

# CLOSING THE WOMEN'S WEALTH GAP

*A national initiative to advance policies and strategies that build wealth for low-wealth women, especially 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/Shortchanged<sup>1</sup>*

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. For many women of color the gap is really a chasm: Black and Latina women own just pennies on the dollar compared to white men and white women.<sup>2</sup>

Income is central to the ability of women and their families to get by day-to-day, but building their long-term economic security requires access to income *and* wealth-building opportunities. For example, women need access to financial education and coaching coupled with affordable and appropriate savings and credit-building products. They need to be able to save for emergencies, higher education and a secure retirement; 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 survive temporary economic disruptions, to invest in their future and to pass resources on to future generations.

**“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 Research<sup>5</sup>

Today, women face a host of barriers to building wealth. They are less likely to have access to 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.<sup>6</sup>

Until now, there has been no national forum for stakeholders to come together, discuss the causes and effects of the gap, and identify policy and practical solutions.

The *Closing the Women's Wealth Gap Initiative* includes a national network of advocates, organizers, researchers, practitioners and funders working to advance solutions that build wealth for low-income women, especially women of color. Heather McCulloch is founder and director. Founding partners/advisors include Angela Glover Blackwell of PolicyLink, author Mariko Chang, Elena Chavez Quezada of the Walter and Elise Haas Fund, Noreen Farrell of Equal Rights Advocates, Surina Khan of the Women's Foundation of California, and Kilolo Kijakazi of The Urban Institute. Funders include AARP, Bank of the West, Friedman Family Foundation, Silicon Valley Community Foundation and Walter and Elise Haas Fund. National meetings are supported by JPMorgan Chase & Co. Mission Economic Development Agency is fiscal sponsor.

<sup>1</sup> Mariko Chang, *Shortchanged: Why Women Have Less Wealth and What Can Be Done about It*, Oxford University Press 2010.

<sup>2</sup> Mariko Chang, PhD., *Women and Wealth: Insights for Grantmakers*, Asset Funders Network, 2015 – [http://www.marikochang.com/AFN\\_Women\\_and\\_Wealth\\_Brief\\_2015.pdf](http://www.marikochang.com/AFN_Women_and_Wealth_Brief_2015.pdf)

<sup>3</sup> Ibid.

<sup>4</sup> Chang, *Shortchanged*.

<sup>5</sup> 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>

<sup>6</sup> 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

**Heather McCulloch, Director**

### **CLOSING THE WOMEN'S WEALTH GAP INITIATIVE**

Heather@womenswealthgap.org  
www.womenswealthgap.org  
@womenswealthgap