The Women’s Fund of Central Ohio focuses on economic empowerment
and leadership for women and girls by tackling issues of child care
and the benefits cliff, paid leave, pay equity, and access to comprehensive,
medically accurate sex education and access to contraception. These
strategic priority arms drive the organization’s grantmaking, advocacy,
research, partnerships, and community education efforts in order to
transform the lives of women and girls in central Ohio.

In order to create lasting social change for women and girls, we must
look at the gender and racial wealth gap as a fundamental role
in affecting all women’s potential for economic empowerment
and leadership. The gender and racial wealth gap has intergenerational
economic impacts on the lives of girls and women and closing the
gender and racial wealth gap is integral to women’s economic security,
health, and civic and political engagement.
A SNAPSHOt: ASSETS FOR EQUITY
BUILDING WEALTH FOR WOMEN IN CENTRAL OHIO

WEALTH, or net worth, refers to the total value of one’s assets minus debts. Assets include stocks, bonds, mutual funds, or equity in a home or business. Debts include a mortgage, installment loans, or credit card debt. Wealth provides individuals a financial cushion during unexpected emergencies (like loss job, divorce, or illness). While wealth is related to income, it is not the same. (see glossary for extended definition)

INCOME refers to money received by a person or household during a specific period of time. The time frame could be a few months or a year. Individuals and households obtain income via earnings from a job (wages or salary). (see glossary for extended definition)

WHAT IS THE GENDER AND RACIAL WEALTH GAP?
The GENDER WEALTH GAP refers to how structural sexism compounds and contributes to the wealth gap, which in turn further exacerbates political, economic, and social disadvantages on the basis of gender. The gender wealth gap includes the gender earnings gap, but far exceeds the gender wage/income gap.

The RACIAL WEALTH GAP refers to how structural racism compounds and contributes to the wealth gap, which in turn further exacerbates political, economic, and social disadvantages to communities of color. The racial wealth gap, includes the racial earnings gap, but far exceeds the racial wage/income gap.

THE WAY FORWARD
The Women’s Fund of Central Ohio is committed to building awareness of the gender and racial wealth gap and mobilizing action to close it by collaborating with community partners to dive deeper into the research and arming policymakers and leaders with the research to support positive lawmaking protecting economic empowerment for all women.

POLICY RECOMMENDATIONS

• Increase access to financial literacy and education programs
• Eliminate predatory and subprime lending and increase access to loan forgiveness programs (student loans; mortgages; credit card debt; payday lending)
• Eliminate gender and racial gaps: pay secrecy; increase minimum wage; eliminate tipped minimum wage; increase career pathways into well-paying jobs
• Increase access to wealth escalator for all workers
• Increase access to affordable healthcare
• Increase access to affordable childcare
• Increase access to affordable childcare
• Increase access to affordable childcare

BARRIERS:

• Lack of access to affordable housing
• Lack of household savings
• Limited financial education
• Gender stereotypes
• Barriers to participation in STEM programs
• Limited access to medical care and contraception

ACCELERATORS:

• Access to affordable and high quality child care and early childhood education
• Financial education including wealth-building concepts
• Supports for pregnant and parenting teens

WAGE VS WEALTH GAP

IN CENTRAL OHIO, MEDIAN ANNUAL EARNINGS FOR FULL-TIME, YEAR-ROUND WORKERS, WHEN COMPARED TO WHITE MEN:
• Asian Pacific Islander women earn 79.2¢ to the dollar
• Black women earn 65¢ to the dollar
• Latina women earn 60¢ to the dollar
• White women earn 82¢ to the dollar

NATIONALLY, MEDIAN ANNUAL EARNINGS FOR FULL-TIME, YEAR-ROUND WORKERS, WHEN COMPARED TO WHITE MEN:
• Asian Pacific Islander women earn 88.9¢ to the dollar
• Black women earn 63.5¢ to the dollar
• Latina women earn 54.6¢ to the dollar
• White women earn 80¢ to the dollar

NATIONALLY, WHEN COMPARED TO ALL SINGLE MEN:
• Single Black women own 24¢ to the dollar
• Single Latina women own 84¢ to the dollar
• All single women own 40¢ to the dollar

WOMEN FACE A NUMBER OF BARRIERS AND ACCELERATORS TO WEALTH BUILDING THAT AFFECT THEM FROM BIRTH TO RETIREMENT AND AFTER.

Many women, especially women of color, do not have access to accelerators that would help ensure their economic security and that of their children and grandchildren.

Numerous multigenerational policy and program changes would not only help increase short-term economic security, but also help many women start to build intergenerational wealth.

The “wealth escalator,” a term coined by Dr. Mariko Chang, has been defined as a variety of reinforcing financial benefits that help certain individuals accumulate wealth at a faster rate. Research has shown that women often lack access to “wealth escalator” accelerators which can be:
• Homeownership
• Education
• Employment
• Entrepreneurship
• Access to credit and loans
• Access to child savings accounts and 529 savings plans
• Access to multigenerational supports, such as universal basic income and expanded financial literacy education
• Expanded eligibility to public benefit programs

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WOMEN OF COLOR EXPERIENCE THE WEALTH GAP AT THE INTERSECTIONS OF THE RACIAL AND GENDER WEALTH GAPS.
The Women’s Fund of Central Ohio focuses on economic empowerment to assure economic prosperity for all.

Benefits cliff describes what happens when individuals have an increase in their earnings so that they no longer qualify for public benefits (or social safety net programs such as food stamps, housing or child care subsidies, or food assistance). In addition to discrimination on the basis of sex, the ECOA was expanded in 1974 to forbid lending discrimination on the basis of race, age, public assistance, marital status, religion, national origin, and sex.

Credit opportunities are defined as access to credit. The Equal Credit Opportunity Act of 1974 is a federal law that defined such lending practices as unlawful. In addition to discrimination on the basis of sex, the ECOA was expanded in 1974 to forbid lending discrimination on the basis of race, age, public assistance, marital status, religion, national origin, and sex.

Gendered wealth gap refers to how structural sexism compounds and contributes toward the wealth gap, which in turn further exacerbates political, economic, and social dis advantages to communities of color.

Redlining policies and institutional practices where banks and insurance companies (assisted by governmental policies and neighborhood associations) refuse lend or provide subprime loans, mortgages, and homeowners insurance to communities of color and to those living in specific geographic areas. This resulted in continued segregation of communities of color and individuals living in certain zip codes. Redlining growth rapidly as policy and practice after the 1934 Housing Act.

Systemic or structural racism refers to economic, political and social policies, cultural norms and values, and institutional practices that mutually reinforce one another to promote racial inequality and harm to whosely is privileged.

Wealth gap is defined as the difference in wealth, the total value of an individual’s or households assets minus the balance of their liabilities. The wealth gap is measured at the intersections of the race and gender wealth gap.

Wealth is comprised of non-financial assets and resources, including homes, cars, stocks, bonds, savings, business investments, as well as financial assets such as cash, checking, savings or 401(k) retirement accounts. It is the resources needed to maintain a standard of living that includes housing, food, transportation, health care, recreation, education, leisure, exercise, travel, and energy to support and maintain a lifestyle.

Wealth escalator refers to how financial benefits that help certain individuals accumulate wealth (such as Social Security, Medicare, Medicaid, EITC, Veteran’s Benefits, Child Tax Credits, etc.) provide a way for people to accumulate wealth at a faster rate. For example, people with the wealth escalator have access to these benefits.

Economic shocks are unforeseen changes in a person’s economic situation that affect their ability to meet an immediate financial need, such as losing a job or experiencing a medical emergency. Economic shocks can have long-term consequences, affecting a person’s ability to accumulate wealth. Economic shocks can also result from changes in the economy, such as rising interest rates or a recession.

Financial education refers to formal and informal learning activities, such as classes and workshops, that teach people about financial concepts, tools, and strategies. Financial education can include activities such as budgeting, saving, investing, and managing credit.

Financial literacy refers to an individual’s ability to understand and apply financial concepts, tools, and strategies. Examples of financial literacy include understanding how to read a bank statement, understanding credit scores, and understanding how to save and invest for the future.

Financial security is the state of having enough resources to meet basic needs, such as housing, food, transportation, health care, and education. Financial security is often measured by the availability of financial resources, such as income, savings, and wealth.

Gendered wealth gap refers to how structural sexism compounds and contributes to the gender wealth gap, which in turn further exacerbates political, economic, and social disadvantages to communities of color.