



Girls Inc. Guide

Economic Self-Sufficiency

Are women more likely to experience poverty?

1 in 3 American women either live in poverty or on the brink of it.¹

Why is economic self-sufficiency a critical concern?

Among the wealthiest nations in the world, the United States has the highest poverty rate for female headed households. At the same time, the employment rate of female heads of households is the highest among them.²

- **Single moms are almost twice as likely as single dads to live in poverty. The 2012 Census revealed that 41.5% of single-mother households live in poverty while only 8.7% of married-couple families did.**³
- **In 2014, 35% of households with children headed by single-mothers experience food insecurity.**⁴

“It is important for women to be able to support themselves and their families. Economic self-sufficiency is the ability to meet a family’s needs without external financial assistance and to financially plan for the future. Unfortunately, many central Indiana women do not have the skills or training to get a job that allows them to be economically self-sufficient.”

*Women’s Fund of Central Indiana,
Still on Shaky Ground 2011*

Why are women more likely to experience poverty?

Women are often more likely to experience poverty because they tend to work for lower wages in lesser paying fields.

- In 2013, women working full-time in Indianapolis earned \$36,116 while men working full-time earned \$41,514.⁵
- The most prevalent occupation for employed women in 2014 was secretary or administrative assistant, with median weekly earnings of \$685.⁶
- Individuals employed in STEM (Science, Technology, Engineering, and Math) fields experience high average earnings and low rates of unemployment, but women remain underrepresented in these fields, and those who *do* hold STEM degrees are less likely than men to find jobs in STEM careers. Only 28% of women are employed in science and engineering occupations in 2010.⁷

Why are financial literacy programs important for young women?

Women are more likely to report stress related to the economic climate, and when compared to young men, young women are less likely to feel knowledgeable about personal finance.

- Women under age 30 are nearly twice as likely as men to report feeling “overwhelming” or “high” financial stress levels.⁸
- More than three-quarters of renters between ages 18 and 24 spend more than they earn every month.⁹

- In a 2012 survey of 18 to 34 year olds, 67% have not established a rainy day fund (money to cover 3 months of expenses).¹⁰

Why is financial literacy important in the long run?

Women equipped with financial literacy are more likely to plan for retirement and successfully manage money throughout their lifetimes. Because women in the United States tend to live longer and work fewer years than men, this sort of planning is crucial.¹¹

How can adults encourage economic self-sufficiency?

- ✓ **Help girls to understand the difference between needs and wants, as well as the importance of budgeting. Set a good example in your own life to reinforce these lessons.**
- ✓ **Instill the habit of saving early on by introducing a piggy bank or helping your girl make concrete plans to save up for a special purchase, small or large.**
- ✓ **Consider providing an allowance in exchange for household chores to encourage a strong work ethic.**
- ✓ **Make education a priority. Women without a high school diploma earn about two-fifths of those with a college degree.¹²**

¹ Alter, Charlotte. "11 Surprising Facts About Women and Poverty From the Shriver Report." *Time*. Time, 13 Jan. 2014. Web. 09 Oct. 2015.

² Legal Momentum, "Reading Between the Lines: Women's Poverty in the United States, 2010"

³ Fairchild, Caroline. "4.1 Million Single-Mother Families Are Living In Poverty: Census." *The Huffington Post*. TheHuffingtonPost.com, 19 Sept. 2013. Web. 09 Oct. 2015.

⁴ "Hunger and Poverty Fact Sheet." *Feeding America*. N.p., n.d. Web. 12 Oct. 2015.

⁵ U.S. Census Bureau. (2014). American Community Survey 1-Year Estimates 2014, Table B20017: Median Earnings in the Past 12 Months by Sex by Work Experience in the Past 12 Months for the Population 16 Years and Over with Earnings in the Past 12 Months, Geographies: All Metropolitan Statistical Areas within United States and Puerto Rico. Retrieved 12 October 2015, from

http://factfinder2.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS_14_1YR_B20017&prodType=table

⁶ "Most Common Occupations for Women." *Women's Bureau (WB)*. N.p., 2014. Web. 12 Oct. 2015.

⁷ National Science Foundation, Science and Engineering Indicators 2014, <http://www.nsf.gov/statistics/seind10/>

⁸ Koco, Linda. "Women's Financial Stress Continues To Grow." *Insurance News Net*. N.p., 30 June 2015. Web. 12 Oct. 2015.

⁹ White, Martha C. "Today's Young Adults Will Never Pay Off Their Credit Card Debts | TIME.com." *Business Money Today's Young Adults Will Never Pay Off Their Credit Card Debts Comments*. N.p., 17 Jan. 2013. Web. 12 Oct. 2015.

¹⁰ Mottola, Gary R. "The Financial Capability of Young Adults—A Generational View." *The Financial Capability of Young Adults—A Generational View (2014)*;

3. *Usfinancialcapability.org*. Mar. 2014. Web. 14 Oct. 2015.

¹¹ Annamaria Lusardi and Olivia S. Mitchell, "Planning and Financial Literacy: How Do Women Fare?", *American Economic Review: Papers & Proceedings*, 2008, <http://www.dartmouth.edu/~alusardi/Papers/AER-FinalPublishedVersion.pdf>

¹² U.S. Department of Labor, "Highlights of Women's Earnings in 2013"