

CLOSING THE WOMEN'S WEALTH GAP

A national initiative to advance policies and strategies that build wealth for low-income women and women of color

In recent years, a national discussion about the causes and effects of inequality has played out in our communities, the media, the presidential race and the halls of Congress. The issue is often framed in terms of growing income and wealth gaps, but the conversation about solutions typically focuses on income—connecting people to job opportunities, raising wages, expanding access to education and skills training and other approaches. The discussion about inequality has significant implications for women; yet a focus on income alone leaves out a key part of the story.

“In discussing the financial standing of women in America, a focus on income is misleading because wealth is a much more meaningful measure of economic well-being.”

- Mariko Chang, Author/Shortchanged¹

Today, the gender wealth gap is far greater than the income gap: median wealth for single men is \$10,150, but for single women it is only \$3,210. Wealth owned by women of color is even more limited: median

wealth for single Black women is \$200 and \$100 for Hispanic women.² Despite progress in closing the gender wage gap, a yawning wealth gap remains. For example, while never-married women working full time earn 95 percent of the earnings of never-married men, never-married women own only 16 percent of the wealth of never-married men. Furthermore, while marriage was once seen as a path to economic security and wealth accumulation for women, today, single women (never-married, widowed or divorced) make up half of all households.³

Income is central to the ability of women and their families to get by day-to-day, but building long-term economic security requires access to wealth-building opportunities. Women need to be able to save for emergencies, higher education and a secure retirement; they need access to financial education and coaching coupled with affordable and appropriate savings and credit-building products; and they need opportunities to leverage savings into wealth-building opportunities through investments in stocks, bonds, homes, real estate and businesses.

Maximizing opportunities for women to build financial assets will benefit their families, communities and the national economy as they will be more able to

“Men are more likely to get early opportunities to save by working for employers who offer pensions or retirement savings plans and are also more likely to receive stock options. Both of these contribute to wealth directly.

Women are nearly twice as likely as men to work part-time, and nine times as many women as men reported working part-time because of family care reasons.”

- Heidi Hartmann, President, Institute for Women’s Policy Research⁴

survive temporary economic disruptions, to invest in their future and to pass resources on to future generations. But today, women face a host of barriers to building wealth: They are less likely to have jobs that offer employer-based retirement and health benefits or to have access to tax subsidies that incentivize savings and investment. They are more likely to be caring for children or elderly parents, which limits their capacity to work and save, and to be carrying high levels of student debt, which restricts their ability to build a nest egg for emergencies or to invest in homes or businesses.⁵

Fortunately, these wealth-building barriers can be addressed through practical and policy solutions, many of

which are already in place in different parts of the country or in other countries. Yet today, there is no national forum for stakeholders to come together, to discuss and debate the causes and effects of the women’s wealth gap and to identify promising policy and practical solutions.

The *Closing the Women’s Wealth Gap Initiative*, a new national conversation convened by Asset Building Strategies founder Heather McCulloch with support from the Walter and Elise Haas Fund, is providing such a forum. It is creating a space for funders, advocates, organizers, researchers and practitioners to identify policy and practical solutions to the gender wealth gap and to work towards shared solutions.

¹ Dr. Mariko Chang, *Shortchanged: Why Women Have Less Wealth and What Can be Done About It*, Oxford University Press, 2010, pg. 2.

² Mariko Chang, PhD., *Women and Wealth: Insights for Grantmakers*, Asset Funders Network, 2015 – http://www.mariko-chang.com/AFN_Women_and_Wealth_Brief_2015.pdf

³ Chang, *Shortchanged*, pg. 7.

⁴ Heidi Hartmann, “Women and Wealth: How to Build It,” *What It’s Worth*, Federal Reserve Bank of San Francisco and CFED, 2015. <http://www.strongfinancialfuture.org/essays/women-and-wealth>

⁵ Rebecca Loya et al., *Tipping the Scale: How Assets Shape Economic Wellbeing for Women and Families*, Institute for Assets and Social Policy, November 2015. <https://iasp.brandeis.edu/pdfs/2015/tipping.pdf>

FOR MORE INFORMATION

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