



TIAA-CREF Institute

# Working Women’s Financial Capability

Research from the TIAA-CREF Institute  
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## About the research

This overview is based on the report “Working Women’s Financial Capability: An Analysis Across Family Status and Career Stages” by Paul Yakoboski of the TIAA-CREF Institute and Carlo de Bassa Scheresberg and Annamaria Lusardi of the Global Financial Literacy Excellence Center, The George Washington University.

The report analyzes data from the 2012 National Financial Capability Study – a nationwide survey of over 25,000 American adults – to assess the financial capability of working women and the implications for their financial security.

To read the full report, click [here](https://www.tiaa-crefinstitute.org/public/pdf/working_womens_financial_capability.pdf), or copy and paste into your web browser: [https://www.tiaa-crefinstitute.org/public/pdf/working\\_womens\\_financial\\_capability.pdf](https://www.tiaa-crefinstitute.org/public/pdf/working_womens_financial_capability.pdf)

## Struggles with debt and limited savings

Women today make up 47% of the workforce and contribute more to the U.S. economy than ever before. Yet compared to men, women still face steep financial challenges. Analysis by the TIAA-CREF Institute describes working women’s financial needs and capabilities by examining key aspects of their personal finances. The study also identifies how working women’s financial needs vary according to family status and career stage.

### Key takeaways

- Working women across career stages have pervasive concerns about their level of debt and ability to repay it.
- Working women tend to have little short-term savings, making them financially fragile.
- Working women often have low levels of financial literacy, but they are nonetheless confident in their financial management skills.
- Few working women seek professional financial advice.

## Feeling overburdened with debt

The majority of working women struggle to make debt payments, with nearly half feeling overburdened with debt. This burden tends to influence their financial decisions and affects their ability to weather unfavorable economic events.

### Debt Perceptions Among Working Women

*How strongly do you agree or disagree with the following statement? “I have too much debt right now.”*

	Full Sample	Early Career	Mid-Career	Late Career
Disagree	34%	29%	31%	42%
Neutral	16%	14%	16%	17%
Agree	49%	56%	52%	40%

## Financial fragility

Debt can put working women in a vulnerable financial position; only 38% report having sufficient funds set aside to cover living expenses for three months.



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## Access to Rainy Day Funds

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*How confident are you that you could come up with \$2,000 if an unexpected need arose within the next month?*

	Full Sample	Early Career	Mid-Career	Late Career
Certainly could	34%	26%	32%	44%
Probably could	23%	23%	23%	23%
Probably cannot	15%	19%	16%	12%
Certainly cannot	23%	27%	24%	18%

## Perceived vs. actual financial acumen

Despite their financial challenges, most working women are confident in their ability to handle day-to-day financial matters.

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## Confidence in Financial Management

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*"I am good at dealing with day-to-day financial matters, such as checking accounts, credit and debit cards, and tracking expenses."*

	Working Women
Disagree	9%
Neutral	10%
Agree	79%

Yet a test of basic financial literacy reveals significant gaps in knowledge; only 12% of working women were able to answer all five test questions correctly.

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## Financial Literacy

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*Aggregate scores on five-question test of basic financial knowledge*

Type of Question	Answered Correctly
Numeracy	77%
Inflation	59%
Risk diversification	46%
Mortgage interest	80%
Bond prices	26%

## To learn more

For more financial research from the TIAA-CREF Institute, go to [www.tiaa-crefinstitute.org](http://www.tiaa-crefinstitute.org) > Research.

Note: Full sample includes 6,051 observations; some percentages do not total 100% because answers of "do not know" and "prefer not to say" are not reported.



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