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Let’s Hear It for Women!**

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**Let’s Hear It for Women!**

Women’s History Month is a time to celebrate the many accomplishments of women and encourage positive steps to help relieve money stress and help build financial security. Let’s start with a brief quiz about the economic contributions of women in the United States:

1. A rarely discussed aspect of the American economy is the unpaid work of women in the home. What was the estimated value of that work in 2019?
	1. $1.2 trillion
	2. 5.5 percent of U.S. gross domestic product (the value of all goods and services produced in our country)
	3. About the same as the value of the retail industry
	4. All of the above
2. During the 20th century, more women began to work outside the home for pay. In 1970, 43 percent of women were in the labor force. By 2014, that number had increased to 57 percent. How much of the economic growth experienced during this period is credited to women in the workforce?
	1. 2.5 percent
	2. 5 percent
	3. 13.5 percent
	4. 37 percent
3. Women have been called America’s safety net.1 During the pandemic, as childcare centers and schools closed, millions of women reduced work hours or worked 24/7 to meet the combined demands of work and caregiving. From January through December 2020, how many women left the workforce?
	1. 500,000
	2. 2.1 million
	3. 3.9 million
	4. 5.4 million

**Quiz Answers:**

1. **D – All of the above.** For centuries much of women’s work was unpaid. It was largely taken for granted and assigned little value. In 2020, for International Women’s Day, economists at the *Federal Reserve Bank of St. Louis* ran the numbers. They estimated the value of U.S. women’s unpaid domestic labor in 2019 was about 1.2 trillion dollars. That’s about 5.5 percent of U.S. gross domestic product (GDP) and roughly equivalent to the contribution made by the retail industry.2, 3, 4, 5

The actual value of women’s unpaid work may be even higher. Fed economists cautioned, “…keep in mind this value is at the low end of the possible range because we use the federal minimum wage and not, for example, higher state minimum wages let alone market wages that correspond to the specific work being done.” The underestimate may be even higher when you consider the out-of-home cost of childcare, adult daycare, and maid service.2

1. **C – 13.5 percent.** In 2015, the *Council of Economic Advisors* *(CEA)* reported, “…our economy is $2.0 trillion, or 13.5 percent, larger than it would be without women’s increased participation in the labor force and hours worked since 1970.”6

Notably, women’s achievements in education and at work translated into significant income gains for their families. In fact, the *CEA* reported, “Essentially all of the income gains that middle‐class American families have experienced since 1970 are due to the rise in women’s earnings.”6

The full potential of women in the labor force has yet to be tapped. When the government was seeking ways to accelerate economic growth, *S&P Global* published a paper titled, *The Key to Unlocking U.S. GDP Growth: Women*.7

The authors wrote increasing the number of women in the workforce could accelerate economic growth by 5 to 10 percent over a few decades and add about $5.9 trillion to the global stock market over a single decade.7

1. **B – 2.1 million.** The COVID-19 pandemic exposed significant issues with the structures that support daily life in the United States. In 2020, women “…lost over 5.4 million net jobs, and account for 55.0 percent of overall net job loss…,” reported the *National Women’s Law Center*.8 More than two million left the workforce.

**Helping women build financial security**

The gender pay gap in the United States has been widely documented. In 2019, the median annual earnings for women who worked full-time, year-round was $47,299 or about 82.3 percent of men’s median annual earnings, according to the *Institute for Women’s Policy Research*. When evaluated by race, the gap varied:9

* Asian women 87.1 percent
* White women 78.7 percent
* Black women 63.0 percent
* Hispanic/Latinx 55.4 percent

These income gaps contribute to the gender wealth gap. Wealth can be defined in a variety of ways. *Merriam Webster* says it is an “abundance of valuable material possessions or resources.”10

For many women, wealth is a financial resource that can be accessed in emergencies, drawn on to pay for college, saved and invested for retirement, and passed on to future generations.

Building wealth means taking control of your money. The journey toward wealth begins with goal setting. What do you want money to do for you and for your family? Once you’ve decided, you can take action. Your financial goals may include:

* Paying down credit cards or student loans
* Educating your children about money
* Setting aside money for emergencies
* Saving for a major purchase, such as a home
* Saving and investing to meet financial goals, including a comfortable retirement

Too often women are so busy doing for others they overlook the importance of doing for themselves. Never forget, when you are financially secure, your family is financially secure.

If you would like to learn more about reducing financial stress and growing wealth, please get in touch with us.

Sources:

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4 <https://fred.stlouisfed.org/series/GDP>

5 <https://www.statista.com/statistics/247991/value-added-to-the-us-gdp-by-industry/>

6 <https://obamawhitehouse.archives.gov/sites/default/files/docs/2015_erp_chapter_4.pdf> (*or go to* <https://resources.carsongroup.com/hubfs/Source-Carson_Coaching/Mar_2021_WhiteHouseArchives-2015_The_Economics_of_Family-Friendly_Workplace_Policies-Chapter_4-Footnote_6.pdf>)

7 <https://www.spglobal.com/en/research-insights/featured/the-key-to-unlocking-u-s-gdp-growth-women>

8 <https://nwlc.org/wp-content/uploads/2021/01/December-Jobs-Day.pdf>

9 <https://iwpr.org/wp-content/uploads/2020/09/Gender-Wage-Gap-Fact-Sheet-2.pdf>

10 <https://www.merriam-webster.com/dictionary/wealth>

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