



Women's Financial Stress at an All-Time High

The state of women's financial health is not a statistic – it's a call to action

A recent report from Ellevest, a financial management company dedicated to empowering women, has presented a worrying trend. Women's financial health is at a five-year low, and women are now spending a significant amount of time worrying about their finances.

This stark financial reality is a result of a cocktail of socioeconomic factors. Among them, the fear of inflation and recession, concerns over reproductive rights and the rising costs of childcare.

According to the survey, an alarming 59% of women reported worrying about their finances at least once a week. Even more concerning, 43% of women admitted they worry about money at least once a day. When compared to their male counterparts, women reported higher rates of financial worry on both a daily and weekly basis.

Generational Differences

While financial stress seems to be a ubiquitous burden across all ages, the sources of this anxiety differ significantly between generations.

Older women, those within the Gen X and Baby Boomer cohorts, are more likely to worry about macro-economic issues. They are stressed over potential inflation and the looming threat of recession, which could compel them to cut back on their spending. Their financial concerns are typically centered around the larger economy and its potential

impacts on their retirement plans and overall financial stability.

On the other hand, younger women from the Millennial and Gen Z generations are grappling with a different set of issues. While they are not immune to the economic concerns of their older counterparts, their financial stress also stems from issues of reproductive rights, job security, and skyrocketing housing prices. These issues are further compounded by the soaring cost of childcare and a notable lack of women's representation in government.

Unpacking the Reasons

It's clear that women's financial stress can't be attributed to a single factor but is rather a multifaceted problem that is deeply ingrained in our society. Economic uncertainties such as inflation and recession threats affect everyone, but women bear a disproportionate burden. Women often take the brunt of financial shocks due to their overrepresentation in low-paid and precarious work, a reality made harsher by the gender pay gap that persists to this day.

On top of these financial pressures, younger women are contending with social issues that directly impact their economic futures. Reproductive rights, for example, can directly impact a woman's ability to participate in the workforce and plan her economic future. The high cost of childcare also places an added strain on women, often forcing them to choose between their careers and their families.

A Way Forward

Given these troubling statistics, it's clear that much needs to be done to address women's financial health. But while systemic change is undoubtedly required, there are also steps that individual women can take to bolster their financial resilience. Financial literacy programs aimed at women could help them better understand and navigate economic challenges. Investing in sectors with high returns, building robust savings habits, and seeking out additional income streams can all contribute to a healthier financial future.

In parallel, addressing the root causes of these financial woes requires societal changes. Advocacy for fair wages, equal opportunities, better childcare provisions, and a commitment to women's representation at all levels of government could alleviate some of these pressures.

The state of women's financial health is more than just a statistic – it's a call to action. We must work collectively to rectify these disparities, with businesses, governments, and individuals all playing their part. The sooner we acknowledge and tackle these issues, the sooner we can reduce financial stress for all women and build a more equitable society.

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