

Transforming Capital for the Next Era: Gender Parity and the Expansion of the Investable Frontier

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Contents

Foreword	3
Executive summary	4
1 The great wealth transfer	5
1.1 Why private markets matter now	6
1.2 Converting influence into stronger markets	7
2 Quantifying women's representation in financial markets	8
2.1 Women in the financial industry workforce	8
2.2 Women in private capital: Private equity and venture capital	10
2.3 Women in private capital: Recipients	11
3 Bringing the challenges into focus	13
3.1 Who holds decision rights	13
3.2 Who gets in the room	13
3.3 Market concentration and missed global growth	14
4 The path forward	15
4.1 Limited partners	15
4.2 General partners	15
4.3 Capital recipients	16
4.4 Public markets	16
4.5 Buyouts	16
Outlook	17
Contributors	18
Endnotes	20

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Foreword



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As we head into 2026, a volatile and unpredictable economy intersects with a historic force that has the power to reshape capital markets – the largest inter- and intragenerational wealth transfer to women in history.

This white paper highlights how this great wealth transfer, combined with the expanding wealth women are generating through entrepreneurship and investment, can ignite a major leap towards gender parity in financial markets and unlock economic dynamism and long-term resilience. It explores how greater female ownership of capital can shape the economy we create next. Leveraged effectively, this shift in wealth can direct capital towards a future powered by new engines of growth and the ideas of a far wider range of innovators, accelerating as rising wealth parity is matched by a financial system designed to be more inclusive and open to opportunity.

The paper draws on a series of virtual and in-person discussions among members of the Global Future Council on Investing in Gender Parity. It also synthesizes the latest thinking and evidence from international organizations, academic researchers, think tanks, businesses and other stakeholders, and connects directly to the Forum's broader body of work.

The Global Future Council on Investing in Gender Parity is a frontier council hosted by the Forum's Centre for the New Economy and Society. It is part of the World Economic Forum Network of Global Future Councils (GFC), comprised of nearly 1,000 leading experts, practitioners and thinkers who provide foresight, generate insights and identify solution frameworks for the world's most urgent challenges.

At the World Economic Forum, the Centre for the New Economy and Society engages business leaders, leading representatives of government, international organizations, academic experts and civil society in shaping economies and societies that create economic opportunity for all. The Forum's Global Gender Gap Report has tracked labour market-related economic gaps for nearly two decades – including women's representation in technical roles, leadership and income parity – and the work under the GFC extends this agenda into financial markets. It also connects to the Forum's 2025 analysis on gender parity in the intelligent age marked by the emergence of genAI, highlighting how greater parity in innovation ecosystems could establish a technological future that creates greater convergence in economic outcomes between men and women.

We are grateful to the members of the Global Future Council for their inputs and feedback and to LinkedIn for its collaboration in providing unique data to offer novel insights into women's representation in the financial services workforce. We would like to thank the members of the Centre for the New Economy and Society Advisory Board, nearly 200 centre partners, academic experts and a network of national ministries working with the centre to advance economic opportunity for all. We would also like to express our gratitude to Saadia Zahidi for her support and leadership and to the project team, Rabab Fayad, Yanjun Guo and Kim Piaget, for the unwavering dedication and expertise they brought to this paper.

The great wealth transfer marks a historic opening. As women's ownership rises, transforming the financial system around this shift can unlock a wider investable universe, sharpen decision-making and drive a more dynamic, resilient economy. This paper seeks to catalyse the next steps in accelerating this transformation.

Executive summary

A great wealth transfer is under way, with \$83 trillion set to pass within and between generations and position women to hold an unprecedented share of global financial wealth. This shift, driven by inheritance patterns, entrepreneurial activity and evolving social norms, is creating the conditions for a meaningful shift of how capital flows. By 2030, women are projected to own nearly 40% of global investable wealth – a trend visible across all major regions – with North America driving absolute growth and Asia-Pacific and Latin America showing the greatest momentum. Converting this rising ownership into allocator power can widen the investable frontier, diversify opportunity and risk perception and strengthen long-term value creation across private markets where allocators determine which technologies, teams and business models scale.

Women's rising share of global wealth is not yet matched by their influence within financial institutions, which presents one of the most immediate opportunities for market evolution. While women represent 43.5% of the finance workforce, their lower presence in senior roles and in private-market decision-making creates a case for greater balance that enhances sourcing, governance and investment outcomes. In private equity and venture capital, women hold 19.9% of top roles – an imbalance that signals untapped potential for diversifying perspectives and broadening the types of opportunities that enter the pipeline. The same is true for capital recipients: women-founded companies attract only a small share of venture funding, revealing how much room exists to widen deal flow, deepen innovation and expand the investable universe for all market participants.

The frictions identified in this white paper – decision rights concentrated in narrow networks, uneven access to investor rooms and legacy approaches to risk assessment – represent some of the highest-impact levers for strengthening market performance. Addressing these points offers the chance to diversify insights, reduce correlated risk and accelerate innovation. Broadening who gets

into the room can unlock stronger early-stage pipelines; updating how due diligence and AI-driven screening operate can surface high-quality founders who are currently overlooked; and reducing allocator concentration can open new pathways for technologies and business models to scale. These frictions point to areas where focused action can yield system-wide gains in market dynamism, resilience and value creation.

Finally, the paper identifies opportunities to strengthen momentum across the investment ecosystem, setting the conditions for more balanced capital allocation and long-term market strength. Limited partners (LPs) can steer market behaviour through mandates, due diligence and reporting expectations. General partners (GPs) can reinforce this by diversifying investment teams, widening sourcing channels and pairing AI and data tools with human oversight in a way that expands the range of opportunities considered. Portfolio companies, in their turn, can institutionalize inclusive governance and leadership pipelines. Whether through IPOs or private exits, governance norms set under GP ownership can endure when gender parity is embedded early: public listings lock in transparency and accountability standards, while private transitions carry forward inclusive practices through successor ownership and syndicate continuity.

The great wealth transfer is a catalyst for accelerating change at systems level. As women's ownership grows, converting that ownership into allocator power – and embedding parity standards from first check to final exit – unlocks the full potential of this capital in the market and transforms a demographic shift into a market upgrade. Building parity into financial systems widens the investable frontier, strengthens governance and supports more durable value creation across cycles. The great wealth transfer is only the beginning. As women's financial power grows, markets have a unique opportunity to embed gender parity as a driver for innovation and resilient growth.

1

The great wealth transfer

Women are at the core of the largest wealth transfer in history and could change the shape of capital flows.

A decisive shift is under way: over the next two decades, \$83 trillion will pass within and between generations and position women to hold an unprecedented share of global financial wealth.¹ Mobilizing this ownership is a strategic imperative. It can expand the investable frontier, channel more capital into the real-economy engines that sustain long-term growth and improve decision quality and risk management by diversifying the groups of investors and capital recipients.

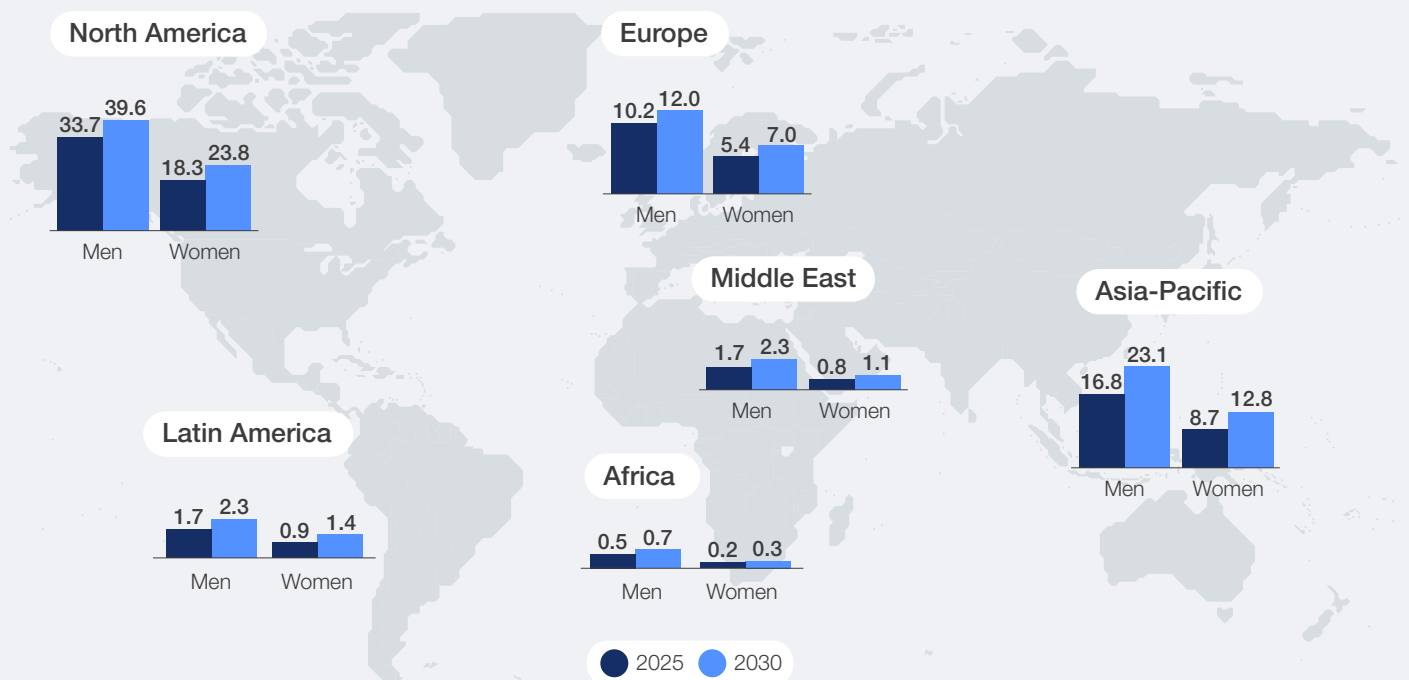
While inheritance is a powerful near-term driver of women's wealth, broader forces are working in parallel – including greater participation in entrepreneurial activity and evolving social norms around women's role in managing finances – which are expected to further expand women's wealth. The question, then, is not just who holds wealth, but who allocates it, because it is in the allocation that diversification, innovation and long-run performance are determined.

Between 2020 and 2025, women's investable wealth rose from \$20.1 trillion to \$34.3 trillion,

a compound annual growth rate of about 11.3%, compared with 6% for men. Given this growth trend, by 2030 women are projected to hold \$46.3 trillion – nearly 40% of global wealth.

Worldwide, women's investable wealth is rising at a faster rate than men's, but the pattern varies by region. By 2030, women are projected to hold \$23.8 trillion in North America, reflecting the largest absolute stock; \$12.8 trillion in Asia-Pacific making it a key engine of incremental growth; and \$7 trillion in Europe, marking steady mid-transfer accumulation. Latin America is projected to reach \$1.4 trillion, a far smaller base than Asia-Pacific, yet expanding at a similarly strong compound annual growth rate. The Middle East is projected to reach \$1.1 trillion and Africa \$0.3 trillion, as formalization and inclusion convert savings into investable assets. North American scale, Asia-Pacific and Latin America speed, Europe's steady gains and rising participation in the Middle East and Africa together drive the next decade's uplift.

FIGURE 1 Where women's wealth is rising: Global momentum map



Note: Investable wealth refers to personal financial assets from asset bands of at least \$1 million.

Source: 2025 figures are sourced from UBS. (2022). *Women and investing: Reimagining wealth advice*; projections are based on World Economic Forum calculations

Although global investable wealth remains concentrated in a few regions, the upwards trajectory is clear. The growing share of wealth held by women presents a unique opportunity to reshape the flow of capital worldwide. Even in places where women's wealth is not yet large in absolute terms, the influence of investors in wealthier regions can extend far beyond their borders. As capital increasingly moves across markets, this shift in who holds and allocates wealth has the potential to redefine investment norms and priorities, creating ripple

effects that shape economic opportunities and standards globally.

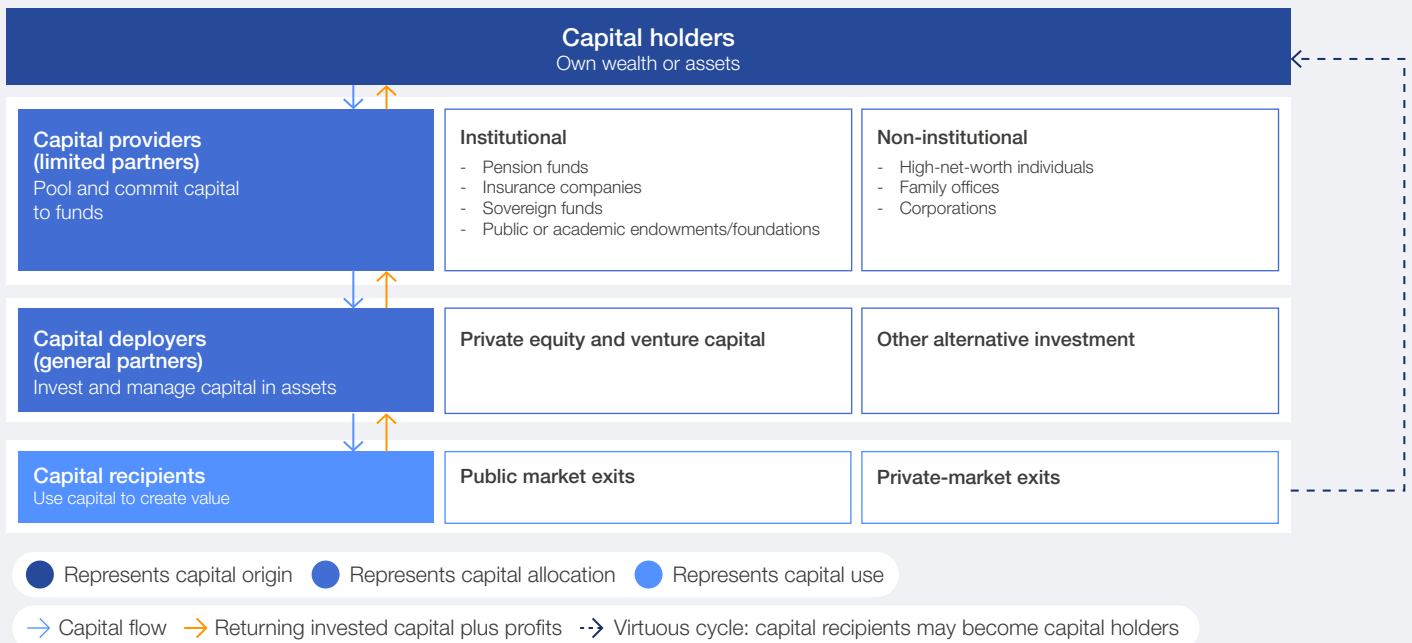
To lay out the baseline case, this paper assumes that women do not have different investment preferences from men; their presence in the market simply implies a wider range of opportunity and risk perception. However, recent research suggests that women may indeed have systematically different investment criteria, which would imply their market presence could have an even larger impact on the nature of capital flows.²

1.1 Why private markets matter now

As women's ownership expands, the question shifts from *how much wealth* to *how that wealth ultimately diversifies opportunities and expands markets*. Nowhere is that power clearer than in private markets, where allocators decide which technologies, teams and business models scale. The great wealth transfer, therefore, is not just a balance-sheet shift; it can be a realignment of

decision-making power that can reshape capital formation. If employed in the right way, the result will be a wider investable frontier due to a more diverse group of investors perceiving more opportunities and risks, resulting in a more diverse group of founders, a wider range of products meeting unmet needs and more resilient value for investors and society alike.

FIGURE 2 Simplified capital flows in the private market



Note: In this figure, the terms “capital holders”, “capital providers”, “capital deployers” and “capital recipients” are used to describe the main functions through which money flows in private markets. These simplified labels correspond to different roles in the investment chain – where capital providers represent limited partners (LPs) and capital deployers represent general partners (GPs).

This illustration offers a simplified, representative view of how money moves from capital holders to the recipients of capital. Capital is first pooled and managed by capital providers (LPs), a term used here to emphasize their role in supplying and committing capital within the system. LPs include institutional investors such as pension funds, insurers, sovereign wealth funds and public or academic endowments, as well as non-institutional investors such as family offices, corporations and high-net-worth individuals. While institutional LPs allocate capital through formal fiduciary structures, non-institutional LPs often exercise greater discretion and flexibility over their commitments. These capital providers entrust capital deployers (GPs) to raise and manage funds on their behalf. GPs operate across a wide range of alternative investment strategies, but this illustration focuses specifically on private equity (PE) and venture capital (VC) – the strategies that invest directly in corporate equity and are most central to this capital-formation cycle. The resulting capital recipients, entrepreneurs and companies that receive these investments apply the capital to grow their businesses, generating value and return. Exit pathways generally fall into two categories: public-market exits, known as initial public offerings (IPOs), and private-market exits, where ownership shifts from one private actor to another. Over time, as these companies mature, generate returns or undergo liquidity events, capital recipients may themselves become new capital holders, re-entering and replenishing the broader investment ecosystem.

Source: World Economic Forum

Three structural shifts are amplifying the importance of private capital markets:

- **First, the private tilt:** allocators continue to increase exposure to private assets, which have often outperformed public markets over the long term.
- **Second, the retail wave:** the expansion of wealth-management platforms and semi-liquid vehicles is bringing individual investors into private markets.³
- **Third, public-market concentration:** A handful of mega-caps now dominate major indices, elevating crowding and correlation risk and nudging allocators towards private markets for more idiosyncratic returns and diversification.⁴

Together, these shifts mean that private markets are no longer shaped solely by institutions. As high-net-worth individuals gain more direct ways to invest, the great wealth transfer becomes a potential catalyst for change, where capital flows could increasingly mirror who holds the wealth. In this new landscape, who allocates capital matters as much as how much is allocated, making gender parity in decision-making a defining force for the next decade of market evolution.

As high-net-worth women start channelling more wealth into PE and VC funds, and start asking for new types of investment opportunities, products, standards and advice, they open up new avenues for a more diverse set of founders.

1.2 Converting influence into stronger markets

Gender balance in investment is how markets get bigger and more resilient. Transforming women's ownership into allocator power could strengthen markets in three fundamental ways:

- **Improved decision-making reflected in stronger performance:** When limited partners (LPs) embed inclusion into senior positions, pipelines diversify, diligence quality rises and groupthink recedes – evidence links balanced investing teams to stronger returns and lower risk in the market.⁵ Similarly, at the general partner (GP) and investment-committee level, more women with true decision rights diversify perspectives, tighten governance and widen the definition of value creation, thereby reducing correlated errors and supporting long-horizon performance.⁶
- **Faster innovation drives stronger operating results:** Portfolio companies with diverse boards and executive teams iterate faster to product-market fit, attract stronger senior talent, secure higher-quality follow-on syndicates on better terms and deliver more durable value at exit.⁷
- **System-level resilience across cycles:** Broader participation raises start-up and scale-up survival, revenue and job creation and the diffusion of innovation, deepening local economies and producing stronger, more diversified portfolio returns over market.⁸

Allocation decisions are not abstract; they land exactly where tomorrow's economy is being built, from climate resilience to AI and frontier technology. Who is financed into AI will determine the systems, standards and norms that shape the next generation of innovation. Heterogeneous teams bring a wider range of investable opportunities and fewer blind spots; with near-term capital, women can contribute to setting the rules and governance frameworks that will define the next 30 years. The composition and perspective of decision-makers strongly influence how strategies are shaped, teams are built and opportunities are identified. When the decision-making environment has diversity of experience and insight, these judgements can become self-reinforcing, accelerating the adaptability and performance of both investors and the enterprises they back.

At the same time, the growing use of AI in capital allocation adds a new layer to the decision-making stage that warrants attention. Algorithms trained on historical transaction data or limited networks can replicate the preferences and omissions of past decision-makers, systematically narrowing what qualifies as "investable". Automated screening systems, if unchecked, may discount unconventional or first-time founders – the very innovators markets need most.

Without deliberate data diversity and governance standards, the efficiency gains of AI-driven investing risk coming at the cost of allocative efficiency, innovation and long-term competitiveness.

2

Quantifying women’s representation in financial markets

Building balance across the investment ecosystem strengthens markets.

This section presents novel data, offering insights into how financial markets, particularly private equity and venture capital, look in terms of gender parity. It highlights where women currently participate across roles, decision-making authority and access to capital, and where significant gaps remain.

The economy coverage varies across figures, as each dataset draws on different samples depending on the topic presented. Existing data for participation and representation is rarely disaggregated to the level shown for capital flows in the private market in Figure 2, and obtaining

gender-specific breakdowns is challenging. Comparable data at the global level is scarcer still.

While women are holding an increasing share of global wealth, the data in the subsequent section suggests that this is not yet mirrored in the systems through which the wealth is allocated, potentially creating mismatches between perceived opportunities (and risks) and what is currently prioritized by the system.

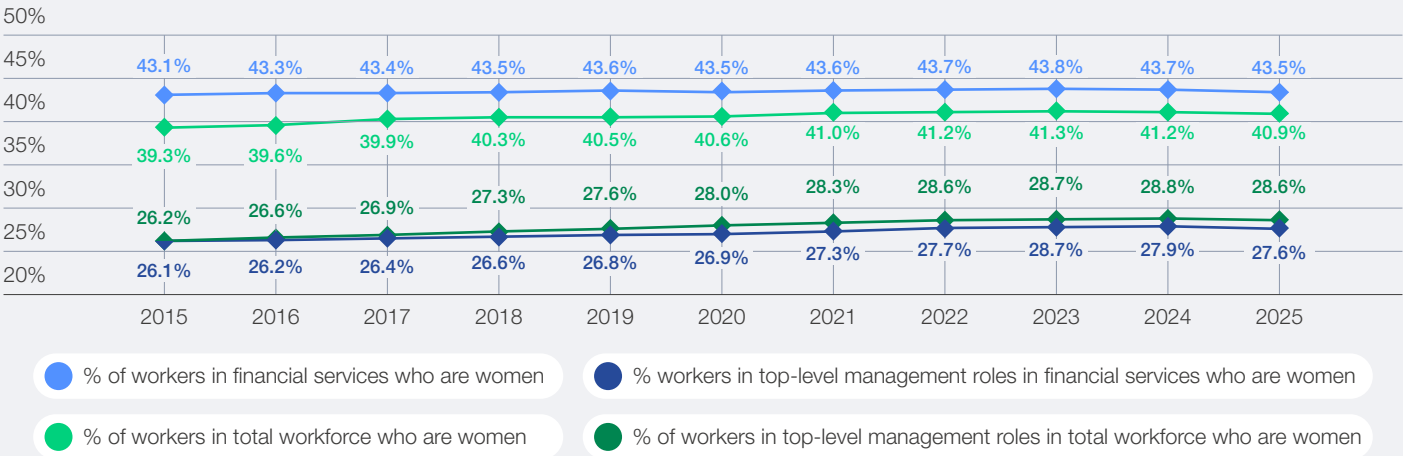
Seen through a forward-looking lens, these gaps indicate where the industry can create the most meaningful momentum in the decade ahead.

2.1 Women in the financial industry workforce

Across the industry, LinkedIn data reveals that women account for 43.5% of the total financial-services workforce, slightly above the economy-wide share of 40.9% among the 74 economies

with available data. However, over the past decade, women’s representation in finance has stayed essentially flat (Figure 3).

FIGURE 3 Percentage of women in financial services vs. in total workforce, by seniority, 2015–2025



Note: Average percentages for 74 economies: Algeria, Argentina, Australia, Austria, Bahamas, Bahrain, Bangladesh, Barbados, Belgium, Bolivia, Brazil, Canada, Chile, Colombia, Costa Rica, Croatia, Cyprus, Czechia, Denmark, Dominican Republic, Ecuador, Egypt, Estonia, Finland, France, Germany, Ghana, Greece, Guatemala, Hong Kong SAR (China), India, Ireland, Israel, Italy, Jamaica, Jordan, Kenya, Latvia, Lithuania, Luxembourg, Malaysia, Maldives, Malta, Mauritius, Mexico, Morocco, Nepal, Netherlands, New Zealand, Norway, Pakistan, Panama, Peru, Philippines, Poland, Portugal, Puerto Rico, Qatar, Romania, Saudi Arabia, Singapore, South Africa, Spain, Sweden, Switzerland, Trinidad and Tobago, Tunisia, Türkiye, Ukraine, United Arab Emirates, United Kingdom, United States, Uruguay and Venezuela; including observations up to 30 April 2025.

Source: LinkedIn Economic Graph Research Institute

In addition, progress stalls at the top. Only 27.6% of senior management roles in financial services are held by women, compared with 28.6% across the economy overall (Figure 3). Currently, hiring patterns suggest the gap will persist: LinkedIn data shows

that among the 16 economies with available data, women represent roughly one-third of new senior-leadership hires economy-wide but only 28.4% of such hires in finance, with a declining trend line (Figure 4).

FIGURE 4 Percentage of women among new hires into top-level management roles, in financial services vs. in total workforce, 2019–2025



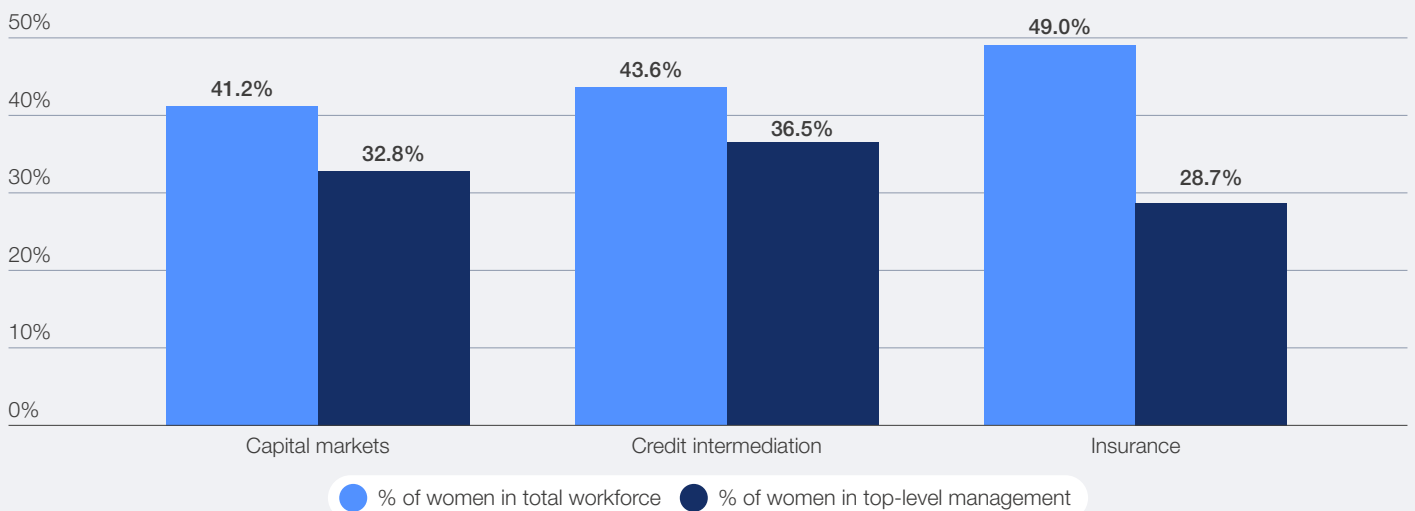
Note: Average percentages for 16 economies: Australia, Brazil, Canada, France, Germany, India, Ireland, Italy, Mexico, Netherlands, Singapore, Spain, Sweden, United Arab Emirates, United Kingdom and United States; including observations up to 30 April 2025.

Source: LinkedIn Economic Graph Research Institute

Seniority-level data provides a broad comparison of women's representation in decision-making roles across the financial industry, and the pattern is consistent with other sectors: women are still under-represented in senior leadership positions.

Given the complexity of financial services, it is worth examining women's representation more closely by type of financial institution, categorized here by revenue source, risk profile and how capital flows within the finance network.

FIGURE 5 Percentage of women in financial services, by industry breakdown and seniority level (values as of September 2025)



Note: Average percentages for 19 economies: Australia, Brazil, Canada, Colombia, France, Germany, India, Ireland, Italy, Mexico, Netherlands, Philippines, Poland, Singapore, Spain, Switzerland, United Arab Emirates, United Kingdom and United States. Including observations up to September 2025. Industry classification is aligned with the North American Industry Classification System (NAICS). Funds and Trusts subindustry group as well as monetary authorities are excluded from the figure due to limited sample size.

Source: LinkedIn Economic Graph Research Institute

LinkedIn data offers unique insights into gender differences across financial subsectors. Women account for 41.2% of the workforce in financial institutions engaged in financial facilitation in the capital markets, among the 19 economies with available data. Although this group represents a small employment share in the finance industry, comprising securities, commodity-related and other financial investment activities, it plays a disproportionately influential role in shaping investment flows and capital allocation.

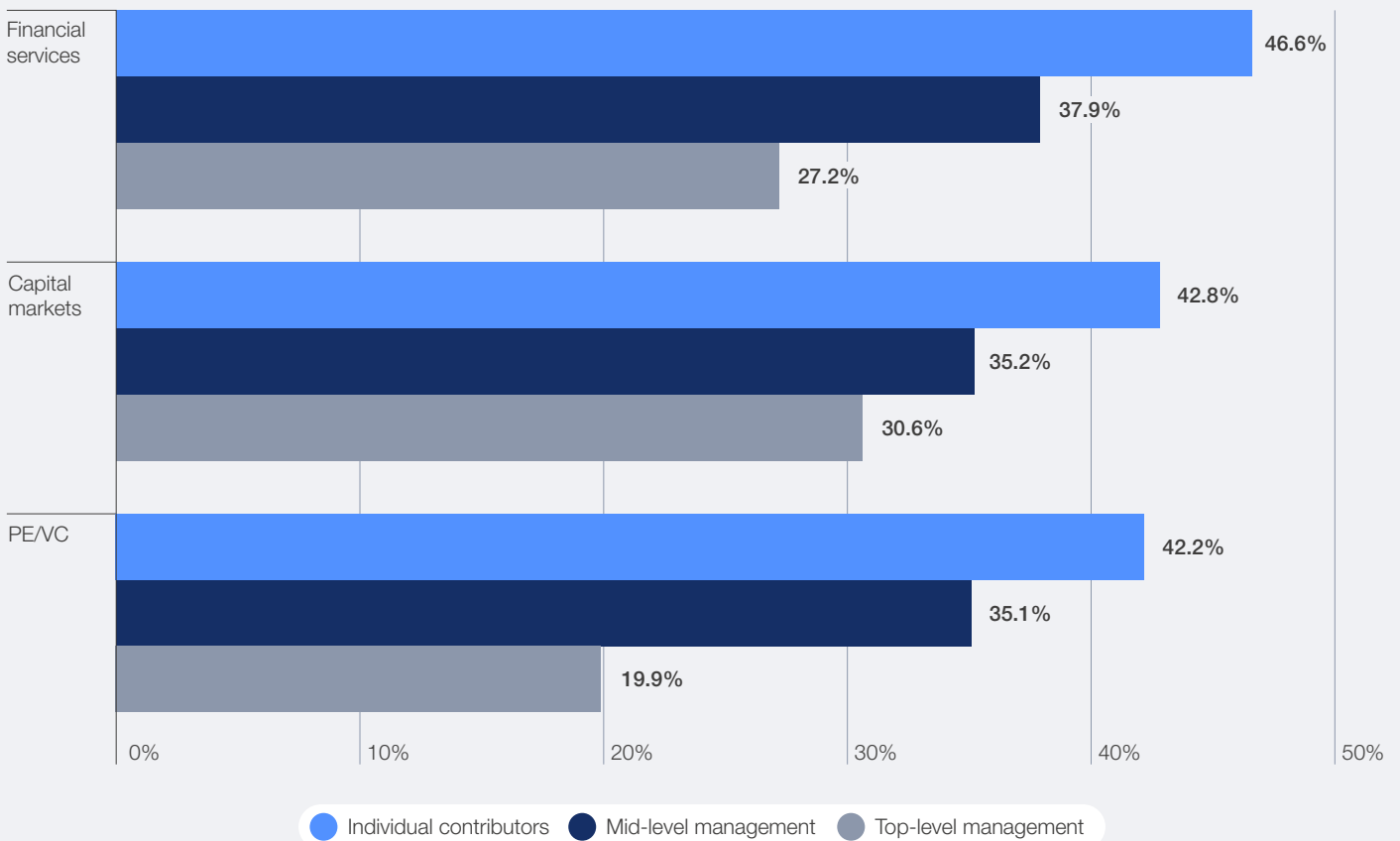
Women’s representation is slightly higher, at 43.6%, in the credit intermediation group. The highest representation of women, at 49.0%, is found in the insurance subindustry, which includes insurance carriers and related activities (Figure 5).

The representation of women declines with seniority across all subindustry groups. Top-level management positions show the lowest female representation in the insurance group, where only 28.7% of senior leaders are women. The leadership gap is most pronounced in this segment, with a 20-percentage-point difference between women’s overall workforce share and their presence in top roles, reflecting the large number of women employed in clerical or support positions and the relatively high proportion of non-decision-making roles within such institutions. In contrast, women represent 32.8% of top-level management positions in the capital markets group and 36.5% in credit intermediation, corresponding to leadership gaps of 8 and 7 percentage points, respectively (Figure 5).

2.2 Women in private capital: Private equity and venture capital

Because private equity and venture capital play an outsized role in innovation, job creation and long-term growth, the gender dynamics within these investment firms are of particular interest.

FIGURE 6 Percentage of women in financial services, capital markets, private equity and venture capital firms, by seniority level (values as of September 2025)



Note: Average percentage for 11 economies: Australia, Brazil, Canada, France, Germany, India, Italy, Singapore, Spain, United Kingdom and United States. Including observations up to September 2025. Industry classification is aligned with the North American Industry Classification System (NAICS). Funds and Trusts subindustry group as well as monetary authorities are excluded from the figure due to limited sample size.

Source: LinkedIn Economic Graph Research Institute

On average across the 11 economies with available data, women account for 42.2% of the entry-level workforce in PE/VC firms. Their representation declines to 35.1% at mid-level management and further drops to 19.9% at the top level. While women's representation is below the industry average across all seniority levels, the most pronounced decline occurs between mid- and top-level management. The representation ratio, measuring women's share at one level relative to the level below, shows a notably sharper drop over this transition in PE/VC firms than in the finance industry overall or among capital market institutions. By contrast, the pipeline ratio from entry- to mid-level management is broadly similar across all three groups (Figure 6).

Taken together, these patterns indicate that women hold a smaller share of roles associated with financial decision-making, particularly in subindustries such as capital markets, which have a relatively small employment base but play a central role in capital allocation. Given the structural and functional characteristics of the finance industry, where smaller, market-oriented segments tend to have broader economic reach while larger, labour-intensive segments employ a greater share of women, more detailed and disaggregated data is needed to understand how financial influence is distributed and the extent to which decision-making power reflects a balanced gender representation, helping institutions target their talent strategies more effectively.

2.3 Women in private capital: Recipients

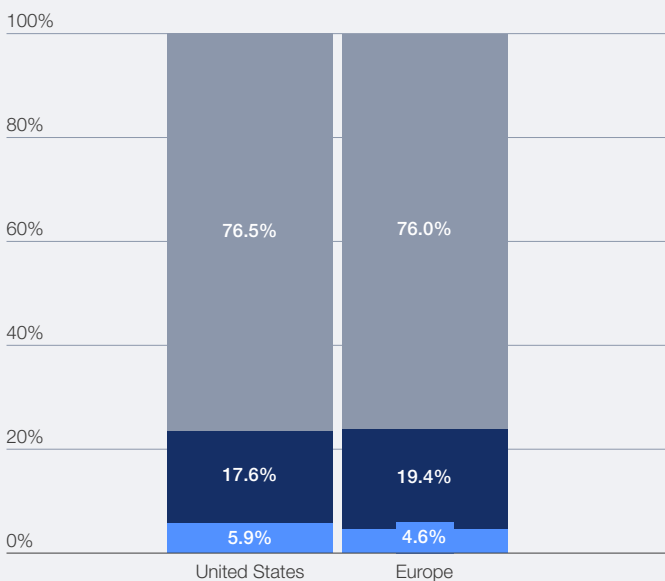
The under-representation of women in investment firms may have a downstream effect on the gender balance of the companies that are financed as well as the diversity of markets these companies serve. Male-founded companies continue to take a disproportionate share of venture capital deal activity and absorb most of the invested capital, wherever gender-disaggregated data is available.

PitchBook⁹ data covering high-income economies illustrates the imbalance: as of October 2025, in the US, start-ups founded exclusively by women

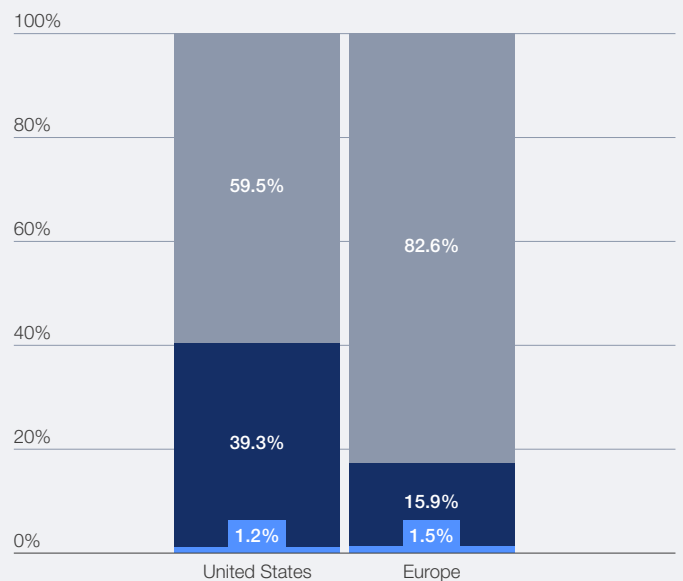
accounted for only 5.9% of total venture capital deal count, compared with 17.6% for start-ups co-founded by men and women. In terms of deal value, the gap is even wider: all-female-founded start-ups attracted just 1.2% of venture capital vs. 39.3% for mixed-gender founding teams. The picture is similar in Europe, where in 2024, all-female-founded start-ups captured 4.6% of deal count and 1.5% of deal value, compared with 19.4% and 15.9% respectively for mixed-gender teams (Figure 7). Additional studies in emerging markets confirm this pattern.¹⁰

FIGURE 7 **Distribution of venture capital deal count and deal flow by founders' gender (values as of October 2025)**

Distribution of deal count by founders' gender



Distribution of deal flow by founders' gender



● All female founders ● Female and male founders ● All male founders

Source: World Economic Forum calculations, based on PitchBook US¹¹ and Europe VC¹² female founders dashboards

The same dynamics extend beyond early-stage venture capital to later-stage private equity, where investors often gain control of more mature businesses. Evidence from private equity-backed companies also reveals persistent gender gaps. Compared with public companies, private equity-backed firms are considerably more likely to have no female directors. In the US, women hold just 17% of board seats among private companies that have raised at least \$100 million – below the share observed in listed firms on the S&P 500 or Russell 3000. Moreover, women in these firms are more often appointed as independent directors rather than as executive or investor directors – roles more directly tied to funding and strategic decision-making. This distinction limits opportunities to

bring cognitive diversity into the boardroom, even as companies increasingly recognize the value of broad perspectives.¹³

Similar patterns appear in middle-income markets: in every region except South Asia, women hold a smaller share of decision-making roles in private equity-backed companies than in their publicly listed counterparts.¹⁴ Evidence from Europe reinforces this picture. Another study of private equity-backed companies found that women's representation on boards and in leadership actually declined following investment; in a European sample, the share of female leaders fell from around 20% pre-investment to 15% by exit.¹⁵



3

Bringing the challenges into focus

Reducing recipient frictions and allocator concentration can unlock a new wave of resilient growth.

Parity in capital allocation can be boosted at identifiable nodes – who gets in the room, how risk is assessed, which instruments are offered

and who holds decision rights. Addressing these nodes is the fastest route to a more balanced and efficient market.

3.1 Who holds decision rights

As shown in Section 2, women’s representation in private equity and venture capital remains consistently below the broader financial industry average, and the gaps are even more pronounced in roles defining financial and relational powers. These gender imbalances can mean mandate setting and deal selection circulate within homogenous networks, reinforcing existing patterns and limiting the diversity of capital allocation. Product design, distribution and communications still reflect a historical default, muting engagement even as women hold a growing share of wealth.¹⁶ Decision rights remain concentrated where mandates are written and final sign-offs occur.

Within this environment, capital recycles through familiar circles: pattern-matching defines who is deemed “fit”, narrowing deal flow and reinforcing

selection bias.¹⁷ At the asset-owner level, many LPs still lack explicit gender criteria in manager selection and monitoring, weakening incentives for GPs to diversify teams and investment committees. In a global survey of 400 institutional investors, almost half said senior-team diversity matters more than short-term returns when choosing funds.¹⁸ Yet practice lags behind principle: an emerging-markets study found that while around 75% of investors view gender diversity as important, only about 25% actually ask about it during due diligence.¹⁹

Crucially, the consequences of these allocator-side frictions extend beyond women: when allocator power concentrates, markets under-discover opportunities, over-concentrate exposures and slow the diffusion of frontier technologies – reducing growth and resilience for everyone.

3.2 Who gets in the room

Women founders and CEOs currently face systemic barriers at every stage of the capital pipeline. At the entry point, access to investors still depends heavily on “warm introductions”, so qualified entrepreneurial teams without those ties struggle to get meetings. Furthermore, early screening often favours familiar resumes and backgrounds, which means strong women-led firms may be overlooked for not fitting the usual demographic pattern even when fundamentals are strong.²⁰

How risk is assessed: Due diligence, collateral and signalling

Due diligence and credit processes often set higher evidence and collateral bars for women-

led firms than for comparable male peers. At entry point, women-led companies are more likely to be asked for extra proof, more collateral and longer timelines, adding cost and delay.²¹ Even when women secure early funding, not all capital is equal: “smart” capital from experienced, reputable investors professionalizes young firms, speeds commercialization and certifies quality to later rounds and public markets, whereas passive “pure cash” lacks these spillovers.²² Consistent with this, companies backed by top-tier/experienced VCs attract stronger follow-on and enjoy better exit odds, and founders will even accept lower valuations to affiliate with high-reputation investors for their governance, recruiting and signalling advantages.²³

Structural frictions persist and compound in the subsequent rounds of fundings for women-led companies. Concentrated investor networks shape not only who receives first-round funding but also who advances through subsequent stages. If syndicates and boards are homogeneously women-led, it is often harder to attract follow-on capital.

Which instruments are offered: Product fit and stage

Even when interest exists, the money on offer often does not fit the need: much capital is built for big, late-stage rounds. Everyone needs early growth funding (pre-Series A²⁴), but when markets run on incumbent networks, men tend to capture larger seed/angel rounds and recognized leads, while women face narrower networks, undercapitalized first rounds and shorter runways. As a result, many women-led businesses need earlier growth finance, working capital or revenue-linked options. In short,

the issue is not higher inherent risk; it is uneven access and products mismatched to stage.²⁵

Often women entrepreneurs find first-stage funding in niche or marginal investment which leads to narrower networks, limited banker coverage and less guidance for their business growth – so it takes longer to grow and to sell or list. That scarcity becomes most punishing after Series A: without a recognized lead and dense syndicate, valuation signals do not elevate the value of their company, and follow-on funds hesitate. The effect is sharpest in capital-hungry fields such as AI and deep tech, where early bottlenecks become weaker A → B and subsequent round conversion.²⁶ This phase matters because Series A → B → C is when firms raise true scale capital, hire senior talent and secure enterprise distribution. When those channels narrow, strong companies stall for lack of signal and support – not because fundamentals are weak – so good opportunities are missed, portfolios become more correlated and fragile and diffusion of new solutions slows.

3.3 Market concentration and missed global growth

Allocator concentration – a few investors controlling most deployable capital – is now visible in market outcomes. In the first half of 2025, just 12 US venture firms raised more than 50% of the total value of capital and the top 30 firms raised 74% of all capital.²⁷ This concentration of capital creates a thinner pipeline of new entrants, particularly in early-stage and capital-intensive innovation.

Three reinforcing mechanisms illustrate how this dual concentration can destabilize growth:

1. **Scaling of bias to misallocation:** A small set of large, limited partners and fund managers dominate fundraising, deal flow and exit pathways. As capital pools consolidate, competition narrows not around differentiated insight but around access to the same proven managers and sectors. This concentration encourages capital recycling into familiar names and inflated valuations rather than discovery of new frontiers of productivity.
2. **Concentration of signal power to systemic correlation risk:** Investors benchmark to one another, use similar data sources and co-invest in overlapping syndicates. Shared narratives become reinforcing signals that drive correlated capital movements. What looks like diversification across funds and vintages conceals exposure to the same assumptions and sentiment cycles. When those narratives unwind, the alignment of decisions across managers amplifies the

downturn, turning local valuation corrections into systemic correlation risk.

3. **Path dependence to innovation drag:** Early choices about product design, diligence standards and co-investment norms lock in who gets access and which teams can scale. When governance and sourcing pipelines skew towards incumbents, the diffusion of frontier solutions slows even when the underlying demand is clear.

Taken together, these dynamics depress market quality: capital is steered away from high-potential opportunities; portfolios become more concentrated leading to systemic risk; and the diffusion of new solutions slows.

These dynamics create a self-reinforcing inefficiency loop: bias scales, correlations rise and innovation narrows. What once passed for efficiency ultimately erodes systemic adaptability and the market's capacity to discover, fund and scale the next generation of growth.

Advancing gender parity could be a first and critical step towards breaking this cycle – one that helps build a more diverse, resilient and forward-looking investment network. Yet it should be seen not as an end in itself but as part of a broader effort to ensure that the financial system better reflects and serves the full spectrum of talent and opportunity driving long-term growth.

4

The path forward

Women's growing wealth presents a pivotal opportunity to spark a series of shifts, reshaping markets towards greater resilience.

Progress towards gender parity in private markets can unfold as a reinforcing sequence, widening the opportunity set, expanding total value creation and making capital markets more resilient. The great wealth transfer can provide an important catalyst

throughout this sequence as the presence of more high-net-worth women with decision rights starts influencing the types of advice, products and investment opportunities available.

4.1 Limited partners

As women inherit and control unprecedented levels of wealth, they are emerging as a powerful class of capital owners – some investing directly as LPs, others allocating through family offices, private banks and wealth managers.

Their growing financial influence sits alongside another decisive force in private markets: the major institutions that supply the bulk of capital to PE and VC funds. Even with the rise of semi-liquid retail vehicles, large limited partners such as pension plans, sovereign wealth funds, insurers, endowments and development finance institutions continue to act as anchor investors. Through their mandates, pacing decisions and due-diligence requirements, they still set the tone for private markets.

These institutions operate within the same global capital ecosystem that is being reshaped by women's rising economic power. As the investor base becomes more diverse, aligning with this shift is a way for LPs to remain competitive, attract

differentiated sources of capital and future-proof their portfolios.

LPs influence the system at its most consequential leverage point: they define the terms on which capital flows. Their decisions determine who raises funds, how managers are evaluated and what counts as "success". When LPs integrate gender balance into their capital allocation and governance decisions – the effects cascade throughout the market, improving pipeline quality, governance standards and, ultimately, investment performance.

Because private markets have limited public disclosure, accountability depends heavily on what LPs choose to request, measure and reward. Standardized gender criteria and consistent reporting across fund reviews, side letters and advisory committees can turn inclusion into a trackable performance metric – one that signals to the market that gender balance is part of fiduciary rigour.

4.2 General partners

As LPs integrate gender parity into their capital mandates, GPs become the mechanism through which those expectations take shape. Gender-balanced GP investment teams bring diverse perspectives that are proven to create less correlated errors, stronger signal detection and produce networks that enhance Series A → B → C conversion.

Technology can extend this advantage further. AI-enabled deal sourcing and due diligence can broaden access to overlooked founders, but only when paired with transparent design and human oversight. When gender-balanced GP teams guide algorithmic processes, automation becomes a tool for discovery rather than replication, expanding the investable universe and reinforcing the inclusive intent of the capital behind it.

4.3 Capital recipients

Because PE and VC rely on active ownership, GPs shape much more than capital deployment – they influence how portfolio companies (e.g. capital recipients) are governed, who sits on their boards and who is hired into senior roles. Gender gaps inside portfolio companies can originate at this GP level, through sourcing choices, pre-screening and early governance formation.

When GPs model gender balance within their own investment teams, it sets a governance standard that cascades through their portfolios. This makes it more likely that qualified women founders, executives and board members are identified, selected and supported on merit. Over time, this builds a deeper and more diverse leadership pipeline across companies.

Embedding parity at this level also strengthens the market. Diverse decision-making teams challenge

assumptions earlier, identify risks more accurately and spot opportunities homogenous groups miss. This improves capital discipline, reduces blind spots in strategy and leads to higher-quality value creation plans. Portfolio companies with balanced leadership also retain talent more effectively, innovate more reliably and deliver stronger exit outcomes – improvements that compound across a fund's portfolio.

As portfolio companies grow and eventually exit, the governance norms shaped under GP ownership do not disappear. Listings, buyouts and follow-on rounds often preserve or even deepen the structures put in place earlier. By integrating parity considerations into board composition, executive hiring and syndicate formation from the outset, GPs create durable governance practices that strengthen performance at both the firm and market level.

4.4 Public markets

When private-capital-backed companies eventually list on public exchanges, a new layer of accountability can lock in the progress achieved under GP ownership. Stock exchanges and regulators can accelerate this shift by embedding parity and transparency into listing standards. When reporting, readiness and representation are aligned before going public, gender balance becomes a visible signal of governance quality – one that feeds back into how the broader investment ecosystem assesses long-term performance.

Preparing for listing is therefore a moment for both GPs and portfolio companies to embed gender

parity as part of corporate DNA. This includes disclosing gender data across leadership levels, aligning nomination and succession planning to sustain parity after listing.

When companies align early on board-level gender representation and gender-disaggregated disclosure, they benefit from stronger board effectiveness, more credible risk oversight, higher investor confidence and more durable valuations. These gains reinforce gender-balanced leadership not only in public markets but also in private-market norms, creating a feedback loop that strengthens the overall ecosystem.

4.5 Buyouts

Not all portfolio companies reach public markets. Many transition through secondary buyouts, trade sales or continuation funds, where GPs re-emerge as critical stewards of continuity. Their influence over sale agreements, management incentive plans and board composition help ensure that inclusive leadership and governance norms endure through ownership changes – carrying gender balance forward into the next phase of value creation.

LPs can further sustain these efforts by reinforcing these expectations through fund terms, due diligence and post-exit reporting requirements. Together, GPs and LPs can turn buyouts into a mechanism for continuity, ensuring that the gains of inclusive leadership persist across cycles of investment and renewal.

Outlook

The great wealth transfer is a catalyst for accelerating change at system level. As women's ownership grows, converting that ownership into allocator power – and embedding parity standards from first check to final exit – can turn a demographic shift into a market upgrade. By effectively building parity into the financial system, private capital expands the investable set, reinforces governance and supports more durable value creation across cycles. In short: the transfer of

wealth becomes a transfer of decision power – and the flywheel for more innovative, resilient markets.

This paper does not seek to prescribe a single path, but to offer a framework for dialogue and collaboration. The sequence and pace will vary across markets, yet the direction is shared: advancing gender parity within capital allocation is central to shaping more inclusive, innovative and future-ready financial systems and real-economy outcomes.

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