

FINANCIAL SERVICES

Only 1 in 5 couples make financial decisions together: UBS

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Most people believe women need to be more involved in financial decisions. Image credit: UBS

By SARAH RAMIREZ

More than 80 percent of men believe including women in financial planning and investment briefings would boost their engagement, but only 20 percent of couples make long-term financial decisions together.

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According to UBS Global Wealth Management's 2021 "Own Your Worth" study, 48 percent of women surveyed said their male spouses take responsibility for long-term financial decisions, including investing and estate planning. Sixty-nine percent of men report that they take the lead on these decisions, but nine in 10 in that group would like their female spouses to be more involved.

"Perhaps what was the most surprising about this latest Own your Worth' report is the disconnect that we continue to find between both men and women recognizing the importance of women's financial participation and then what actually happens within households," said Carey Shuffman, director and head of women's segment strategy at UBS, New York. "The majority of both men and women again said that women's equal participation in long-term financial decisions is critical to us as a society achieving gender equality."

The report is based on a survey of 1,500 men and women in marriages or partnerships.

Financial engagement

Ninety-six percent of women and 98 percent of men believe women should be more involved in long-term finances, with most men and women believing that until this engagement improves, gender equality will not be reached.

Nonetheless, only one in five report long-term financial decisions are shared equally.



Older women are making up a growing number of wealthy Americans. Image credit: UBS

UBS also found a significant difference in perceptions regarding who is responsible for long-term financial decisions.

Forty-eight percent of women believe their spouse leads, compared to 69 percent of men who make that claim. Thirty percent of women say they are primarily responsible for financial decisions, but only 11 percent of men agree.

Of the nearly half of women who defer these decisions, 82 percent do so in part because they believe their male spouse or partner are more informed on the subject. Other factors include lack of interest or lack of time because of other household responsibilities, at 73 and 78 percent respectively.

Men who take the lead cite similar reasons for taking the responsibility, but 69 percent cite a lack of trust in their spouses or partners to make good decisions and 68 percent want to protect their assets in case of a divorce.

Nearly nine in 10 men handling finances do want their counterparts to be more involved, while 57 percent of women who defer wish they were more involved in the financial planning process.



Financial advisors need to help women feel more involved in the process. Image credit: UBS

Both women and men agree that encouragement will be essential in closing the participation gap. Other ways to promote more involvement are inclusions in conversations with financial advisors, explaining existing investment portfolios and thoroughly reviewing financial documents and processes together.

About seven in 10 of all respondents believe that mutual decision-making would be beneficial overall, and foster a greater sense of confidence and security. Perceived benefits include being well-informed in case something happens to one spouse, fewer financial mistakes and lower stress levels.

Money-savvy millennials?

When examining generational differences among women, affluent millennial women are a study in contradictions.

Eighty-eight percent of single millennial women intend to be at least equal partners in financial planning, but according to UBS, only 15 percent of married millennial women share these decisions equally with their spouses. By comparison, 20 percent of married Gen X women and 43 percent of baby boomers report making decisions equally.

Married millennial women also have the highest rate of financial disengagement, with 51 percent deferring

decisions to their husbands compared to 47 percent of Gen Xers and 40 percent of boomers.

On a promising note, 34 percent of millennials and 33 percent of Gen Xers report taking the lead on financial decisions double boomers' 16 percent.

There is also more potential for improvement, as 94 percent of millennial men and 69 percent of millennial women want the women to be more engaged in financial planning.

These discrepancies echo earlier findings from UBS.

According to the 2019 "Own Your Worth" study, 61 percent of millennials worldwide are not involved in their long-term money management, compared to 54 percent of women in other age groups. These younger women are key to changing the culture in the financial industry that has been dominated by men ([see story](#)).

Millennials also have different investment priorities than other generations, and many are driven by a sense of values and responsibility. More than other generations, these investors let a company's sustainability or social impact guide them.

In the next three decades, millennials are projected to hold a total of \$30 trillion in private wealth ([see story](#)).

"Millennials are the worst offenders when it comes to deferring these decisions," Ms. Shuffman said. "So, millennial women continue to defer these long-term financial decisions at the highest rate, however, on the upside both millennial women and millennial men seem to be the most open to changing this dynamic through our research."

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