2018 Financial Wellness Census™

The Cut

EXPLORING FINANCIAL WELLNESS WITHIN DIVERSE POPULATIONS

Prudential
Bring Your Challenges®

The Cut: Exploring Financial Wellness Within Diverse Populations

The financial experience of Americans is as varied and diverse as the country we call home. While Americans from all backgrounds share common financial goals and worries—most revolving around meeting day-to-day expenses and saving for retirement—many are impacted by additional factors that underlie and sometimes impede our ability to achieve financial security.

To better understand their challenges, and to help us develop innovative solutions that speak to their diverse and growing needs, Prudential surveyed more than 3,000 Americans between the ages of 25 and 70. As reported in our 2018 Financial Wellness Census™, the data revealed a nation almost equally split between those who are financially healthy and those who are struggling.

Stephen Pelletier
Prudential Financial
Executive Vice President
and Chief Operating Officer,
U.S. Businesses

"In this analysis, we sought to take the pulse of each group's pursuit of financial security, and to examine the impact, where relevant, that being born in America has on this status."

Striking Differences

Within those broad categories, we also found striking variations in Americans' perceptions of their own financial health, with fully a third believing they are either better or worse off than they actually are. Twelve percent have a high level of financial health by objective measures, for example, but are nonetheless pessimistic about their finances ("Pessimists"). Another 16% have low objective financial health, yet perceive themselves to be in good financial shape ("Idealists"). Meanwhile, 34% are doing well and feel that way ("Confidents"), while 37% are not doing well financially and recognize that to be the case ("Discouraged").

Our newest report—The Cut—builds on those initial findings by examining in greater detail the financial experience of six distinct population groups: women, black Americans, Asian Americans, Latino Americans, members of the LGBTQ community, and caregivers. In this analysis, we sought to take the pulse of each group's pursuit of financial security, and to examine the impact, where relevant, that being born in America has on this status.

Diverse Experiences

The data reveal still more startling differences in our vast population. We see, for example, that black Americans, Asian Americans and Latino Americans are far more likely than the general population to be providing financial support to extended family members. The research also shows that more than half of women are the primary breadwinners in their households, and that they shoulder more non-financial responsibilities than men. And, we learn that while Latino Americans earn less, on average, than the general population, they also tend to be more optimistic about their financial future.

Both men and women in the LGBTQ community also tend to earn less than the general population, according to our research, but LGBTQ women are often more confident than LGBTQ men that they'll meet their financial goals. Meanwhile, a quarter of Americans act as caregivers for others while still working outside the home at levels that almost match those who are not caregivers. Our research suggests that many of these caregivers need and deserve more help balancing their many responsibilities.

A Learning Opportunity

Findings like these are critically important to Prudential, where we are committed to helping Americans solve the financial challenges they face in a changing world. The wealth of insights yielded by our 2018 Financial Wellness Census will continue to inform our efforts in the months and years ahead as we work to deliver on that promise.

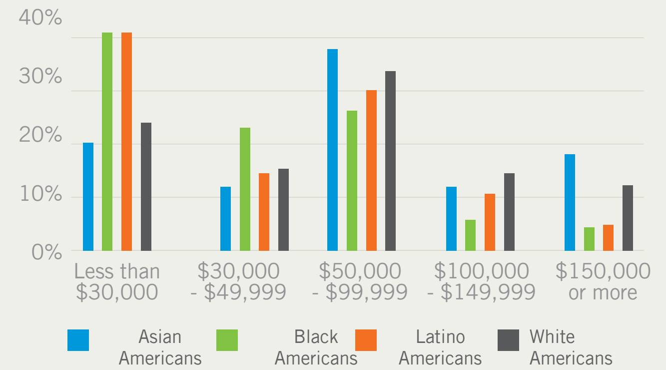
The Asian American Cut

Asian Americans in our study had a higher average household income than the general population but were nonetheless represented across the income spectrum. The median household income for Asian Americans in our study was the highest among all race and ethnicity groups in the U.S. at $81,331, which was 19% higher than the median for non-Latinos whites. Where Asian American populations are concentrated—in the East and West Coasts—income levels are comparable to those of the general population. Forty percent of Asian Americans in our study are financially well by both objective and subjective measures (their actual financial health and how they feel about it), versus 34% of the general population. Still, one in five Asian Americans lives in a household with annual income under $30,000. In fact, Asian Americans displayed the widest income gap between top and bottom earners of any racial or ethnic group (Figure 1).

Household income among Asian Americans varied greatly depending upon where they were born. Seven in 10 foreign-born Asians in our study have household incomes above $50,000 per year, versus only about four in 10 U.S.-born Asians. This could be due to foreign-born Asians skewing older as well as immigration regulations favoring highly-skilled immigrants. Additionally, we found that income varied greatly depending upon their family's country of origin.[1]

Asian Americans have a higher median income

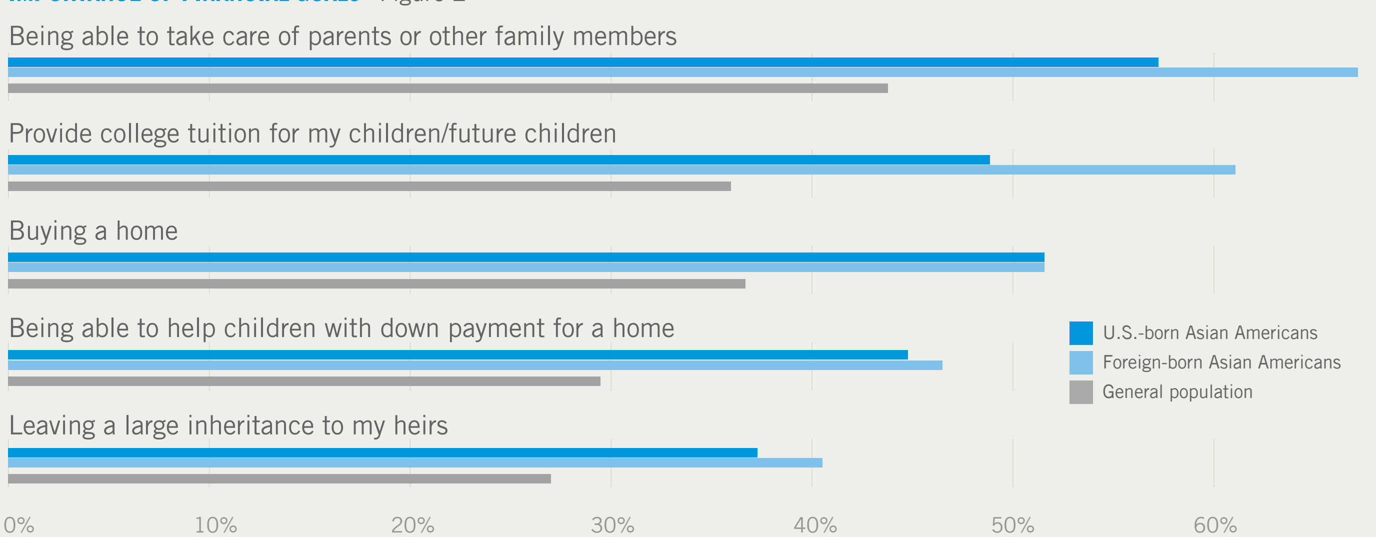
HOUSEHOLD INCOME BY ETHNICITY Figure 1



Asian Americans placed high levels of importance on financial goals, especially those that revolved around helping their children and their parents. Asian Americans in our study aligned closely with the general population when it came to their focus on core long-term goals like making sure they can pay for future healthcare needs, being financially secure if they outlive their spouse, and having enough savings to last through their retirement

Asian Americans are more likely to prioritize taking care of parents or other family members

IMPORTANCE OF FINANCIAL GOALS Figure 2



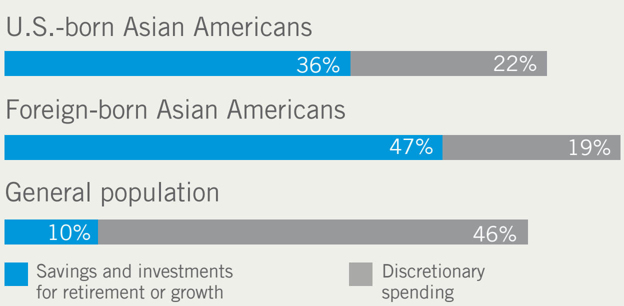
1) Source: Pew Research Center analysis of 2013-2015 American Community Survey (IPUMS). The highest earners tend to have backgrounds in India (median household income $100,000), the Philippines ($80,000), Japan ($74,000) and China ($70,000). At the opposite end of the spectrum are those with backgrounds in Bangladesh ($50,000), Nepal ($43,000) and Burma ($36,000).

years. But they are notably more focused than the general population on being able to care for parents or other family members, and on helping their children with college tuition, a down payment on a house and a large inheritance (Figure 2). This is especially true for foreign-born Asians, who are 50% more likely than the general population to prioritize taking care of parents or other family members.

Caring for other generations isn't just a goal, but a present-day reality. Sixty-eight percent of foreign-born Asians in our study provide financial support to someone else, including children, parents and other relatives, versus 50% of U.S.-born Asians and 51% of the general population. Many also provide non-financial support. Thirty-six percent of foreign-born Asians and 41% of U.S.-born Asians say they act as a caregiver for someone else, compared with 24% of the general population.

Asian Americans have saved a greater percentage of their income

ALLOCATION OF INCOME Figure 3

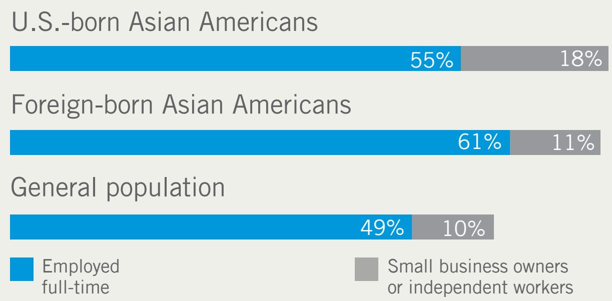


Saving and investing is a priority. On average, foreign-born Asians reported that they save or invest 47% of their monthly income in accounts earmarked for growth or retirement. With higher median incomes, U.S.-born Asians allocated 36% of their income to such accounts, whereas the general population allocated just 10%. By contrast, Asian Americans spend only about 20% of their monthly income on necessities, while the general population spends 46% on average (Figure 3).

Asian Americans in our survey were more likely than the general population to be comfortable managing their own investment portfolios. More than a third of Asian Americans said they are comfortable determining when and what to buy and sell in their investment portfolios, and how to allocate their portfolios among the various types of assets, compared with about a quarter of the general population.

Asian Americans are more likely to be employed

EMPLOYMENT STATUS Figure 4



Foreign-born Asians are more likely than the general population to utilize a workplace retirement savings plan, while U.S.-born Asians are less likely. This aligns with findings that a higher percentage of foreign-born Asians are employed full-time than either U.S.-born Asians or the general population, while a higher percentage of U.S.-born Asians are small business owners or independent workers (Figure 4). With higher levels of access to retirement savings plans, foreign-born Asians also are most likely of the three groups to expect their retirement savings plan to be a source of income in retirement.

Foreign-born Asians in our survey are significantly more optimistic than the general population. Likely reflecting their higher incomes, 50% of foreign-born Asians said they are optimistic about their financial future. That compares with 31% of U.S.-born Asians and 41% of the general population.

The Black American Cut

Much has been written about the impact of income and wealth inequality on objective and subjective financial wellness, as well as its effect on economic mobility for future generations. In our analysis we take a deeper look, examining those who make both above and below $60,000 to understand groups who are economically closer to each other.

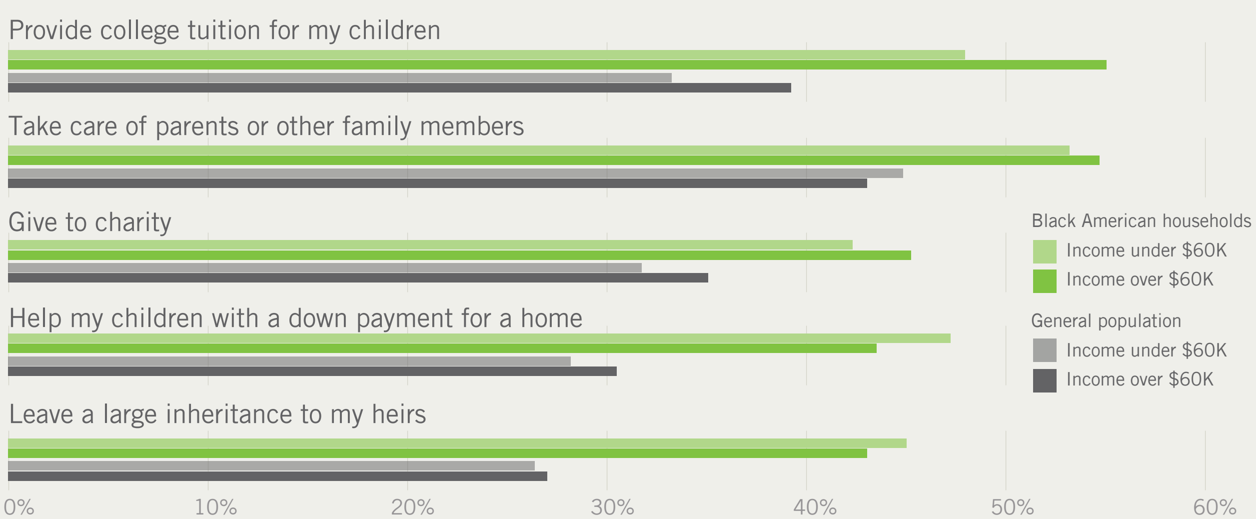
Many black Americans are optimistic about the future. Almost three-quarters of higher-income black Americans in our study—those with household incomes above $60,000 annually—are confident they'd be able to meet their financial goals. So are two-thirds of lower-income black Americans with household income below $60,000. This made them significantly more optimistic than the general population, where only about two-thirds of all higher-income and about half of lower-income members felt the same way. However, significantly fewer higher-income black Americans indicated they are actually on track to meet key financial goals. Just 39% of higher-income black Americans and 29% of lower-income black Americans said they are on track to have enough money to last through retirement, for example, versus 53% of higher-income members of the general population and 30% of lower-income members.

For younger black Americans, optimism may be warranted. Prospects appear brighter for younger black Americans, based on their income levels and earning potential. Nearly half of higher-income black households surveyed are Gen X, for example, while less than one in five are Baby Boomers. Among the general population, the reverse is true: Boomers accounted for 42% of higher-income households and Millennials only 24%.

Family comes first. By significant margins, black American respondents at all income levels were more likely than the general population to prioritize helping others financially: taking care of parents or other family members, providing college tuition for their children, helping children with a down payment on a house, leaving an inheritance to their heirs, or giving to charity (Figure 5). This finding also holds true for all other communities of color in our sample. What's more, black respondents consistently backed up their beliefs with their dollars. Both higher- and lower-income black households (75% and 55%, respectively) are more likely than the general population to be providing financial support to others outside their households, including children over 18 and parents. The comparable percentages for the general population were 54% and 42%, respectively.

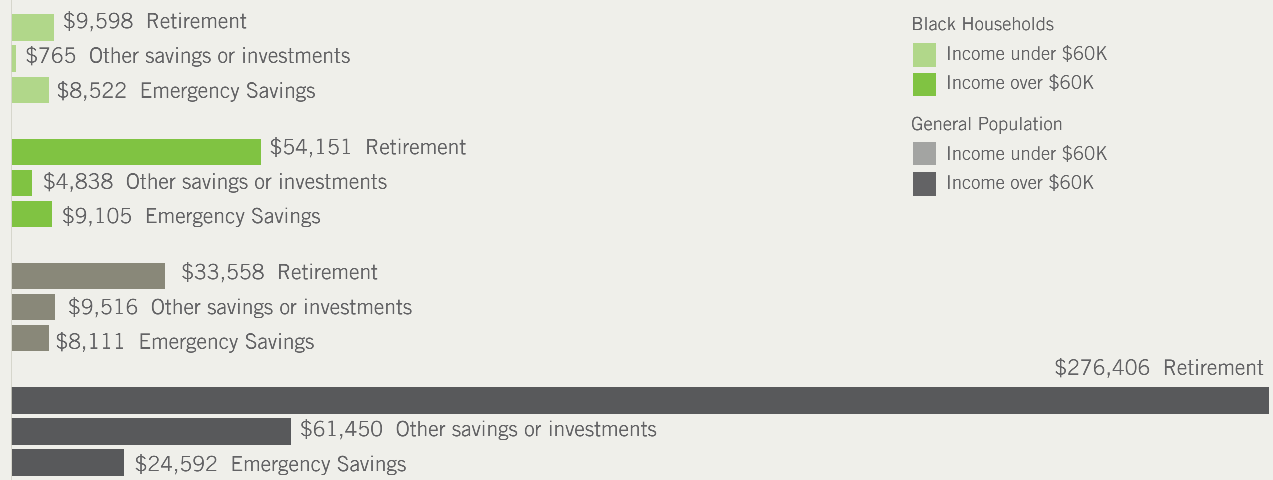
Black Americans prioritize assisting others financially

IMPORTANCE OF FINANCIAL GOALS Figure 5



Black Americans reported saving far less than the general population

AVERAGE SAVINGS BY ASSET Figure 6



Black American respondents reported having lower emergency and retirement savings rates. Black Americans on average historically have had lower levels of absolute wealth than the general population, often translating into lower savings for emergencies and retirement. While black-American income is increasing, savings are not rising at the same pace. Parity between black and general population household incomes remains elusive—35% of higher-income black households in our survey earned more than $100,000 per year, for example, versus 52% of higher-income general population households. As a result, higher-income members of the general population have saved, on average, six times more money than higher-income blacks Americans (Figure 6). In fact, 57% of black households surveyed have no savings earmarked for retirement at all, versus 44% of the general population. Among those that do have retirement savings, the average total is $23,000 for black households, versus $154,000 for general population households. These discrepancies may be attributable in part to lower income levels, lower participation in workplace savings plans, or higher rates of using discretionary income to assist family members. Only about 45% of higher-income black households—and just 20% of lower-income black households—have accounts in an employer-sponsored defined contribution savings plan.

Black Americans are as likely as the general population to carry credit card debt (42% of black households versus 40% of general population households). However, the split is significantly different among higher-income households. Half of higher-income black households surveyed are carrying credit card debt, versus only 38% of higher-income general population households. Black households also are much more likely than other households at any income level to have student loan debt. This disparity is again particularly true in higher-income groups, where 35% of black households and only 17% of general population households had student loan debt. Perhaps not surprisingly, black households at all income levels are more focused than general population households on paying down credit card and student loan debt.

The dream of homeownership for black Americans remains elusive. Only 33% of black Americans surveyed own their own homes, versus 58% of the general population. Black Americans, understood to have been disproportionately impacted by risky subprime loans during the 2008 financial crisis, are generally more likely to live in big cities and their suburbs, where higher housing costs may put homeownership even further out of reach.

Black Americans rely more on insurance than inheritances to pass wealth to future generations. As noted earlier, transferring wealth to the next generation is a more common goal for black Americans than it is among the general population. But the way the groups expected to do it is different. Higher-income black Americans more often said they are likely to pass along wealth via life insurance benefits, while higher-income individuals in the general population more commonly expect to leave an inheritance. History may play some role here. Twenty-eight percent of higher-income black Americans surveyed said that they have been the beneficiary of a life insurance policy and received a payout, versus 21% of the general population.

The Caregiver Cut

Caregivers defined. In our study, caregivers self-identified as those who are providing care for someone in their personal life who is elderly, has a disability, has a long-term illness, or has special needs. Providing care could include taking a dependent to the doctor, making medical decisions, or providing financial support.

Almost a quarter of American adults in our sample serve as caregivers. Twenty-four percent of survey respondents identified as caregivers, with the most common recipients of care being parents, followed in order by a spouse, a child with special needs, or a sibling or other relative. Caregivers for parents are slightly more likely to be men than women (56% versus 44%), while caregivers for children with special needs are slightly more likely to be women than men (53% versus 47%). While more men than women in the sample self-identify as caregivers for parents, this may be due to the financial component within the definition. The actual time spent per week providing care for a parent was 45% higher for women than for men (13.8 hours vs. 9.5 hours, respectively).

Family care is equivalent to a second job, but caregivers are pulled in more directions. All respondents indicated spending almost as much time in the week on their primary family responsibilities as they do at work. Caregivers for parents (30.5 hours outside of work) and for children with special needs (31.3 hours outside of work) are spending the most time on their daily responsibilities in addition to their jobs. The time actually spent on caregiving is comparable regardless of the recipient: about 12 hours for a child with special needs or spouse, 11 hours a week for parents, and nine hours for anyone else (Figure 7).

Most caregivers spend more than 10 hours a week caring for someone

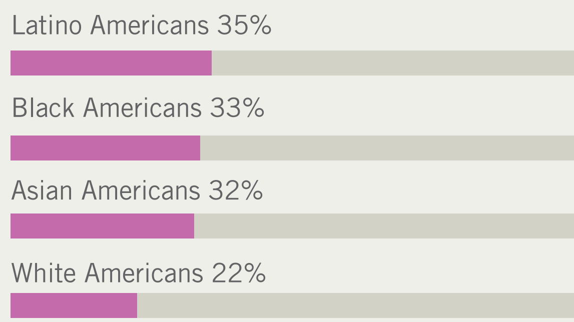
AVERAGE HOURS SPENT PER WEEK Figure 7

Most caregivers work outside the home and have incomes in line with the general population. About half of caregivers in our sample are working full-time, while fewer than a quarter are retired. On average they reported household incomes similar to that of the general population. Those caring for someone other than a parent, spouse or child are more likely than other caregivers (28% versus about 21%) to have household incomes under $30,000 per year, and are notable exceptions.

Caregiving is more common among people of color. People of color in our sample were more likely to be caregivers, with 33% of black Americans, 35% of Latino Americans and 32% of Asian Americans identifying as such (Figure 8). The one exception to this dynamic is caring for a spouse. In that instance, neither black Americans nor Latino Americans are significantly more likely than anyone else to be a caregiver.

People of color are more likely to be caregivers

CAREGIVERS BY ETHNICITY Figure 8

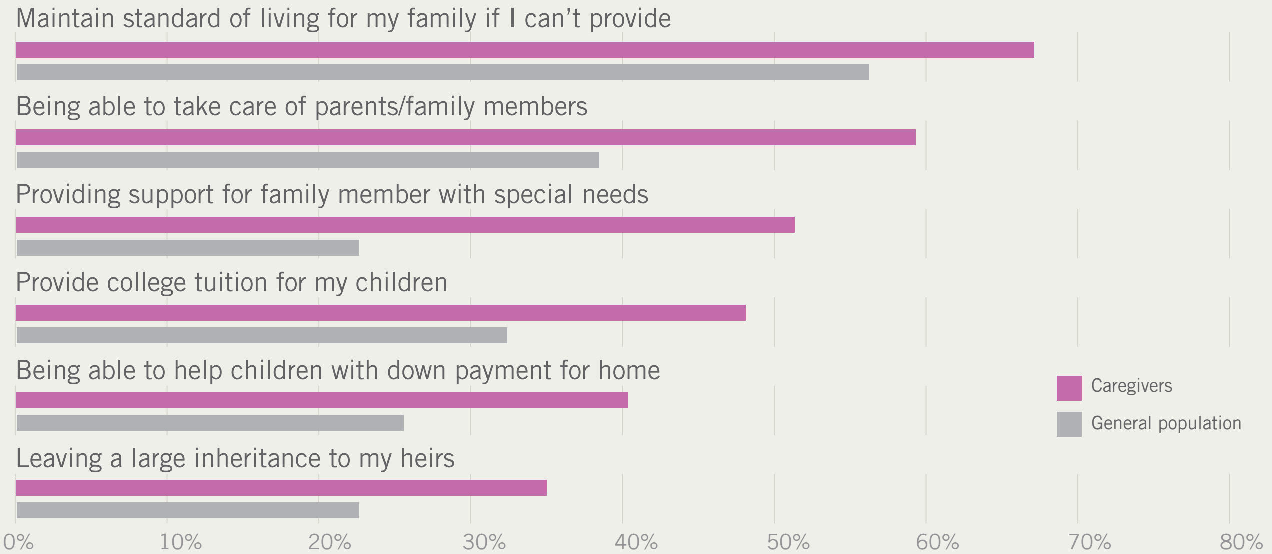


Many caregivers self-identify as disabled. In addition to providing care for others, more than two-fifths of the caregivers we surveyed said they have a disability or long-term ailment themselves, compared with only a quarter of non-caregivers. Having to take care of their own health could potentially create additional difficulty in providing care for others, which could in turn add to their overall stress levels.

Among caregivers, confidence about their financial future can vary depending on who they are caring for. Forty-five percent of those providing care for a child fell into the survey's "Discouraged" category, meaning they have both low objective financial health and low subjective financial health. Low subjective health refers to having low confidence in meeting financial goals, not feeling on track to meet financial goals, and being highly worried about the financial future. By contrast, only 37% of those caring for a parent—and 37% of the general population—fell into the "Discouraged" camp.

Caregivers focus on financial goals that revolve around others

IMPORTANCE OF FINANCIAL GOALS Figure 9



Caring for others appears to influence the financial goals of caregivers. Caregivers and non-caregivers in our study share many core financial goals, such as having enough money to last through retirement and meet future health care needs. But caregivers generally place a higher priority than non-caregivers on financial goals that revolve around others, such as being able to take care of parents and other family members (including those with special needs), helping children with college tuition and a down payment on a house, and leaving a large inheritance (Figure 9). Perhaps because they focus more on these goals, caregivers are also slightly more confident, overall, that they'll be able to meet them.

Ironically, that confidence doesn't mean they don't worry. Relative to non-caregivers, caregivers in our study were more worried about finances across all fronts, including their own current finances, their future finances, as well as that of their children and grandchildren. Thirty-eight percent of caregivers said they don't think they would ever be able to retire, for example, versus only 25% of non-caregivers.

With a higher focus on financial goals, caregivers tended to make greater use of financial products aimed at building wealth and managing risk. Caregivers in the study are more likely than non-caregivers to own mutual funds, individual stocks and bonds, disability insurance, education investment or savings accounts, long-term care insurance and critical illness insurance. They are also more likely to own ABLE accounts, also known as 529A accounts, which are tax-advantaged savings accounts for people with disabilities. Additionally, we found that, relative to other types of caregivers and non-caregivers, those who are caregivers for their spouses tend to be older with slightly higher incomes and to be more interested in investing for growth.

However, caregivers are also more likely to have personal loans unrelated to financing a house, car or college. This includes medical debt, personal loans from a financial institution; home equity loans; loans from family, friends or non-financial institutions; loans from their 401(k) accounts; and short-term loans such as payday or title loans. Although caregivers for children with special needs are as likely as other caregivers and non-caregivers to have a defined contribution plan (such as a 401(k) or 403(b)), they are also the most likely to have taken a loan or hardship withdrawal.

Caregivers are more likely than non-caregivers to work with a financial advisor. Just under half of all caregivers in our sample worked with at least one financial professional, compared to only a third of non-caregivers. This may tie, at least in part, to the complications introduced by having to consider the financial welfare not just of themselves but also of those who are under their care.

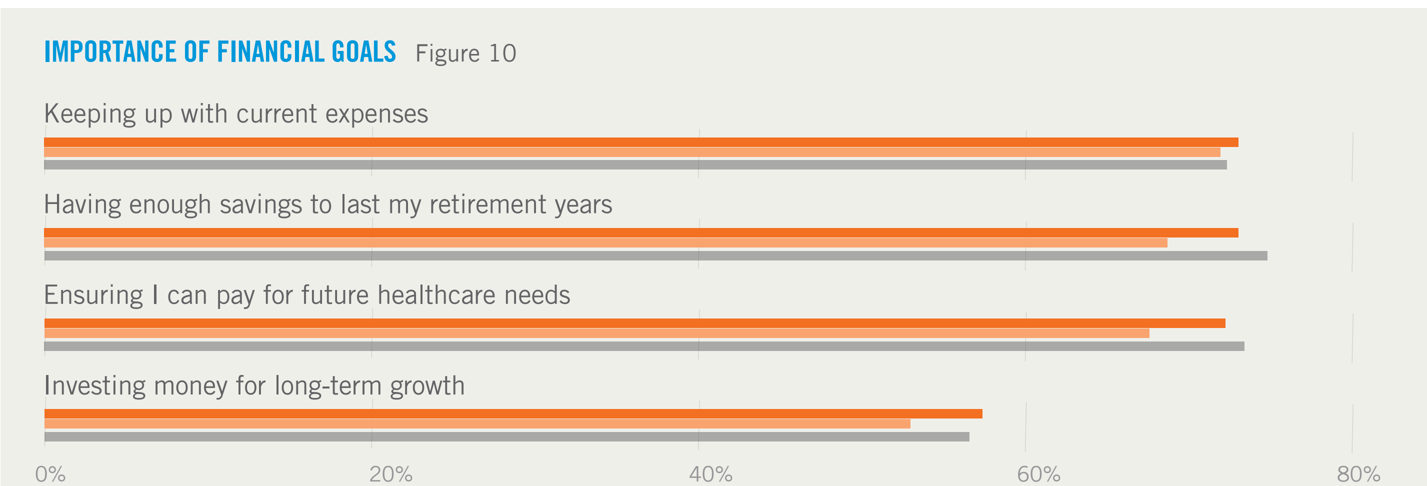
The Latino American Cut

Latino American respondents to our survey earned less, on average, than the general population. Foreign-born Latinos have a median household income of $41,000, versus $49,000 for U.S.-born Latinos. But both figures are substantially lower than the $61,372 median household income for the general population. Some of this disparity is likely due to Latinos in our sample being younger and at an earlier point in their careers, having lower percentages of undergraduate and graduate degrees (32% of Latinos surveyed vs. 50% of the general population) and some to the types of jobs held. Both U.S. and foreign-born Latinos are more likely than non-Latinos to be working full-time, but often on a non-traditional schedule outside standard daytime work hours.

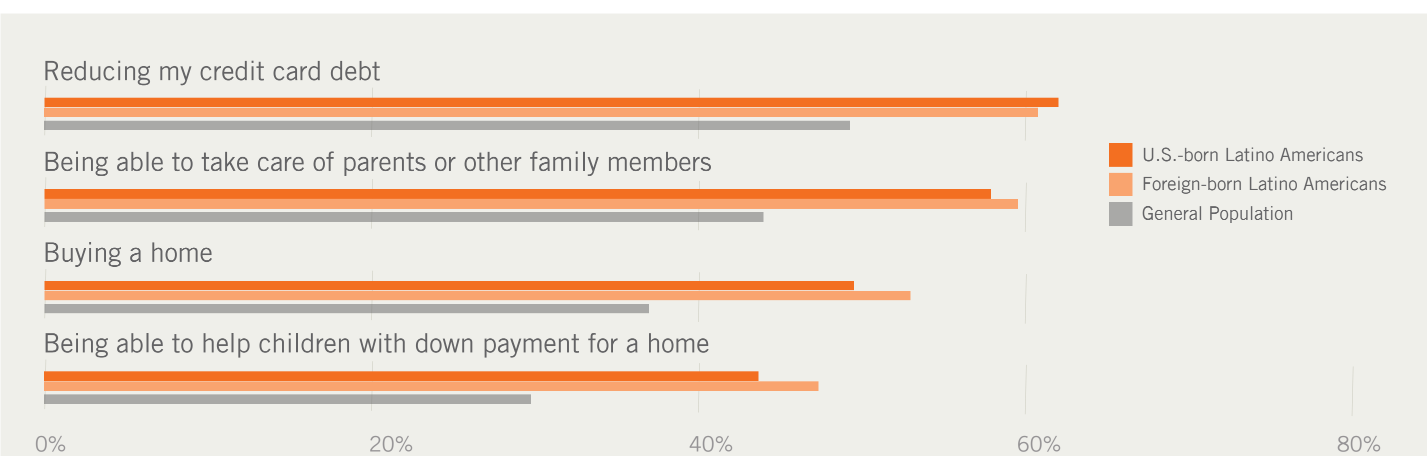
Compared to the general population, Latinos in our sample are younger, more urban, and more likely to have served in the military. Fifty-two percent of all Latinos surveyed are Millennials, compared to 30% of the general population. Forty percent of surveyed Latinos live in a big city, versus only 19% of the general population. And 21% of Latinos have served in the military, versus 11% of the general population. While these demographic findings may seem inconsequential, skewing younger was shown to be correlated to financial optimism throughout all the groups in our sample. Additionally, residing in urban areas tends to increase expenses and to negatively impact financial wellness.

Latinos' focus on helping the next generation was particularly striking. Latinos and general population respondents are about equally focused on keeping up with current expenses, having enough savings to last through retirement, being able to pay for future healthcare needs and investing money for long-term growth. However, Latinos place greater importance on reducing debt, supporting family members and increasing home ownership. Even as they place a higher priority on paying down their own debts and saving for their own homes, 45% of Latinos make it a priority to help their children with a down payment for a home, compared to just 30% of the general population. Similarly, 39% of Latinos prioritized leaving a large inheritance to their heirs, versus 27% of the general population (Figure 10).

Latinos have similar forward-looking financial goals as others ...

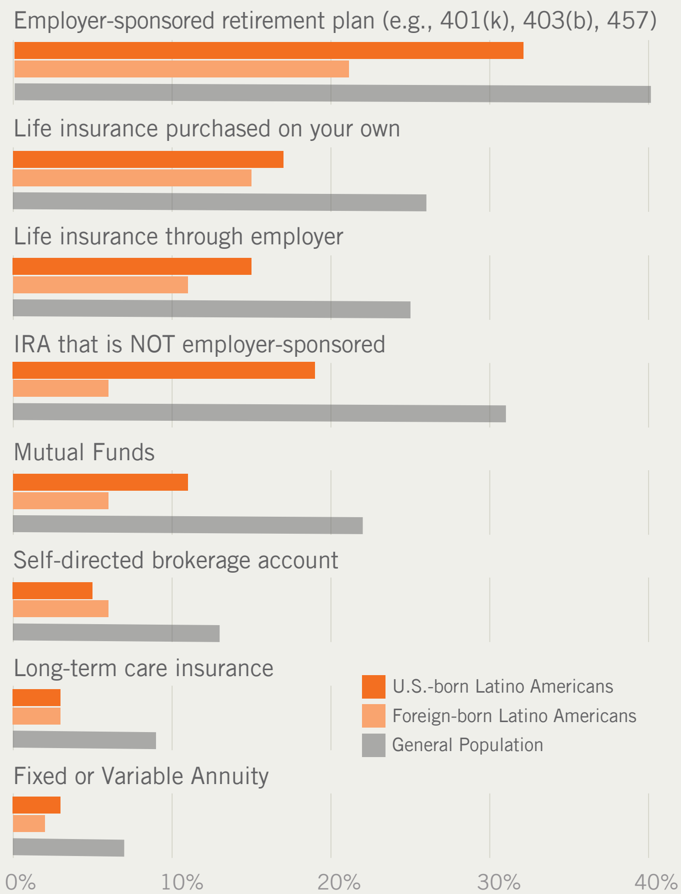


... but put greater emphasis on reducing debt and supporting family



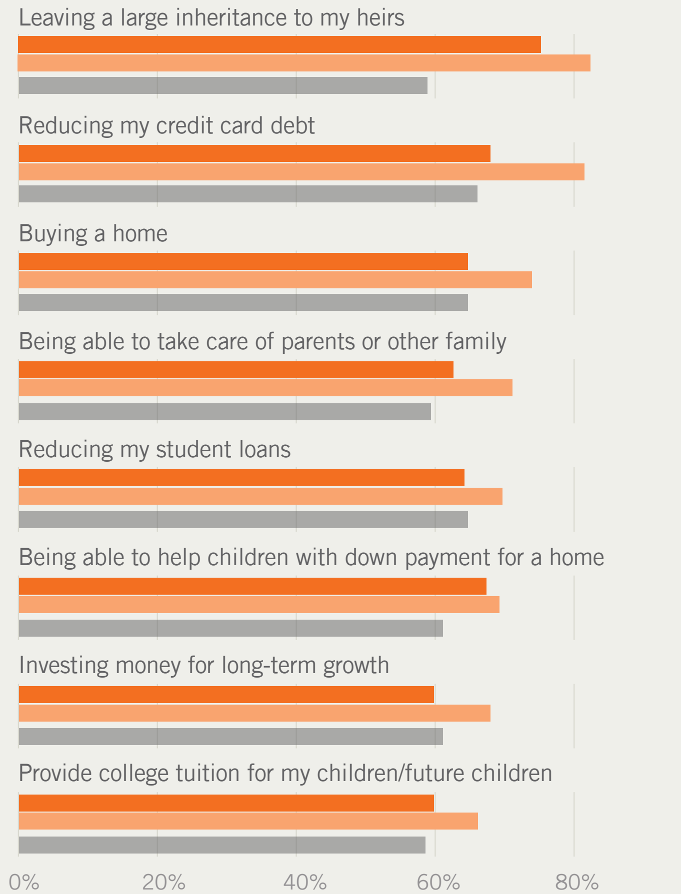
Latinos are less likely to own financial products …

OWNERSHIP OF FINANCIAL PRODUCTS Figure 11



… but have greater confidence they will reach their financial goals.

CONFIDENCE OF ACHIEVING FINANCIAL GOALS Figure 12



While prioritizing helping family members, Latinos are not taking full advantage of retirement savings plans, life insurance and other financial products. Members of the general population in our survey are nearly twice as likely as foreign-born Latinos (40% vs. 21%) to participate in an employer-sponsored retirement savings plan such as a 401(k), and a little more likely than U.S.-born Latinos (32%). Members of the general population are also much more likely than Latinos to own life insurance policies, mutual funds, individual retirement accounts, brokerage accounts, long-term care insurance and annuities (Figure 11). However, this finding wasn't necessarily due to lower incomes or lack of access to those products. For example, nearly identical percentages of Latino Americans and the general population (22% and 20%, respectively) explained their lack of participation in a retirement savings plan as the result of having too many current expenses. And 41% of both groups said their employer provided a retirement plan that matched employee contributions. By contrast, 16% of Latinos in our survey said they just "haven't gotten around to signing up yet" for their workplace retirement savings plan, versus 10% of members of the general population.

Many Latinos are confident they will reach their financial goals—especially if they were born outside the U.S. Approximately three-quarters of foreign-born Latinos indicated they are confident they will be able to buy a home, for example, versus just under two-thirds of U.S.-born Latinos and the general population. Foreign-born Latinos also are significantly more confident they will be able to reduce credit card and student loan debt, take care of parents or other family members, help their children with a down payment on a house and provide their children with college tuition (Figure 12). These figures illustrate an underlying optimism about their ability to earn more money tomorrow than they are earning today, which itself may be a reflection of their younger average age. While 33% of the general population worry that their incomes will not rise much in the future, only 18% of foreign-born Latinos and 28% of U.S.-born Latinos share that concern.

The LGBTQ Cut

One in every 10 survey respondents identified as LGBTQ. This is higher than some other surveys have found and may reflect differences in how, and in what form, the question was asked. In our survey, we asked separate questions about gender identity and sexual orientation. In addition, the survey was conducted online, which may have encouraged survey respondents to be more open in their responses than they might have been in a one-on-one interview.[2] In line with growing cultural awareness and acceptance of a broader range of gender and sexual identities, particularly among younger generations, 38% of our survey respondents who self-identified as LGBTQ were Millennials. Non-LGBTQ respondents, by contrast, included more Gen Xers and Baby Boomers.

Members of the LGBTQ community in our study reported having lower incomes than the non-LGBTQ population. Half of the LGBTQ respondents in our sample reported that their household income was below $50,000, while the median household income for non-LGBTQ survey respondents was closer to $70,000. LGBTQ women, in particular, lagged on the income front, with 40% reporting household income below $30,000, versus 35% of LGBTQ men and just 24% of both non-LGBTQ men and women. Some of this may be a reflection of the younger average age of LGBTQ survey participants. Work arrangements may also factor into income disparities. Members of the LGBTQ community are slightly less likely to be working full-time, for example. And if they are women, they are more likely to be working flexible schedules in which their hours change regularly.

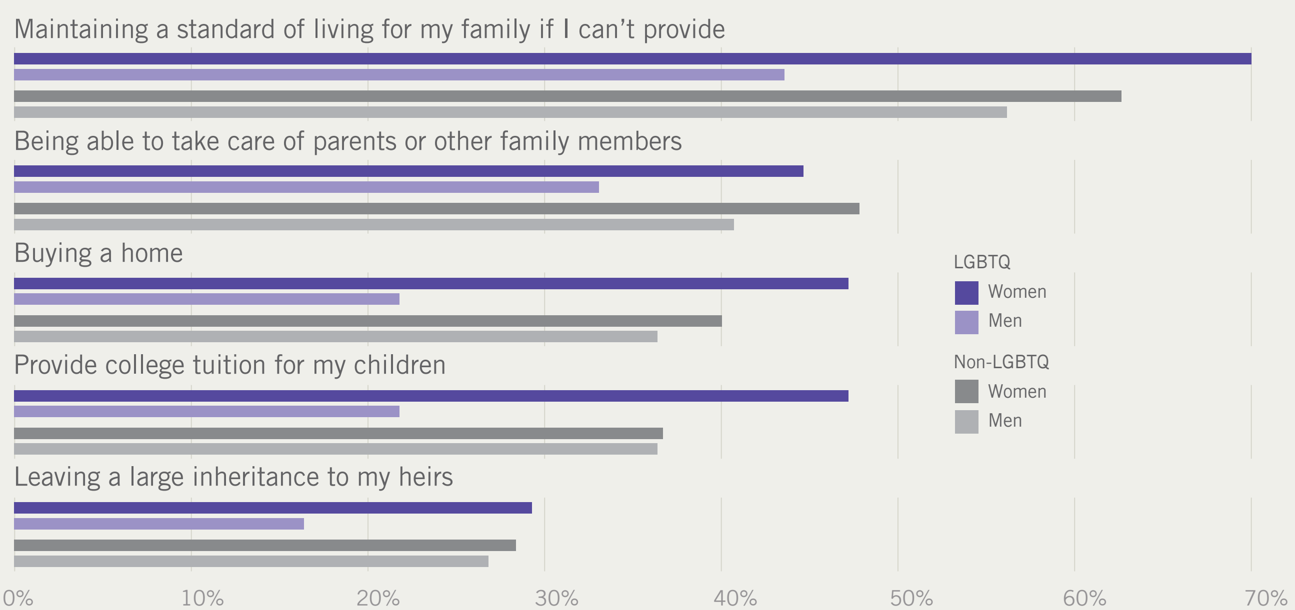
Financing major purchases was a priority among LGBTQ women. Both LGBTQ and non-LGBTQ women in our sample put a high priority on keeping up with current expenses (their top goal) and saving enough money to last through retirement. But LGBTQ women are more focused than other women on financing major purchases, buying a home, providing tuition for their children and reducing student loan debt.

LGBTQ men, who are less likely to be married or have children, generally place less importance on financial goals than LGBTQ women or non-LGBTQ respondents. Only 17% of LGBTQ men in our sample reported having any children, versus 54% of LGBTQ women. The comparable percentages for non-LGBTQ men and women were 61% and 66%, respectively (Figure 13).

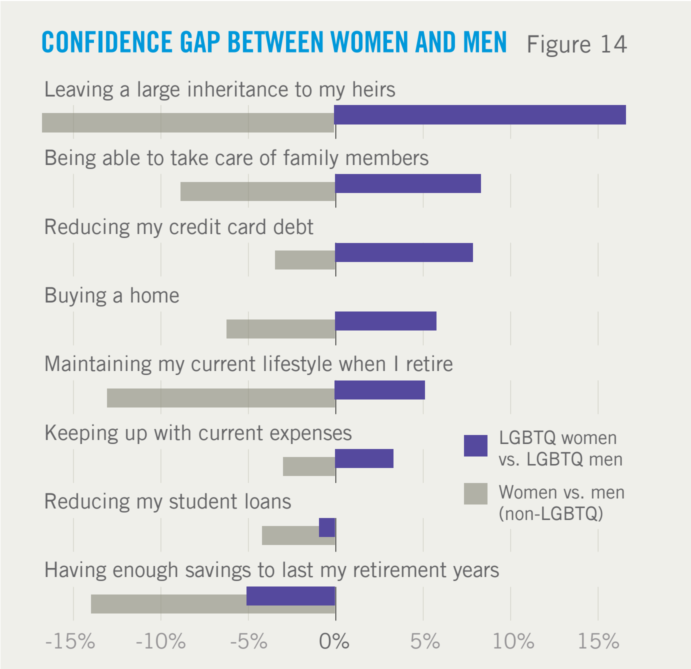
Contrary to the findings with the non-LGBTQ respondents, LGBTQ women in our sample are often more confident than LGBTQ men that they would meet their financial goals. LGBTQ women are more confident, for example, that they'd be able to keep up with current expenses and maintain their current lifestyle in retirement. And even in those areas where they are less confident than LGBTQ men of meeting their financial goals, the gender confidence gap was smaller than it was with non-LGBTQ respondents (Figure 14). LGBTQ women in our study also are significantly more confident in their ability to meet these goals than non-LGBTQ women.

LGBTQ men have the fewest family-related financial goals

IMPORTANCE OF FINANCIAL GOALS Figure 13



2) By contrast, a 2017 Gallup poll found 4.5% of the U.S. adult population identified as LGBTQ. That poll simply asked people if they identify as lesbian, gay, bisexual or transgender, and was conducted over the telephone.



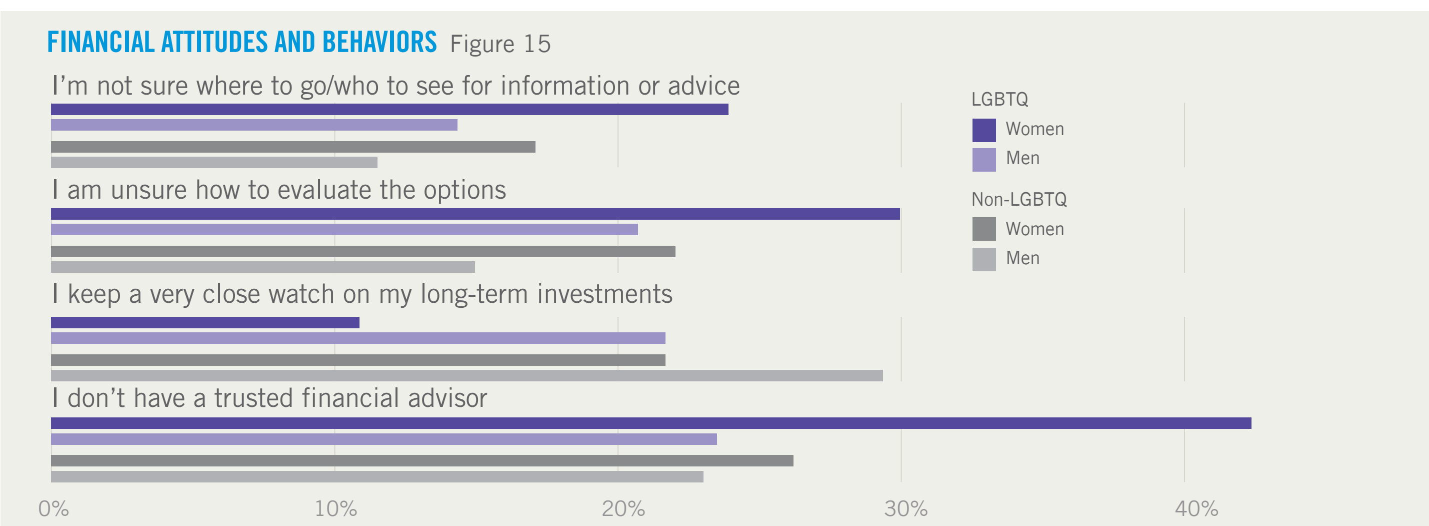
Across the board, LGBTQ respondents own fewer financial products, including retirement accounts. Only 27% of the LGBTQ respondents in our study have an employer-sponsored retirement savings account such as a 401(k), compared with 41% of non-LGBTQ respondents. And only 21% have an individual retirement account, versus 32% of non-LGBTQ respondents. In fact, only half of LGBTQ respondents surveyed have a basic banking product such as a checking, savings or money market account, or certificates of deposit. Two-thirds of the non-LGBTQ respondents own at least one of those products.

Despite comparable access to workplace retirement plans, LGBTQ respondents are saving less for retirement than their non-LGBTQ counterparts. About two-thirds of both LGBTQ individuals and non-LGBTQ respondents in our survey have access to a workplace retirement savings plan. Of those who do not, a stunning 62% of LGBTQ respondents said they are not currently saving for retirement in any way. This compares with only 49% of non-LGBTQ respondents. The net result is that 55% of LGBTQ respondents had saved nothing for retirement, compared with 42% of non-LGBTQ respondents. More optimistically, LGBTQ respondents who have saved for retirement report having only slightly less in their accounts than their non-LGBTQ counterparts: $126,000, on average, versus $158,000.

Still, LGBTQ women are more likely than other groups to indicate they need, and are open to receiving, financial advice. More than 30% of LGBTQ women said they aren't sure how to evaluate their financial options, versus 25% of non-LGBTQ women and LGBTQ men, and less than 20% of non-LGBTQ men. Meanwhile, more than 40% of LGBTQ women said they lack a trusted financial advisor, compared with less than 30% of the other three groups (Figure 15). LGBTQ women and LGBTQ men both were more likely than the general population to say they like getting advice from others who know more about investing than they do.

LGBTQ respondents face some unique obstacles to financial success. In addition to the near stagnant growth in middle-class incomes over the past five years,[3] LGBTQ respondents also must contend with a lack of universal protection against job discrimination, unequal access to benefits for same-sex partners and even lack of family support.[4] Thirteen percent of LGBTQ respondents said wage inequality due to discrimination is a barrier to their financial success, compared to 8% of non-LGBTQ respondents.

LGBTQ women have unique financial needs



3) "Seven Reasons to Worry About the American Middle Class," by Eleanor Krause and Isabel V. Sawhill, The Brookings Institution, June 5, 2018.
4) "Paying an Unfair Price: The Financial Penalty for Being LGBTQ in America," Center for American Progress, September 2014, updated November 2014.

The Women's Cut

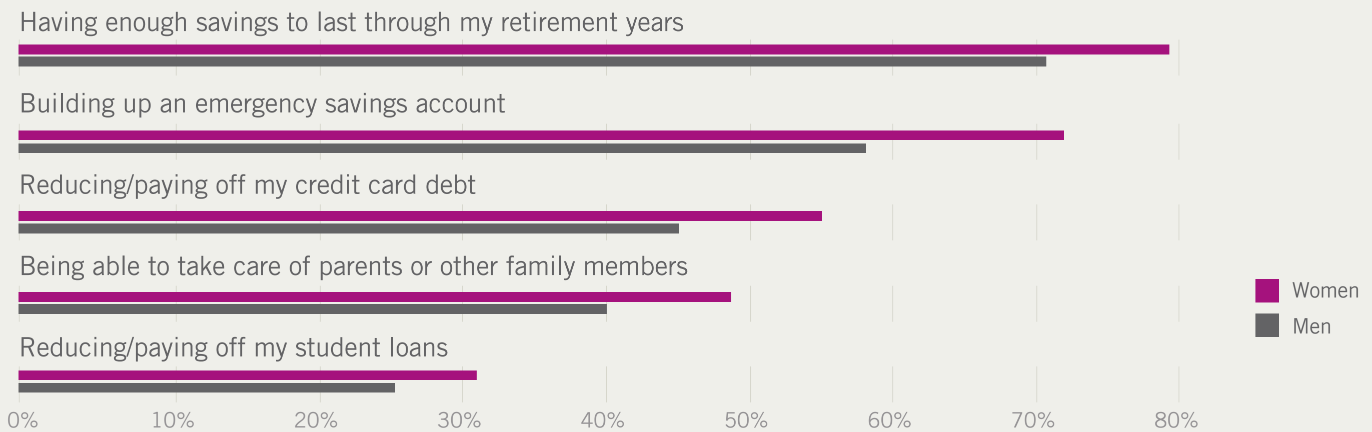
Women are the economic engines of more than half of U.S. households. Fifty-four percent of all women in our sample were the primary breadwinners in their household, irrespective of its makeup. This may reflect the growing presence of Millennials in the workforce who tend to have more flexible ideas around gender and work compared to their Baby Boomer predecessors.

Women in our sample also have more non-financial responsibilities. Nearly two-thirds (65%) of women ages 25-70 said they have children, versus 56% of men. While a number of factors could account for this, one driver is likely the higher average age at which men become fathers (31)[5] compared to the average age at which women begin motherhood (26).[6] Additionally, only 17% of LGBTQ men in our sample reported having any children. Women are also more likely than men to have children living at home with them, and to spend significantly more time caring for children—an average of 23.2 hours per week for mothers employed outside the home, versus 11.5 hours for fathers working outside the home. Even so, women are still working nearly as much outside the home as men—an average of 35.1 hours per week, versus 38.2 for men.

Women place more emphasis than men on financial goals—but are further behind in reaching them. Women in our sample assigned a higher priority to everything from preparing for retirement to building emergency savings, paying down debt, and helping parents and other family members financially (Figure 16). However, men on average were 1.4 times more likely to say they are on track to meet their financial goals (on average, 50% of men vs. 38% of women) (Figure 17).

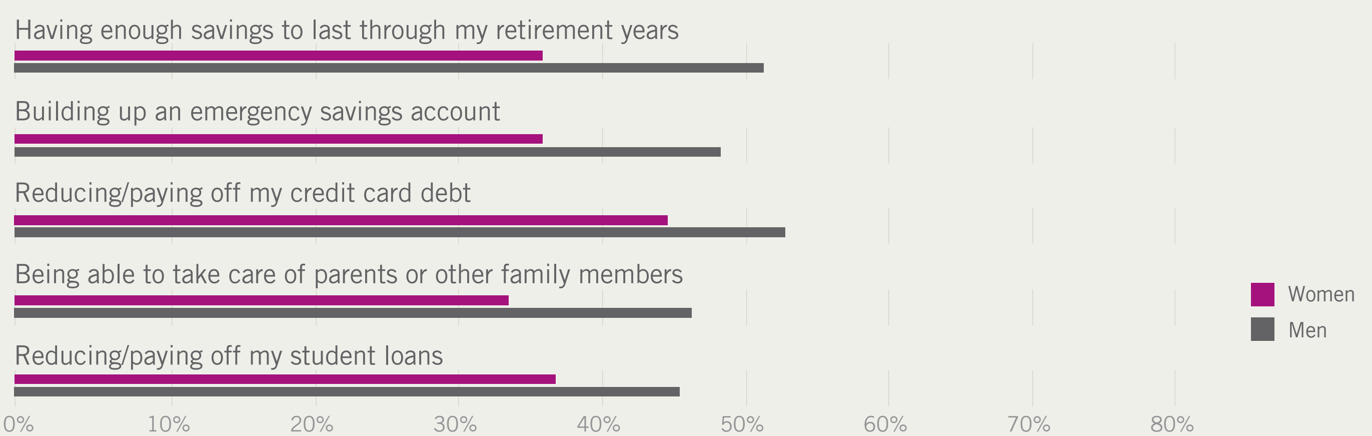
Women place greater importance on key financial goals ...

IMPORTANCE OF FINANCIAL GOALS Figure 16



... but their progress still lags men

PROGRESS AGAINST KEY FINANCIAL GOALS Figure 17



Despite their crucial role in providing for their families, women still face a yawning wage gap with men. The average annual income for women in our sample was $52,521, compared with $84,006 for men—a difference of 37%. Put another way, women are earning about 63 cents for every dollar earned by men.[7] Lower incomes mean less money available today for saving and investing, and lower Social Security benefits tomorrow for retirement—a double whammy for women after they leave the workforce.

With lower incomes, women in our sample are piling up more debt than men. Men and women are about equally likely to carry mortgage debt, and in roughly the same amounts. However, 25% of the women in our study reported having student loan debt, with an average balance of $7,860, compared with only 18% of men, who have an average balance of just $4,126.[8] Fifty-five percent of women surveyed also reported having other types of non-mortgage debt, with an average balance of $7,793, versus 49% of men with an average balance of $7,080. It is worth noting that women have been shown to take on larger student loans than men, and currently earn more associate, bachelor's, master's and doctorate degrees,[9] likely contributing to their higher student debt loads.

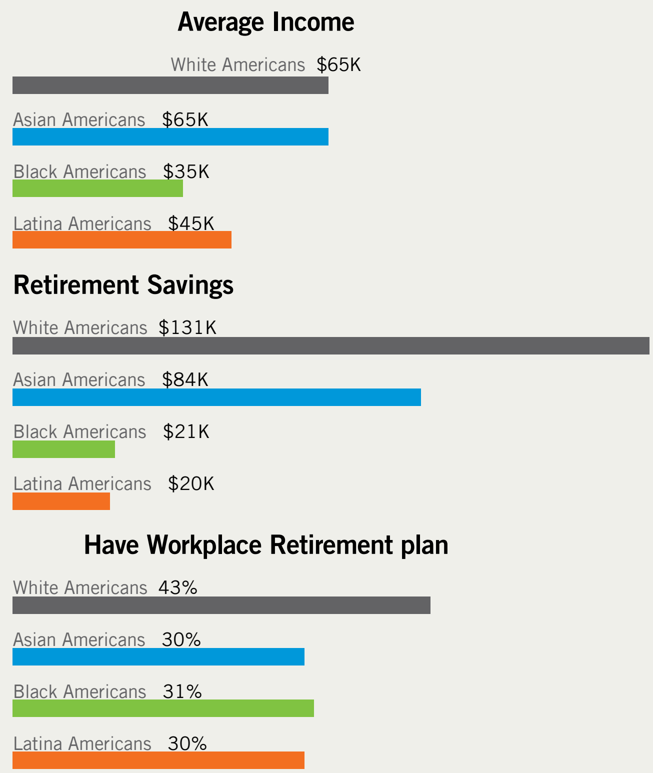
And they are saving less than men. Women are less likely than men to have saved anything for retirement or other specific goals. Where they have saved, they have amassed significantly smaller sums. For example, though they tend to live longer, only 54% of women in our survey have put aside money for retirement, and on average they have saved $115,412. By contrast, 61% of men have saved for retirement, and on average have saved $202,859.

With lower incomes and savings rates, women tended to be more worried than men about their finances. More than half of women (52%) said they are very worried about their financial future, versus 42% of men.

Women are not a monolith. The financial experience of American women can vary greatly by race and ethnicity, and by marital and job status. Average incomes for white and Asian American women in our sample were nearly twice the average for black American women, for example, and 44% higher than the average for Latinas (Figure 18).

White and Asian American women have greater income and assets

WOMEN'S INCOME/ASSETS - BY ETHNICITY Figure 18



Consider, too, that 30% of women are married breadwinners who are generating more than half their household income and are confident that they can achieve their financial goals of providing for others. They stand in sharp contrast to the 6% of women who are gig economy workers, acting as independent contractors rather than employees, and burdened with higher-than-average levels of disability and medical debt. Among this latter group, one in four said that they would not be able to maintain their lifestyle for even one month if they experienced a loss of income.

5) Human Reproduction, Volume 32, Issue 10, 1 October 2017, Pages 2110–2116. "The age of fathers in the USA is rising: an analysis of 168,867,480 births from 1972 to 2015."
6) NCHS Data Brief No. 232, January 2016. "Mean Age of Mothers is on the Rise: United States, 2000–2014."
7) The Bureau of Labor Statistics calculates that women's income is 83% of men's, based on full-time (35+ hours/week), year-round (50+ weeks/year) workers. Our analysis is based on income from any type of work and includes those in part-time jobs which also skew slightly female.
8) While the relative difference in debt loads that we found is consistent with other similar studies, the amount of debt held is significantly lower due to the wide age range used for our sample and the fact that we asked about current debt. See 2018 American Association of University Women analysis of U.S. Department of Education data.
9) National Center for Education Statistics, Digest of Education Statistics 2017, Table 318.30.

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