

# The growing financial power of women

## The power of the purse

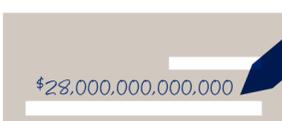
Women control more than **70% of household purchases** (totaling \$15 trillion worldwide).<sup>1</sup>



**51.4%**

**of workers in high-paying management, professional and related occupations are women.**<sup>2</sup>

By 2020, women will likely **control two-thirds of the private wealth** in the U.S.<sup>3</sup>



**\$28 trillion** will be inherited by women over the next 40 years.<sup>4</sup>

## Closing the gap

**76.2%**  While women ages 55 to 64 earn just 76.2% of what men the same age earn ...

**89.0%**  ... women ages 20 to 24 earn almost 89% of what men earn.<sup>5</sup>



**The economy would be 11% smaller (\$1.7 trillion in lost economic output)** if women's employment patterns had remained unchanged for the last three decades.<sup>6</sup>



Since 1979, the percentage of **working-age women with a full-time job** has surged from **28.6% to 40.7%**.



**For mothers**, the percentage has climbed from **27.3% to 44.1%**.

## Women: The new entrepreneurs

**\$1.4 trillion in revenues** were generated by women-owned businesses in 2013.<sup>7</sup>



While the number of new U.S. businesses increased 47%, **women-owned firms increased 68%** between 1997 and 2014. Women-owned businesses now represent 30% of privately held entities.<sup>8</sup>

If U.S.-based, women-owned businesses were their own country, they would have **the fifth largest GDP in the world.**<sup>9</sup>



## What lies ahead

**59%** of women are **worried about not having enough money** to last throughout retirement.<sup>10</sup>

### Increasing life span

Life spans for women are increasing, which means savings need to last longer.

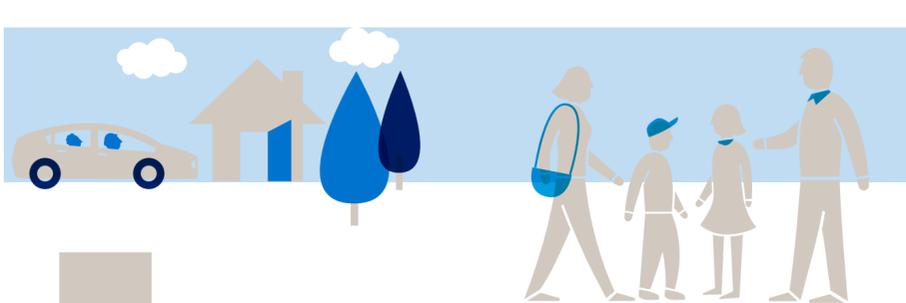


On average, women outlive men by about five years.<sup>11</sup>



Women who reach age 65 can expect to live, on average, 21 more years.<sup>12</sup>

### Earnings gap



**4%-46%** loss in earnings

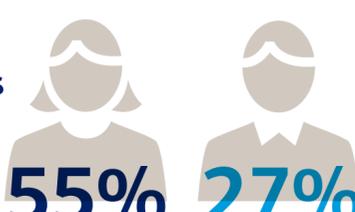
Taking time out of the workforce can decrease women's earning potential 4% to 46%.<sup>13</sup>

### Low financial confidence

**"I know less than the average investor about financial markets and investing in general."**<sup>14</sup>

Women were more likely than men (55% vs. 27%) to agree with this statement.

Without financial confidence, women may not participate fully in investing decisions, or even invest at all.



## Next steps



Merrill Edge® offers online resources to help you create a more financially secure retirement. At [merrilledge.com/women](http://merrilledge.com/women), learn more about the challenges and opportunities women face in retirement planning in our paper, *Women & Retirement: Strategies to Help Women Build Retirement Savings at Any Age*, and our video, *3 Unique Retirement Challenges Facing Women Today*.

<sup>1</sup> "US Women Control the Purse Strings," Nielsen, April 2, 2012, nielsen.com/us/en/insights/news/2013/u-s-women-control-the-purse-strings.html  
<sup>2</sup> Labor Force Statistics from the Current Population Survey, February 26, 2014, bls.gov/cps/tables.htm  
<sup>3</sup> The Boston Consulting Group — Michael Silverstein, Kate Sayre, Women Want More: How to Capture Your Share of the World's Largest, Fastest-Growing Market, September 2009, bcg.com/expertise\_impact/publications/publicationdetails.aspx?id=tc:12-39511&mid=tc:12-41664.  
<sup>4</sup> Investmentnews.com/article/20130811/REG/308119971/make-industry-more-appealing-to-women  
<sup>5</sup> Highlights of Women's Earnings in 2012, U.S. Bureau of Labor Statistics, October 2013, bls.gov/cps/cpswom2012.pdf  
<sup>6</sup> New York Times, April 15, 2014, americanprogress.org/issues/labor/report/2014/04/15/87638/the-economic-importance-of-womens-rising-hours-of-work/  
<sup>7</sup> The 2013 State of Women-Owned Businesses Report, American Express OPEN, 2013, https://c401345.sssl.cf1.rackcdn.com/wp-content/uploads/2013/03/13ADV-WBI-E-StateOfWomenReport\_FINAL.pdf  
<sup>8</sup> Pordeli and Wynkoop, The Economic Impact of Women-Owned Businesses in the United States, nwbcc.gov/sites/default/files/economicimpactstu.pdf  
<sup>9</sup> Merrill Edge Report: Spring 2014  
<sup>10</sup> LongTermCare.gov, Who Needs Care?, longtermcare.gov/the-basics/who-needs-care/  
<sup>11</sup> Social Security Administration Calculators: Life Expectancy, socialsecurity.gov/planners/lifeexpectancy.htm  
<sup>12</sup> Off-Ramps and On-Ramps Revisited, Center for Talent Innovation, June 2010  
<sup>13</sup> Women and Investing: A Behavioral Finance Perspective, Merrill Lynch, November 2013

Merrill Edge is available through Merrill Lynch, Pierce, Fenner & Smith Incorporated (MLPF&S), and consists of the Merrill Edge Advisory Center™ (investment guidance) and self-directed online investing. MLPF&S is a registered broker-dealer, Member SIPC and a wholly owned subsidiary of Bank of America Corporation (BAC). Banking products are provided by Bank of America, N.A. member FDIC and a wholly owned subsidiary of Bank of America Corporation. Investment products:

Are Not FDIC Insured	Are Not Bank Guaranteed	May Lose Value
----------------------	-------------------------	----------------

