The Impact of Financial Stress on Women

Women are often met with financial inequality in the workplace. Unfortunately, the pay gap is only the beginning -- more than half (51%) of working American women are financially stressed compared to only 41% of men. These alarming stats came as a result of the most recent survey of 10,484 US employees.

Key findings from the survey include:

- **Money and finances are a leading cause of stress for 48% of American workers in general, but men feel the burden much less than women.** According to the survey, 38% of women are financially fit compared to 52% of men.
- **On average, women are paid one-third less annually than men, which means it is more difficult for them to save money and they are more likely to run out of money before payday.** The survey finds 41% of women have less than $500 in their checking accounts (vs. 18% of men), 63% of women feel they don’t earn enough to save (vs. 51% of men), and 34% of women run out of money before payday (vs. 25% of men).
- **A majority of women (70%) feel they do not have enough money for retirement compared to 50% of men.** To make matters worse, only 56% of women have a 401(k) plan (vs. 62% of men) and only 66% of women understand how a 401(k) works (v. 76% of men).

- **Debt is a never-ending cycle for women.** They have higher rates of student loan debt (33% vs. 27%) and medical debt (35% vs. 29%). They're also more likely to be refused a loan than men (40% vs. 30%) which ultimately forces them to resort to expensive credit cards or payday loans, putting them further into debt.

Financial stress on women significantly impacts their day-to-day lives including worry, stress, anxiety, panic, depression, sleepless nights, and troubled relationships. What's more, many women are either working moms, single moms, divorcees, and/or the daughter of elderly parents. Each one of these categories can leave a long-lasting negative impression on a woman's finances. Let's take a look...

- **Maternity leave alone can put women further into debt.** A majority (63%), report taking maternity leave -- 59% of those said it impacted their ability to pay bills and 53% said they had to take on debt in order to make ends meet.
- **According to a recent CNBC article, women will stay in unhappy marriages due to financial insecurity and stress.** This comes as no surprise given the fact that the Salary Finance survey revealed women are more likely to perceive finances as a "scary" topic. It's common for women to become financially dependent on their spouse and/or allow their spouse to handle the finances. As a result, women are worried about the financial impact a divorce would cause. In the case of divorcees, women are often left in financial hardship because of the financial decisions that were made during their marriage and their divorce.

- **More often than not, daughters are tasked with the responsibility of taking care of their aging parents.** According to the Family Caregiver Alliance, approximately 43.5 million Americans are providing unpaid care to an older adult. While men can also be caregivers, women shoulder most of that burden. The article goes on to say upwards of 75% of all caregivers are women and they spend 50% more time providing care than men.

So what can be done? Besides equal pay, women need additional support with their financial health. This is where you come into play. Employers can help by providing financial wellness solutions that take employees out of debt and into savings. Employers should care about their employees' financial wellness because unhappy employees are bad for business. Employees with financial worries are 8.1 times more likely to have sleepless nights, 5.8 times more likely not to finish daily tasks, 4.3 times more likely to have troubled relationships with work colleagues, and 2.1 times more likely to be looking for a new job. In total, employees' financial stress is costing your business in terms of lost productivity, increased turnover, and ultimately 11-14% of your total payroll expense.

By Evanna Payen