responsibilities
INTENTION STAGE	✓	✓		
START-UP STAGE	✓	✓		
SUSTAIN STAGE			✓	✓
SCALE STAGE			✓	✓

<sup>36</sup> Double count business owner GVA to be subtracted: number of new female business owners \* average GVA per Dutch capita \* % active working age

<sup>37</sup> Double count employee GVA to be subtracted: number of new businesses \* avg. number of employees per SME \* average GVA per Dutch capita

# How do affluent women experience banking and finances?

## Affluent women

The number of affluent people is rising, with both the number of households holding EUR 20-100K in assets and the number of households with EUR 100-500K in assets increasing. Supporting affluent women to achieve equal banking opportunities is not only just, but also impacts the whole population as they often support charities and sustainable causes. Inclusive Banking surveyed 284 affluent women and men between the ages of 45 and 65, who have a personal income of at least EUR 100K per year, hold assets between EUR 50-500K and are at least co-decision makers when it comes to finances.

"I was looking for a way to build a sustainable, high-impact organization that also generates economic value. My business partner and I believe that this combination is the only way to make a real impact. And I must say it has been quite rewarding and fulfilling.."



## Key facts and figures on the affluent population within the Netherlands

■ Women  
■ Men



### Key life stages

#### Changing my lifestyle



Fewer affluent women than men state that changing their lifestyle (e.g. more sustainable) is relevant to them (40% vs. 44%). However, more women than men expect their bank can help (44% vs. 31%).

#### Upgrading to a bigger or second house



Affluent women consider upgrading / moving to a bigger house to be more relevant as life stage than men (37% vs. 31%). A slight majority of women think their bank can help them with this (53% vs. 50%).

#### Setting up my finances



More affluent men than women believe setting up finances is a relevant stage (34% vs. 37%) and these men more often think their bank can help (61% vs. 66%).

#### Growing my wealth



Fewer women than men consider growing their wealth to be a relevant stage (34% vs. 49%), even though more women than men think their bank can help (68% vs. 57%).

#### Continuing to save for the future/retirement



Affluent women find saving for their future / retirement less relevant than men (32% vs. 38%), although a much larger share of women expect their bank can help them (72% vs. 44%).

### Identified barriers

Lack of financial education / experience

Lack of personalized advisory services

Lack of products that provide wealth protection, long term investment horizon and sustainable focus

For helpful ideas or more information please contact [inclusive\\_banking@nl.abnamro.com](mailto:inclusive_banking@nl.abnamro.com)

This affluent analysis was based on a quantitative survey (female n= 130 and male n= 154), desk research, and qualitative interviews

### **The number of affluent individuals is rising, however affluent women tend to hold fewer household assets than affluent men**

For the purpose of this research, affluent people are defined as individuals who make over EUR 100K per year and hold assets between EUR 50-500K. The number of affluent people is rising, with both the number of households holding EUR 20-100K in assets and the number of households with EUR 100-500K in assets increasing.<sup>38</sup> Affluent women own on average fewer household assets relative to men, with approximately 16% of women controlling more than EUR 250K in assets versus approximately 43% of men.

### **In recent years, women have been looking at ways to change their lifestyle and become more involved in charities**

Affluent women even more so than men are looking at ways to change their lifestyle, with 65% of affluent women being involved in ways to finance a more sustainable lifestyle (e.g. plastic free) in comparison to 62% of men.

Also, women have become more involved in charities. In recent years, women in the US have constructed their own channels of giving, through so-called giving circles. More than two-thirds of these circles (70%) are majority-women groups and these groups have contributed up to EUR 1.12 billion (USD 1.29 billion) to philanthropy in the US since they started. Giving circles, such as women's leadership groups, enable networking and collaboration - regardless of donation size - with a diverse demographic united by a shared passion.<sup>39</sup>

<sup>38</sup> Source: <https://longreads.cbs.nl/welvaartinederland-2019/vermogen-van-huishoudens/>

<sup>39</sup> Source: <https://www.forbes.com/sites/forbesnonprofitcouncil/2019/07/11/gender-generosity-who-gives-more-and-does-it-even-matter/?sh=53b4af9d67da>

<sup>40</sup> Source: Geven in Nederland 2020

<sup>41</sup> Source: <https://financialfocus.abnamro.nl/actueel/in-2018-gaf-nederland-meer-dan-ooit-aan-het-goede-doel/>



### **Supporting affluent women to achieve equal banking opportunities is not only just, but also impacts society as affluent women often donate to charity and create sustainable impact**

A study by "Geven in Nederland" shows that in 2020, the Dutch have donated over EUR 5.7 billion to charity. This is an increase in comparison to 2015 when EUR 5.3B was donated.<sup>40</sup> Approximately 83% of all Dutch households donate to charity. According to an internal study by ABN AMRO, this figure is even higher within the affluent client segment.<sup>41</sup>

Also, ABN AMRO research shows that 48% of female and male affluent clients invest sustainably. In the Netherlands, there are a lot more female clients investing sustainably than men (68% of women vs. 48% for the total population).

"Testifying to this fact, two of our respondents, Nick - a 30 year-old man living in Amsterdam and his business partner (and cousin) Tamar - a Rotterdam-based 31 year-old woman - state: "We were looking for a way to build a sustainable, high-impact organization that also generates economic value. We believe that this combination is the only way to make a real impact. And we must say it has been quite rewarding and fulfilling."

### In terms of banking, affluent women are less involved in managing investment portfolios and often feel underserved

Affluent women are less involved in managing investment portfolios. However, they are equally interested in opening investment accounts.

Also, affluent female clients in the Netherlands are much less satisfied with their financial advice compared with their male counterparts.

### The Inclusive Banking research revealed 5 key life stages for affluent women and they expect their bank to be able to help them during all stages

Affluent women state 5 life stages are key to them and they expect their bank to be able to help them during all of these life stages:

1. Changing my lifestyle
2. Upgrading to a bigger or second house
3. Setting up my finances
4. Growing my wealth
5. Continuing to save for retirement

### Across their key life stages, affluent women say they experience 3 key barriers to banking

The Inclusive Banking research indicates that across their most relevant life stages, affluent women experience 3 key barriers to banking and/or financing:

1. Lack of financial education/experience
2. Lack of personalized advisory services and tailored financial planning
3. Lack of products that protect the family's (future) wealth, lack of long-term investment products and lack of ESG propositions

Also, affluent women more often than men say they would benefit from additional financial educational services (30% vs 24% of men).

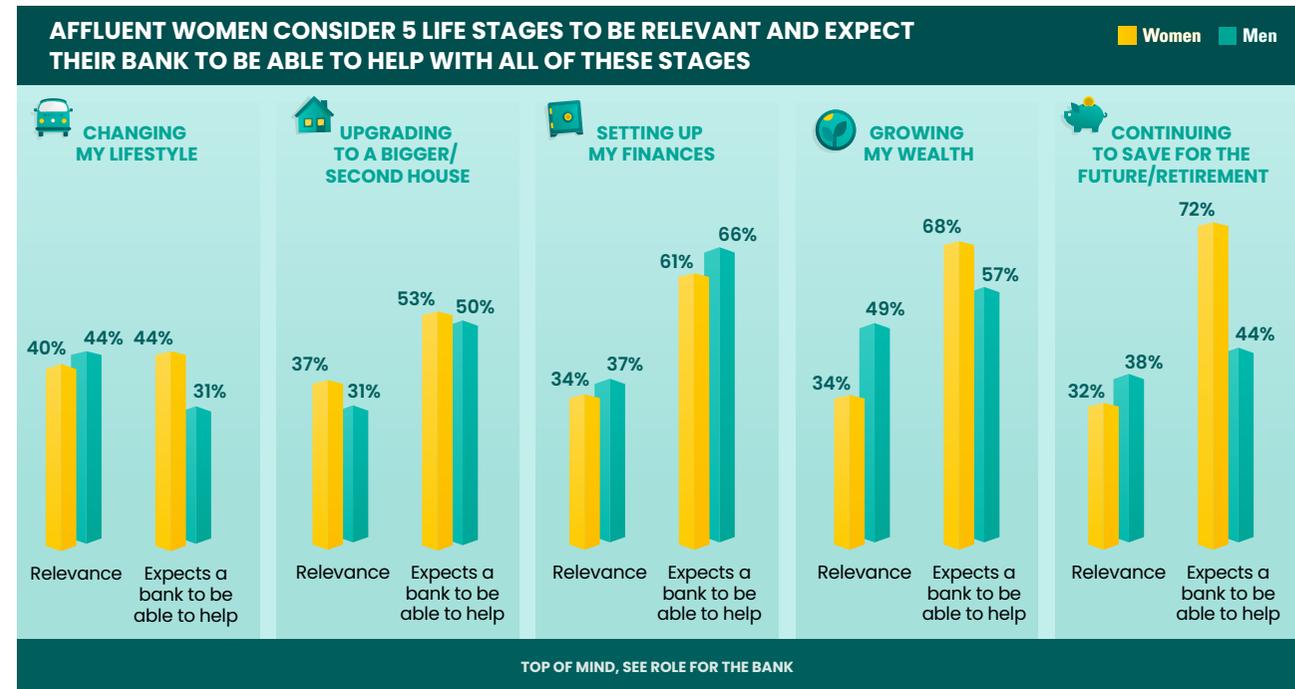
### Interviewed respondents and experts supported that affluent women - and men - value and require personal advice

Several affluent clients stated that they wouldn't know how to manage financial questions (such as remortgaging their house) without the help of personal financial advice. Experts add that although much of the information they provide is available online, clients often do not know where to look and especially value someone addressing their personal situation specifically.

### Addressing barriers experienced by affluent (and wealthy) women can lead to a combined total of about EUR 130 billion in additional financial assets for the Dutch economy

The barriers traditionally experienced by affluent women first and foremost lead to an unequal (unfair) wealth distribution across women and men. Helping women to become equally affluent as men would not only benefit these women, but would also generate additional inflow into the economy and thereby benefit society as a whole.

Below analysis provides a guestimate on how much helping women to become equally wealthy could boost the economy. Since the Dutch numbers on wealth distribution



do not differentiate between averages for affluent and wealthy women and men, the below calculation provides a combined estimate for both focus groups.

To become equally wealthy, the number of women holding financial (non-real estate) assets should be increased to the number of men holding financial (non-real estate) assets. There are currently approximately 700K affluent/wealthy men versus 400K affluent/wealthy women. Therefore, an increase of 300K affluent/wealthy women is necessary to even out this difference. Assuming that supporting more women to become affluent/wealthy will not impact the number of affluent/wealthy men, the increase in affluent/wealthy women would boost the economy by EUR 60 billion. This amount is the result of 300K additional affluent/wealthy women multiplied by EUR 200K (the average amount of financial assets held by women).

In addition, if supporting women would not only increase their number but also the average amount of financial assets they hold, the economic benefits for society would be even larger. The current amount of financial household (non-real estate) assets held by women is EUR 200K compared to EUR 300K for men. Closing this gap would mean that women should be supported to increase their financial (non-real estate) household assets by EUR 100K. If we multiply that by the new total of affluent/wealthy women – 700K – than this would lead to an additional EUR 70 billion in assets flowing into the economy. All in all, supporting affluent and wealthy women to achieve economic parity could grow the Dutch economy by EUR 130 billion (60+70) in additional financial assets.



# How do female young professionals experience banking and finances?

## Female young professionals

Young professionals represent a substantial part of the Dutch workforce, within which the group of 18-35 year olds with a bachelor's degree or higher has grown by over 4% in the last 5 years. Female young professionals form a majority compared with men, yet hold on average far less household assets (EUR 55K vs. EUR 110K). Inclusive Banking surveyed 774 female and male young professionals between the ages of 18 and 35, who work part-time or full-time as a self-employed contractor or for an employer, hold a bachelor's degree or higher and are at least co-decision makers when it comes to finances.

"When it comes to finances, I prefer saving over investing in crypto's and NFTs."



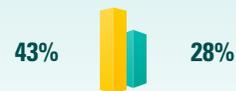
### Key life stages

#### Buying my first house



Buying their first house is relevant to more women than men (36% vs. 20%). However, women are less likely to actually own a property (36% vs. 46%).

#### Starting a family



Starting a family is considered to be more relevant by more young professional women than men (43% vs. 28%). Yet, less women feel prepared to start a family (40% vs. 47%).

#### Starting to save for the future/retirement



Far more young professional women find starting to save for the future/retirement relevant (46% vs. 27%). Also, more women state that they hold their assets in savings accounts (77% vs. 59%).

#### Growing my wealth



Young professional men more often than women state that growing their wealth is relevant (37% vs. 42%). Moreover, only half as many young professional women hold investment products (23% vs. 42%).

#### Changing my lifestyle



Although both young professional women and men find changing their lifestyle relevant (31% vs. 34%), more women than men find it too much hassle to do (28% vs. 18%).

### Identified barriers

Lack of financial education / experience

Unclear journey

Lack of support / easily available advice

For helpful ideas or more information please contact [inclusive\\_banking@nl.abnamro.com](mailto:inclusive_banking@nl.abnamro.com)

This young professional analysis was based on a quantitative survey (female n= 522 and male n= 252), desk research, and qualitative interviews



### **Supporting young professionals is relevant as they represent a substantial part of the Dutch workforce, with female young professionals forming the majority, yet holding far less household assets**

In the second quarter of 2021, a total of 9.3M people between the ages of 15 and 74 made up the Dutch workforce, resulting in a gross workforce participation rate of 71.2%.<sup>42</sup> Within this workforce, 18-35 year-old professionals with a bachelor's degree or higher amount to 1.215M young professionals. These young professionals form a substantial part of the workforce, representing 7% of the active workforce and growing by +4% over the last 5 years. Among these young professionals, the majority are female (665k women vs. 550k men). However, this majority of females in the Netherlands hold on average far less household assets than young professional men (~ EUR 55K for women vs. ~ EUR 110K for men).

### **Young professionals create impact by choosing to work for companies that create societal and/or environmental impact**

Research on the millennial generation within young professionals shows that millennials want to work for employers committed to values and principles. Of those born between 1981 and 1996, 62% want to work for a company that makes a positive impact, 40% favor purposeful work over financial success, and 53% would work harder if they were making a difference to others.<sup>37</sup> Young professionals seek skills development and social impact. According to a global survey by Deloitte, the key priority for millennials is that their job focuses on providing

services and goods that make a positive difference to people's lives.<sup>43</sup> Two of the strongest reasons for choosing to work for an organization for millennials are "sense of meaning from my work" followed by "the impact it has on society".

### **Female young professionals have traditionally been less involved in finances and tend to save more and invest less than their male counterparts**

Female young professionals surveyed are far less likely to see themselves as responsible for household finances (56% of women vs. 80% of men) and half as less likely to earn over EUR 100K than men (10% of women vs. 20% of men). Women surveyed are more focused on protecting their wealth for the future to complement their income than men (37% of women vs. 23% of men). Women are more likely to keep their assets in a savings account: 77% of women's assets are in savings accounts and 23% in investment products whereas men surveyed had 59% in savings accounts and 42% in investment products. These results imply a more risk aware approach, which makes women less likely to grow their wealth in the current low interest environment.

Supporting this fact, one of our respondents, Carlijn - a 27 year-old young professional woman living in Rotterdam - states: "Since I moved out of my parents' house I do my own finances, but it's not like it's one of my main interests. I do look towards the future and save up for things rather than investing in NFT's and bitcoins like some of my guy friends do."

<sup>42</sup> Source: <https://www.cbs.nl/nl-nl/visualisaties/dashboard-beroepsbevolking/beroepsbevolking>

<sup>43</sup> Source: Deloitte Millennial Survey - Winning over the next generation of leaders, 2016 and 2018

### Also, female young professionals are less confident about their financial knowledge, which leads to challenges when handling their finances

Female young professionals show less confidence in their financial knowledge, with only 37% of women considering themselves knowledgeable or very knowledgeable when it comes to financial matters (vs. 48% men). This translates into a less pro-active attitude towards finances and investments, which directly leads to challenges for women when they have to do their own finances - for instance, when changes in the family situation occur due to separation or divorce.

### The Inclusive Banking research identified 5 key life stages for female young professionals, of which they expect their bank to be able to help them in 3 life stages

Female young professionals state 5 life stages are key to them and they expect their bank to be able to help them during 3 stages:

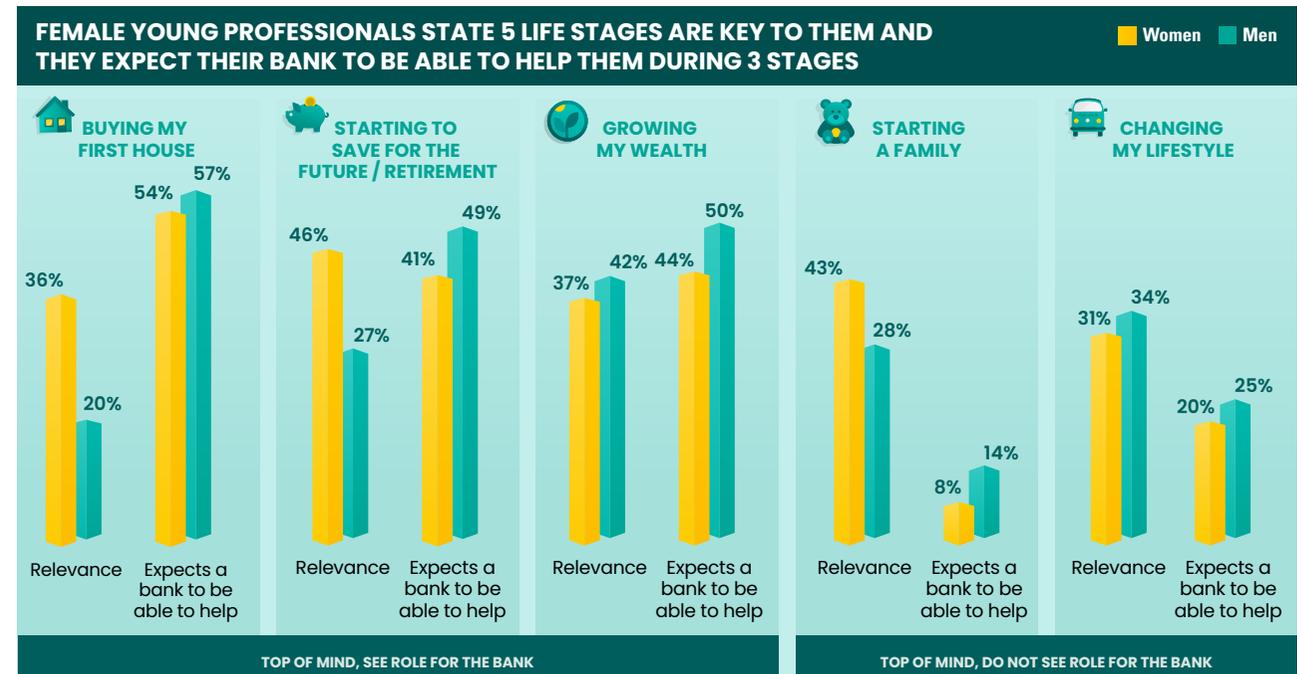
1. Buying my first house
2. Starting a family (no role bank)
3. Starting to save for the future/retirement
4. Growing my wealth
5. Changing my lifestyle (no role bank)

Carlijn: "I would expect my bank to be able to help me when buying my first house. But given the current housing situation in the Netherlands, I doubt I will be able to buy a house on my own any time soon."

### While men are mostly concerned with growing their wealth, women are more focused on saving for the future/retirement

There are 2 significant differences between the way men and women assess the importance of a life stage. Firstly, male young professionals consider 'growing my wealth' as the most relevant and important while most female young professionals are focused on 'starting to save for the future/retirement'.

Secondly, while more women than men find buying a first house relevant, women are less likely to own a house (36% of women vs 46% of men). These differences could be attributed to a lack of understanding of difficult (investment) products and a lack of financial education/knowledge.



## Across their key life stages, young professional women say they experience 3 key barriers to banking

The Inclusive Banking research indicates that across their most relevant life stages, young professional women experience 3 key barriers to banking and/or financing:

1. Lack of financial education/ experience
2. Unclear journey/process
3. Lack of support/easily available advice

When compared with their male counterparts, a significantly higher percentage of female young professionals (15%) stated 'lack of financial knowledge' is a key barrier in changing their lifestyle (vs. 6% of men). Also, 19% of women consider 'lack of financial knowledge' to be the key barrier preventing the start of a family (vs. 17 % of men). At the same time, men consider an 'unclear journey' and 'lack of support' to be the most significant barriers, which indicates that there are key differences between the barriers experienced by women and men.

## Interviewed young professionals state that men more often than women engage in investing and that financial information about for instance mortgages is quite hard to understand

Young professional men see investing in NFT's, cryptos and stock options as a fun way to potentially increase their wealth. Even though they do not always understand the workings or the market, they don't mind taking chances, as long as they don't use money they cannot afford to

lose. Women on the other hand tend to stay clear of investments and rather focus on savings. Also, young professionals mentioned that they find it important to balance their working life with their private life. To that end, they prefer medium-paid jobs that are fulfilling and form an addition to their lifestyle over very well-paid jobs that take up much of their free time. As a result, they take financial decisions quite seriously, even though they do not always plan ahead.

## Closing the gap between young professional women and men can lead to about EUR 35 billion in additional financial assets

To achieve financial gender parity between female and male young professionals, young professional women should be supported to increase the size of their financial household assets to the same size as men and supported to become equally confident to see themselves as co-decision makers when it comes to household finances. Helping the current 665K female young professionals to achieve equal average financial household asset sizes (+ EUR 55K) could lead to about EUR 35 billion (665K x EUR 55K) in additional financial assets flowing into the economy. Also, helping female young professionals to become equally confident to make household decisions concerning finances is important. To achieve this, 160K women (24% of 665K) should be empowered to become confident in financial decision making.



# Recommendations for next steps

The barriers identified in this Inclusive Banking research necessitate 5 overarching interventions (recommendations) to advance inclusivity in banking.

## 1. Make it easier for people to approach a bank and set up personal contact

The results of the quantitative and especially qualitative research show that various people find it hard to reach out to and trust banks. They seem to feel a distance towards the bank and don't see that banks can support them in managing their personal and business finances. This especially affects people who are on a tight budget, as banks could play a key role in helping them achieve more financial stability. Therefore, banks should make it easier for people to approach them and set up personal contact.

## 2. Make communication about banking and finances easier to understand and more inclusive

Some women (and men) consider existing communication on finances and banking hard to understand. They also find the content hard to relate to and feel that the amount of information is overwhelming. This calls for a simpler communication style, that clarifies financial products and explains the process and the documents required. Also, banks should make their content more relatable and accessible by adding (easy) visualizations and pictures of people from all backgrounds, ages and sizes so that people can relate.

## 3. Tailor and develop products and services to meet the needs of various people

The Inclusive Banking research shows that women sometimes have different needs in terms of products and services. Some lack financial knowledge, others lack products that fit with their ambitions (ESG) and some lack role models/mentors/networks. This calls for tailoring existing products and newly developing products and services that better meet the needs of women. Examples of tailored products and services include:

- ESG related investment products
- Propositions which are tailored to match the level of (financial) education
- Support networks and mentoring options for a specific focus group (of women)

All of these products and services could help people educate themselves and build confidence about finances.

## 4. Adapt advisory style to address inclusive needs

Many respondents stated that (financial) advisors do not always pay attention to their personal needs. For instance, some entrepreneurs want to maximize their profit, others want to maximize their impact. Whichever goal the entrepreneur seeks to attain, it is very important that the advisors provide tips to help reach that goal in particular. Instead of providing tips on the goals the advisors think should be pursued. This calls for trainings and tools that teach people to overcome unconscious biases and apply a more inclusive approach.

## 5. Gather and monitor inclusive banking data to track inclusivity

To identify which groups of people are inadequately serviced and address further barriers experienced by people towards banking and finances to increase inclusivity, it is important that banks and financial organizations start gathering data and monitoring progress.

### Next steps for ABN AMRO going forward

In 2022, ABN AMRO will develop and pilot a prioritized set of initiatives. Going forward we propose to jointly build an ecosystem in which we work together in an effective manner to make our products and services more inclusive. Thereby helping especially women to handle their banking activities and finances better. We call on the financial sector, public and private organizations, NGOs, governmental departments and agencies to help realize a society that provides equal opportunities to all.

# Acknowledgements

Throughout the writing of this report the Inclusive Banking team has received a great deal of support and assistance. In this section, the team would like to thank all involved parties for their help and advice.

## McKinsey & Company and Better Future research team

We would like to acknowledge McKinsey & Company who provided analytical support used for this report and whose expertise was pivotal to the realization of this research. Moreover, ABN AMRO would like to thank Better Future who have done the majority of the qualitative analyses and thereby helped enrich the quantitative results with personal stories.

## Public, private & commercial organizations

In addition, the team thanks all individuals from public, private, and commercial organizations and departments who have dedicated their time to advise and/or assist in analyzing the focus groups, including but not limited to the people from NatWest, UBS, SchuldenlabNL, NL Groeit, Financial Alliance for Women, FEM-START, Borski Fund, Rise, Movir, Patta Academy, B&A Groep, Every Women, UNSGSA, Worldbank, WOMEN Inc, Techleap, Ministry of Finance, TheNextWomen and ABN AMRO.

## Disclaimer

This report has been prepared by ABN AMRO with the utmost care for the purpose of informing people on how banking experiences can differ between women and men in the Netherlands and aims to stimulate inclusivity in banking for all. The report draws on multiple sources, including economic analyses from McKinsey & Company. ABN AMRO is responsible for the conclusions and recommendations of the research. Unless express prior written consent is provided, no part of this report should be reproduced by any third party. All queries related to the content or to the use of this report can be addressed to Katalin Tatar - katalin.tatar@nl.abnamro.com.

**General Coordination:** Inclusive Banking department

**Design & lay-out:** LVB

**Published:** February 2022

## Inclusive Banking expert panel

The Inclusive Banking team would like to thank the expert panel members, whose expertise and advice was very helpful in designing the research and interpreting the results. Your insights have pushed us to refine research questions, create necessary focus and avoid stereotypes.



**Josette Dijkhuizen**  
Honorary Professor  
in Entrepreneurship  
Development



**Peter McConaghy**  
Policy Advisor, Office  
of the United Nations  
Secretary-General's  
Special Advocate for  
Inclusive Finance for  
Development



**Pleuntje van Meer**  
Dr and owner of  
Synnova



**Inez Murray**  
Chief Executive Officer  
Financial Alliance for  
Women



**Laila Page**  
Commercial & Private  
Banking NatWest



**Marguerite  
Soeteman- Reijnen**  
Chairman Executive  
Board Aon Holdings  
& Global CMO Aon  
Inpoint & Chairman of  
the Advisory Board of  
SER Topvrouwen



**Marian Spier**  
Founder & CEO  
TEDxAmsterdam  
Women and  
FEM-START



**Willem Vosmer**  
Partner at Steward  
Redqueen