

Morgan Stanley

WEALTH MANAGEMENT

# Investor Pulse Poll

HNW Investor Women



SUMMER 2022

Morgan Stanley releases findings from the “Morgan Stanley Investor Pulse Poll” of 1,010 US high net worth (HNW) investors ages 25 to 75 years with \$100,000 or more in investable household financial assets. Approximately 27% of all US households fall into this group, representing approximately 35 million households (defined to exclude assets held in real estate and employer retirement plans).<sup>1</sup> The poll was conducted from June 3-26, 2022 and includes interviews with hundreds of households that report investable household financial assets of \$1 million or more (approximately 33% of those interviewed), yielding a robust look at a group that makes up only 5.9% of total US households.<sup>2</sup> All told, households with \$100,000 or more in investable assets account for 96% of total investable assets by value.<sup>3</sup> All results reported are from the Morgan Stanley Investor Pulse Poll, specifically 408 interviews among HNW investor women.

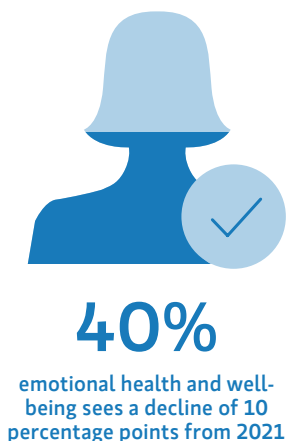
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<sup>1</sup> According to aggregated data using results of the Federal Reserve's 2019 Survey of Consumer Finances by CEB, 29% of all US households have non-retirement financial assets of \$100,000 or more and are of ages 25 to 75 years.

<sup>2</sup> According to aggregated data using results of the Federal Reserve's 2019 Survey of Consumer Finances by CEB.

<sup>3</sup> According to aggregated data using results of the Federal Reserve's 2019 Survey of Consumer Finances by CEB.

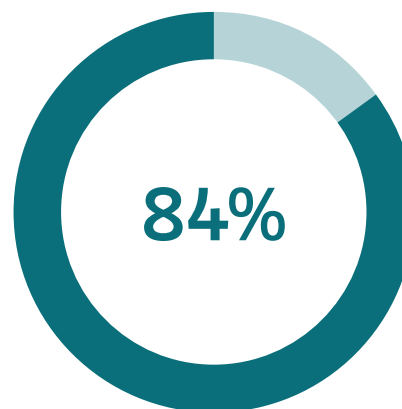
More than two years into the COVID-19 pandemic, “suffering” in a number of areas of life is down among HNW investor women. One example is emotional health and well-being, which sees a decline of 10 percentage points from 2021 (now 40%).



In 2022, more HNW investor women feel that America's workforce expects companies to take the issue of mental health seriously (84%, up vs. 2021). Overwhelmingly, they want the companies they invest in to ensure employee access to quality mental health care (85%) and to take the issue seriously (87%) — both higher than HNW investor men.



When it comes to racial disparities in our country, HNW investor women see a role for businesses to promote positive change (84%) Specifically, the healthcare / social assistance (44%) and finance (41%) sectors have the greatest potential. (HNW investor men rank finance in first place).

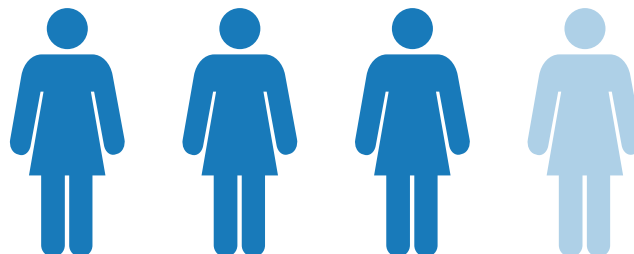


African American/Black HNW investors say it's important that their portfolio aligns with their values, beliefs, and issues that matter to them

**44%** 44% of the healthcare/social assistance sectors...

**41%** ...and 41% of the finance sectors have the greatest potential.

Three in four HNW investor women say it's important for investment firms to support businesses owned by people of color through investment (76% and higher than HNW investor men), though far fewer see firms offering “some” or “a great deal” or support (40%, roughly on par with men).



HNW investor women are especially inclined to express a desire for the companies they invest in to have policies in place to promote DE&I (75%), to hire and promote employees from diverse backgrounds (72%), and to place employees from diverse backgrounds in leadership positions (69%) — all higher than HNW investor men.

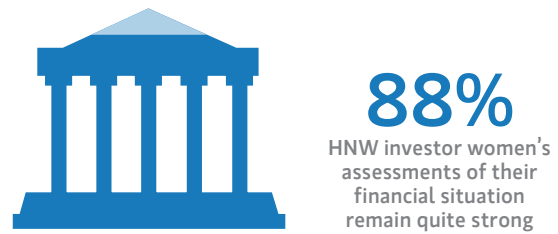


Two in three HNW investor women work with a financial professional today (65%), while half (49%) express interest in working with one who is specifically trained in areas like ESG, impact, and racial equity investing (both higher than HNW investor men).



Two in three HNW investor women work with a financial professional today

HNW investor women's assessments of their financial situation remain quite strong (88%), though the share saying that the pandemic has worsened their financial health is up significantly from a year.



Most (77%) HNW investor women say it's important that their portfolio aligns with their values, beliefs, and issues that matter. Yet, they believe there is more to learn to make this goal a reality (64%) — and struggle with knowing whether to trust (88%) and how to interpret (81%) investment claims around issues like the environment, social change, and racial equity. (Each of these figures is higher than HNW investor men.)



HNW investor women say it's important that their portfolio aligns with their values, beliefs, and issues that matter.



believe there is more to learn to make this goal a reality



# Economic Outlook and Impact of COVID-19

## Negative Impact Of COVID-19 Diminishes Somewhat In 2022

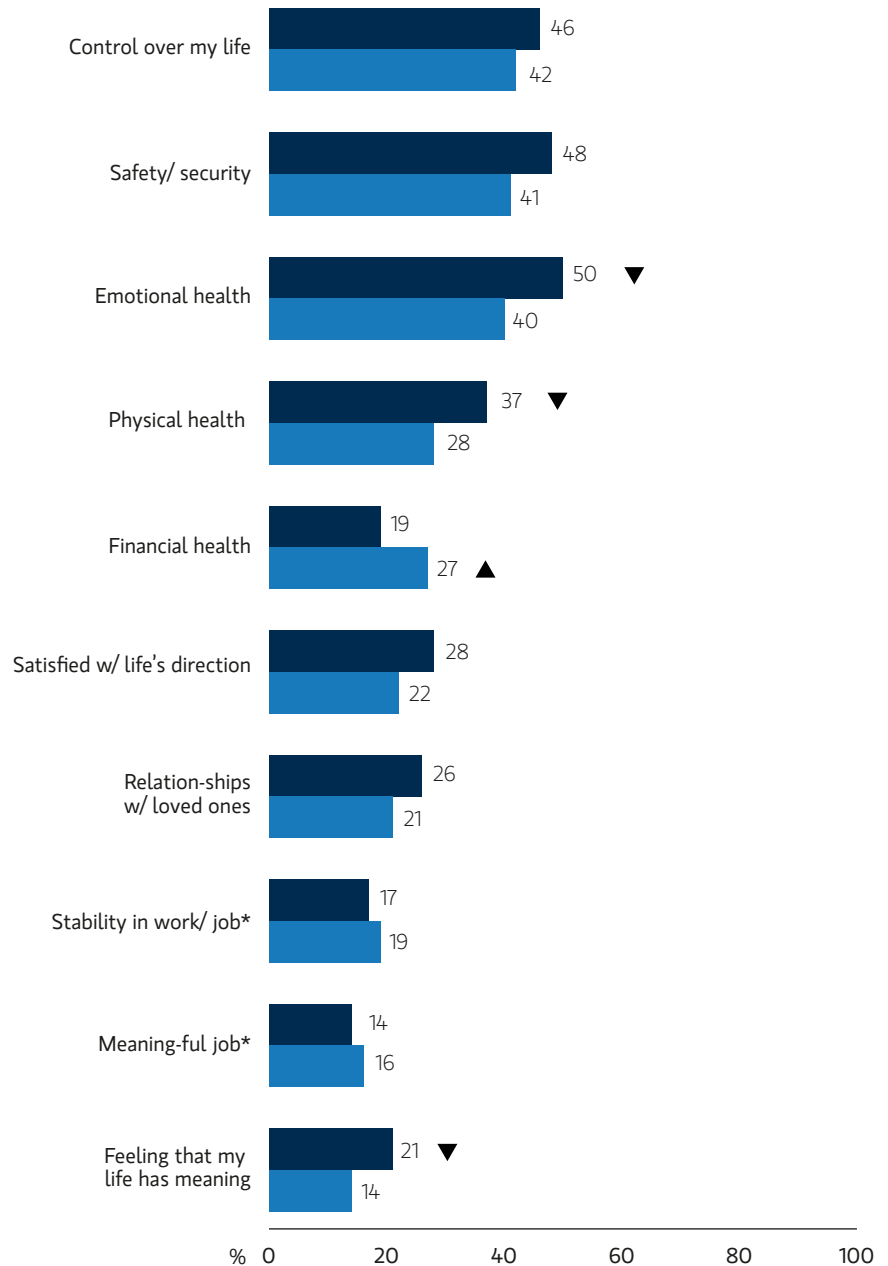
Likely a sign of where we are in the pandemic versus a year ago — widely available vaccines, lifting of COVID-19 restrictions, for example — HNW investor women are less likely to report “suffering” in 2022. In fact, there are significant declines in three out of 10 areas of life surveyed, including impact on one’s emotional health (down 10 points to 40% today). There are slight declines in suffering in another four areas — most notably feelings of safety and security (down seven points, to 41%) — which ties into emotional well-being.

Moreover, HNW investor women continue to show high levels of satisfaction with key areas of their lives. At least eight in 10 report that each area of life surveyed is “good,” if not “excellent.” Positive ratings top 90% when it comes to relationships with loved ones (91%) and having a stable job (91% among those who are working).

Assessments of one’s financial situation remain quite strong (88%). However, the share of HNW investor women saying that the pandemic has worsened their financial health is up significantly from a year ago (now 27%).

## Impact of COVID-19 pandemic

- % “Suffered” YoY among HNW investor women
- % rating as “Excellent” or “Good” in 2022

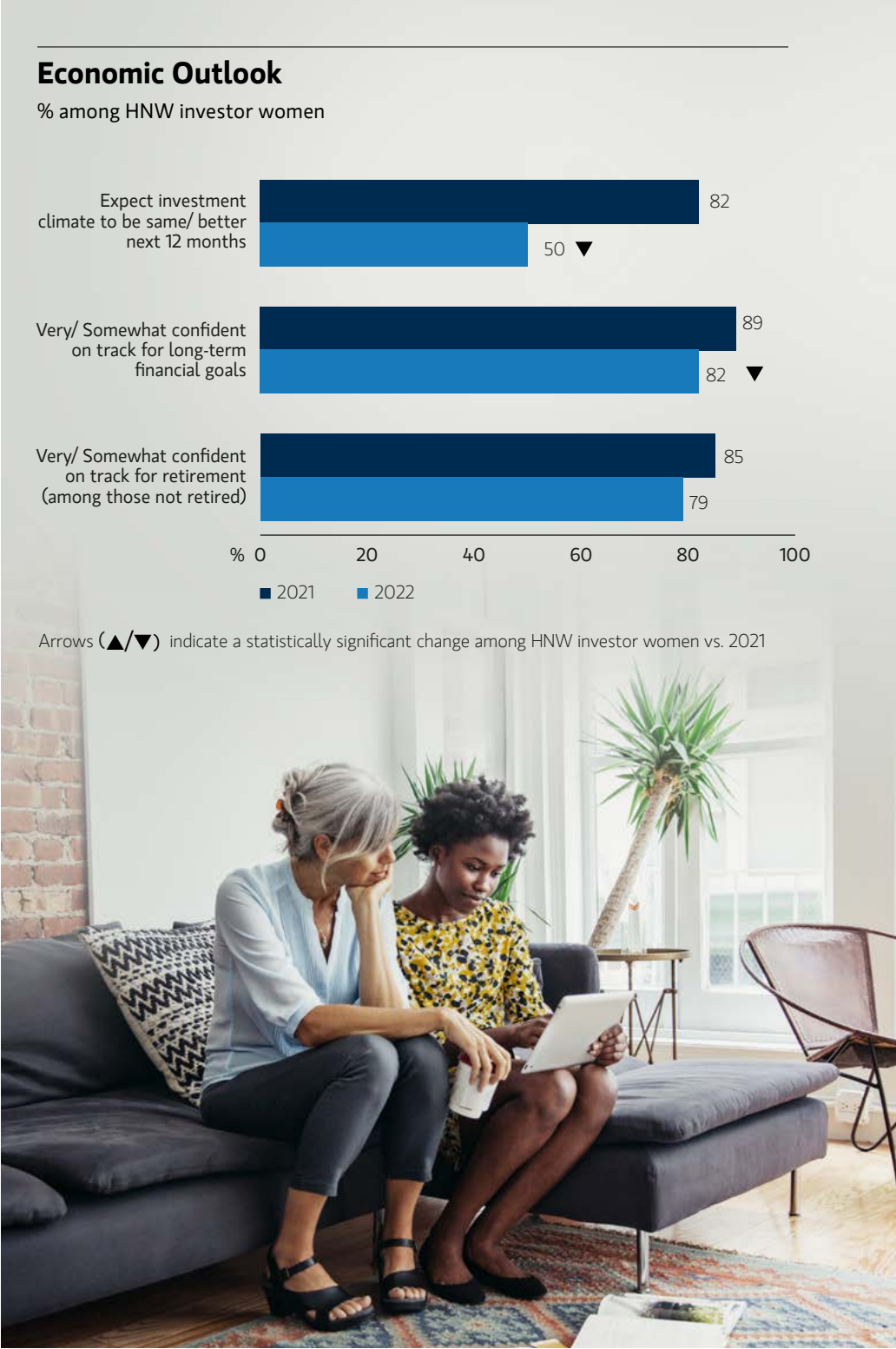


Arrows (▲/▼) indicate a statistically significant change vs. 2021

\*Among those who are working



Relatedly, several economic outlook measures are trending down in 2022 among HNW investor women. Expectations that the investment climate will be at least the same if not better over the next 12 months are down over 30 percentage points (now 50%). There is considerably more optimism when looking closer to home: about eight in 10 HNW investor women believe they are on track to achieve their long-term financial goals (82%, though this is down significantly vs. 2021) and their desired retirement (79% among those not yet retired).



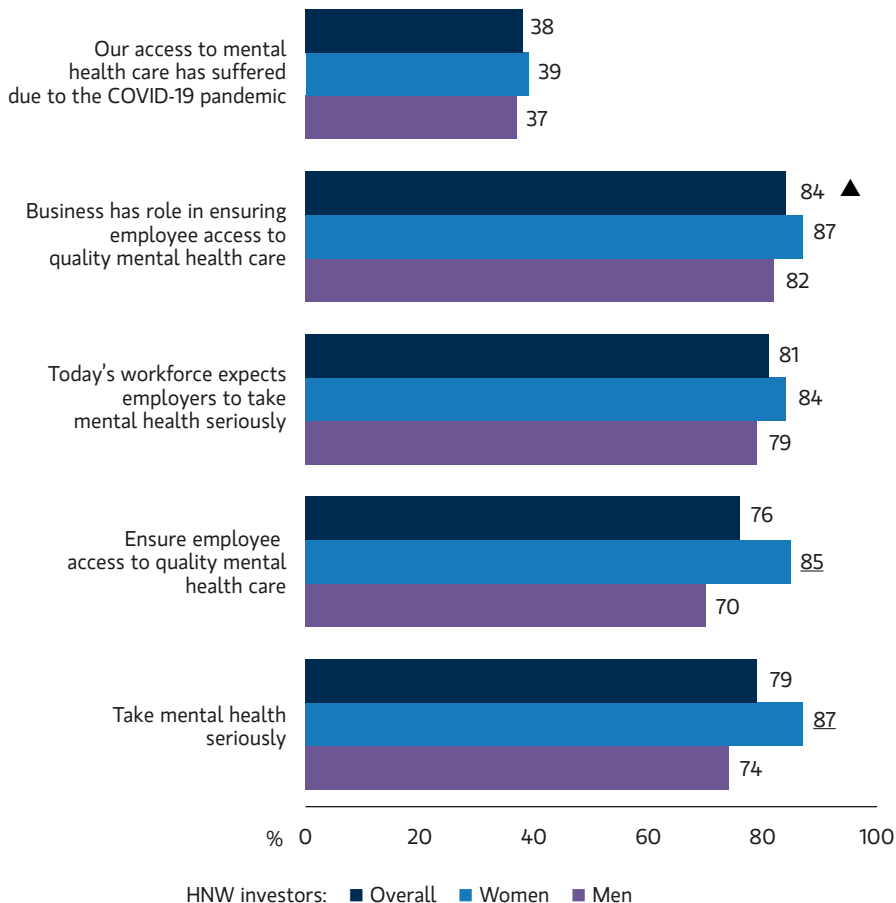
## Focus On: Mental Health

### HNW Investor Women Express A Growing Need For Companies To “Take Mental Health Seriously” — And Want To See This Reflected In Their Investments

When it comes to the impact of the COVID-19 pandemic on Americans’ access to mental health care, HNW investor women are somewhat torn, though the scale tips more negatively than positively. About four in 10 believe that access to care has worsened (39%) or has been unaffected (37%), while fewer see improvement (24%). With this in mind, it comes as little surprise that HNW investor women are looking for solutions to improve access to care—and this includes a role for US businesses. Strong majorities believe that companies have a responsibility to provide employees with access to quality mental health care (87%) and that today’s workforce expects businesses to take this issue seriously (84%, up significantly from a year ago).

These views carry over to investment strategy, as well. Nearly nine in 10 HNW investor women say it’s at least somewhat important that the companies they invest in offer their employees high-quality mental health benefits and take mental health seriously (85% and 87%, respectively). The latter two figures register higher among HNW investor women than men.

### Attitudes toward mental health



Arrows (▲/▼) indicate a statistically significant change among HNW investor women vs. 2021  
Underlining (X) indicates a statistically higher figure vs. HNW investor men

**NOTE**, this question was rephrased slightly in 2022 vs. 2021:

**2021:** Next, **2020 was a year of** tremendous change, though not everyone experienced 2020 the same way. In your opinion, how have each of the following changed, if at all?

**2022:** Next, **the COVID-19 pandemic has brought about** tremendous change, though not everyone has experienced the pandemic in the same ways. In your opinion, how have each of the following changed, if at all?





## Focus On: Diversity, Equity & Inclusion

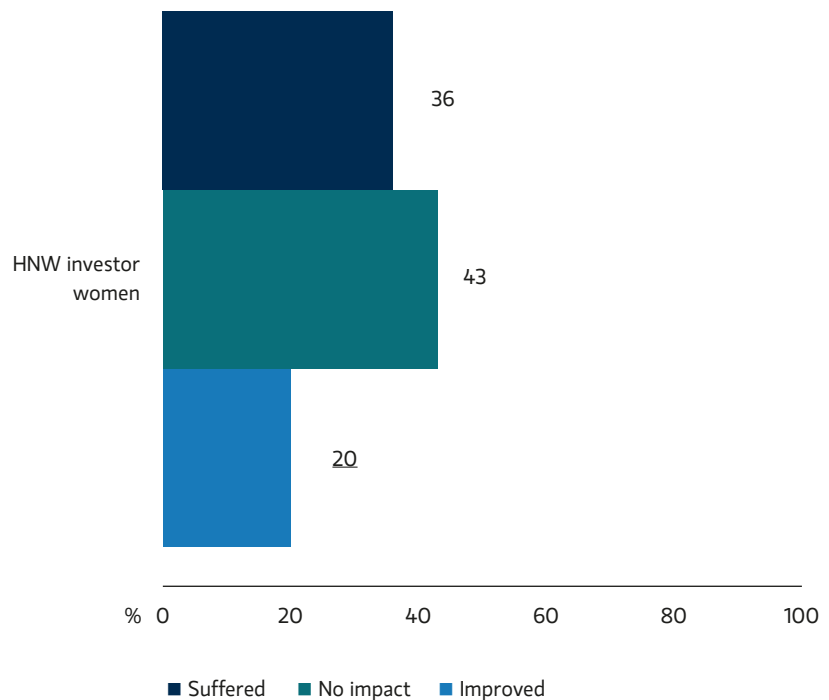
### Over 1 in 3 HNW Investor Women See COVID Worsening Racial Disparities In America

When asked how the COVID-19 pandemic has impacted issues like diversity, equity, and inclusion in our country, HNW investor women, again, lean negative. More than one in three (36%) believes the pandemic has caused our nation's focus on racial inequity and inequality to suffer. Fewer—just one in five (20%)—see improvement in this area, while the remainder see no impact (43%).

HNW investor women are more likely than their male counterparts to perceive a strong decline in US focus on racial inequity and inequality: nearly one in five (17%) say that this has suffered “a lot” due to the pandemic (vs. 12% among men).

### Impact of COVID-19 Pandemic

Our focus on racial inequity and inequality has... (%)

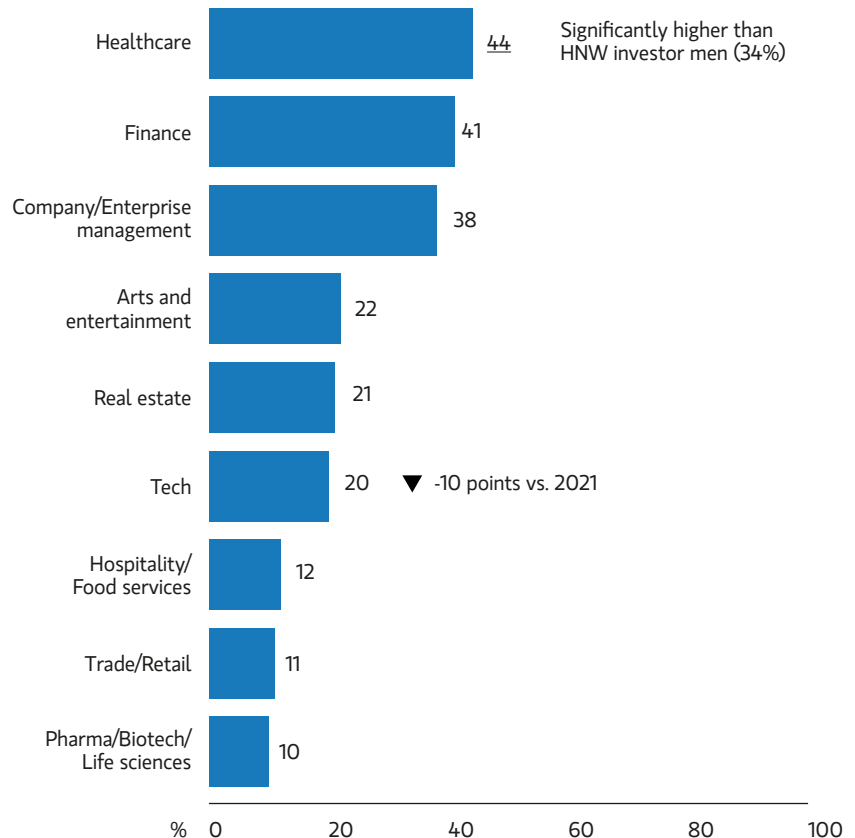


### Healthcare / Social Assistance and Financial Services Have The Greatest Potential To Move The Needle

Like mental health, HNW investor women see a role for businesses in helping to stem racial inequity and inequality. Eighty-four percent believe that US businesses have the power to promote positive change in this area (higher than HNW investor men, 76%). When asked for the specific sectors that could have the biggest impact, HNW investor women choose healthcare / social assistance (44%, higher than HNW investor men), followed by finance in a close second place (41%). Management of companies and enterprises (38%) rounds out the top three. Notably, fewer HNW investor women now see potential in the tech industry (down to 20% in 2022).

### Sectors with potential to make the biggest difference on racial inequality

% among HNW investor women



Arrows (▲/▼) indicate a statistically significant change among HNW investor women vs. 2021

Underlining (X) indicates a statistically higher figure vs. HNW investor men





## More Work Is Needed To Level The Playing Field In Business

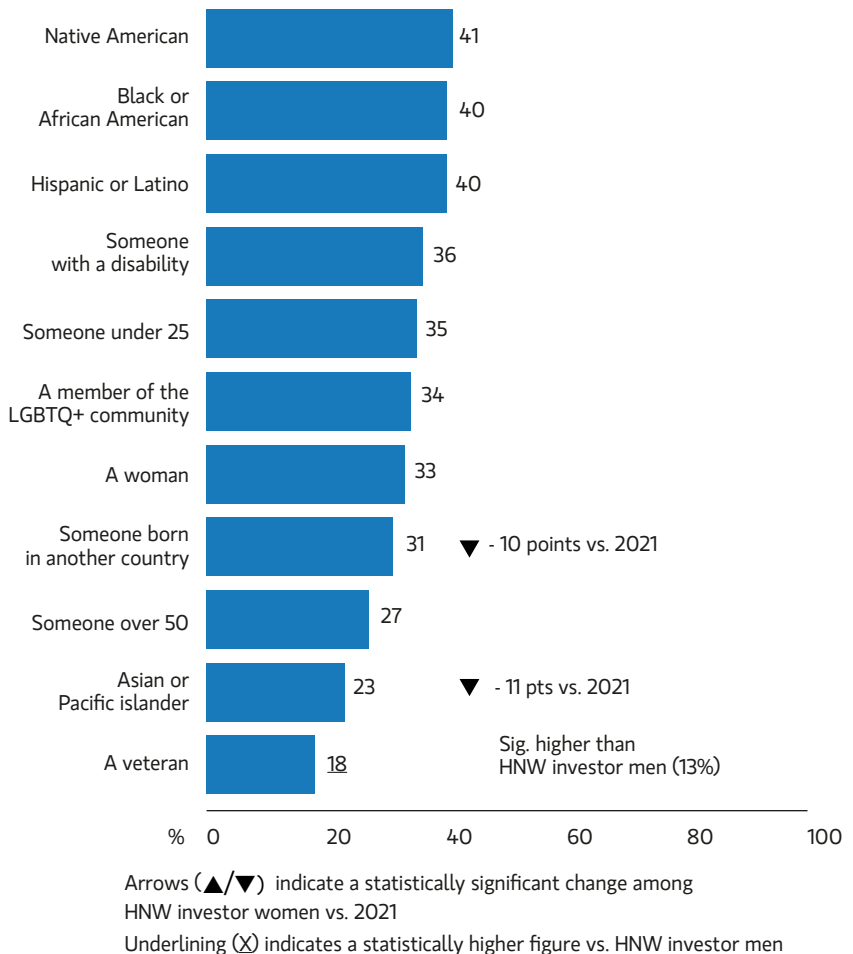
The disparities observed in our society, generally, also come up when drilling down to the business community and investment firms. Nine in 10 (91%) HNW investor women say it's important that business owners from every background have access to outside funding. Fifty-five percent go so far as to say this is "very" important. Yet, almost half believe that business owners from all backgrounds currently lack equal (48%) and equitable (46%) access to outside funding. Meanwhile, three in four HNW investor women say it's important for investment firms to support businesses owned by people of color (76% and higher than HNW investor men, 64%). Far fewer see firms actually offering "some" or "a great deal" of investment support (40%, roughly on par with men).

Further driving home this point, sizable shares of HNW investor women believe that specific groups of business owners are at a disadvantage when it comes to funding. Four in 10 see Native American- (41%), African American/Black- (40%), and Hispanic/Latino- (40%) owned businesses currently lacking equal and equitable opportunities to secure funding. One in three or more say the same of business owners with a disability (36%), under age 25 (35%), members of the LGBTQ+ community (34%), and women (33%).

Notably, there is a perception of improvement versus last year for immigrant- and AAPI-owned businesses. In each case, the share of HNW investor women who see an uneven playing field is down by roughly 10 percentage points versus 2021.

## Do business owners from all backgrounds have equal / equitable access to outside funding?

% of HNW investor women who say "No"



**EQUAL** — the exact same access to resources for all business owners

**EQUITABLE** — the exact same access to resources that takes into account other factors, including discrimination, biases, and harmful policies that negatively impact people from disadvantaged communities



# Wealth Management

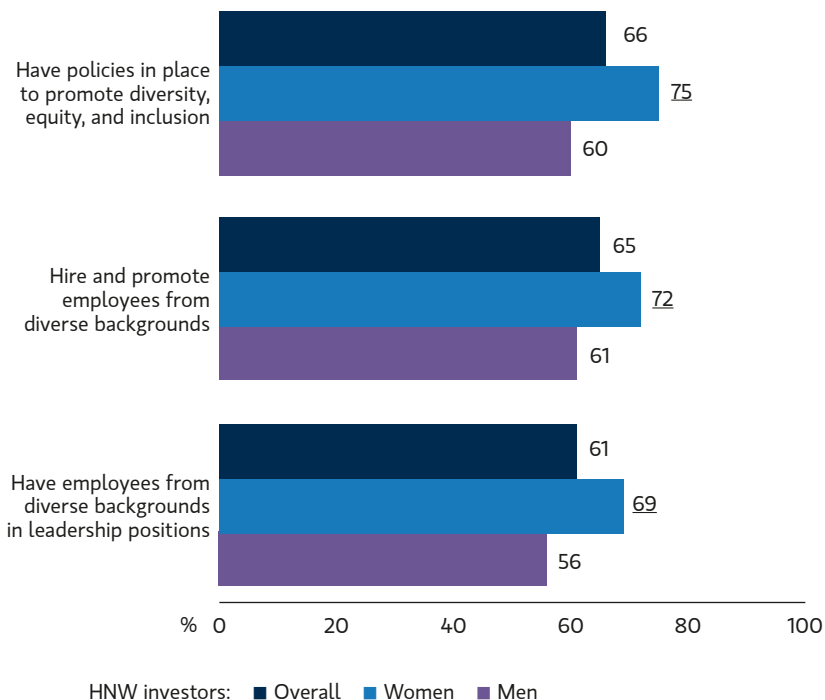
## HNW Investor Women Want Companies They Invest In To Prioritize DE&I; It's Just Good Business

Importantly, issues of diversity, equity, and inclusion are not merely abstract concepts. These are personal to HNW investor women, who say it is important that the companies they invest in have policies in place to promote these issues (75%)—and that these companies not only hire and promote employees from diverse backgrounds (72%), but also have people from diverse backgrounds in leadership positions (69%). Each of these priorities registers higher among HNW investor women than men.

There is also widespread agreement that it makes good business sense for organizations to promote diversity, equity, and inclusion in the workplace: 83% of HNW investor women agree—also higher than HNW investor men (77%).

### It's important that companies I invest in...

% "Very" or "Somewhat" important



Underlining (X) indicates a statistically higher figure vs. HNW investor men



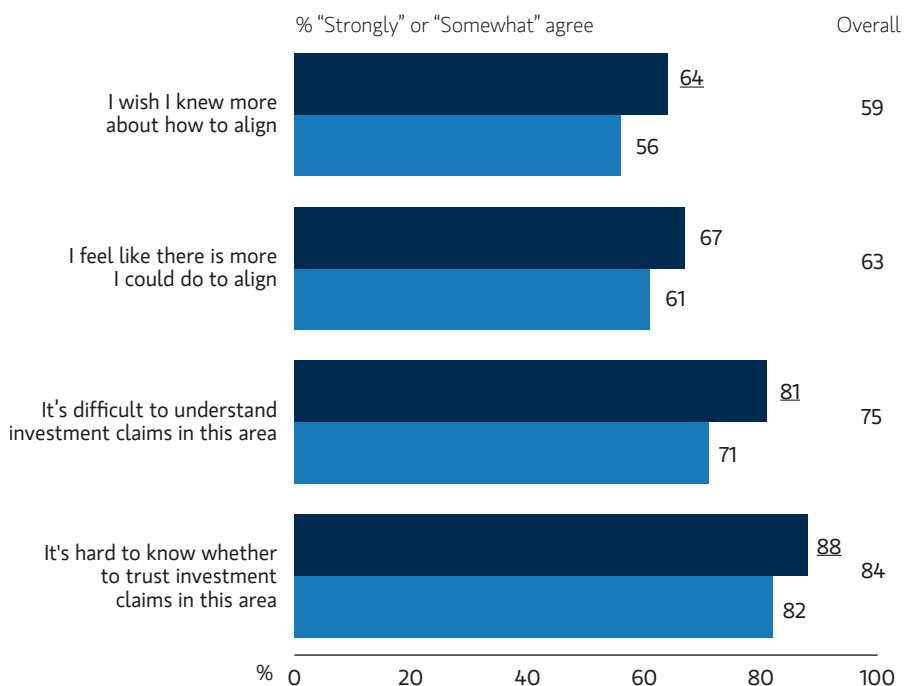
## Significant Opportunities Exist To Help HNW Investor Women Align Portfolios With Values

Questions around the concept of aligning investments with one's beliefs, values, and issues that matter uncover some striking gaps among HNW investor women. On the one hand, a large majority (77%) says that this is at least "somewhat," if not "very," important to them. On the other hand, just four in 10 (38%) believe that their portfolio currently delivers this type of alignment. There is a gender divide, as well: women are more likely than men to want their portfolio to align with their values — yet less likely than men to say that it actually does. In fact, the majority (54%) of female HNW investor women is unsure how their portfolio measures up relative to their beliefs. A gap of 10 or more percentage points separates HNW investor women and men on each of these measures.

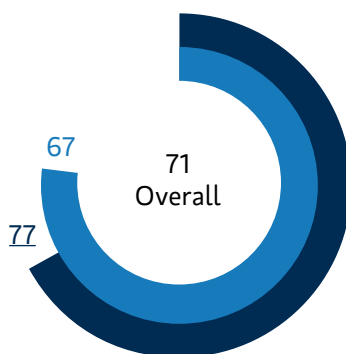
HNW investor women and men are about as likely to believe that there is more they could do to align their portfolio with their beliefs, values, and issues that matter (67% and 61%, respectively). Yet, women are more inclined to want information on how to make this desire a reality (64% vs. 56% among men). HNW investor women are also more apt to struggle to understand (81% vs. 71%) and to trust (88% vs. 82%) investment claims around issues like the environment, social change, and racial equity.

## Investment portfolio aligns with beliefs, values, and issues that matter

HNW investors



This is important to me (%)



My portfolio is well aligned (%)



■ Overall ■ Women

Underlining (X) indicates a statistically higher figure vs. HNW investors overall



## HNW Investor Women Are Largely Unfamiliar with Specific Values-Oriented Strategies

HNW investor women could benefit from more education on specific investment strategies like ESG, impact, and racial equity investing—especially given their interest in aligning their portfolios with their values. Roughly two thirds of HNW investor women are unfamiliar with each strategy: 65% for ESG, 63% for impact, and 63% for racial equity investing (all higher than HNW investor men).

### ESG INTEGRATION

Proactively considering environmental, social and governance criteria alongside financial analysis.

### IMPACT INVESTING

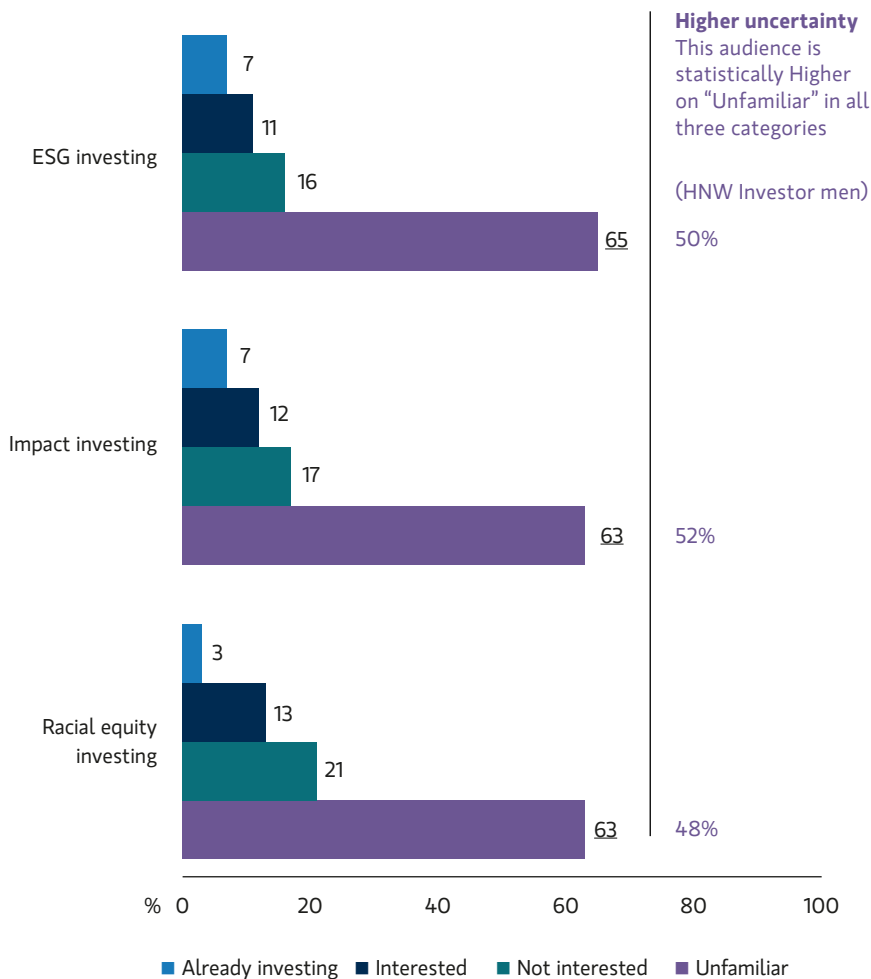
Seeking to make investments that intentionally generate measurable positive social and/or environmental outcomes.

### RACIAL EQUITY INVESTING

Allocating investment funds or financing private enterprises that do things like help founded companies owned by people of color grow, stand against profits from incarceration, and bring food to underserved communities, etc., in addition to companies that are leading on diversity and inclusion efforts.

## Experience / interest in investment strategies

% among HNW investor women of color



Underlining (X) indicates a statistically higher figure vs. HNW investors overall



## Use of Financial Professionals

### Financial Professionals Can Bridge Knowledge Gaps Around ESG, Impact, And Racial Equity Investing —and Portfolio Alignment

Even if not working with a financial professional today, many HNW investor women express interest in information that would boost their ESG, impact, and racial equity investing “IQ.” First and foremost, HNW investor women want to learn how to separate fact from fiction when it comes to investment claims (70%). Also important is understanding how well their portfolio currently aligns with values (66%), how investments could be working against their interests (67%), and suggestions to improve alignment (62%).

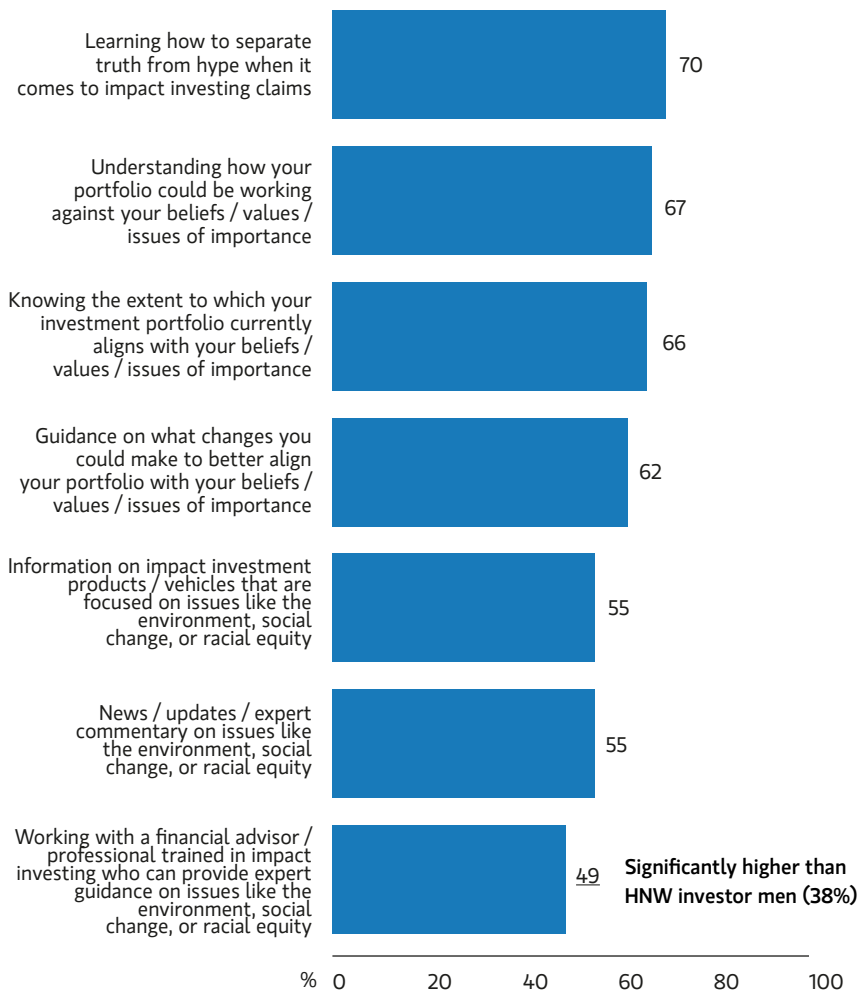
Fifty-five percent of HNW investor women are interested in information on specific investment products and issue areas, such as the environment, social change, or racial equity. Half (49%) would like to work with an advisor or other financial professional who has special training in this area—higher than HNW investor men (38%).

If looking to develop an investment strategy around issues like the environment, social change, or racial equity, many (36%) HNW investor women would want to leverage both their own research and advice from a financial professional. Others would want to rely solely on the help of a financial professional (27%); this figure is two times higher than HNW investor men (13%).

Two in three (65%) HNW investor women currently leverage the insight of a financial professional—also significantly higher than HNW investor men (49%). These HNW investor women typically partner with a financial advisor or a CFP (61% and 41%, respectively).

### Interest in ESG, impact, and racial equity investing support

% “Very” or “Somewhat” interested among HNW investor women



## Methods

The Morgan Stanley Investor Pulse Poll was conducted by Ipsos Public Affairs using the KnowledgePanel, the only large-scale representative panel of the adult population in the US for which members are recruited using a probability-based address-based sampling methodology. In order to maintain full representation of all adults, households without Internet access are provided internet-enabled devices and ISP as well. From June 3-26, 2022, a random sample of 1,010 respondents across the US were interviewed. In order to qualify for this study, respondents were required to have \$100,000 or

more in household liquid investable assets, be between the ages of 25 and 75 years old, and to be one of the primary decision-makers in the household for financial decisions. Quotas were applied in order to obtain approximately one third in each of the following categories: \$100,000 to \$499,000; \$500,000 to \$999,000; and \$1 million or more in investable assets. Results were then weighted to age within each of these three asset classes using benchmarks from the Federal Reserve's 2019 Survey of Consumer Finances. A number of oversamples were conducted leveraging the KnowledgePanel:

- Women of Color (312 interviews), i.e., a group of women excluding those who identify as non-Hispanic white
- African American/Black HNW investors (224 interviews), i.e., a group of HNW investors who identify as non-Hispanic African American/Black.
- Hispanic HNW investors (210 interviews), i.e., a group of HNW investors who identify as Hispanic

Respondents from these oversamples were required to have \$50,000 or more in household liquid investable assets, and data were weighted using benchmarks from the Federal Reserve's 2019 Survey of Consumer Finances.

| SAMPLE PROFILE                                  | HNW INVESTORS OVERALL | HNW INVESTOR WOMEN | HNW INVESTOR MEN |
|---|-----------------------|--------------------|------------------|
| <b>Gender</b>                                   |                       |                    |                  |
| Male  | 61%                   | --                 | 100%             |
| Female  | 39%                   | 100%               | --               |
| <b>Generations</b>                              |                       |                    |                  |
| Millennials (26-39)                             | 14%                   | 12%                | 16%              |
| Gen X (40-57)                                   | 39%                   | 36%                | 41%              |
| Boomers (58-75)                                 | 47%                   | 52%                | 43%              |
| <b>Investable assets</b>                        |                       |                    |                  |
| \$100,000 to under \$500,000                    | 61%                   | 60%                | 61%              |
| \$500,000 to under \$1M                         | 17%                   | 19%                | 16%              |
| \$1M or more                                    | 22%                   | 21%                | 23%              |
| Currently working with a financial professional | 56%                   | 65%                | 49%              |
| Currently working                               | 67%                   | 56%                | 74%              |

In addition to the samples described above, an independent sample of 215 Entrepreneurs was drawn from the KnowledgePanel, with oversamples to achieve 219 Female Entrepreneurs and 149

Entrepreneurs of Color. All Entrepreneurs had to be self-employed and/or own their own for-profit business were eligible to participate. Data among these audiences were weighted using a multi-step process

that leverages benchmarks from the 2021 March Supplement of the Current Population Survey (CPS) and eligibility requirements to (i.e., the study's screener data) to create the final weighting targets.





# Contacts

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