



Asset Funders Network



## CLIPPED WINGS

Closing the Wealth Gap for Millennial Women



This brief was developed in partnership with the Insight Center for Community Economic Development, Asset Funders Network (AFN) and in collaboration with Closing the Women's Wealth Gap Initiative (CWWG). This publication is the second in a series of briefs that build on AFN's 2015 publication, *Women & Wealth*, to explore how the gender wealth gap impacts women, particularly low-income women and women of color, throughout their life cycle, and provides responsive strategies and best practices that funders can employ to create greater economic security for women.

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The Insight Center for Community Economic Development is a national research and economic justice organization working to ensure that all people become and remain economically secure. Insight conducts groundbreaking research to ignite systemic change, produces powerful tools and resources to shift narratives and build political and public will, convenes experts to bridge the gap between academia and activism, and advocates for policies that address economic exclusion. Insight sparks innovative ideas, amplifies community voices and solutions, and leads the field by developing leaders who advance economic prosperity for everyone.

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*A note about the data: The data presented in this report comes from the 1997 Cohort of National Longitudinal Study of Youth (NLSY97). The NLSY97 is a nationally representative sample of 8,984 young men and women who were between the ages of 12 and 16 at the baseline interview. The NLSY97 oversamples racial and ethnic minorities and followed up all respondents annually between 1997 and 2011, and then again in 2013 and 2015, and serves as a representative sample of the millennial generation.*



## MILLENNIAL WOMEN are 37% more likely than GenXers to live below the poverty line.

Millennial women today (born between 1980 and 1997), number about 40 million.<sup>1</sup> Representing 31.5% of the female population in the U.S., millennial women do not benefit from many economic policies and systems designed by, and built to meet the needs of, men as primary breadwinners. Today, many policies affecting family economic security fail to account for the remarkable increase in millennial women being the primary or co-breadwinner for their families. Existing policies and systems often do not support millennial women's rise in educational attainment and resulting student debt burden, nor do they acknowledge the ongoing roles millennial women play as the primary caregivers for children and other family members. Too many millennial women are operating under clipped wings that prevent them from achieving economic security and soaring to their full potential.

Millennial women came of age during the Great Recession, the rise of mass incarceration, unprecedented student debt levels, and changing workforce dynamics. All of these factors contribute to the fact that **millennial women are 37% more likely than Generation Xers (those born between 1965 to 1984) to be living below the federal poverty line** and are more likely to be underemployed or unemployed than previous generations.<sup>2</sup> Additionally, immigrant millennial women, particularly Latinx women, are often key financial contributors to their parents and extended families, which directly impacts their economic stability.<sup>3</sup>

Millennial women are part of the most diverse generation the U.S. has ever seen. Close to 44% are women of color,<sup>4</sup> making it increasingly important to address consistent racial and ethnic wealth inequities in this generation. Throughout history, policy makers and government officials have boosted White communities while placing barriers to economic stability for communities of color. The result is that **single White women in their 20s with a**

**college degree have the median wealth of \$3,400, while the median for Black women in their 20s is \$11,000 in debt.** For married women in their thirties, Black women have median debt of \$20,500 while White women have \$97,000 in median wealth.<sup>5</sup>

We risk the financial security of future families, children, and communities if grantmakers, policy advocates, and practitioners fail to support and advocate for key policy changes, make strategic investments and develop programs grounded in the lived experiences and societal context of millennial women, particularly women of color, to ensure their economic stability. This generation of women is facing multiple wealth-stripping mechanisms that must be addressed and curtailed if we want to develop asset- and wealth-building strategies that are truly effective.

Grounded in an intersectional lens—a lens that accounts for the impacts of the multiple parts of a person's identity such as race, class, and gender—this report presents disaggregated original research to outline the current economic reality of millennial women. It explores the primary drivers of millennial women's wealth inequities, offering promising strategies, best practices, and bold ideas for philanthropic investments to address these issues.

### LIMITS ON WEALTH INFORMATION

Throughout this AFN brief, we provide data on Black, White and Latinx women. Unfortunately, there is a dearth of data on wealth for Native American and Asian American/Pacific Islander women to be able to provide robust analysis for these populations. More disaggregated data needs to be collected for these populations.

# WHAT IS WEALTH?

## WEALTH IS THE VALUE OF ASSETS MINUS DEBTS

Wealth, or net worth, is the difference between a household or individual's assets and liabilities. It is a measure of financial health and economic security as it represents our ability to deal with the financial consequences of unexpected life events like illness, unemployment, or divorce. Wealth reflects our ability to invest in our future and that of our children.

### COMMON TYPES OF ASSETS INCLUDE:

- ◆ Cash
- ◆ Investments
- ◆ Real estate
- ◆ Retirement accounts such as IRA and 401(k) accounts
- ◆ Business assets

### COMMON DEBTS INCLUDE:

- ◆ Mortgages
- ◆ Credit card debt
- ◆ Education debt
- ◆ Vehicle loans

## WEALTH IS AN ASSET

### WEALTH PROVIDES:

- ✓ A reservoir that can be drawn upon in times of need
- ✓ A better future for our children
- ✓ Support in old age

## HISTORICAL LEGACY OF WEALTH INEQUITY

“Why are there such stark wealth gaps? We need to look at our nation’s long history of racial and gender discrimination to understand the causes of the women’s wealth gap. Many households of color were excluded from owning property and building wealth for centuries due to de jure and de facto discrimination. This included the sale and bondage of people of African descent to build wealth for White people, laws that restricted business ownership and the occupations of free Black people to menial sectors, redlining and racially restrictive covenants, and public programs like Social Security, which explicitly left out domestic and farm workers who were mostly people of color. If we layer on a long history of laws that excluded women from owning property, earning advanced degrees, or accessing mortgage and business credit in their own name, it gives you a sense of how history has created the women’s wealth gap we see today.”

KILOLO KIJAKAZI AND HEATHER MCCULLOCH

*Building Women’s Wealth Is Key to Economic Security*, [Slate](#), May 29, 2018

## WOMEN'S WEALTH GAP: A HISTORICAL PERSPECTIVE

|          |   |
|----------|---|
| 1600s    | Pennsylvania, Maryland, and Massachusetts recruit single White women to the colonies by giving them land with no strings attached.  |
| 1630s    | When White female landowners stay single, legislatures introduce laws repossessing land from women refusing to get married. Georgia passes additional bills preventing women from inheriting property.  |
| 1839     | Mississippi becomes the first state to allow married White women to own property with written permission from their husbands. This change does not apply to women of color, whether free, indentured, or enslaved. <sup>4</sup>                     |
| 1960s    | Commission on the Status of Women (1961) investigates gender equality in education and employment.  |
| 1963     | Equal Pay Act of 1963 pledges equal pay for equal work regardless of race, sex, or ethnicity.   |
| 1968     | Fair Housing Act (1968) prohibits discrimination in selling or renting property based on race, national origin, or religion (notably, sex and gender are not included as protected categories).   |
| 1970s    | Equal Credit Opportunity Act (1974/1976) establishes women's access to credit and lending without a man's signature for the first time since the 1600s.   |
| 1980s    | Passage of Women's Business Ownership Act of 1988 makes it illegal to require a male relative's signature on a business loan.   |
| 2000s    | The number of single female homeowners increases rapidly, and they become the fastest growing group of U.S. homebuyers (a trend that persists today).   |
| 2006     | Fishbein & Woodall demonstrate brokers are steering single women, and especially those of color, into risky subprime mortgages when many of them would otherwise qualify for safer fixed-rate mortgages.  |
| 2007     | Housing crisis, underpinned by subprime lending and drops in home values, prompts widespread defaults, foreclosures, and evictions. Single women and communities of color experience concentrated losses associated with the aforementioned trends. |
| Dec 2007 | Onset of Great Recession.   |
| 2016     | Net worth of single Black women homeowners drops 74% (drops 28% for White women). Nearly all single women aged 45-65 who exit homeownership during the recession experience complete asset depletion. <sup>17</sup>                                 |



**SINGLE WHITE MEN**  
have close to six times  
more wealth than single  
Black women.

### DATA ON WEALTH

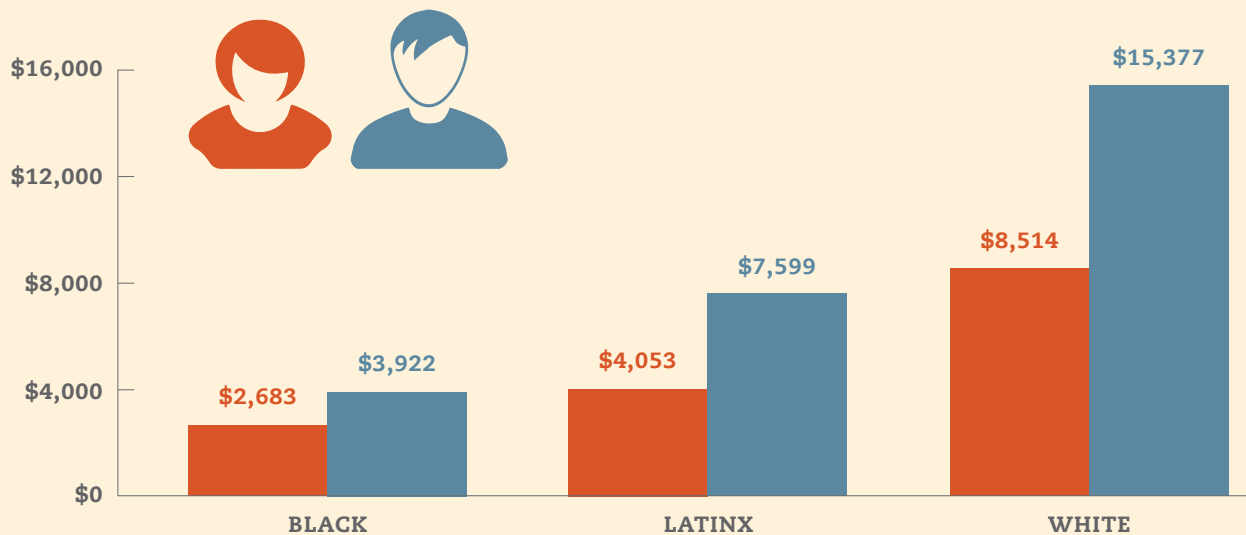
In general, millennials are faring worse economically than previous generations. According to a recent report by Young Invincibles, a national network that works to amplify the voices of young adults ages 18 to 34 in the political process and expand their economic opportunities, baby boomers as young adults had twice the wealth of young adults today.<sup>6</sup>

For women, particularly women of color, the picture is even worse. Despite important gains in college

attendance rates and career opportunities, millennial women's wealth lags behind that of men. The median wealth holdings of single millennial men is still 162% greater than single millennial women (\$11,230 and \$6,914 respectively)<sup>7</sup>.

Broken down further across race and ethnicity, single millennial women have less wealth than single millennial men. Single White men have close to six times more wealth than single Black women.

### MEDIAN SINGLE MILLENNIAL WEALTH BY RACE/ETHNICITY & GENDER



Source: NLSY 97

\* Single is defined as never married in addition to separated, divorced or widowed

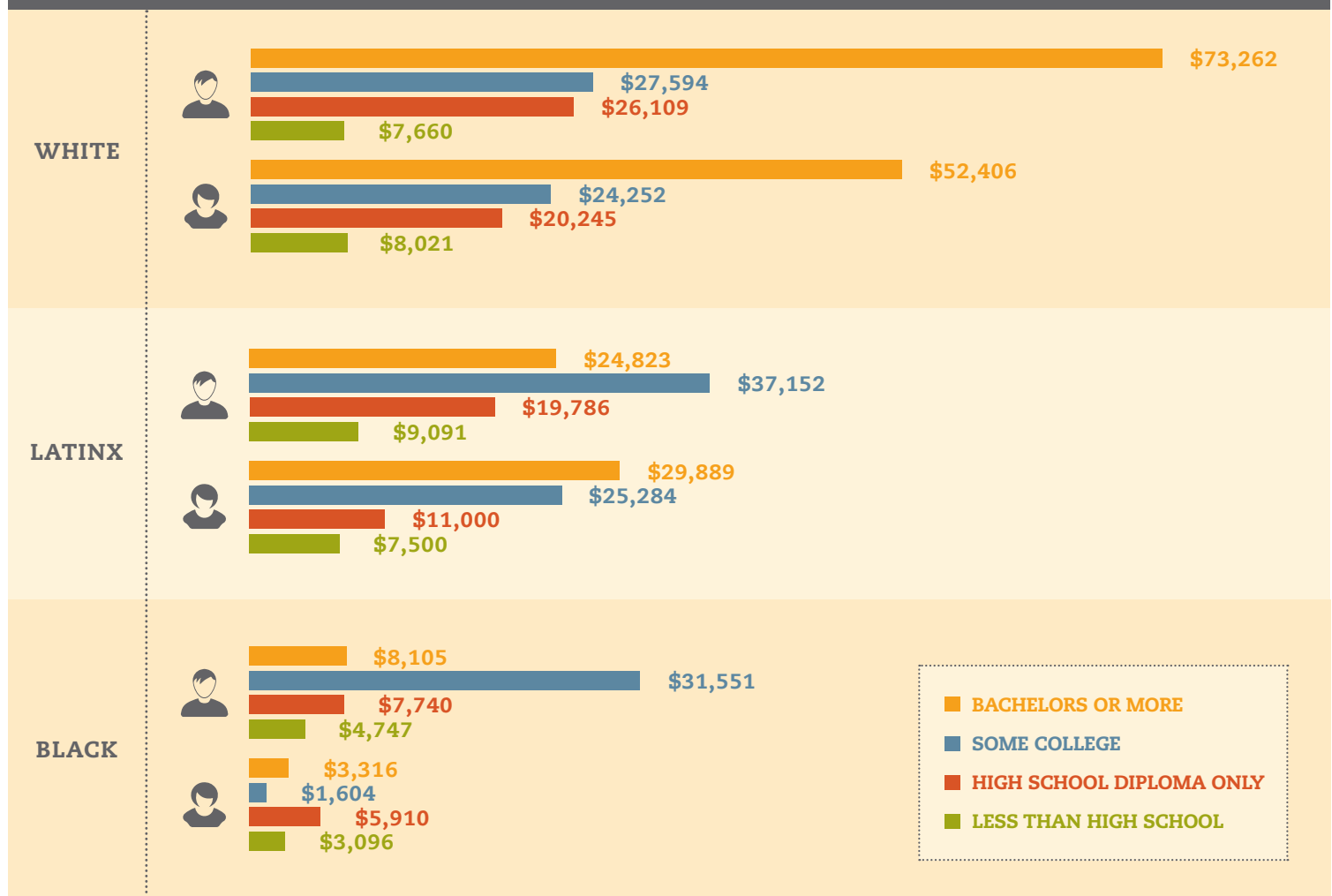


**EVEN THOUGH MORE WOMEN ARE EARNING COLLEGE DEGREES than ever before, they do not have economic equality with millennial men.**

As noted, women are going to college at higher rates than ever before, helping the overall economic well-being of millennial women. Yet a degree alone does not help millennial women reach economic parity with mil-

lennial men.<sup>8</sup> This counterintuitive result is due, in part, to persistent wage inequity and occupational segregation, two of the key drivers of gender wealth inequities explored in this brief.

**MEDIAN MILLENNIAL WEALTH BY EDUCATION, GENDER, RACE**



## KEY DRIVERS OF MILLENNIAL WOMEN'S WEALTH INEQUITIES

There are identifiable key drivers that contribute to the persistent wealth inequity between millennial women and men. Skyrocketing education costs; continued pay inequity and occupational segregation; changing family structures, expectations and norms to contribute to parent and extended family's economic needs; and the systemic criminalization of poverty and rise of mass incarceration contribute to this generation's economic vulnerability. Most of these factors hit millennial women harder than men, reflecting patriarchal cultural norms and the discriminatory underpinnings of policies enacted primarily by men. Ultimately, our current social and economic policies and practices prioritize the needs of men and ignore the specific needs and economic roles of millennial women, particularly women of color.



### INCREASING STUDENT DEBT

Millennial women are attending college at higher rates than previous generations. In fall 2017, women represented 56% of students nationwide, up from 42% in the 1970s.<sup>9</sup> At the same time, college tuition has risen at remarkable rates since the baby boomer generation and Generation Xers attended college. A recent report from the College Board highlights that both public and private college tuition is rising faster than the cost of inflation.<sup>10</sup>

In fact, in the decade between 2002 and 2012 when many millennials went to college, tuition rates for public four-year universities rose 5.7% to 13.3% per year.<sup>11</sup> As a result, millennials have unprecedented levels of student debt when compared with previous generations. Median student debt for millennial women is \$20,263 compared to \$16,271 for millennial men—four times the levels held by the baby boomer generation.<sup>12</sup> The median student debt (adjusted to 2016 dollars) for the baby boomer generation was \$4,949 for women and \$4,828 for men.

Student debt is especially burdensome for Black and Latinx women because they have less intergenerational wealth transferred to them. Put simply, their parents have less wealth than their White peers and, therefore, cannot contribute as much to their children's education.<sup>13</sup> In 2016, the median net worth for White households was \$171,000, which is nearly **10 times** that of Black households (\$17,100), and about **eight times** that of Latinx households (\$20,600).<sup>14</sup>

The current national student loan debt is \$1.5 trillion dollars, two-thirds of which is carried by women (\$900 billion).<sup>15</sup> A high level of student debt directly affects millennial women's ability to live financially secure lives, as they have much less to invest in asset building. As a result, asset-building activities such as purchasing a home, starting or expanding a business, or creating long-term savings is not seen as possible and is deferred.

Philanthropic investments toward organizations working to eliminate or reduce student debt would have a major impact on the financial security of millennial women.

### MEDIAN MILLENNIAL STUDENT DEBT BY RACE/ETHNICITY & GENDER



Source: NLSY 97

BLACK LATINX WHITE





## CONTINUED PAY INEQUITY AND OCCUPATIONAL SEGREGATION

Although decreasing from previous generations, unequal pay between millennial women and men continues. For instance, in 2013, the median income for millennial women was \$30,000 compared to \$35,000 for men.<sup>16</sup> This is happening for two reasons—difference of pay within the same occupation or job, and persistent occupational segregation, which funnels women into lower-paying jobs.

The National Women’s Law Center recently reported that while women make up about half the workforce, they constitute 70% of employees whose jobs paid less than \$10 per hour.<sup>17</sup> While gains were made toward more parity of gender representation throughout all occupations in the 1970s and ’80s, progress has stalled since the 1990s in large part due to this occupational segregation of women. Black and Latinx millennial women, in particular, continue to be overrepresented in low-paying jobs.<sup>18</sup>

Women are also getting paid less than men for the same job within the same company. In 2018, Hired.com released a report on wages in the workplace. It found that men were offered a higher salary than women for the same job at the same company 63% of the time.<sup>19</sup> The report further noted that Black and Latinx women are consistently offered lower salaries than White men.

Even in higher pay sectors, millennial women are not seeing increased opportunity. Despite earlier gains for Generation X women, the percentage of millennial women in higher paying STEM jobs is declining. **Generation X women represented one in four people working in STEM occupations. By 2017, that rate had fallen to one in five for millennials.**<sup>20</sup> One cause may be the toxic male culture embedded in many tech companies, creating

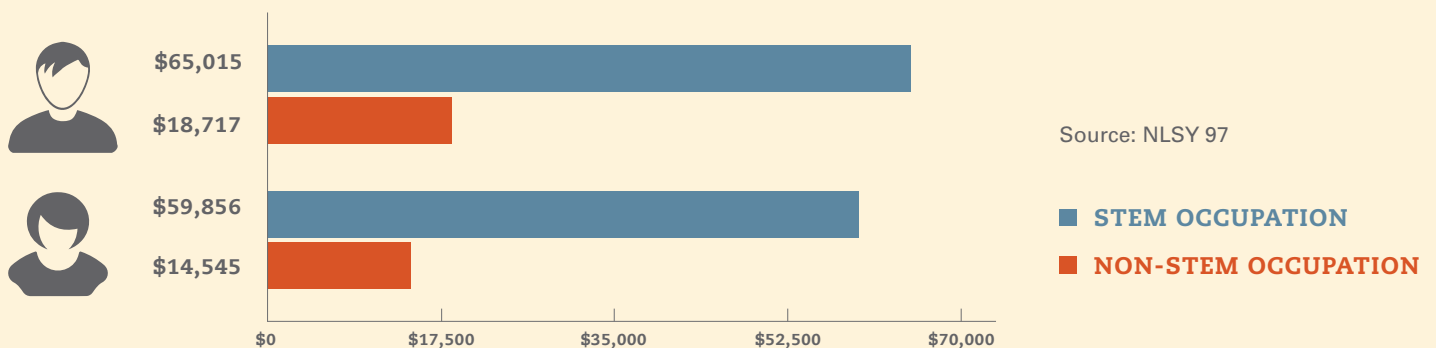
an unwelcome and sometimes hostile environment for women. According to a report by the Kapor Center for Social Impact, one in 10 women experience unwanted sexual attention within the tech industry. In addition, Black and Latinx women are more likely to be passed over for a promotion than their peers.<sup>21</sup> These trends matter and need to be corrected as a STEM occupation significantly increases wealth holdings.

As seen on page 10, occupational segregation and racial bias built into pay structures prevent millennial women of color from amassing as much wealth as White millennial women, even when looking at higher paying managerial positions within STEM and non-STEM jobs. Simply put, getting paid less impedes your ability to build wealth.

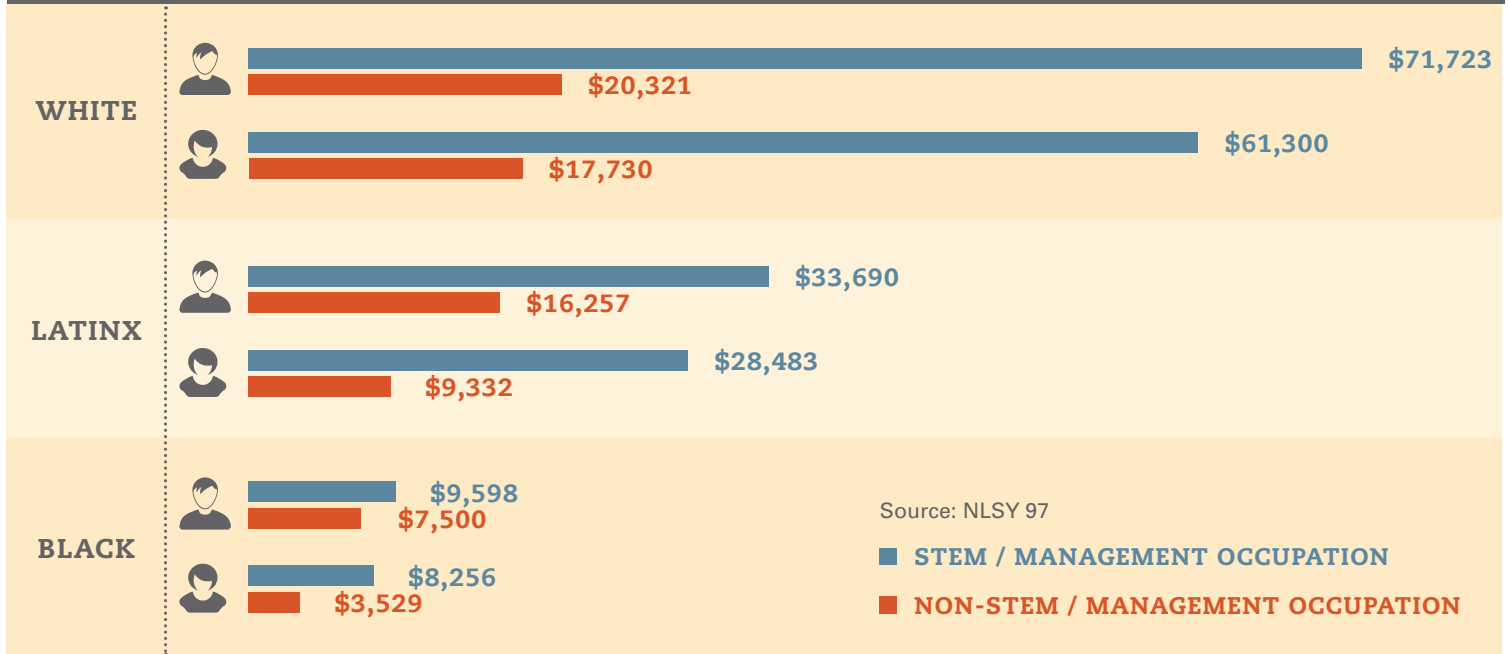
Studies show that Black and Latinx millennials receive a lower income than their White peers. Young Black people earn 57 cents and Latinx earn 64 cents for every dollar earned by young White people.<sup>22</sup> When you combine the racial wage disparity with the previously mentioned gender wage disparity, you have a compounded negative economic effect for millennial women of color. Even in managerial positions that typically receive higher salaries, both within STEM occupations and non-STEM occupations, millennial women’s wealth is much lower than men’s. The wage disparity along racial and gender lines for millennial women has an overall negative effect on their asset building capacity.

Investing in organizations working to ensure pay equity between men and women, as well as in organizations providing research, data, and analysis on occupational segregation to comprehensively understand the issue are two key ways to address this inequity.

### MEDIAN MILLENNIAL WEALTH BY GENDER



## MEDIAN MILLENNIAL WEALTH BY OCCUPATION, GENDER AND RACE/ETHNICITY



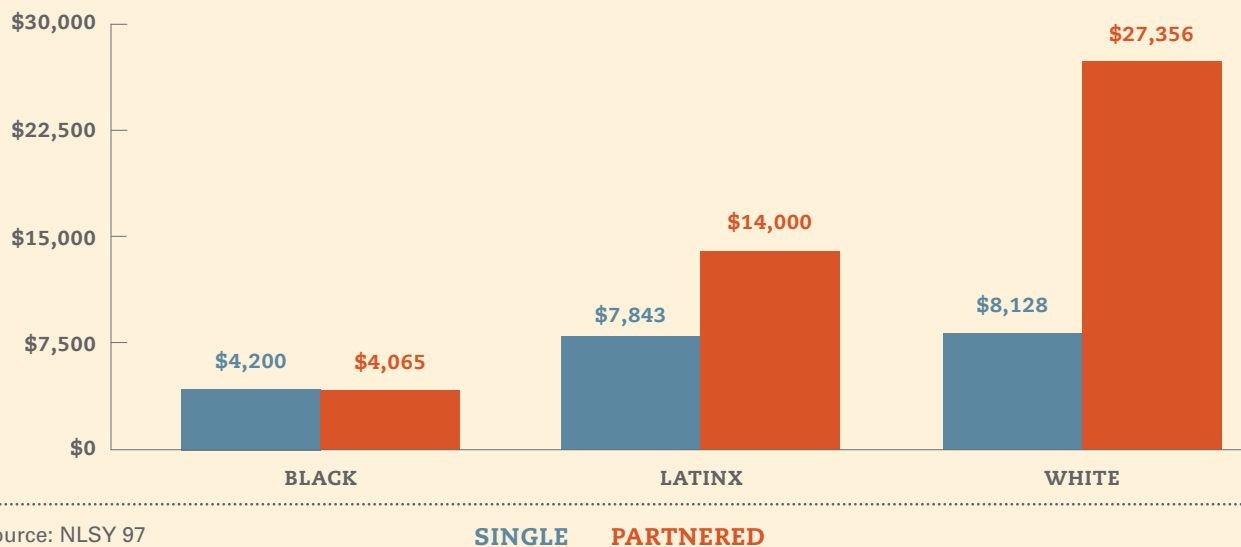
### CHANGING FAMILY STRUCTURES

Millennial women are more likely to be the head of households than previous generations.<sup>23</sup> They are increasingly cohabitating with their partners and delaying marriage. They are also having children outside of marriage. According to *Child Trends*, the proportion of births to unmarried women has increased greatly in recent decades, rising from 5% in 1960 to 32% in 1995.<sup>24</sup> By 2008, it rose to 41%.<sup>25</sup> This upwards trend is continuing with 57% of babies born to millennials in 2017 outside of marriage.<sup>26</sup> Current

public policies fail to take this changing demographic reality into account.

As seen in the chart below, single millennial women have significantly less wealth than partnered millennial women during the time of the birth of their children. This means that the “motherhood cost”—the physical, emotional, and financial costs of mothers taking time off of work to care for children—is particularly significant for the millennial generation.

## MEDIAN MILLENNIAL WOMEN’S WEALTH AT TIME OF CHILD’S BIRTH BY FAMILY STRUCTURE



Black millennial women have alarmingly low wealth holdings overall and are the only group with little difference in wealth holdings between partnered and single women. This data is indicative of other barriers faced by Black communities, including embedded racism in homeownership as well as within our criminal justice system and workforce, all leading to lower levels of intergenerational wealth transfer.

Child care is an issue for both coupled and single mothers, but with the increase in millennial women

choosing to raise children on their own, despite low levels of wealth to draw upon, more and more millennial families are struggling to find ways to pay for child care and make up for income lost during maternity leave. With only one income to draw from, single millennial mothers often are making untenable choices between paying bills, putting food on the table, or paying for child care. Increasing access to affordable, quality child care and comprehensive paid leave are examples of policies that can have great impact for millennial women, particularly women of color.



## MILLENNIALS: A Generation of Caregivers

**25% OF ALL CAREGIVERS  
ARE BETWEEN 18 – 34 YRS.**

**25% OF U.S. MILLENNIALS ARE  
LATINX WITH 30% OF THEM  
SUPPORTING 2+ GENERATIONS**

**75% OF MILLENNIAL CAREGIVERS  
ARE ASSISTING SOMEONE OVER 50**



### **ECONOMIC STRAIN FROM CONTRIBUTING TO FAMILY ECONOMIC NEEDS**

A popular narrative of the millennial generation is that an increasing number are living at home with their parents due to difficulty finding employment, the burdens of student debt, and other repercussions stemming from coming of age during the Great Recession. While it is true that millennials in general have an increased rate of living at home with their parents and rely on parental economic support—in 2014, 32% of young adults lived at home with their parents—the story is a bit more nuanced.<sup>27</sup>

Millennials who are immigrants or the children of immigrants often carry financial responsibilities for their extended families and parents. In fact, close to **25% of the nation's millennials are Latinx and 30% of them say they are supporting two or more generations of their family.**<sup>28</sup> This is double the rate of the general millennial population (14%), and makes a significant impact on their ability to build wealth.<sup>29</sup>

Data shows that caregiving is another circumstance in which millennials are providing economic, physical, and emotional support to family. New research shows that

around 10 million Americans between ages of 18 and 34 are caregivers for a family member, making up 25% of caregivers in the U.S. overall.<sup>30</sup> More than half of these millennial caregivers are people of color, signifying a major shift in caregiving demographics from previous generations.<sup>31</sup> Additionally, 75% of millennial caregivers are helping someone over the age of 50, are more likely than previous generations to be working while caregiving, and are spending a larger portion of their income on caregiving costs than other generations.<sup>32</sup> About half of the money millennials are spending on caregiving goes toward covering household expenses like rent/mortgage, food, and transportation. These factors create a unique circumstance for the millennial generation.

Caregiving is also mostly taken up by women. More than 50% of Black and White millennial caregivers are women, and close to 64% of Asian/Pacific Islander millennial caregivers are women.<sup>14</sup> Data also shows that 58% of all Latinx caregivers of people over the age of 18 are women.<sup>33</sup> The economic, physical, and mental strain of caregiving is a significant issue for millennial women, and suggests that it is critical for funders to incorporate a multigenerational approach in their grantmaking with strategies that consider the holistic needs of multiple generations relying on each other for stability.



## MASS INCARCERATION AND THE CRIMINALIZATION OF POVERTY

In the 1990s, when many millennials were coming of age, politicians pushed a number of “tough on crime” policy measures into law, leading to unprecedented investments in building prisons and in expanding the private prison business sector. What followed was a dramatically sharp increase in prison populations—despite the fact that crime rates were lessening—in a self-justifying and profit-driven effort to fill prison slots.<sup>34</sup> The U.S. prison population expanded from 220,000 people in 1972 to 2.2 million people in 2014.<sup>35</sup> This trend has had a significant impact on the economic stability of the millennial generation.

Millennial women are 10 times more likely to be incarcerated than previous generations.<sup>36</sup> Although incarceration rates are higher for men overall in comparison, the increase in the female incarceration rate overall signifies a disturbing trend for millennial women.

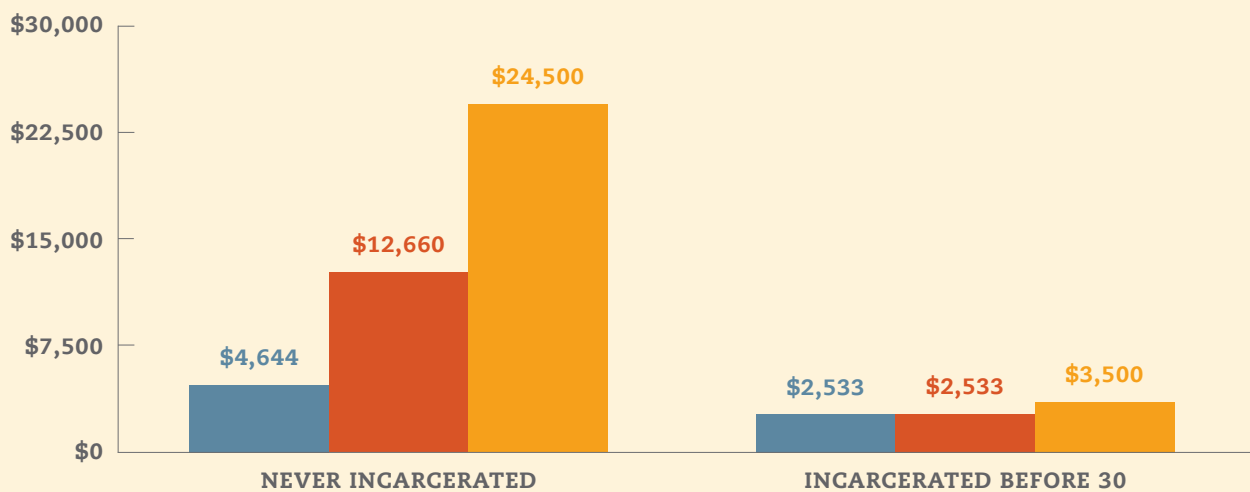
As seen in the chart below, incarceration radically undermines women’s capacity to build wealth. The wealth-building constraints are due to the loss of income during time spent in prison, as well as difficulty in finding steady, high-quality employment post-release due to legal barriers under state and local laws, employer bias toward people with criminal records and convictions, and continued systemic burdens such as continued supervision placed on the ex-offenders. This is particularly an issue

for millennial women of color. **The rate of incarceration for Black women is almost double that of White women, and the rate for Latinx women is more than 20% higher than White women.**<sup>37</sup>

The continued push toward mass incarceration is closely tied to the movement to criminalize poverty through local and state fines and fees.<sup>38</sup> Since 2010, more than 48 states have either increased their criminal fees, or adopted new fees. In North Carolina, fees have risen by 400%, leading to the startling fact that 20% of people incarcerated in a county jail in North Carolina are there for failure to pay their fines and fees.<sup>39</sup> The timing of this harmful practice has a noteworthy impact on millennials. Either they themselves faced having to pay higher fees just as they were coming into adulthood, which threatened their economic stability, or it impeded their family’s financial security as they were growing up.

*The Ferguson Report*, written by the U.S. Department of Justice in the aftermath of the police shooting and death of Michael Brown in Ferguson, Missouri, brought national attention to the unconstitutional and discriminatory impact of the practices and priorities of that local government. By having local law enforcement and the courts engage in patterns that systematically targeted communities of color, the effect was as if the community residents were seen as a way to fund municipal budgets through fines and fees related to non-violent offenses such as traffic violations, loitering, sleeping on the sidewalk, and other causes for ticketing.<sup>40</sup>

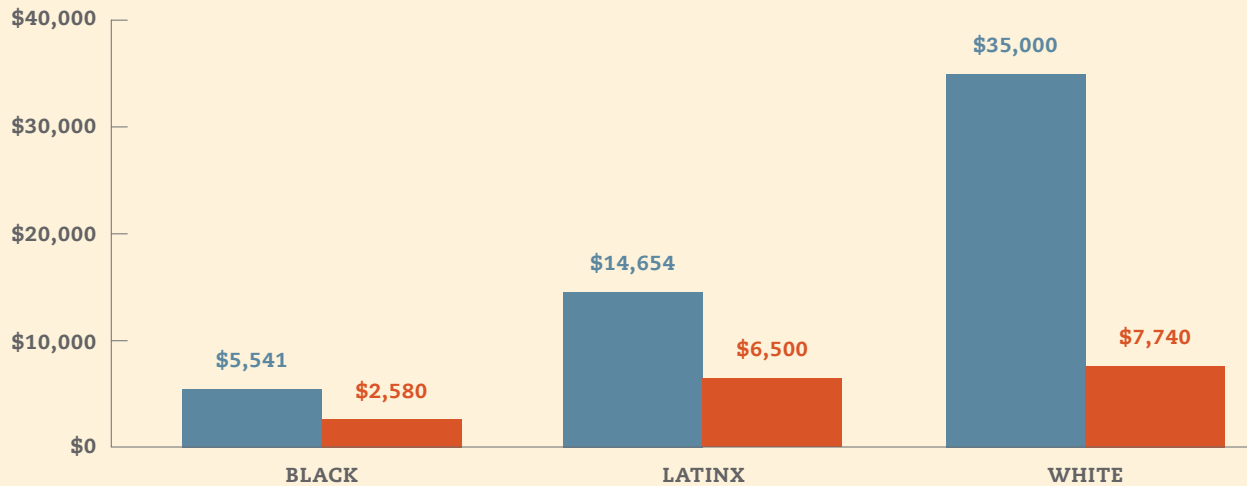
MEDIAN MILLENNIAL WOMEN’S WEALTH BY INCARCERATION & RACE/ETHNICITY



Source: NLSY 97

BLACK LATINX WHITE

## MEDIAN MILLENNIAL WOMEN'S WEALTH BY ARREST, RACE/ETHNICITY



Source: NLSY 97

NEVER ARRESTED BEFORE 30    ARRESTED BEFORE 30

Ferguson was representative of many other municipalities engaging in what the Department of Justice deemed to be unconstitutional acts. Rampant over-policing in communities of color has led to disproportionate rates of police stops and arrests of people of color, leading these communities to pay exorbitant fines and fees, which in turn extracts their wealth.<sup>41</sup>

These wealth-stripping policies and practices related to increased incarceration and imposed debt burden is important for millennial women for another reason. As noted in the Ella Baker Center's *Who Pays* report, **even if women are not the ones being arrested and/or fined, they are primarily the ones paying the fine, fee, or bail money for their sons, grandsons, brothers, partners, uncles, etc.**<sup>42</sup> The report notes that 63% of court-related costs were paid for by family members outside the system, and that 80% of them were women.<sup>43</sup> Further, close to 90% of costs for phone calls and visits to an incarcerated person are incurred by women.<sup>44</sup> As a consequence, these official practices and the movement toward mass incarceration and criminalization of non-violent crimes effectively strips wealth and continues to have major negative economic implications for millennial women of color.

But the system engages in further wealth stripping. Often, families of color and low-income families are already under economic distress and cannot afford to pay the fine or fee. Many states suspend driver's licenses as a penalty for overdue fines and fees, which in turn increases the

person's chances of arrest, incarceration, or increased fines for driving without a license. Each result adversely impacts a millennial woman's ability to build wealth. Data shows that even a simple arrest without conviction can make a marked difference in wealth holdings for this generation, as seen above.

An arrest affects the wealth holdings of all millennial women, but Black women with an arrest have one-third the wealth of White women with an arrest. For those not arrested, White women have 6.3 times more wealth than Black women who were never arrested.

Philanthropy should make a commitment to understanding these issues and begin making the important connection between criminal justice reform, wealth building, and economic justice. Mass incarceration and the criminalization of poverty are ways in which wealth is extracted from communities of color and low-income communities. Foundations interested in asset building and economic security should support organizations working on criminal justice reform to combat the effects of mass incarceration and the criminalization of poverty in order to ensure opportunity exists in healthy communities.

The rate of incarceration for Black women is almost double that of White women, and the rate for Latinx women is more than 20% higher than White women.

# STRATEGIES FOR ACTION AND PROMISING PRACTICES

Although the picture seems stark for millennial women, there are a number of investments philanthropy can focus upon to turn the tide. Grantmakers can use their resources, power, and influence to be facilitators of deep social change and positively impact the future economic security of millennials and the generations to come. The following are examples of transformative investment opportunities.



## STRATEGY FOR ACTION

### **BROADEN GRANTMAKING TO SUPPORT SYSTEMIC SOLUTIONS AND BEST PRACTICE INTERVENTIONS.**

For the millennial generation, wealth inequities are a function of systemic factors—pay inequity, student debt, family care burdens, less intergenerational wealth transfer, racial and gender discrimination, and other factors described in this brief. Truly supporting millennial women to build wealth demands having a deep understanding of how wealth-stripping mechanisms such as high levels of student debt, the effects of mass incarceration, and the criminalization of poverty impact traditional asset-building strategies for this generation. A strategic approach to helping millennial women build assets includes:

- ◆ A change in the systemic barriers and practices, including more impactful public policy.
- ◆ Incorporating the realities of current wealth-stripping policies and practices within proven inclusive practices and interventions, such as increased opportunities for savings, affordable homeownership, and financial coaching coupled with responsible financial products.

It is important that we do not continue business as usual with this generation. Rather, we need to work to remove or address wealth extraction mechanisms and incorpo-

rate this reality to customize traditional asset-building strategies for this generation.

For example, financial coaching and counseling strategies have been a significant and effective focus of philanthropic investment within the asset-building field. While these strategies work within the system to address part of the problem by offering often-needed financial coaching, education, and support for a subset of millennial women, they do not address the root systemic causes of racial and gender wealth inequities, which need to be corrected.

If we focus on financial coaching and savings in isolation without also supporting systemic solutions, we will not help low-income women, particularly women of color, build significant wealth. This is especially critical because many of them, through no action or fault of their own, have little to no disposable income due to systemic barriers and current wealth extraction policies.

In other words, financial coaching alone will not help low-income women and women of color build significant wealth when they have limited income, are disproportionately employed in low-wage sectors of the economy, bear family care burdens and high expenses, are subject to wealth extraction from the criminal justice system, and carry high student debt loads.

It is also important to understand that all financial coaching programs are not the same. Too often, financial coaching programs place the burden of responsibility on the person alone, ignoring the policies, norms, narratives, and cultural practices that play a critical role in persistent gender and racial wealth inequities. Quality financial coaching models understand systemic barriers exist, and work to help clients overcome them. They are collaborative by nature and the coach meets people where they are in their financial acumen, acts as a facilitator, and supports clients as they set their own goals, develop plans, and experience growth and learning.<sup>45</sup> If making investments in this area, philanthropy should prioritize the funding of quality programs.



## PROMISING PRACTICE

**THE SAVINGS INITIATIVE PROJECT, THE PROSPERITY AGENDA.** Led by The Prosperity Agenda (TPA), The Savings Initiative is a two-generation savings approach to increase financial resilience in parents and children who are struggling to make ends meet, and who often rely on public benefits. Seeded by work funded by the Northwest Area Foundation, Paul Allen Foundation, and Seattle Foundation, the project is focused on developing, testing, and evaluating a family-centered savings approach to help families realize and build upon their saving strategies and strengthen their financial capability.

TPA has been a leader in developing and testing programs that build efficiencies and incentives into public systems to move and keep people out of poverty, ultimately resulting in increased economic resiliency. TPA's approach puts the focus on listening to program participants' thoughts, ideas, and experiences. TPA, a strengths-based approach, acknowledges that although participants may have significant barriers, they are creative and resourceful enough to have their own answers and know what is right for them. The Savings Initiative affirms that increasingly, women are taking the reins of their household finances and are often the savers in their families.

The Savings Initiative counters common assumptions about low-income mothers that maintain they need access to institutionalized mechanisms to save, and only are more likely to save when there are enticements to do so. Findings from the initiative demonstrate that low-

income mothers in this project, who are utilizing public benefits to address the volatility of work, are already driven to save and find numerous ways to save outside of the traditional banking system.



## STRATEGY FOR ACTION

**ADDRESSING SYSTEMIC BARRIERS.** In order to make more significant gains in decreasing racial and gender wealth inequities, grantmakers' investments need to intentionally address systemic barriers by increasing support for organizations that work to:

- ◆ **Ensure equal pay between men and women and tackle occupational segregation.** Fund policy interventions, research, and on-the-ground organizing that addresses the policies and systems that have produced wage stagnation, and increase women's wages and wealth-building benefits across sectors. Efforts that raise pay and expand access to benefits in the care and service sectors would be particularly impactful for raising the economic stability of millennial women of color.
- ◆ **Increase access to affordable, high-quality child care.** Child care can no longer be isolated as a "woman's work issue." Grantmakers should support efforts to reframe the policy focus to increase public investment in quality child care for the developmental benefit of the child, not just to allow the parent to work. And they should support efforts to raise awareness about the need for subsidized child care as a universal support for the well-being of families.
- ◆ **Promote debt-free financing for student loans and/or a lowering or elimination of college tuition costs.** Student debt is an issue, especially for millennial women of color. Funding innovative efforts to decrease the financial burden of higher education, already incurred or to be incurred, will go a long way toward helping millennial women who are attending college and post-secondary training at record rates. Innovative and replicable programs and advocacy for public interventions that offer no-interest or low-interest loans, meaningful public service forgiveness, and subsidized affordable repayment that eliminate or substantially decrease the future debt burden from college or post-secondary tuition and expenses are areas that need more philanthropic support to test and prove the value of innovative approaches. Debt-reduction strategies for those who have already incurred post-secondary educational debt need to be piloted, replicated, and brought to scale.

- ◆ **Advocate for guaranteed comprehensive, expanded paid family leave for various types of employment.** As noted before, the “motherhood cost” that reduces wealth building when women take time out of the workforce to bond and care for children significantly impacts millennial women who are increasingly the primary breadwinner for their families. The U.S. is the only developed country with no national paid leave policy. Efforts working to provide robust paid leave for full- and part-time working people that replenishes salaries at 100% is fundamental to the economic security and stability of women and their families. These efforts should be tested and coupled with wealth-building efforts.

Grantmakers interested in improving the economic security of and opportunities for millennial women should invest in organizations working to make systemic change to foster large-scale change. They should also test approaches that support making changes that will help transform the current systemic policies and practices in both the public and private sectors. In doing so, they will contribute to advancing millennial gender wealth equity.



### PROMISING PRACTICE

**THE MS. FOUNDATION’S ECONOMIC JUSTICE AND CHILD CARE INITIATIVE.** The Ms. Foundation is committed to changing the way child care is thought about in this country. The Foundation funds organizations that “work to increase public investments in child care and raise the quality for jobs within the child care sector,” a low-wage sector that primarily employs women of color. A primary focus of this initiative is to create a shift in the narrative and understanding such that child care becomes a core part of economic policy discussions in the current and future economies. The Foundation specifically funds advocacy and practice that shifts the conversation about child care from a focus on “women’s work” to a foundational support that all families need to thrive, and that children need to help realize their potential.

Among the Foundation’s grantees is the Mississippi Low-Income Child Care Initiative (MLICC). Since 1998, MLICC has been a champion for affordable child care for Mississippi’s low-income working parents. Its work improves the child care assistance program serving low-income working parents and strengthens the financial viability of the child care centers that serve them, so that no mother has to choose between the job she needs and the child she loves. The initiative’s work includes the Child Care

Matters Campaign that works to build a strong base of low-income parents and providers to advocate for improved policies and greater investment in child care for low-income families. The purpose is to educate, inform, and engage the constituency in the decision-making process and to get changes in policies and priorities.

In 2016, MLICC brought together 200 providers to gain input on rules being changed in the state’s Child Care and Development Fund (CCDF). Many low-income mothers in Mississippi rely on child care vouchers provided by CCDF to make child care affordable for them. One of the new regulations the state was considering was eliminating child care assistance for parents receiving the benefit through TANF (Temporary Assistance to Needy Families). Based on information gained from the convening of the providers, MLICC made the recommendation to CCDF that this new policy was unfair and harmful to low-income women. As a result, the regulation was not changed and TANF families were able to retain continuous child care assistance for a full 12 months, whether or not their TANF eligibility changed.



### STRATEGY FOR ACTION

**SUPPORT RESEARCH TO UNDERSTAND SPECIFIC ECONOMIC SECURITY NEEDS OF MILLENNIAL WOMEN.** As highlighted throughout this paper, millennial women are living under different economic and social circumstances than earlier generations. Millennial women have outgrown the assumptions of our current economic rules and practices and require different economic and social policies to support their ability to build and preserve wealth. This is evident in college tuition skyrocketing faster than the rate of inflation, changing family composition, reduced workplace wealth building and career ladder opportunities, and the constraints and consequences of mass incarceration and altered family responsibilities.

With millennials being the most diverse generation of our nation, the dearth of quality, detailed research and data on millennial women of color, the challenges they face, and the pathways needed to create change and expand opportunities systemically is problematic. We need further data and research with an intersectional race/class/gender lens to understand how these changing dynamics are affecting this diverse population. This will inform systemic policy change that supports economic stability and security.



Grantmakers should fund efforts that:

- ◆ Collect disaggregated economic data for the Asian Pacific Islander (API) and Native American populations so we can accurately understand the needs and economic positions of these populations to inform policymakers and private-sector practices.
- ◆ Gather economic data for the LGBTQ community to understand the barriers confronting them under current policies and practices.
- ◆ Research the economic impact of immigrant and second-generation millennial women financially supporting their parents and extended family. We need to know more about this dynamic to formulate effective solutions for this part of the population.
- ◆ Explore how sexual harassment and sexism in the workplace affects millennial women's physical and mental health, economic stability, and overall well-being. The #MeToo movement has raised much-needed awareness on how pervasive sexual harassment is in the workplace. Philanthropic support to pair the anecdotal evidence with hard data in various sectors and across pay grades will inform the sector for advocacy of best policy and practices.
- ◆ Determine the role of employer, government, and worker as to who pays for health benefits, child care, retirement, post-secondary education, and other economic benefits with the goal of increasing the net household income available for asset building.
- ◆ Test new approaches and asset-building supports (ranging from debt reduction to guaranteed good-paying jobs to basic income and/or benefits) at a scale sufficient to inform policymakers.



### PROMISING PRACTICE

**GRANTMAKERS FOR GIRLS OF COLOR.** Grantmakers for Girls of Color is a collaborative initiative of the NoVo Foundation, Foundation for a Just Society, Ms. Foundation for Women, The New York Women's Foundation, Communities for Just Schools Fund, and other partners. At the heart of the collaboration is the understanding that girls and young women of color live at the intersections of sexism, racism, and other forms of oppression that prevent their full participation in our country's future.

In order to showcase innovative research to help the field better understand the barriers young women of color face, the collaborative runs a resource site to serve as a hub for philanthropy, bringing together the latest research, data, and insights and making them easily available, all in one place. The hub can be found at:

<https://www.grantmakersforgirlsofcolor.org/resources/> and is a go-to source to hear directly from young women of color on issues such as sexual violence, the impact of immigration detention centers, and harassment in schools. It also provides information on funds and initiatives focused on improving the lives of girls of color.

Over time, it will also highlight new funding, initiatives, and partnerships that are designed to address the challenges facing our nation's girls and young women of color.



### STRATEGY FOR ACTION

**INCREASE FUNDING FOR ORGANIZATIONS WORKING TO PUT MORE WOMEN, PARTICULARLY WOMEN OF COLOR, IN LEADERSHIP POSITIONS INCLUDING PUBLIC OFFICE AND CORPORATE DECISION-MAKING TABLES.** Research indicates that involvement in leadership programs leads to higher levels of civic engagement, self-efficacy, and empowerment.<sup>46</sup> Philanthropic investment can be made to fund more young women's leadership programs.

Additionally, grantmakers should invest in programs that increase the number of women prepared to seek public office and sit at policy-making and corporate decision-making tables. Having more women at decision-making tables allows their perspective and experiences to be heard, and can change the current dynamic where often women's unique needs are at best misunderstood or not on the radar, or at worst, purposefully ignored. Representation matters, and increasing the number of women in leadership positions in organizations, elected office, and policymaking roles can help inform, develop, and institute policies and create programs that meet the changing needs of millennial women.



### PROMISING PRACTICE

**WOMEN'S POLICY INSTITUTE, WOMEN'S FOUNDATION OF CALIFORNIA.** The Women's Policy Institute (WPI) is a program of the Women's Foundation of California. For the last 15 years, WPI has strived to increase the number of cisgender and transgender women, nonbinary and genderqueer people, and transgender men who are actively engaged in public policy. To date, WPI has trained almost 450 fellows who have helped develop and support more than 30 bills that advanced economic security and equity across California.

As a training and capacity-building program, WPI works with the understanding that community leaders need to have a greater impact on the fundamental conditions affecting their lives, families, and communities. WPI gives community leaders the tools, resources, relationships, and coalitions needed to powerfully speak for themselves and their communities, and to become experts in public policy. All of the cohorts work on public policies that support historically oppressed communities across California, including low-income communities, immigrant communities, and communities of color.

Examples of recent bills passed include:

- ◆ AB273 – Increasing access to opportunities for families across the state by expanding parent eligibility to qualify for subsidized child care to include the time they take English as a Second Language (ESL and High School Equivalency courses).
- ◆ SB1015 – Permanently extending overtime labor protections for domestic workers.
- ◆ AB2057 – Providing expedited CalFresh (SNAP benefits) for survivors of domestic violence, recognizing the urgent need for food support.

The WPI model is unique because it invests in established and rising leaders as well as their organizations. By training fellows to become public policy experts, they are building the capacity of their organizations to find viable, community-specific solutions to injustice. Most of the fellows go back to their organizations and educate their colleagues, and lead public policy and advocacy initiatives in their local communities throughout the state. As a result, they're fueling the larger community in civic engagement and the gender justice movement, not just individual leaders.



## STRATEGY FOR ACTION

**SUPPORT ORGANIZATIONS WORKING TO ELIMINATE FINES AND FEES AND COMBAT THE EFFECTS OF MASS INCARCERATION.** Mass incarceration and the heavy burden of fines and fees have adversely affected millennial women by stripping away their opportunities to build wealth. Even with robust policy supports that would increase income and offset child care and family leave costs, millennial women of color, in particular, would still be facing economic insecurity from the aggressive nature of fines and fees and over-policing in communities of color.

Philanthropy can help reverse these damaging policies and practices. Investments in efforts working toward

racial justice by eliminating inequitable and unfair fines and fees and supporting government divesting from private prisons and policing are critical. Investing in priorities identified by communities most impacted by mass incarceration and the criminalization of poverty is also important.

Philanthropic support could also accelerate change-making efforts by municipalities and/or coalitions working to analyze the cost of local municipal or state fines and fees on low-income communities of color. This support will allow for recommendations on which fines and fees have a disparate negative impact on low-income individuals and people of color, and will help identify those that should ultimately be eliminated.



## PROMISING PRACTICE

**FINANCIAL JUSTICE PROJECT, SAN FRANCISCO.** When individuals exit jail or the criminal justice system, they are often assessed thousands of dollars in administrative fees that aim to recoup costs for the courts and government. These fees trap low-income people in cycles of poverty, increase the odds of recidivism, and are an ineffective source of revenue for the city and county since they are largely uncollectable. The San Francisco Office of the Treasurer and Tax Collector is the first in the nation to launch a Financial Justice Project to assess and reform how fines and fees impact the city's most vulnerable residents. The Financial Justice Project examines questions such as: What policy objectives are these financial penalties advancing? Are they serving San Francisco residents, the community, and the city at large? Are there better ways to achieve our goals?

Funded by the San Francisco Foundation and Walter and Elise Haas Fund, the Financial Justice Project released the report, *Criminal Justice Administrative Fees: High Pain for People, Low Gain for Government*, which shed light on the fact that too often government programs and courts levy fines and fees on people, partly to generate revenue to balance public budgets. There is often an insidious unintended impact of this practice—to push people into poverty. These fines and fees can knock people down so hard they can't get back up. Poor people and people of color are usually hit the hardest. These financial penalties can make government a driver of inequality, not an equalizer. The report also includes recommendations for other jurisdictions interested in addressing the harmful effects of fines and fees for their residents.

In July 2018, San Francisco became the first county in the nation to eliminate all local administrative fees charged to people exiting the criminal justice system. The report and advocacy done by the Financial Justice Project, in coalition with community-led organizations, led to the passing of legislation to eliminate more than 10 criminal justice administrative fees, and the forgiveness of \$32 million in debt from fees previously assessed to 21,000 people. After the legislation passed, the San Francisco Public Defender and District Attorney successfully petitioned the court to waive all outstanding debt from these fees.

Examples of the types of fees eliminated included administrative costs for electronic monitoring, which charged a \$125 sign-up fee followed by a rate of \$35 a day, and probation fees at \$50 a month, which was charged up front with the average bill being \$1,800 (three years of probation). Additional charges included \$50 for alcohol testing and a \$135 booking fee.

The passage of this landmark legislation has released people from crippling debt and the stress of debt collection.



### PROMISING PRACTICE

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**FREEDOM TO THRIVE COALITION.** The Freedom to Thrive Coalition is an effort led by the Black Youth Project 100, Center for Popular Democracy, Law for Black Lives, and PolicyLink to encourage cities and other jurisdictions to shift resources away from overfunded police departments and prisons to community-identified priorities. This budgeting approach has been coined the “divest/invest” framework.

In 2017, the coalition released the groundbreaking report, *Freedom to Thrive: Reimagining Safety and Security in our Communities*. The report examines racial disparities, policing landscapes, and budgets in 12 jurisdictions across the country, comparing the city and county spending priorities with those of community organizations and their members. Each city profile highlights current or prospective divest/invest campaigns, and provides a general framework for budget analysis and advocacy, helping community-based organizations across the nation develop their own campaigns.

Since the release of the report, Freedom to Thrive has continued its support for local divest/invest campaigns

by providing research and analysis of local budgets. One such example is the work Freedom to Thrive completed for Justice LA, a coalition of Los Angeles organizations working with directly impacted communities, to reclaim, reimagine, and reinvest what Los Angeles County could do with the \$3.5 billion allocated to building two new jails. Together they released the report, Reclaim, Reimagine and Reinvest, which highlighted that 63% of the Los Angeles County incarcerated population is there for non-violent offenses, and that 25% had mental health needs. Furthermore, nationally, 82% of women who are incarcerated have committed a non-violent offense, 80% are mothers, and 82% have an alcohol or drug addiction issue.

The report uplifts national promising practices that diverge money away from mass incarceration to social well-being programs such as drug and alcohol treatment centers, and housing and mental health services. These programs have successfully reduced incarceration rates in local jurisdictions. This report is being used to advocate for Los Angeles County to reevaluate its budget priorities.

Future work of Freedom to Thrive partners includes research and policy development, organizing field support in key geographies, training and leadership development for local staff and organizers, and narrative change and public affairs.

The Nathan Cummings Foundation and Andrus Family Fund were seed funders for the racial justice program at the Center for Popular Democracy from which the idea for Freedom to Thrive evolved.



### PROMISING PRACTICE

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**THE SAFETY AND JUSTICE CHALLENGE.** The Safety and Justice Challenge is providing support to local leaders from across the country who are determined to tackle one of the greatest drivers of over-incarceration in America—the misuse and overuse of jails. With a five-year, \$148 million investment by the John D. and Catherine T. MacArthur Foundation, jurisdictions selected through a competitive process receive financial and technical support in their efforts to rethink justice systems and implement data-driven strategies to safely reduce jail populations.

The John D. and Catherine T. MacArthur Foundation's Safety and Justice Challenge recognizes that there are better, fairer, and more effective alternatives to excessive jail incarceration. Key to beginning and sustaining reform efforts is an understanding of how jail use has changed, and what impacts this growth has had on individuals, communities, and the economy.

For local leaders involved in the challenge, this means a commitment to identifying the drivers of over-incarceration within their cities, counties, and states; engaging a diverse set of community stakeholders to determine ways to address local drivers of over-incarceration and improve the system as a whole; and building infrastructure to track the right data and measure performance over time.

Jurisdictions participating in the challenge develop and model effective ways to keep people out of jail who don't belong there, more effectively reintegrate those who must be confined into the community upon release, and help them stay out of jail thereafter. Last year, the Foundation gave \$11.3 million to municipalities participating in the challenge. This year's grants nearly double that.



## STRATEGY FOR ACTION

**FUND BOLD, INNOVATIVE POLICY INTERVENTIONS AND PILOTS FOR ECONOMIC PROSPERITY FOR ALL.** Racial and gender wealth inequities threaten our American values of freedom, dignity, and security for all, and as such are key issues of our time. Philanthropy is a key source of support to develop this framework for analysis and systemic change.

Due to intentional economic policies and practices that placed barriers to wealth building for women and people of color, alongside gender-neutral policies established and enforced by those in power, economic stratification among gender and racial lines has reached epic heights. Millennial women often see no path to prosperity despite high levels of education and engaging in the workforce. Without bold, visionary action and policies to address the challenges and barriers to economic stability and wealth building, the chasm between women who are economically secure and those who are not—particularly Black, Latinx, Asian and Native American communities—will continue to grow.

Philanthropy can be the catalyst for needed dramatic, systems-level policy interventions to change this tide.

Philanthropy can support organizations working on transformative economic policies like a Guaranteed or Universal Basic Income (UBI)—a no-strings-attached direct cash benefit from the government to obtain a basic floor of living; a Federal Jobs Guarantee—a guaranteed public-sector job for everyone; and Baby Bonds/Young Adult Trust Accounts—a government-sponsored child trust account.

Universal Basic Income (UBI) is a model to provide people with a periodic cash payment, delivered unconditionally regardless of income, resources, or employment status. The purpose of the UBI is to prevent or reduce poverty and increase equality. Funding would come from government sources. Currently there are different models and ideas around implementation, spanning from everyone receiving the same benefit amount to a more progressive, tiered model, where the stipend is dependent on an individual's income level.

There are currently UBI pilots in different parts of the U.S. as well as newly suggested legislation aimed toward ensuring every family is able to reach a basic standard of living. One example being suggested is for families making less than \$100,000 a year to be eligible for a monthly tax credit of up to \$500, or \$6,000 a year. The idea is to give more direct cash to families who struggle to meet their basic needs like housing and food. This could serve as an additional safety net for debt-burdened millennials, allowing them to rely less on tapping into limited savings to cover basic needs, an unexpected medical emergency, or caretaking responsibilities, and helping to preserve their limited assets/wealth. Given millennial women have an increased rate of living in poverty than Generation Xers, (as noted earlier in the paper) this policy has the potential of reversing that trend.

While baby bonds are not a new concept, there has been renewed discussion by advocates, academics, and politicians about the potential ability of baby bonds to address major wealth disparities. Proposals under this concept involve the government providing every child with a seed account at birth. The amount provided to the child would range based on the income level of the family. Some advocates are recommending amounts around \$500 to \$1,000, depending on the wealth of the family. The trust funds would be guaranteed to grow at the rate of inflation plus 1% a year. When a child reaches early adulthood (18-24 years of age), he or she would get access to the funds. Estimates show that children born into the lowest income bracket could receive close to \$50,000 by

age 18. These baby bonds could support millennial parents of color specifically by providing their children with initial wealth building otherwise not available to them. Given the persistent racial/ethnic and gender wealth inequities in the millennial generation that continue to set up barriers to intergenerational wealth transfer, this concept would also help families with low levels of wealth pass on more to their children. This would help increase asset-building opportunities for millennial families of color.

Another bold idea that is receiving renewed attention is a Federal Jobs Guarantee (FJG). The benefits of this type of program would include fewer people living in poverty in non-urban areas, since proponents of the program suggest paying a minimum annual wage of **at least \$23,000** (the poverty line for a family of four), rising to a mean of \$32,500. In addition to the wage, workers in the FJG program would receive health insurance and pension benefits in line with those that all civil servants and elected federal officials receive. It could lead to a more inclusive economy by providing employment for all who are able to work but are currently left out of the private sector by reducing the persistent unemployment gap experienced by marginalized/stigmatized groups who face continued discrimination, such as re-entry workers. It would address persistent unemployment experienced by Black workers, which has never fallen below 7% since 1972.



## PROMISING PRACTICE

**MAGNOLIA MOTHER'S TRUST, SPRINGBOARD TO OPPORTUNITIES.** Springboard to Opportunities was formed with the understanding that affordable housing alone is not enough to create thriving communities where all residents can succeed. Grounded in the perspectives and real-life experiences of the community they serve, the mission of the organization is to connect families living in affordable housing with resources and programs that help them advance themselves in school, work, and life. All of their programming is resident-driven and resident-focused, with the overall goal to increase the self-efficacy of vulnerable families, thereby positioning them to be their best selves in life, school, and work.

In fall 2018, Springboard announced a new pilot guaranteed cash program, the Magnolia Mother's Trust. The Magnolia Mother's Trust gives 15 low-income Black female-headed households in Jackson, Michigan, a monthly cash benefit of \$1,000 with no strings attached. The benefit will last 12 months, translating to \$12,000 for the

year. With most of Springboard families making an average of about \$11,000 a year, this more than doubles their income.

The pilot program was born out of numerous conversations and focus groups with residents, where they repeatedly heard that what these mothers wanted and needed most was cash and the ability to determine how and where they spend it with no restrictions. Springboard believes that families know best what they need for their survival and the ability to thrive, and this understanding lies at the core of the pilot program.

In addition to the cash, women in the pilot program will also receive peer support and have the opportunity to participate in ongoing leadership opportunities designed to provide additional support. Additionally, recognizing the long-term trauma that is present for families who have lived in generations of poverty, the project will also provide holistic supports and individual coaching and counseling to help disrupt the scarcity ideology that so many families have had to adopt as a basic survival technique.

The project will track and learn how families are spending their cash benefit, and aims to answer questions such as: If we offer families a little bit of breathing room, will they be able to dream about something a little bigger? If financial survival were not always top of mind, would community leadership and activism become a real possibility?

Funding for this project is supported by the Economic Security Project, a network committed to advancing the debate on unconditional cash and basic income in the United States.

## GENDER WEALTH INEQUALITY

Gender wealth inequality—or the women's wealth gap—remains largely overlooked in income-focused discussions of women's economic security. The women's wealth gap is exacerbated by the racial wealth gap and goes far beyond wage inequality. It is compounded by imbalances in our tax code, the structure of employer-based benefits, the Social Security system, and market-based products and services. The wealth gap impacts current generations and threatens the financial security of future generations. (Refer to *Asset Building Across the Life Cycle of Women* chart).



## CONCLUSION

Millennial women are facing a unique set of challenges by having come into adulthood within a society with policies and cultural norms that simply do not fit the reality of their lived experiences. Without systemic, transformative change that includes policies that address wealth extraction and also increases income and/or assets, current and future families are unlikely to survive without considerable economic hardship. Drastic innovation is needed to shift our public- and private-sector policies and practices to effectively meet the needs of millennial women and future generations.

The growing economic insecurity of this generation of women is not inevitable, nor is it irreversible. While more research is needed to understand the full complexity of issues facing millennial women, philanthropy can take short- and long-term steps to make a big difference for this generation. Specific attention needs to be placed on using a race/class/gender intersectional lens in this work. Philanthropy has a unique opportunity to support and pioneer groundbreaking work that can lead us to a more economically just and inclusive society. Putting women at the center of future policy decisions and reimagining how our systems operate is the path forward.

## METHODOLOGY

The 1997 Cohort of National Longitudinal Study of Youth (NLSY97). The NLSY97 is a nationally representative sample of 8,984 young men and women who were between the ages of 12 and 16 years at the baseline interview. The NLSY97 oversamples racial and ethnic minorities and followed up all respondents annually between 1997 and 2011, and then again in 2013 and 2015.

The analysis is limited to NLSY97 respondents (N = 7,559) who completed the Assets 30 module (YAST30), which was administered to respondents in the survey year (2010, 2011, 2013, or 2015) during or after the calendar year they turned 30.

**SEX.** Female/male

**RACE AND ETHNICITY.** Our main racial categories are non-Latinx White, non-Latinx Black, and Latinx.

**NATIVITY.** Youth was not a citizen, born in the U.S.

**EDUCATIONAL ATTAINMENT:** Four-year college degree or more.

**AGE.** Youth age at Asset 30 module.

**NET WEALTH.** assets – debts; respondents with household net wealth values above \$600,000 were topcoded to a value of \$600,000.

**HOUSEHOLD INCOME.** Total income from all sources from previous calendar year; includes income of spouse/partner if present; topcoded at the 2% level. The average value of the top 2% of cases is used as the value for respondents with valid non-missing responses.

**WAGES/SALARY.** Income from employment; topcoded at the 2% level. The average value of the top 2% of cases is used as the value for respondents with valid non-missing responses.

**STUDENT LOAN DEBT.** Student loan debt was obtained from the over-25 debt and assets module. Respondents were asked about their total amount of outstanding student loan debt from all sources including federal, private, and assistance from family/friends. (colldebt10\_age30)

**FERTILITY.** Female young adult had a child with a birth date prior to the Asset 30 module.

**RELATIONSHIP STATUS AT BIRTH.** Coded using the monthly event history information on marital and cohabitation status and the date of birth of the first child. Single mother is classified as unmarried with no spouse/partner living in household during the month of first child's birth.

**RELATIONSHIP STATUS.** Relationship history and current marital status as of the Asset 30 module.

**INCARCERATION.** Youth has an arrest date prior to Asset 30 module.

**INCARCERATION.** Youth has an incarceration date prior to Asset 30 module.

**FINANCIAL LITERACY.** Three questions to assess the youth's financial literacy. One variable is an indicator if they got all three correct, the other is the total number correct out of three.

### **STEM-occupations**

- ◆ engineering and related technicians
- ◆ engineers, architects, and surveyors
- ◆ health diagnosing and treating practitioners
- ◆ physical scientists
- ◆ mathematical/computer scientists

### **STEM/management occupations**

- ◆ engineering and related technicians
- ◆ engineers, architects, and surveyors
- ◆ health diagnosing and treating practitioners
- ◆ physical scientists
- ◆ mathematical/computer scientists
- ◆ Executive, managerial occupations
- ◆ Management related occupations
- ◆ social scientists and related workers
- ◆ lawyers, judges, and legal support workers
- ◆ life, physical, and social science technicians

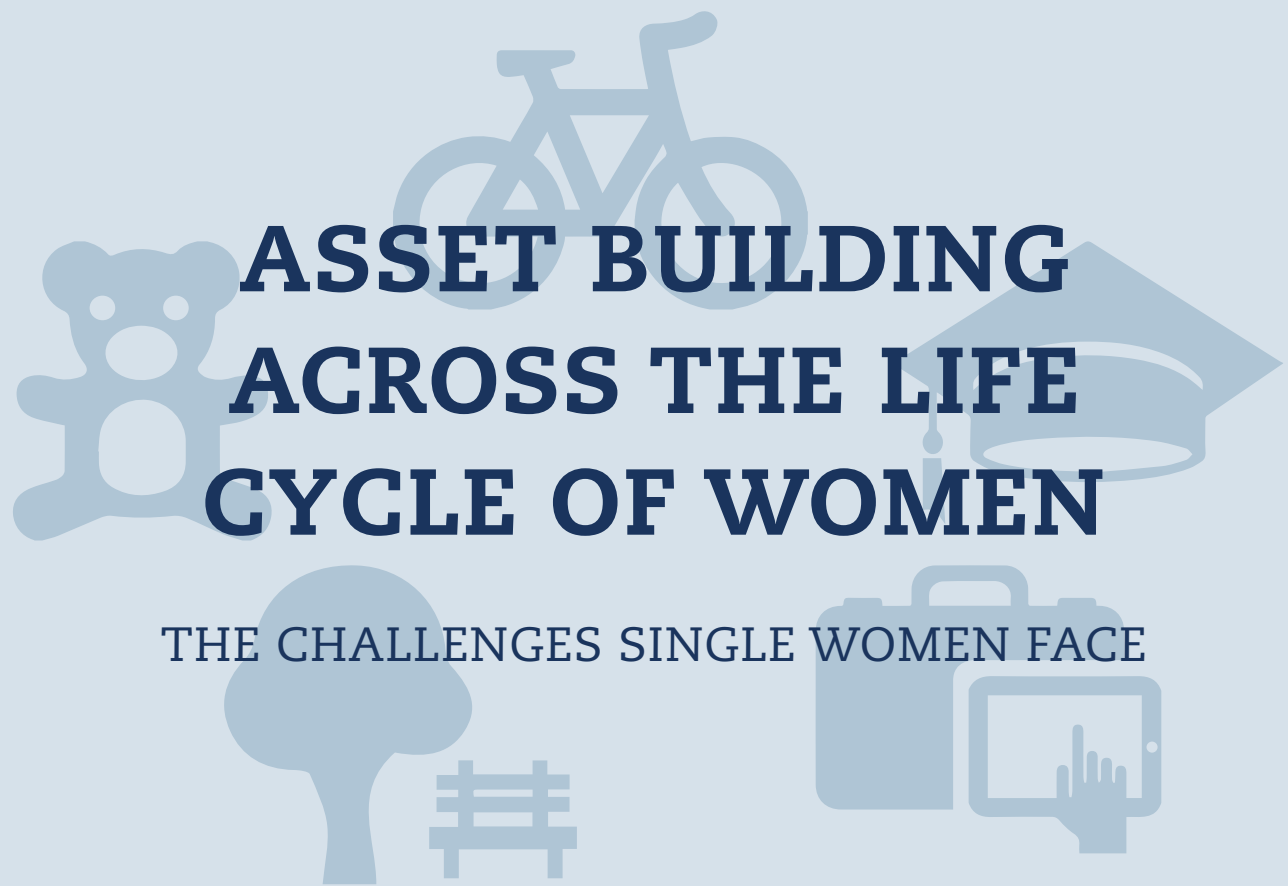
Student debt, net wealth, wages are adjusted for inflation and standardized to reflect 2016 dollars using the Consumer Price Index Research Series (CPI-U-RS).

All summary statistics have been weighted using the custom weights provided by the BLS/NLS website.



Asset Funders Network

CLOSING THE  
**WOMEN'S  
WEALTH**  
GAP



# ASSET BUILDING ACROSS THE LIFE CYCLE OF WOMEN

THE CHALLENGES SINGLE WOMEN FACE

POLICY SOLUTIONS AND  
OPPORTUNITIES FOR INVESTMENT



# ASSET BUILDING ACROSS THE LIFE CYCLE OF WOMEN



**BIRTH – TODDLER**  
0-3 YEARS



**CHILDHOOD – ADOLESCENCE**  
3-17 YEARS



**YOUNG ADULTS**  
18-34 YEARS



**MIDDLE ADULTHOOD**  
35-65 YEARS



**OLDER ADULTS**  
65+ YEARS

## PROBLEM DRIVERS/CHALLENGES

Lack of household savings

Lack of access to stable affordable housing prohibits savings

Lack of affordable child care

Limited access to Head Start programs

Limited understanding of credit/budgeting and vulnerability to predatory lenders due to little or no access to financial education/financial coaching

Barriers to participation in STEM programs

Unequal pay

Damaged credit

High health care and long-term care costs

Employment concentrated in lower-paying sectors

Lack of comprehensive family leave

Lack of access to and accumulation of savings through employer benefit programs

Predatory financial products and services

Gender-biased financial planning systems

Asset depletion from housing loss

Debt—including student debt and municipal fines and fees that strip wealth

Low SSI benefits and difficulty accessing them

Higher mortgage costs

Lack of access to Social Security for immigrant women

Built-in barriers to many tax benefits

Barriers to building business equity including limited access to capital, networks, and mentors

## SELECT POLICY SOLUTIONS\*\*



**BIRTH – TODDLER**  
0-3 YEARS



**CHILDHOOD – ADOLESCENCE**  
3-17 YEARS



**YOUNG ADULTS**  
18-34 YEARS



**MIDDLE ADULTHOOD**  
35-65 YEARS



**OLDER ADULTS**  
65+ YEARS

Establish universal basic income

Make 529 savings accounts more accessible and equitable by providing public matching funds for low-income savers

Expand access to Medicaid and programs that help cover Medicare costs

Expand funding to support the provision of financial education/coaching for parents and children

Establish Universal Paid Family Leave with 100% wage replacement

Expand refundable tax credits such as Earned Income Tax Credit, Child Tax Credit. Turn deductions into refundable credits

Expand access to portable benefits including state sponsored benefit programs

Expand access to retirement savings for employees including those employed by smaller businesses and part-time workers through state and federal automatic IRA policies

Support the establishment of state-based social insurance funds to allow families to receive support for home care for seniors, child care and paid family medical leave

Increase minimum wage, including wages for tipped workers

Support protection of and increased SSI benefits

Stronger regulation of predatory student lenders and expanded tuition-free college choices

Institute Social Security credits for caregivers

Support public subsidies for first time homebuyers and support financial counseling for women homebuyers

Expand funding for U.S. Small Business Administration Women Business Centers

Support state and local policies that eliminate or reduce wealth-stripping municipal fines and fees

Enact bail reform

Asset Building

Asset Preservation

\*\* This represents a select list of recommendations

## BEST PRACTICES/OPPORTUNITIES FOR INVESTMENT



**BIRTH – TODDLER**  
0-3 YEARS



**CHILDHOOD – ADOLESCENCE**  
3-17 YEARS



**YOUNG ADULTS**  
18-34 YEARS



**MIDDLE ADULTHOOD**  
35-65 YEARS



**OLDER ADULTS**  
65+ YEARS

New research for more robust wealth data along racial/ethnic and gender lines to disaggregate data for Asian Americans, Latina, Pacific Islander, Native American and Native Hawaiian on gender biases in mortgage rates/lending patterns

Multigenerational supports for parents and children

|  |  |  |   |
|--|--|--|---|
| Child savings accounts   | Matched savings accounts   |  | Benefits counseling to ensure enrollment in eligible benefits   |
| Home-visiting programs that incorporate financial coaching   | Financial education in classrooms; financial coaching accompanied with saving opportunities for caregivers focused on developing positive financial habits and norms | Coordination of health and housing services to allow owners to remain in their homes |   |
| Multigenerational supports for parents and children  | STEM programs targeting young women  | Fraud prevention programs  |   |
| Dual language programs for parents and children to help a child’s economic potential later in life | Credit building/credit repair  |  | Financial and legal advice to preserve assets and planning for increased health care costs such as wills and trusts |
|  | Homeownership programs with responsible financial products   |  | Tailored retirement savings advice and tools  |
|  | Financial coaching paired with responsible financial products  |  |   |
|  | Expand access to business ownership opportunities through grants for business training, mentoring and network development  |  |   |
|  | Access to capital through loans to small business owners and investments in CDFIs  |  |   |
|  | Refundable tax credits such as Earned Income Tax Credit (EITC) through Volunteer Income Tax Assistance (VITA) outreach/education                                     |  |   |

Asset Building
  Asset Preservation

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## Asset Funders Network

The Asset Funders Network (AFN) is a membership organization of national, regional, and community-based foundations and grantmakers strategic about using philanthropy to promote economic opportunity and financial security for low- and moderate-income Americans.

AFN works to increase the capacity of its members to effectively promote economic security by supporting efforts that help low- to moderate-income individuals and families build and protect assets.

Through knowledge sharing, AFN empowers foundations and grantmakers to leverage their resources to make more effective and strategic funding decisions, allowing each dollar invested to have greater impact.

[www.assetfunders.org](http://www.assetfunders.org)

## CLOSING THE WOMEN'S WEALTH GAP

The women's wealth gap is the result of a long history of policy, practices, and norms that have limited the capacity of women, especially women of color, to earn, save, invest, and preserve financial assets. Closing the gap will require a broad cross-section of stakeholders working together to understand the causes and effects of the gap and advance a range of policy, programmatic, and market-based solutions.

We invite you to join the Closing the Women's Wealth Gap, a national network of more than 300 philanthropic, nonprofit, private, and public-sector leaders who are leveraging their collective knowledge, expertise, and networks to advance promising solutions.

For more information, please visit [www.womenswealthgap.org](http://www.womenswealthgap.org) or contact Founder and Executive Director Heather McCulloch at [heather@womenswealthgap.org](mailto:heather@womenswealthgap.org).