The Gender Gap in Financial Health

Identifying Barriers and Opportunities for Improving Women's Financial Health

JULY 2022

Meghan Greene, Senior Director, Research
Jess McKay, Associate, Data
Andrew Warren, Associate, Data

Acknowledgments

This report benefited from the review of numerous experts on women's economic security, including:

- Melany De La Cruz-Viesca, UCLA Asian American Studies Center
- Kirkley Doyle, FreeFrom
- Julie Kashen, The Century Foundation
- Ana H. Kent, Federal Reserve Bank of St. Louis
- Heather McCulloch, Aspen Institute and Asset Building Strategies
- Kate Ryan and Olivia Storz, Institute for Women's Policy Research

We also thank numerous other experts who provided invaluable guidance on our research design, including representatives from the Diaper Bank of North Carolina and the National Diaper Bank Network, Futures Without Violence, the Institute for Women's Policy Research, the National Partnership for Women and Families, the Women's Institute for a Secure Retirement, and the Urban Institute.

We are grateful for the guidance and support of Jo Christine Miles at the **Principal Foundation**.

Rob Levy and David Silberman provided essential input into this research initiative, as did Helen Robb and Stephen Arves. We also thank our Financial Health Network colleagues who provided feedback on this draft: Uzma Amin, Beth Brockland, Andrew Dunn, Thea Garon, and Tanya Ladha. Naomi Adams Bata, Fawziah Bajwa, Dan Miller, and Jacquelyn Reineke were also critical in communicating the findings.

SSRS served as our research partner for this initiative. We thank Jordon Peugh, Jania Marshall, Kristen Conrad, Shannon Sesa, and colleagues for their close collaboration on quantitative and qualitative research design and data analysis.

Funding for this research was made possible by the Principal Foundation. The findings, interpretations, and conclusions expressed in this piece are those of the Financial Health Network and do not necessarily represent those of our funders or partners.

This report is part of the [Financial Health Pulse®](#) research series. The Financial Health Pulse provides regular updates and actionable insights about financial health in America. The Financial Health Pulse is supported by the Citi Foundation, with additional funding from Principal Foundation.

Contents

Executive Summary

The research of the Financial Health Network has consistently shown a sizable gap in the financial health of men and women.[1] Moreover, recent data found that while financial health improved overall for the country during the pandemic, the gap between men and women actually widened.[2]

What is driving this financial health gap, and why did it grow over the course of the pandemic? More importantly, what policies, products, and solutions can we leverage to foster parity?

In this report, we explore the concept of a gender gap in financial health as a new way of understanding the disparate financial realities of men and women. We utilize original quantitative and qualitative research to examine the state of women's financial health after nearly two years of the global pandemic, with a particular focus on race, ethnicity, and marital status.

Financial health is a composite framework that considers the totality of people's financial lives – whether they are spending, saving, borrowing, and planning in ways that will enable them to be resilient and pursue opportunities.

We also explore four barriers to financial health – income disparities and discrimination, limited support for care, burdensome debt, and insufficient retirement savings – and point the way to government and employer solutions that can make a meaningful difference for millions of women.

Data is drawn from a nationally representative survey of individuals ages 18-64, conducted November-December 2021, with supplemental focus groups held in February 2022 among women. The analysis leverages the FinHealth Score®, a measurement framework that can assess the financial health of individuals over time.

[1] *Andrew Dunn, Thea Garon, Necati Celik, & Jess McKay, "Financial Health Pulse®: 2021 U.S. Trends Report," Financial Health Network, October 2021.*
[2] *Ibid.*

Outlining the Gender Gap in Financial Health

Men are nearly 1.5 times more likely to be Financially Healthy than women. [3]

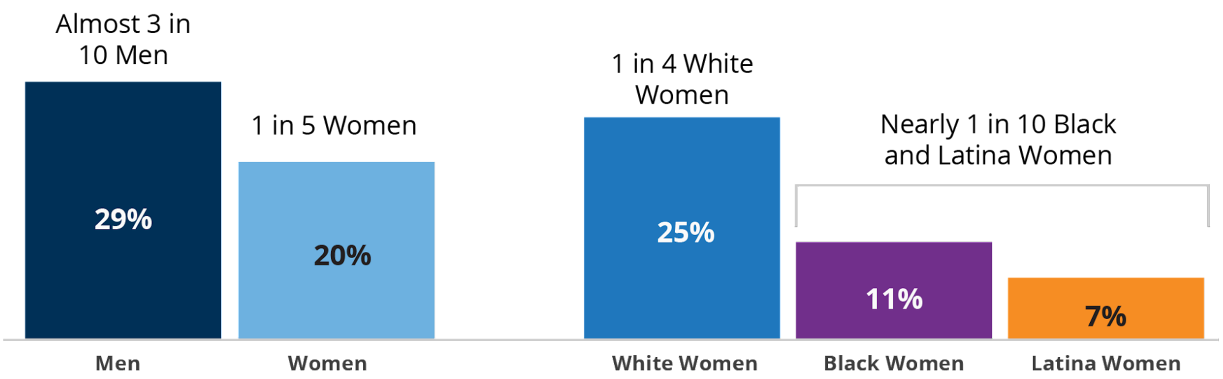
- Only one in five women (20%) are Financially Healthy versus 29% of men. Even after controlling for income and other demographic factors, women are still 5 percentage points less likely to be Financially Healthy than men.
- Women are also more likely to be Financially Vulnerable – meaning they are struggling in nearly all areas of their financial lives – than men (24% versus 17%).
- Women report worse outcomes on all measures of financial health: spending, saving, borrowing, and planning.
- Women are more likely than men to say that their financial situation is worse than it was prior to the pandemic (28% compared with 23%, respectively).
- Disparities among women by race and ethnicity are vast. 25% of White women are Financially Healthy, compared with just 11% of Black women and 7% of Latina women.[4]
- Women who are married or living with a partner are more likely to be Financially Healthy than women who are not (24% compared with 13%), but still less likely to be Financially Healthy than married or partnered men (32%).

---

[3] Unless otherwise noted, the figures reported are from respondents ages 18-64 surveyed in our 2021 national survey. For more details, please see the Methodology section.

[4] For the purposes of analysis, we classify as "White" individuals who indicated that they were White and did not select any other race or ethnicity; similarly, those who selected "Hispanic, Latino, Spanish, or Latinx" and did not select any other race or ethnicity are classified as Latinx/Latina, and individuals who selected "Black or African American" and no other race or ethnicity are included as "Black." Respondents who selected multiple races are categorized as "Multiple Races." See Appendix for more information.

Who Is Financially Healthy?



Barriers to Financial Health for Women

The reasons for these gaps in financial health are numerous. We highlight four systemic challenges that, if addressed, would make a significant difference in women's ability to manage their financial lives, safeguard against risk, and take advantage of opportunities.

Income Disparities and Discrimination

- Women are more likely to have low household incomes (defined here as $30,000 or less) than men due to the wage gap, occupational segregation, and unequal caregiving burdens, among other factors.
- Only 4% of women with low household incomes are considered Financially Healthy.
- Despite laws prohibiting harassment and discrimination, such experiences remain widespread. 40% of women report being subjected to sexual harassment in the workplace. 36% report that they have been discriminated against because of their gender. Some data suggest even these figures are underestimated.
- After controlling for marital status, race, income, and age, women who report being subjected to harassment (including sexual harassment) while working were 7 percentage points less likely to be considered Financially Healthy, compared with women who did not report being subjected to harassment.

Limited Support for Care

The lack of affordable, accessible child care and other support for caregivers presents a major barrier to women's workforce participation, earning power, and financial health.

- 70% of women with children under 18 report making a career change, such as reducing their hours, taking a leave of absence, or switching to a less demanding job because of their parenting responsibilities, compared with 55% of men.
- More than half of women with children under 12 who are not working or working part time say they would like to work more, but cannot due to the cost of child care.
- Nearly half of women who are caregivers for an adult or a child with disabilities (45%) report reducing hours, quitting a job, or otherwise adjusting their careers to manage their care responsibilities.

Burdensome Debt

Student debt and medical debt weigh particularly heavily on women. In many instances, unmanageable debt has a material impact on the life trajectories of young women and women of color.

- More women report carrying unmanageable levels of debt than men (39% versus 31%).[5]
- There are marked differences within groups of women: 51% of Black women report unmanageable debt, compared with 39% of White women.
- Women report high degrees of concern about the ability to pay off student debt. Among those with household student debt, one in three women say they are "very concerned" about their ability to pay off debt, compared with one in five men (33% versus 18%).
- Women are also more likely than men to report that their households have past-due medical bills than men (29% versus 22%).

---

[5] *Respondents were asked the question: "Now thinking about all of your household's current debts, including mortgages, bank loans, student loans, money owed to people, medical debt, past-due bills, and credit card balances that are carried over from prior months… As of today, which of the following statements describes how manageable your household debt is?" Response options were: 1) Have a manageable amount of debt; 2) Have a bit more debt than is manageable; 3) Have far more debt than is manageable; 4) Do not have any debt.*

- 44% of women ages 18-29 say that debt has led them to delay purchasing a home, getting married, having children, or making other life adjustments. This figure contrasts with 34% of men in the same age bracket.
- Almost 2 in 5 Black and Latina women (39% and 36%, respectively) say they have altered their life trajectories due to debt, compared with one-fourth of White women (26%).

Insufficient Savings for Retirement

Many women are not prepared for retirement.

- More than half of working-age men (53%) say they are confident they will have enough money to live off of in retirement, versus only 42% of working-age women.
- In fact, 35% of nonretired women ages 50-64 report having no personal retirement savings whatsoever.
- Women are less likely to report having longer-term investment vehicles in their own name, including retirement accounts, brokerage accounts, pensions, and other financial assets. This can have substantial financial impacts on their long-term ability to manage expenses – as well as their financial solvency if a partnership dissolves.

As we strive to emerge from a pandemic that has disproportionately affected women, it's clear that a host of actions are required to level the playing field. This report focuses on policy- and employer-level solutions that could make a meaningful difference. At the policy level, opportunities include addressing the wage gap, building our care infrastructure, and ensuring effective prevention of harassment and appropriate protections for survivors. Similarly, employers might explore steps such as offering paid leave, supporting flexible scheduling, and expanding benefits to help employees build savings and manage debt.

A vast range of research has shown that the U.S. economy loses billions of dollars due to imbalances in labor force participation and gender wage gaps.[6, 7] COVID-19 has made the precarity of our current situation painfully clear.[8] As we look to a future beyond the

---

[6] *"How much could US states gain by closing racial and gender gaps in the labor market?," Federal Reserve, Fed Communities, June 2021.*

[7] *Amanda Novello, "The Cost of Inaction: How a Lack of Family Care Policies Burdens the U.S. Economy and Families," National Partnership for Women and Families, July 2021.*

[8] *Julie Kashen, Sarah Jane Glynn, & Amanda Novello, "How COVID-19 Sent Women's Workforce Progress Backward," The Century Foundation and the Center for American Progress, October 2020.*

pandemic, we have the opportunity to help build a more sustainable economy that invests in and reaps the benefits of a financially healthy populace. Investing in women would benefit us all.

Introduction

Women in the United States made many strides towards equity in the latter half of the 20th century: Labor force participation grew by leaps and bounds; the number of women earning college degrees expanded rapidly; and the gender pay gap shrank considerably.[9] Yet, progress has slowed in the 21st century, and in some respects, it has stalled entirely.

Women's labor force participation has stagnated, and the wage gap between men and women has stubbornly held at 82 cents on the dollar – with the gap far wider for women of color.[10] A wage gap exists in 98% of occupations, with the total loss over one's career reaching hundreds of thousands of dollars.[11] There is also a vast wealth gap: Single women own only 40 cents for every dollar that is owned by single men.[12] All this was true even before the COVID-19 pandemic, which saw job losses and caregiving burdens disproportionately borne by women, especially women of color.[13]

These disparities and many more have contributed to a stark divide in the financial realities of men and women. With this report, we explore the concept of a *financial health gap* in gender, offering a new lens for understanding the disparate financial situations of men and women, as well as potential solutions. The framework of financial health enables us to explore not only one narrow measure of a person's financial life, such as their credit score or salary, but rather to look holistically at one's ability to meet immediate needs and safeguard the future. Leveraging a nationally representative survey as well as insights from focus groups, we explore four issues that meaningfully shape women's financial health in the United States: unequal income, limited support for caregiving responsibilities, burdensome debt, and barriers to retirement preparedness.

These themes are not an exhaustive list of the factors that shape the financial health gap – far from it. The factors leading to disparities in financial health between women and men

---

[9] *Paula England, Andrew Levine, & Emma Mishel, "The gender revolution is stalling—What would reinvigorate it?," Brookings, June 2020.*
[10] *"The Wage Gap: The Who, How, Why, and What to Do," National Women's Law Center, October 2020.*
[11] *Ibid.*
[12] *Single Black women own just two cents on the dollar compared with all single men, and single Latina women own only eight cents. See Elyse Shaw, Cynthia Hess, Chandra Childers, Jeff Hayes, & Adiam Tesfaselassie, "Assets for Equity: Building Wealth for Women in Central Ohio," Institute for Women's Policy Research, April 2019.*
[13] *Meredith Covington & Ana Hernández Kent, "The 'She-Cession' Persists, Especially for Women of Color," Federal Reserve Bank of St. Louis, December 2020.*

have innumerable systemic, institutional, societal, and cultural roots. Moreover, they are experienced differently by women depending on their identity, including their race and ethnicity, sexual orientation, ability, and class. Yet, there are clear and actionable steps that can ameliorate the gaps associated with each of these elements. Such steps would not only improve financial health for women, but also benefit financial service providers, employers, and the U.S. economy as a whole.

Our research was conducted during a unique period in time. Survey data was collected at the end of 2021, as the nation neared the two-year mark of a pandemic that has disproportionately affected women.[14] The survey was fielded following a groundswell of advocacy calling for a broader care infrastructure, and at the moment that Congress was considering passing the Build Back Better bill. Our focus groups, held in February 2022, took place following the lapse of the expanded Child Tax Credit and while many families were concerned about rising inflation and an expected end to the student loan moratorium.

Two years into a global pandemic that disproportionately impacted women, significant awareness has been raised about the realities that women face. However, we have not seen significant progress by way of action. We hope this report can contribute to understanding that will lead to products, policies, and solutions that can improve the financial health of women overall.

[14] *Meredith Covington & Ana Hernández Kent, "The 'She-Cession' Persists, Especially for Women of Color," Federal Reserve Bank of St. Louis, December 2020.*

Methodology

Research Overview

This initiative was completed in two parts. In November and December 2021, the Financial Health Network, in partnership with the survey and market research firm SSRS, surveyed a nationally representative sample of 992 men and 2,008 women ages 18-64 drawn from SSRS's probability-based Opinion Panel. This age group was selected in order to better understand the experiences of women who are of working age, and especially those who have children under 18. We also oversampled for Black and Latina women to ensure that we could draw meaningful inferences about racial disparities. The survey data are weighted to be representative of the noninstitutionalized United States adult population ages 18-64, using gender, age, education, race, census region, marital status, and employment status benchmarks from the 2021 U.S. Census Current Population Survey.

Survey data was supplemented with qualitative research. In February 2022, SSRS conducted four virtual focus groups among women who previously completed the survey and were not considered Financially Healthy. Three groups were segmented by age (18-29, 30-49, and 50-64), with the final group composed of mothers of any age with children under 18. Participants represented a range of races and ethnicities, as well as geographical locations across the United States. Focus group participants were asked questions about their financial situations and goals. This paper includes a number of quotes from these discussions.

Technical Notes

All comparisons cited in this report are statistically significant at $p < 0.05$, unless otherwise noted. Percentages reported are rounded to the nearest whole number, and thus may not always sum to 100% in tables. For additional details, see the Appendix.

Defining Financial Health

Financial health is a composite measurement of a person's financial life. Unlike narrow metrics like credit scores, financial health assesses whether people are able to spend, save, borrow, and plan in ways that enable them to be resilient and pursue opportunities over time. Individuals who are Financially Healthy are able to manage their day-to-day expenses, absorb financial shocks, and progress toward meeting their long-term financial goals.

According to the most recent Financial Health Pulse® Trends Report, approximately two-thirds of people in America are classified as Financially Coping (struggling with some aspects of their financial lives) or Vulnerable (struggling with almost all aspects of their financial lives).[15]

The analysis we present in this report leverages the FinHealth Score® framework, which is based on eight survey questions that align with the indicators of financial health (see the Appendix for more details). The survey questions incorporate both objective measures, such as whether one's household has paid all of its bills on time, with subjective measures like one's confidence in their ability to achieve their long-term goals. This is especially relevant in the context of gender explorations, given societal and cultural differences in financial management, confidence, and risk tolerance.[16, 17]

For additional details, please see the Appendix. To learn more about the Financial Health Network's FinHealth Score methodology, please visit finhealthnetwork.org/score.

Terminology and Data Limitations

Gender

This report focuses on the financial health of people who identify as women (n = 2,008) in the United States. For comparison, we also surveyed individuals who identified as men (n = 992) and individuals who identified as nonbinary, gender nonconforming, genderqueer, or another gender (n = 29). Given the small sample of respondents who identified as nonbinary, gender nonconfirming, genderqueer, or another gender, this sample was excluded from the analysis in the final report. However, emerging literature indicates that individuals who identify as a gender other than a man or a woman also face heightened financial health challenges.[18]

---

[15] *Andrew Dunn, Thea Garon, Necati Celik, & Jess McKay, "Financial Health Pulse®: 2021 U.S. Trends Report," Financial Health Network, October 2021.*
[16] *Irina Paley & Chau Do, "Gender and Mortgage Choice: More Evidence on Gender Based Risk Aversion," Office of the Comptroller of the Currency, SSRN, June 2010.*
[17] *Brett Theodos, Emma Kalish, Signe-Mary McKernan, & Caroline Ratcliffe, "Do Financial Knowledge, Behavior, and Well-Being Differ by Gender?," Urban Institute & FINRA Investor Education Foundation, March 2014.*
[18] *Jaime M. Grant, Lisa A. Mottet, Justin Tanis, Jack Harrison, Jody L. Herman, & Mara Keisling, "Injustice at Every Turn: A Report of the National Transgender Discrimination Survey," National Center for Transgender Equality & National Gay and Lesbian Task Force, 2011.*

Race and Ethnicity

This report places specific emphasis on the experiences of Black (n = 413) and Latina (n = 320) women, given the historical disinvestment in these communities, structural barriers to financial health, and continuing reality of racism that results in greater economic vulnerability than among White women.

We are unable to draw conclusions about the experiences of women who identify as American Indian or Alaska Native (n = 4), Asian or Asian American (n = 93), Middle Eastern or North African (n = 3), Native Hawaiian or Pacific Islander, (n = 7) and/or women who are multiracial (n = 132). Our analysis also obscures important differences within the broad categories of Black women and Latina women. We encourage further investment in research that can better bring to light the unique experiences and challenges faced by these communities.

All respondents were asked a question about their race or ethnicity, with multiple response options possible. This approach aligns with the Census Bureau's National Content Test Research Study recommendations by asking about racial and ethnic identity in one consolidated survey question.[19] This question allows survey respondents to select the race and ethnicity response(s) that best describe them in one question and reduces the need for researchers to make definitional decisions about aspects of a person's identity. For purposes of analysis, we classify as "White" individuals who indicated that they were White and did not select any other race or ethnicity; similarly, we classify those identifying as "Hispanic, Latino, Spanish, or Latinx" and who did not select any other race or ethnicity as Latina (we use Latina in this document for individuals who identify as both women and "Hispanic, Latino, Spanish, or Latinx"), and individuals who selected "Black or African American" and no other race or ethnicity are included as "Black." Respondents who select multiple races are categorized as "Multiple Races." For more details, please see the Appendix.

Age

All survey data presented in this report are from respondents ages 18-64. Unless otherwise noted, data refers to respondents ages 18-64.

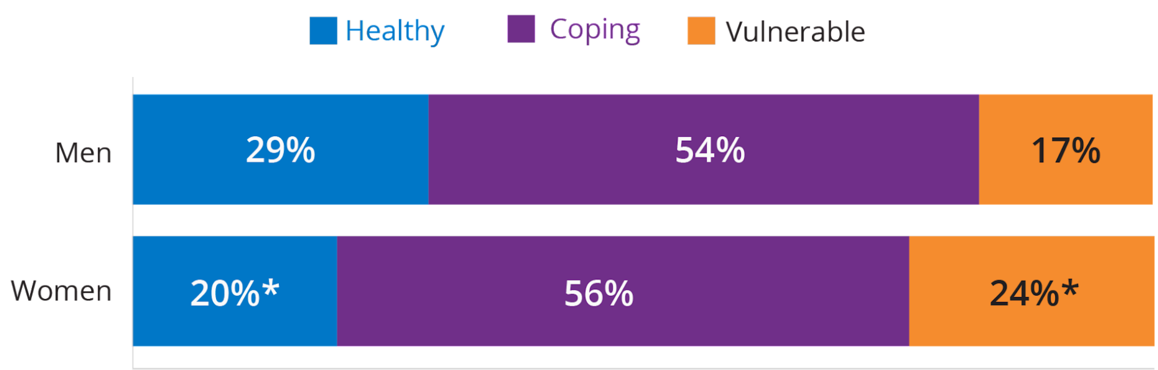
[19] *Kelly Mathews, Jessica Phelan, Nicholas A. Jones, Sarah Konya, Rachel Marks, Beverly M. Pratt, Julia Coombs, & Michael Bentley, "2015 National Content Test: Race and Ethnicity Analysis Report," U.S. Census Bureau, February 2017.*

The State of Women's Financial Health

> *"It's like no matter what, prices are going up and the bills are piling up and you're like, 'I haven't even made any changes, but yet I'm still at square one.'"*

The data by gender is stark: **Women are far less likely to be Financially Healthy than men**. Only one in five working-age women (20%) are considered to be Financially Healthy, versus 29% of working-age men. Furthermore, nearly one-fourth of women ages 18-64 (24%) are classified as Financially Vulnerable, compared with 17% of men in the same age bracket.

Figure 1. Men are nearly 1.5 times more likely to be considered Financially Healthy than women.
Financial health distribution by gender.



*Statistically significant difference vs. men (p<0.05).

Certainly, one major factor contributing to these differences is income, as we will discuss in the next section. Due to unequal pay, occupational segregation, discrimination, disproportionate caregiving responsibilities, and more, women report lower incomes than men.

At the same time, a broader set of cultural, societal, and institutional factors have resulted in women facing additional financial health challenges and barriers. **Controlling for**

income, race and ethnicity, marital status, and age, women are still 5 percentage points less likely to be considered Financially Healthy than men.

Gaps exist between women and men in all areas of financial health: spending, saving, borrowing and planning. Women are less likely than men to report being able to meet immediate expenses, having savings cushions, having manageable levels of debt, or feeling confident in their future security. Women are also not recovering from the pandemic as quickly as men. Twenty-eight percent of women say that their financial situation is worse than it was prior to the pandemic, compared with 23% of men.[20]

Table 1. Women report lower financial health across all eight indicators of financial health.

Indicator	Women	Men	Difference
1. Spend less than income	47%	52%	-6%*
2. Pay all bills on time	56%	64%	-7%*
3. Have enough savings to cover at least 3 months of living expenses	51%	56%	-5%*
4. Are confident they are on track to meet long-term financial goals	34%	42%	-8%*
5. Have a manageable amount of debt or no debt	61%	69%	-8%*
6. Have a prime credit score[21]	64%	68%	-5%*
7. Are at least moderately confident their insurance policies will cover them in an emergency	38%	47%	-9%*
8. Agree with the statement: “My household plans ahead financially”	58%	66%	-8%*

** Statistically significant ($p < 0.05$).*

[20] *This aligns closely with Institute for Women’s Policy Research’s survey data from February 2021, in which more than one in four women (26.6%) reported that their families were worse off financially than they were a year prior. This could imply that despite passage of time, women are not feeling more financially secure. For more, see Jeff Hayes & C. Nicole Mason, “IWPR Women’s Priorities and Economic Impact Survey,” Institute for Women’s Policy Research, February 2021.*

[21] *Credit tiers were mapped according to survey responses to the question, “How would you rate your credit score?” Responses of “Excellent,” “Very Good,” and “Good” were mapped to Prime.*

By Race and Ethnicity

Our data show a chasm among women by race and ethnicity: **Only 11% of Black women and 7% of Latina women are considered Financially Healthy, versus 25% of White women.**[22]

Table 2. White women are far more likely to be considered Financially Healthy.
Financial health by race and ethnicity.

Race and Ethnicity	Healthy	Coping	Vulnerable
White women	25%	53%	22%
Black women	11%*	56%	34%*
Latina women	7%*	65%*	27%

** Statistically significant vs. White women ($p < 0.05$).*

Compounding the gender discrimination faced by all women, Black and Latina women face additional challenges to achieving financial health that result from race-based discrimination and decades of disinvestment and marginalization. The intersectional impact of these barriers has constrained financial security and limited economic opportunity for Black and Latina women.

The COVID-19 crisis exacerbated these inequities, with people of color disproportionately impacted and women of color particularly likely to lose work.[23, 24] Our data find that, even as of late 2021, Black and Latina women are still struggling with the fallout. Over half of Black and Latina women reported that they are "just getting by" or "finding it difficult to get by" (54% for each, versus 39% of White women).

Furthermore, Black and Latina women report extremely high levels of material hardship. Black women (44%) and Latina women (42%) are more likely than White women (21%) to indicate that they are often or sometimes worried about running out of food. They are also

---

[22] *The difference in the percentage of Black and Latina women who are Financially Healthy is not statistically significant.*

[23] *"Risk for COVID-19 Infection, Hospitalization, and Death By Race/Ethnicity," Centers for Disease Control and Prevention, April 2022.*

[24] *Meredith Covington & Ana Hernández Kent, "The "She-Cession" Persists, Especially for Women of Color," Federal Reserve Bank of St. Louis, December 2020.*

more likely to report trouble paying their rent or mortgage (35% of Black women and 40% of Latina women, versus 21% of White women).

By Marital Status

Table 3. Women who are married or in partnerships are more likely to be Financially Healthy than those who are not.
Financial health by marital status.

Marital Status	Healthy	Coping	Vulnerable
Currently married/partnered women	24%	56%	20%
Never married/previously married women	13%*	57%	30%*

** Statistically significant vs. married/partnered women ($p < 0.05$).*

"A stressor for me is having to do everything by myself. Where am I going to get money for this? Where am I getting money for that? And it is just me."

Married and partnered women, overall, report better financial health than single women (24% versus 13%). This is explained in large part by the fact that partnered individuals are more likely to have multiple streams of income.

However, married and partnered men are still more likely to be considered Financially Healthy than married and partnered women (32% versus 24%), suggesting differences in perspective, financial confidence, and potentially even balance of power. For a range of reasons discussed in the following sections, married and partnered men report more confidence than married and partnered women that they will be financially stable if their relationship ends: 40% of these men say they would be financially stable if they separated from their spouse, compared with just 32% of the women.

Four Barriers to Women's Financial Health

In the subsequent sections of this report, we explore several systemic challenges that begin to explain the financial health gap between men and women.[25]

Income Disparities and Discrimination

"I've been on the slide down, down and down and down, down, down. Still going down. Love my job. I just don't get paid well."

"Money is something I'm almost always stressed about. I live in a pretty cheap apartment, but it takes half of my income. So automatically half is gone. That leaves the rest for everything. I'm happy that student loans are on pause right now, but I'm so stressed about when they're coming back. I'm just stressed."

When thinking about the financial health gap, the wage gap cannot be ignored. Income is intimately intertwined with financial health, and women's earnings persistently trail those of men. In our study, women were more likely than men to report a household income of $30,000 or less (29% versus 25%). **Among women who have household incomes under $30,000, only 4% are Financially Healthy.[26] By contrast, 50% of women with household incomes over $100,000 are Financially Healthy.**

[25] This is not a holistic summation of factors affecting women's financial health. For example, we do not explore in depth several other issues that have implications for financial health, such as one's experience of intimate partner violence or access to reproductive health services; nor do we examine elements of one's identity like sexual orientation or ability. We also do not explore attitudinal differences that could result in lower financial confidence or aversion to risk; we focus instead on structural differences. We would value additional research to explore these issues further.
[26] Men with household incomes under $30,000 are twice as likely (8%) to be Financially Healthy, a statistically significant difference.

Numerous factors intersect to contribute to women's lower incomes,[27] including:

- **Unequal pay**: Present in nearly all occupations, the wage gap has hardly budged for decades.[28] Discrimination remains extraordinarily widespread: In our study, 36% of women reported experiencing on-the-job discrimination because of their gender, compared with just 11% of men. (See **Workplace Harassment** on the following page).
- **Occupational segregation**: Women are overrepresented in lower-wage jobs and underrepresented in high-paying ones.[29] In particular, women of color disproportionately work in industries that offer lower wages, less access to workplace benefits and supports, and fewer opportunities for advancement.
- **Greater likelihood to work part-time and have career gaps**: Women's disproportionate caregiving responsibilities make them more likely to work limited hours. Moreover, they are more likely to take time off from work for care responsibilities, interrupting career trajectories.

The National Women's Law Center estimates that the average wages lost due to the wage gap over the course of a woman's career total $406,280.[30] The lower pay results in limited cushions for both meeting everyday needs and preparing for the future. For example, **64% of women studied report challenges meeting household expenses in the last 12 months, compared with 57% of men.** Of this group, 36% of women reported reducing spending on basic needs such as food and clothing. Thirty percent pulled funds from emergency savings, 26% increased credit card debt, and 21% skipped payments.

[27] *The Wage Gap: The Who, How, Why, and What to Do," National Women's Law Center, October 2020.*
[28] *Ibid.*
[29] *Ibid.*
[30] *Ibid.; among women who work full-time, year-round over a 40-year career.*

Workplace Harassment

To date, limited data exists on the financial impacts of sexual harassment at work. By one estimate, costs can reach more than $1 million for people who are pushed out of high-paying, male-dominated careers.[31]

Our study aims to add to this literature not only by analyzing the prevalence of harassment, but also by identifying associations between one's experience of being subjected to harassment and their financial health. We included an optional module in our nationally representative survey that focused on discrimination and harassment. Of women who agreed to participate in this module, **57% of women reported being subjected to some kind of harassment or discrimination at work, with 40% reporting sexual harassment at work.**[32, 33]

Table 4. More than half of women report being subjected to harassment or discrimination at work.

Survey Question	Women	Men
Have you ever been sexually harassed by anyone while you were working?	40%*	12%
Have you ever been threatened or harassed in any other way by anyone while you were on the job?	29%*	21%
Have you ever felt discriminated against in any way on a job because of your gender?	36%*	11%
Any Harassment or Discrimination Reported	**57%***	**31%**

** Statistically significant vs. men (p < 0.05).*

Respondents were given the option to complete a survey module focused on discrimination and harassment. Figures above are among the respondents who opted in (76% of women and 76% of men).

---

[31] *Ariane Hegewisch, Jessica Forden, & Eve Mefferd, "Paying Today and Tomorrow: Charting the Financial Costs of Workplace Sexual Harassment," Institute for Women's Policy Research & TIME'S UP Foundation, July 2021.*

[32] *Seventy-six percent (n = 1,528) of women surveyed agreed to participate in this module, as did 76% (n = 752) of men.*

[33] *Some studies indicate that as much as 85% of women will experience workplace sexual harrassment. See Ariane Hegewisch, Jessica Forden, & Eve Mefferd, "Paying Today and Tomorrow: Charting the Financial Costs of Workplace Sexual Harassment," Institute for Women's Policy Research & TIME'S UP Foundation, July 2021.*

We found that being subjected to harassment on the job is associated with materially lower financial health. After controlling for marital status, race, income, and age, women who reported being subjected to harassment, including sexual harassment, while working were **7 percentage points less likely to be considered Financially Healthy**, compared with women who did not report being subjected to harassment.[34] Importantly, causality could work in both directions: Women who are more Financially Vulnerable may be more likely to work in places where they are subjected to sexual harassment, and/or sexual harassment could lead to a series of costs and financial strains that result in increased vulnerability, including job loss. Furthermore, some studies suggest that workplace harassment increased during the pandemic, disproportionately affecting frontline workers.[35]

Limited Support for Care

Parenting

"It was hard to find somebody to take care of the kids. That's why I made a (career) switch, because I needed the free time because my husband has crazy hours, I had crazy hours, one of us had to be a little bit more flexible where we could be home. I had to get out of the engineering field, which I paid all them student loans for – I would've never done that. I had to give up my career, in a sense."

"Day care might as well cost gold these days."

Among women, those without children under 18 are far more likely to be Financially Healthy than those with children (25% versus 13%). **Even after controlling for marital status, race, age, and household income, women who have children are still 5**

[34] *A regression controlling for demographic factors estimated that women who reported workplace discrimination were 3 percentage points less likely to be considered Financially Healthy, though the difference is not statistically significant.*

[35] *"No Rights, Low Wages, No Service: How Increased Violations of Workers' Rights in 2021, Coupled with High Harassment and Low Wages and Tips, Have Pushed Workers to Leave the Service Sector," One Fair Wage & Food Labor Research Center, September 2021.*

percentage points less likely to be considered Financially Healthy than women who do not.

Fatherhood is also associated with lower financial health, but due to a confluence of factors including income, fathers are still more likely to be Financially Healthy than mothers (20% versus 13%). Women remain far more likely to take primary responsibility for child care – regardless of employment status – and are far more likely to take time away from work or adjust their hours or careers. The Institute for Women's Policy Research has found that 43% of working women will experience at least one year without any earnings, nearly twice the rate of men.[36] Furthermore**,** nearly 80% of single-parent households are headed by mothers.[37]

In our study, 70% of mothers with children under 18 reported reducing their hours, taking on additional hours, quitting a job, taking a leave of absence, or switching to a less demanding job at some point because of their parenting responsibilities. By contrast, the same is true for only 55% of men with children. (See Table 5.) In particular, **mothers are more than twice as likely to report quitting a job, twice as likely to take an unpaid leave of absence, and 1.5 times as likely to report having reduced their hours than fathers**.

Table 5. 70% of mothers report making a career change as a result of becoming a parent.

Responses to the question, "Have you ever done any of the following as a result of becoming a parent? "

Survey Responses	Women	Men
Quit a job	32%*	15%
Reduced my hours	30%*	20%
Took a paid leave of absence for maternity leave or other parental leave	28%	22%
Took an unpaid leave of absence from my employer	20%*	10%

[36] *Stephen J. Rose & Heidi Hartmann, "Still a Man's Labor Market: The Slowly Narrowing Gender Wage Gap," Institute for Women's Policy Research, November 2018.*
[37] *"National Single Parent Day: March 21, 2022," U.S. Census Bureau, March 2022.*

Switched to a less demanding job	19%	18%
Took on additional hours to pay for the cost of child care	12%	17%
Took a paid leave of absence from my employer for some other reason	8%	6%
Other	2%	2%
Any of the above	**70%***	**55%**

** Statistically significant vs. men ($p < 0.05$).*

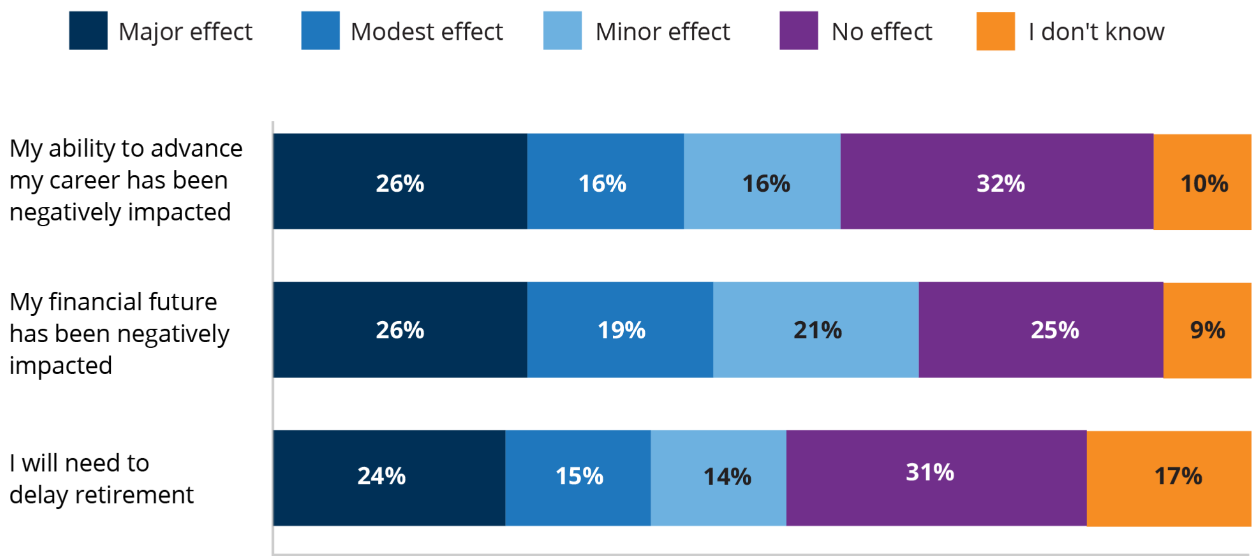
This question was asked to those who reported that they are a parent or guardian to a child under the age of 18. (For women, n = 820; for men, n = 336.)

Whether permanent or temporary, many of these job shifts can have longer-term implications for financial health. Of mothers who had made a change in work status other than increasing their hours, 41% said it had at least a modest negative impact on their career advancement, 45% said their financial future had been negatively impacted, and 38% said they would need to delay retirement.[38] (See Figure 2.)

[38] Men who adjusted their careers for parenting responsibilities also reported similar financial impacts, but they are significantly less likely to make one of these changes overall. Mothers are 50% more likely than fathers to report making a change other than taking on more hours (39% of fathers versus 61% of mothers).

Figure 2. Many mothers who have taken leave or adjusted their careers report financial impacts.

Responses to the question, "Please indicate whether this change/these changes affected you in any of the following ways.



This chart reflects responses among mothers reporting a change in career other than taking on additional hours to pay for the cost of child care (n=589).

The massive costs of child care contribute to women leaving the workforce. In our study, among women who have children under 12 and work part-time or are stay-at-home parents (n = 211), 62% indicate that they would like to work more, but child care is too expensive.

Availability of child care is also especially salient at this moment in time. The COVID-19 pandemic drastically limited availability of child care, with an estimated 9% of child care centers closing permanently.[39] Among women who have children under 12 and either work part-time or stay at home, 54% say that they would like to work more, but child care is unreliable.

The Unexpected Burden of Diapers and Period Products

[39] *Sally Ho & Josh Boak, "Worsened by pandemic, child care crisis hampers broader economy," PBS, October 2021.*

There has been limited research on the impact of two expenses that women disproportionately carry: personal hygiene products such as tampons and pads, and diapers for young children. While perhaps relatively small on an absolute basis, these costs accrue over time. A year's worth of period products is estimated at more than $80, while a year's worth of diapers for a young child is estimated at $900.[40, 41] Difficulty affording these supplies can cause mental strain, shame, and even missed days of work.[42, 43]

Our research finds that challenges affording these basic supplies are widespread. In our survey, among women with children under 4 (n = 235), 45% say they sometimes or often worry about how to afford diapers.[44, 45] Twenty-five percent of women report that they worry about affording pads and tampons for themselves or another person in the household.[46] Neither product is currently considered essential under most state definitions and thus are subject to sales tax. They are also excluded from programs such as the Special Supplemental Nutrition Program for Women, Infants, and Children.[47]

Caregiving

"I have to start thinking about my 70-year-old parents and how they're going to need me. And I'm like, 'I need you guys. I need you to help me still.'"

---

[40] Sarah Larimer, "The 'tampon tax,' explained," Washington Post, January 2016.

[41] "How much does it cost to raise a child?," New York Life.

[42] Fred Carstensen & Peter Gunther, "Better Health for Children and Increased Opportunities for Families: The Social and Economic Impacts of the Diaper Bank of Connecticut," Connecticut Center for Economic Analysis, May 2018.

[43] Chabeli Carrazana, "'Am I even fit to be a mom?' Diaper need is an invisible part of poverty in America," The 19th, November 2021.

[44] Of all parents in our survey with children under 4 (n = 399), 36% indicated that they sometimes or often worry about how to afford diapers. This is in line with the (limited) findings that currently exist, though questions are asked in different ways. For more, see Megan V. Smith, Anna Kruse, Alison Weir, & Joanne Goldblum, "Diaper Need and Its Impact on Child Health," Pediatrics, August 2013; and "Meijer and Huggies® Partner to Donate Up to 400,000 Diapers to the National Diaper Bank Network," Kimberly-Clark Corporation, PR Newswire, March 2022.

[45] This group reflects a somewhat lower-income cohort; 36% of women in our sample with children under the age of 4 report household incomes of less than $30,000, compared to 27% of all women in our sample.

[46] A 2021 study conducted by U by Kotex found that two in five people have struggled to purchase period products. Black and Hispanic people who menstruate are more likely to agree they've struggled to afford period products in the past year (35% and 36% respectively, versus 23% of White respondents). See "Period Poverty," Alliance for Period Supplies.

[47] Emma Goldberg, "Many Lack Access to Pads and Tampons. What Are Lawmakers Doing About It?," New York Times, January 2021.

According to the AARP and the National Alliance for Caregiving, about one in five adults nationally are serving as caregivers, and a disproportionate number are women.[48] Beyond mental, physical, and emotional burdens, these individuals face clear financial challenges. Family caregivers incur thousands of dollars in out-of-pocket expenses each year, and around one-fourth of family caregivers are forced to take on more debt, AARP has found.[49]

Caregiving, like parenting, is associated with lower financial health. Among women, those who have been caregivers over the last 12 months are less likely to be considered Financially Healthy compared with non-caregivers (18% versus 28%). **Nearly half of women caregivers (45%) said they had reduced their hours, increased their hours, quit a job, took a leave of absence, or switched to a less demanding job because of their caregiving responsibilities.**[50] Among women caregivers with a career change other than increased hours, 53% said the change had at least a modest negative impact on their financial future.

Burdensome Debt

"Well, when you think you paid off one loan or credit card, and then next thing you know, you have a water leak or something … you're back to, 'I got to put it on that credit card.' So it's like, when it rains, it pours."

[48] *In our study, 36% of women said they had ever served as a caregiver, compared with 29% of men. Of that group, 61% of men and 66% of women had served as a caregiver in the past 12 months (not a statistically significant difference). This data aligns with the findings from "Caregiving in the United States 2020," AARP & National Alliance for Caregiving, May 2020.*
[49] *Michelle Cottle, "Who Will Take Care of America's Caregivers?," New York Times, August 2021.*
[50] *Respondents who said they had served as a caregiver within the past 12 months were asked, "Have you ever done any of the following as a result of being a caregiver? Select all that apply."*

Women are 25% more likely than men to report carrying unmanageable levels of debt (39% versus 31%).[51] Among Black women, the weight of debt rises even higher: 51% of Black women report having unmanageable levels of debt, compared with 39% of White women.

Below we highlight two forms of debt that weigh particularly heavily on women.[52]

Student Debt

Women have made remarkable advancements in higher education, now earning the majority of college degrees at all levels.[53] However, these accomplishments collide with rising costs and lower earning power, resulting in women holding nearly two-thirds of all outstanding student loan debt. Researchers have found that it takes women two more years to pay off student debt than men.[54]

This is creating substantial strain for borrowers. In our study, among those reporting student debt (in their households overall), women were nearly twice as likely as men to say they are very concerned about their ability to pay off their household's student debt (33% of women compared with 18% of men).

Student debt was also one of the most common financial concerns cited by focus group participants from a range of age groups. Several participants noted that they had foregone additional education in an effort to avoid debt, while others wondered whether their education was "worth it" given the years- or decades-long debt obligation they now held.

---

[51] *Respondents were asked the following question: "Now thinking about all of your household's current debts, including mortgages, bank loans, student loans, money owed to people, medical debt, past-due bills, and credit card balances that are carried over from prior months … As of today, which of the following statements describes how manageable your household debt is?" Response options were: 1) Have a manageable amount of debt; 2) Have a bit more debt than is manageable; 3) Have far more debt than is manageable; 4) Do not have any debt.*

[52] *In our study, fewer women report having credit card debt than men (54% versus 57%), though this does not take into account credit card ownership. The literature on the gendered nature of credit card debt is limited and would benefit from further study. In a review of data from Q2 2019, Experian found that women carry less debt across all categories except for student loan debt, but the differences aren't always significant: Men have just $125 more in credit card debt than women. When adding up all types of debt analyzed, men carry more than 20% more debt than women. Other studies (e.g., FINRA Investor Education National Financial Capability Study, Federal Reserve) have found that women have higher rates of credit revolvership.*

[53] *Kevin Miller, "Deeper in Debt: Women & Student Loans," AAUW, 2017.*

[54] *"Deeper in Debt: 2021 Update," AAUW, 2021.*

"I haven't started paying (my student loans), but they're there and they're always going to be there until I start paying those off. It's always in the back of my mind, but I try not to think about it."

"When I was very young, I was terrified of debt or getting my family in debt. So I actually tried to avoid it as much as I could: I ended up only getting an associate's (degree) and just working from there. I wish I could pursue further education."

Medical Debt

Medical debt also falls disproportionately on women.[55] In our survey (which was limited to people ages 18-64), 29% of women report that their households have past-due medical bills, compared with 22% of men. In particular, women of color shoulder medical debt at disproportionate rates: 41% of Black women and 40% of Latina women report having past due medical bills, compared with 25% of White women.

The Kaiser Family Foundation suggests that this is due in part to childbirth costs, as well as women's lower incomes.[56] Other research has found that women's longer lifespans contribute to women accumulating lifetime health care costs that are one-third higher than those of men.[57]

"One illness can wipe out a lifetime of savings ... Five minutes, one diagnosis."

This debt has a significant impact on women's life trajectories, particularly young women and women of color. **Forty-four percent of women ages 18-29 reported that debt had impacted their life choices, compared with 34% of men in the same age group**. Additionally, almost 2 in 5 Black and Latinx women (39% and 36%, respectively) reported that debt impacted their life decisions , compared with just one-fourth of White women

[55] *Matthew Rae, Gary Claxton, Krutika Amin, Emma Wager, Jared Ortaliza, & Cynthia Cox, "The Burden of Medical Debt in the United States," Kaiser Family Foundation, March 2022.*
[56] *Ibid.*
[57] *Berhanu Alemayehu & Kenneth E Warner, "The Lifetime Distribution of Health Care Costs," Health Services Research Vol. 39,3, June 2004.*

(26%). Focus group participants also underscored how overwhelming managing debt can be, and many expressed that they wished they better understood how to navigate the environment.

Table 6. Women of color and young women are more likely to report impacts from debt.

Responses to the question, “Have your debt obligations led you to do any of the following? Please select all that apply.”

	Race and Ethnicity			Age		
Life Choices Influenced by Debt	**Black Women**	**Latina Women**	**White Women**	**Women 18-29**	**Women 30-49**	**Women 50-64**
Delay buying a home	26%*	29%*	18%	33%	25%^	6%^
Forgo additional education	18%*	10%	11%	17%	14%	4%^
Delay having children	8%	7%	8%	18%	6%^	1%^
Delay getting married	9%	6%	6%	15%	6%^	1%^
Limit number of children	8%	12%*	6%	12%	9%	1%^
Any impact	**39%***	**36%***	**26%**	**44%**	**36%^**	**9%^**

** Statistically significant vs. White women (p < 0.05).*

^ Statistically significant vs. women 18-29 (p < 0.05).

Insufficient Savings for Retirement

“Sometimes I'm thinking (of older relatives who are struggling), I'm like, ‘Oh my God, is this going to be me in a couple years?’”

“Just seeing the way my partner's father is dealing with medical bills and the shrinking pension, all these things, it kind of puts it into perspective that maybe I'm not as ready as I think I am, or I'm not where I should be at my age.”

While older individuals tend to report greater financial security than younger people, the financial health gap remains throughout the entire lifespan we studied.[58] While 38% of men ages 50-64 are considered Financially Healthy, just 31% of women in that age bracket are.

Notably, women trail men in retirement savings. More than half of men (53%) say they are confident they will have enough money to live off of in retirement, versus only 42% of women. This is more than just a subjective issue of confidence: women are less likely to say they have a retirement account in their own name or report that they have personally set aside funds for retirement.[59] (See Table 7.) **Even among women ages 50-64, 35% report no personal retirement savings at all.**

In our focus groups, we found that the planning horizon for finances is still quite short for many women – only a few years. Few women under age 50 even mentioned retirement as a goal. This aligns with survey data finding that 58% of women say their households plan ahead, compared with 66% of men. When families struggle to make ends meet, retirement can feel like a distant dream.

[58] *Thirty-one percent of women ages 50-64 are considered Financially Healthy, versus 12% of those ages 18-29.*

[59] *Respondents were asked, "Please estimate the total value you personally have set aside for retirement. Do not include your house, business assets, investment real estate, or savings likely to be used for some other purpose, such as educating your children or supporting your parents. Please also do not include money from a spouse or partner's retirement accounts."*

Table 7. Women are less likely than men to have personal retirement savings or feel confident about retirement funds.

Confidence, personal savings, and calculation of retirement needs by gender.[60]

	Women	Men
Very/moderately confident in having sufficient funds for retirement (among all respondents)	42%*	53%
Have no personal retirement savings (among nonretired respondents)	42%*	33%
Have calculated how much money is needed to retire (among nonretired respondents)	27%*	37%

** Statistically significant vs. men ($p < 0.05$).*

Fewer years in the workforce and lower-paying jobs contribute to lower retirement savings, which, coupled with women's longer lifespans and greater likelihood of costly medical expenses, contribute to higher poverty rates among older women.[61] According to research by the National Women's Law Center and the Center on Poverty and Social Policy at Columbia University, men and women enter adulthood with comparable rates of poverty, but women begin experiencing significantly higher rates of poverty during their childbearing years, with the gap widening during retirement.[62] Women ages 65 and older are 80% more likely to live in poverty than men in the same age bracket.[63]

---

[60] *Data in Table 7 is compiled from three survey questions:*

- *"How confident are you that your household is currently doing what is needed to meet your longer-term goals?" (Posed to all respondents.)*
- *"Please estimate the total value you **personally have set aside for retirement**. Do not include your house, business assets, investment real estate, or savings likely to be used for some other purpose, such as educating your children or supporting your parents. Please also **do not include money from a spouse or partner's** retirement accounts. Your best guess will do." (Posed to nonretired individuals.)*
- *"Have you ever tried to figure out how much you need to save for retirement?" (Posed to nonretired individuals.)*

[61] *Jennifer Erin Brown & Joelle Saad-Lessler, "Shortchanged in Retirement: Continuing Challenges to Women's Financial Future," National Institute on Retirement Security, March 2016.*

[62] *Robert Paul Hartley, Ajay Chaudry, Melissa Boteach, Estelle Mitchell, & Kathryn Menefee, "A Lifetime's Worth of Benefits: The Effects of Affordable, High-quality Child Care on Family Income, the Gender Earnings Gap, and Women's Retirement Security," National Women's Law Center & Columbia University Center on Poverty & Social Policy, April 2021.*

[63] *Ibid.*

Another factor contributing to the financial health divide in retirement is account ownership. Women are less likely to report having longer-term investment vehicles in their own name, including retirement accounts, brokerage accounts, pensions, and other financial assets.[64] This could have substantial financial impacts on women's long term ability to save for the future, as well as their financial solvency, if a partnership dissolves.

Table 8. Women are less likely than men to have most investing vehicles.

Type of Account	Account Ownership (Anyone in the Household)		Account Ownership (Solely in Own Name)	
	Men	Women	Men	Women
Checking account	94%	91%*	58%	58%
Savings account	79%	79%	49%	48%
Retirement account	66%	61%	53%	44%*
Real estate, housing, or property	55%	55%	17%	17%
Brokerage account, annuity, and/or profit sharing/stock plan	50%	39%*	33%	23%*
Other financial assets or accounts	35%	27%*	24%	15%*
Pension	28%	27%	22%	16%*

** Statistically significant vs. men (p < 0.05).*

Ownership of long-term accounts may be connected to financial management roles within households. Among married and partnered couples, women are less likely to say they manage long-term finances. 71% of married and partnered women say they take primary responsibility for household shopping (groceries, etc.), but only 41% report primary responsibility for making decisions about savings and investments (such as whether to save, how much to save, or where to invest).

[64] *The National Institute on Retirement Security has found that women have lower levels of eligibility for retirement plans, due in large part to a greater likelihood to work part-time; see Jennifer Erin Brown & Joelle Saad-Lessler, "Shortchanged in Retirement: Continuing Challenges to Women's Financial Future," National Institute on Retirement Security, March 2016.*

The Opportunity in Closing the Gender Financial Health Gap

"I'm confident that I'm going to achieve all of my goals. I know I can do whatever I want to do. No one or nothing can change my mind. I've already proven to myself that I can do what I want to do from a very young age."

Despite the financial challenges they face, women show incredible resilience and hope for the future. Fewer than one in 10 women (9%) reported that they believe they will be worse off a year from now than they are today.[65] In focus groups, women used words like "stable," lucky," and "climbing" as they thought about their future.

But to bring this optimism to life, significant changes are needed to better support women throughout their lives and level the playing field between men and women. Below we identify several areas that research suggests could bring meaningful change, highlighting some of the many organizations that are leading the charge. We place particular emphasis on structural changes that policy makers could enact, as well as policies and benefits that would support the financial health of women workers:

Policy Needs

- **Closing the wage gap and assuring living wages**: Our existing laws are not fully protecting women from unequal pay or discrimination, and too many women, particularly women of color, do not earn a livable wage, despite full-time labor.

  Many organizations have worked tirelessly to bring attention to this issue. Equal Rights Advocates, the Institute for Women's Policy Research, the National Domestic Workers Alliance, the National Partnership for Women and Families, and the National Women's Law Center, to name just a few, have outlined policies to address gender inequities in pay.

[65] *This compares with 13% of men, a statistically significant difference.*

- **Building a care infrastructure**: Perhaps more than any other moment in time, the COVID-19 pandemic has revealed the critical need for a more robust care infrastructure, including more affordable child care and elder care, paid leave, and fair pay for care workers.[66] Care Can't Wait, a consortium of more than a dozen leading organizations, has aligned on care as a critical element of our economy and an essential component for continued pandemic recovery and economic growth.

- **Expanding retirement plan availability and portability**: Numerous states are introducing programs to make workplace retirement plans available to workers who don't currently have access.[67, 68] Such programs could provide a vehicle for long-term saving to those who are currently excluded. The Center for Retirement Research tracks uptake of such programs at the state and federal level.

- **Rethinking Social Security**: Social Security benefits are based on a person's 35 highest earning years; women receive Social Security benefits that are, on average, 80 percent of those men receive, with mothers receiving even less.[69] Some researchers have called for adjustments to Social Security policy, such as adjusting the spousal benefit or providing a caregiver credit.[70] The National Institute for Retirement Security has outlined additional policy recommendations to strengthen women's financial security in retirement.[71]

- **Fostering affordable higher education**: The current trajectory of higher education costs is unsustainable and disproportionately burdens women, especially women of color. Advocates including the Student Borrower Protection Center and AAUW have been exploring a range of solutions that would ease burdens on existing borrowers and enable more students to pursue affordable education.

---

[66] *Thea Garon, Jess McKay, & Jessica Mason, "Unpaid and Unprotected: How the Lack of Paid Leave for Medical and Caregiving Purposes Impacts Financial Health," Financial Health Network & National Partnership for Women & Families, September 2021.*
[67] *"State-Administered IRA Programs: Overview and Considerations for Congress," Congressional Research Service, March 2022.*
[68] *Ibid.*
[69] *"Social Security Is Important to Women," Social Security Administration, January 2021.*
[70] *Alicia H. Munnell & Andrew D. Eschtruth, "Modernizing Social Security: Caregiver Credits," Center for Retirement Research at Boston College, August 2018.*
[71] *Jennifer Erin Brown & Joelle Saad-Lessler, "Shortchanged in Retirement: Continuing Challenges to Women's Financial Future," National Institute on Retirement Security, March 2016.*

Employer Needs

- **Creating supportive workplaces**: Flexible work schedules, salary transparency, and restrictions on requesting salary histories in interviews have all been cited as playing an important role in narrowing the income gap.[72,73] TIME'S UP and ideas42 have compiled a guide to using behavioral practices to promote pay equity.[74]

  Beyond these specific measures, the Financial Health Network has developed an Employer FinHealth Toolkit to support HR professionals in advancing employee financial health more broadly. We are also working with JUST Capital, Good Jobs Institute, and PayPal to make employee financial well-being a C-suite and investor priority.[75]

- **Expanding benefits**: Expansion of availability of benefits to part-time workers could also close the gap in individual retirement plan ownership for women, while expansion of affordable health care options could help women avoid medical debt.[76] In consultation with leading providers, the Financial Health Network has detailed a series of actions that employers can take to help employees avoid medical debt.[77] WISER (the Women's Institute for a Secure Economic Retirement) provides tools and resources for women across a range of issues.[78]

- **Supporting financially struggling employees**: For individuals who are grappling with debt or who need to build credit, employers can play an important role via financial coaching or debt management services, programs like emergency savings or emergency grants, or contributions toward student loan repayments.[79, 80]

---

72 *"Flexible work arrangements reduce wage gap for mothers," University of British Columbia, ScienceDaily, May 2018.*
73 *Stephen Miller, "Transparency Shrinks Gender Pay Gap," SHRM, January 2020.*
74 *Elizabeth Weingarten, Pranav Trewn, Manasee Desai, & Katy Davis, "From Ideal Worker to Ideal Workplace: Using Behavioral Design to Create More Equitable Companies," ideas42 & TIME'S UP Foundation, March 2021.*
75 *"The Worker Financial Wellness Initiative – Making Workers' Financial Security and Health a C-Suite Priority," JUST Capital.*
76 *Uzma Amin & Michelle Proser, "Preventing Medical Debt From Disrupting Health and Financial Health: Executive Summary," Financial Health Network, March 2022.*
77 *Ibid.*
78 *"Closing the Coverage Gap," Center for Retirement Research at Boston College.*
79 *"Better for Employees, Better for Business: The Case for Employers to Invest in Employee Financial Health," Financial Health Network, 2019.*
80 *Amelia Josephson, Megan Skaggs, & Beth Brockland, "Helping Employees Manage Debt: Designing Debt-Related Benefits To Match Employee Needs and Preferences," Financial Health Network, February 2022.*

- **Ending harassment and supporting survivors**: Employers clearly have an essential role to play in creating safe workplaces, including assessing for risk factors associated with harassment, enacting comprehensive anti-harassment policies, and holding employees who commit harm accountable.

  Ensuring paid leave, including paid survivor leave, can be an important step to support employees who are subjected to harassment. FreeFrom, a national organization that advocates for survivors of intimate partner violence, has designed a template for a paid survivor leave policy.

- **Leveraging behavioral lessons**: Employers can apply behavioral insights to the design of their financial benefits, such as auto-enrollment in retirement plans and auto-escalation. The Employer Toolkit's "Designing for Engagement" section identifies opportunities for employers to simplify benefits as well as motivate and support employees to make the most of their benefits.

Bringing this hope to fruition would benefit not only women, but also businesses and the broader economy as a whole: **Researchers from the Federal Reserve found that closing gaps in gender and race could have added $2.6 trillion to our economy in 2019.**[81]

There is no one "silver bullet" policy or product that would address the financial health gap. The challenges are complex, but in many cases, the solutions are self-evident: providing equal and fair treatment, valuing care, and offering livable wages and human-centered supports. Improving the financial health of women requires a systematic and collaborative effort from many stakeholders, but addressing the gap would benefit us all.

[81] *Shelby R. Buckman, Laura Y. Choi, Mary C. Daly, & Lily M. Seitelman, "The Economic Gains from Equity," Federal Reserve Bank of San Francisco, April 2021.*

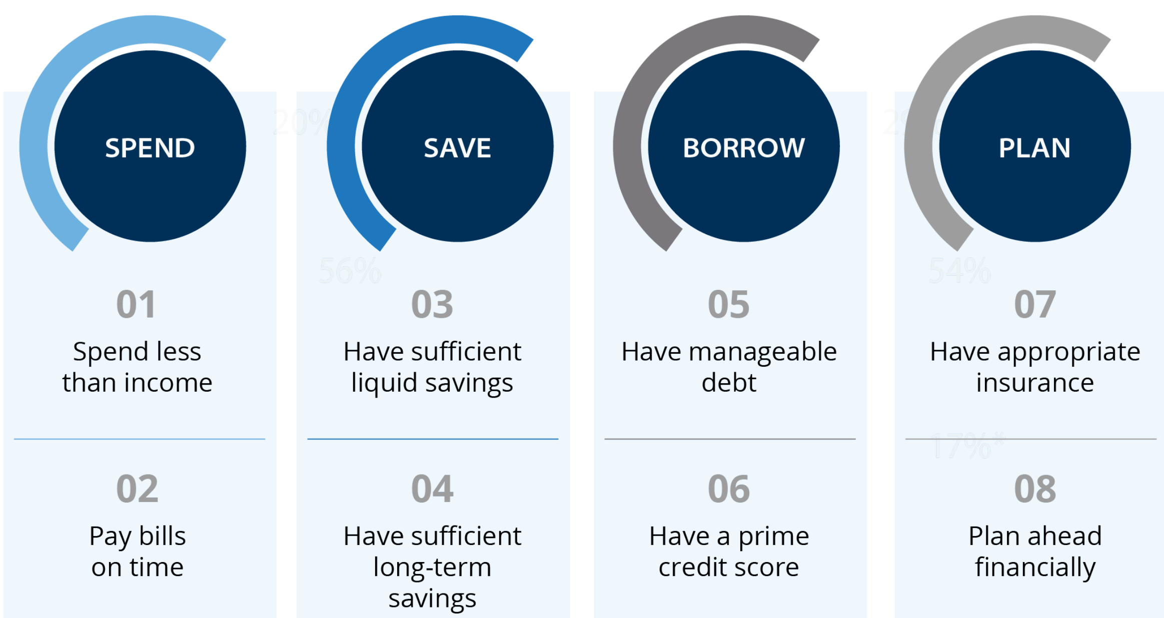
Appendix

The Financial Health Framework

Financial health is a composite measurement of a person's financial life. Unlike narrow metrics like credit scores, financial health assesses whether people are spending, saving, borrowing, and planning in ways that will enable them to be resilient and pursue opportunities. The analysis we present in this report leverages the FinHealth Score® framework, which is based on eight survey questions that align with the indicators of financial health. (See Figure 1A for more details.)

Most indicator questions cover financial management components that are typically managed at the household level, such as whether bills are paid on time. Some are entirely objective (e.g., number of months of savings), while others include elements of perception (e.g., confidence in insurance).

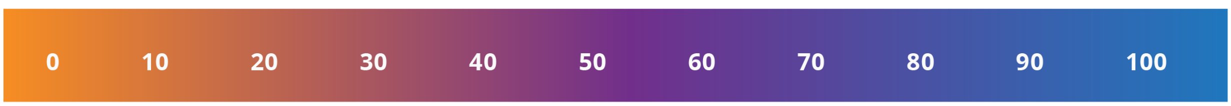
Figure 1A. Eight Indicators of Financial Health.



Based on an individual's answers to these eight questions, an aggregate FinHealth Score is calculated. Figure 2A below shows how to interpret financial health scores across the spectrum of 0 to 100. Individuals who are financially healthy are able to manage their day-to-day expenses, absorb financial shocks, and progress toward meeting their long-term financial goals. Approximately two-thirds of people in America are classified as Financially Coping (struggling with some aspects of their financial lives) or Vulnerable (struggling with almost all aspects of their financial lives).[82]

Figure 2A. Interpreting FinHealth Scores.

Financially Vulnerable | Financially Coping | Financially Healthy



Financial health scores between 0 - 39 are considered Financially Vulnerable. Individuals with scores in this range report health outcomes across few, or none, of the eight financial health indicators.

Financial health scores between 40 -79 are considered Financially Coping. Individuals with scores in this range report health outcomes across some, but not all, of the eight financial health indicators.

Financial health scores between 80 -100 are considered Financially Healthy. Individuals with scores in this range report health outcomes across all eight financial health indicators.

View the full scoring instrument and learn more about how the framework was developed at **finhealthnetwork.org/score**

To learn more about the Financial Health Network's FinHealth Score methodology, please visit finhealthnetwork.org/score.

Survey Methodology

This nationally representative survey was conducted November 22-December 29, 2021 among a random sample of 3,029 adults ages 18-64, including 2,008 women, 992 men, and 29 individuals who identified as nonbinary or another gender. The survey was conducted online in English and Spanish. This age group was selected in order to better understand the experiences of women who are working age and especially those who have children under 18. We also oversampled for Black and Latina women to ensure sufficient samples of both groups. The survey contained questions about respondents' financial health, including

[82] *Andrew Dunn, Thea Garon, Necati Celik, & Jess McKay, "Financial Health Pulse®: 2021 U.S. Trends Report," Financial Health Network, October 2021.*

questions that align with the Financial Health Network's eight indicators of financial health. Questions about respondents' financial situations were generally asked at household level. Questions about their role in household finances, experiences, attitudes, and sentiments were asked at the individual level.

Weighting

The survey data are weighted to be representative of the noninstitutionalized United States adult population ages 18-64, using gender, age, education, race, census region, marital status, and employment status benchmarks from the 2021 U.S. Census Current Population Survey. Respondents were first assigned a base weight to account for sampling probability and household size. Weights were then calibrated to population benchmarks using SPSSINC RAKE. See the Definitions: Gender, Race and Ethnicity, Sexual Orientation section for further details about terminology and weighting.

Survey Characteristics

Data Collection

This report is based on data collected through the SSRS's probability-based Opinion Panel. The survey on which these findings are based was designed by the Financial Health Network in consultation with the SSRS project team. The sample consisted of SSRS Opinion Panel online surveys, of which 2,953 were administered in English (97.5%) and 76 in Spanish (2.5%). 7,555 panelists were invited to complete the survey and a total of 3,029 surveys were completed between November 22-December 9, 2021.

Survey participants were recruited randomly based on a nationally representative Address-based Sample (ABS) design, including Hawaii and Alaska. ABS respondents are randomly sampled by SSRS's sister company Marketing Systems Group (MSG) through the U.S. Postal Service's Computerized Delivery Sequence (CDS) file, a regularly updated listing of all known addresses in the U.S. For the SSRS Opinion Panel, known business addresses are excluded from the sample frame. The SSRS Opinion Panel recruits hard-to-reach demographic groups via their SSRS telephone omnibus survey.

Weighted Sample Composition

Sample Breakdown by Race & Ethnicity

Q065. What is your race or ethnicity? Mark all boxes that apply. Note: You may report more than one group.	Total	Men	Women
American Indian or Alaska Native, Not Latinx	0.23%	0.31%	0.16%
Asian or Asian American, Not Latinx	6.41%	6.09%	6.61%
Black or African American, Not Latinx	12.73%	12.03%	13.52%
Hispanic, Latino, Spanish, or Latinx	14.73%	14.55%	14.96%
Middle Eastern or North African, Not Latinx	0.09%	0.15%	0.02%
Multiple Races	6.00%	6.59%	5.46%
Native Hawaiian or Pacific Islander, Not Latinx	0.29%	0.15%	0.38%
White, Not Latinx	58.94%	59.45%	58.38%
Some other race or ethnicity, Not Latinx	0.58%	0.68%	0.50%
Total	100.00%	100.00%	100.00%

Sample Breakdown by Sexual Orientation

Q063. How would you describe your sexual orientation?	Total	Men	Women
Homosexual, gay, or lesbian	3.40%	4.55%	1.78%
Bisexual, pansexual, or queer	5.38%	3.11%	7.02%
Heterosexual or straight	86.27%	87.83%	86.56%
Asexual	0.76%	0.55%	0.65%
Prefer not to respond	4.19%	3.96%	3.99%
Total	100.00%	100.00%	100.00%

Sample Breakdown by Transgender Identify

Q062. Do you identify as transgender?	Total	Men	Women
Yes	0.88%	0.70%	0.53%
No	99.12%	99.30%	99.47%
Total	100.00%	100.00%	100.00%

Sample Breakdown by Income

Q004A. Which of the following is closest to your household's approximate annual income?	Total	Men	Women
Less than $30,000	27.28%	24.96%	29.31%
$30,000-$49,999	16.51%	14.41%	18.17%
$50,000-$74,999	16.87%	17.64%	16.3%
$75,000-$99,999	13.84%	14.51%	13.41%
$100,000 or more	25.48%	28.49%	22.81%
Total	100.00%	100.01%	100.00%

Statistical Significance

The overall margin of error is ±2.5 percentage points at the 95% confidence level. The overall margin of error for the sample of women is ±2.9 percentage points and ±4.0 percentage points for the sample of men. Any results discussed in the body of this report are statistically significant at a 95% confidence level unless otherwise noted.

Definitions: Gender, Race and Ethnicity, Sexual Orientation

In consultation with our internal Diversity, Equity, and Inclusion Committee and staff, advisory committee, and SSRS project team, we constructed inclusive questions on gender, race and ethnicity, and sexual orientation. Although we were intentional in how these questions were crafted, we understand that identity is intersectional and complex. We acknowledge that the survey questions and variables used in the final analysis of this report do not capture the complexity of our survey respondents' identities. In this section, we discuss the survey questions, variables, and limitations on how we reported on gender, race and ethnicity, and sexual orientation.

Gender and Sexual Orientation

This report focuses on the financial health of women (n = 2,008) in the United States. For comparison, we also surveyed individuals who identified as men (n = 992) and individuals who identified as nonbinary, gender nonconforming, genderqueer, or another gender (n = 29). Among these 29 individuals, seven were Financially Healthy, 15 were Financially Coping, and seven were Financially Vulnerable. However, given this very small sample size, we cannot make reliable inferences about the general population of gender nonconforming individuals.

The final survey questions on gender identify and sexual orientation were produced in consultation with the Financial Health Network's internal Diversity, Equity, and Inclusion Committee. Financial Health Network staff who identify as lesbian, gay, bisexual, transgender, queer, intersex, and agender (LGBTQIA+) consulted on the creation of the sexual orientation questions.

Table 1A. Survey questions on gender identity and sexual orientation.

How would you define your gender identity? • Man • Woman • Nonbinary, gender nonconforming, or genderqueer • Other (please specify): __________	**How would you describe your sexual orientation?** • Homosexual, gay, or lesbian • Bisexual, pansexual, or queer • Heterosexual or straight • Asexual • Prefer not to respond
Do you identify as transgender? • Yes • No	**If married or living with a partner, how does your partner identify?** • Man • Woman • Nonbinary, gender nonconforming, or genderqueer • Other (please specify): ____________ • Not applicable; I do not have a partner

LGBTQIA+ Community

The financial health challenges of the LGBTQIA+ community have garnered attention in recent years. Some contemporary literature on consumer finance shines light on the unique challenges that the LGBTQIA+ community faces when it comes to wages and discrimination in jobs, housing, healthcare, and the workforce.[83, 84] While we were unable to incorporate an analysis of financial health by sexual orientation in this report, we hope that readers utilize the secondary sources highlighted in this paragraph to learn more about the financial health challenges of the LGBTQIA+ community.

Race and Ethnicity

Throughout this report, we discuss findings across race and ethnicity. We define race and ethnicity using a single, multiselect variable. We use this variable to grant greater agency to survey respondents who may identify as more than one race/multiracial. If respondents selected more than one of the categories, their responses were coded as "Multiple Races."

Table 2A. Race and ethnicity survey question.

What is your race or ethnicity? Mark all boxes that apply. Note: You may report more than one group.

- White
- Hispanic, Latino, Spanish, or Latinx
- Black or African American
- Asian or Asian American
- American Indian or Alaska Native
- Middle Eastern or North African
- Native Hawaiian or other Pacific Islander
- Some other race or ethnicity (please specify): ______________________

This approach aligns with the Census Bureau's National Content Test Research Study recommendations by asking about racial and ethnic identity in one consolidated survey question.[85] This question allows survey respondents to select the race and ethnicity

[83] *Heather McCulloch, "Closing the Women's Wealth Gap," Closing the Women's Wealth Gap, January 2017.*

[84] *Brighita Negrusa & Sonia Oreffice, "Sexual orientation and household financial decisions: evidence from couples in the United States," Review of Economics of the Household, May 2011.*

[85] *Kelly Mathews, Jessica Phelan, Nicholas A. Jones, Sarah Konya, Rachel Marks, Beverly M. Pratt, Julia Coombs, & Michael Bentley, "2015 National Content Test: Race and Ethnicity Analysis Report," U.S. Census Bureau, February 2017.*

response(s) that best describe them in one question and reduces the need for researchers to make definitional decisions about aspects of a person's identity.

Respondents who only indicated that they were “White,” “Hispanic, Latino, Spanish, or Latinx,” “Black or African American,” “Asian or Asian American,” “American Indian or Alaska Native,” “Middle Eastern or North African,” “Native Hawaiian or Pacific Islander,” or “Some other race or ethnicity” were categorized as such. Respondents who selected multiple races are categorized as “Multiple Races.” We refer to respondents who identified as women and as “Hispanic, Latino, Spanish, or Latinx” as Latina in this document.

Weighting was conducted using the U.S. Census Current Population Survey. The Current Population Survey uses two questions to ask about respondents’ race and ethnicity, which differs from the race and ethnicity variable that we used in the analysis of this report. (See CPS race and ethnicity question wording in Table 3A). While our results still remain nationally representative, this means that they may differ slightly from similar surveys, analyses, and reports that use Census race and ethnicity definitions. Nevertheless, we are confident in our results and believe that using updated question wording will help contribute to future inclusive research efforts.

Table 3A. CPS question wording.

I am going to read you a list of five race categories. You may choose one or more races. For this survey, Hispanic origin is not a race. (Are/Is) (NAME/you) White; Black or African American; American Indian or Alaska Native; Asian; OR Native Hawaiian or Other Pacific Islander?

- White
- Black or African American
- American Indian or Alaska Native
- Asian
- Native Hawaiian or Other Pacific Islander
- Other

(Are/Is) (NAME/you) of Hispanic, Latino, or Spanish origin?

- Yes
- No