

# Women & Money: Clever Girl Finance Community 2020 Survey Report



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## We analyzed 2,789 survey responses from women just like you!

In the fall of 2020, we analyzed 2,789 survey responses from the Clever Girl Finance community to answer this question:

### ***What do women really think and feel about the state of their finances?***

We looked at demographics. We looked at geographic location. We even looked at personal debt, and we came across some interesting findings. In the results of this survey, we are sharing what we discovered.

## Who we are

But first, a bit about us. [Clever Girl Finance](#) is one of the largest personal finance platforms for women in the U.S. We are a mission-driven financial empowerment platform aimed at providing women with the right products and services as well as financial guidance.

We do this through our completely free resources including [free personal finance courses](#), free one-on-one mentor calls, articles, audio content, an incredibly supportive community, and more. Through our approach, we support our community in a fun, engaging, relatable, and non-judgmental way.

## The 2020 Clever Girl Finance Women and Money Clever Girl Finance Women and Money survey: How it all started

A simple Google search for “women and personal finance” yields some pretty telling headlines. For instance, “[Women are more likely to leave financial planning to their spouses,](#)” “[Women are leaving money and influence on the table,](#)” and “[Women are more financially stressed than men.](#)”

In our opinion, this news is not great. In mainstream society, women are often labeled as disempowered individuals who don’t care about their finances. Some claims go as far as to say that women would rather avoid financial planning once they get married. Our knee-jerk response? This is not true.

However, we wanted to dig deep to find real answers. We wanted to hear directly from our community and where they are on their financial journeys, and we are excited to share these results.

Over the years, Clever Girl Finance has supported thousands of savvy women who are boldly pursuing their financial goals. We see their labors of love in building solid futures for themselves and their families. And we know the big role that financial literacy plays in shifting their mindsets and financial outcomes.

We're committed to walking this journey with women, and in this survey and through our findings, we want to celebrate our community and women broadly, as they work their way towards their financial wellness despite navigating a global pandemic, motivate other women needing encouragement as they embark on their financial journeys and dispel the misconceptions about women and money. We also want to highlight areas of concern that make the work we do more important than ever.

## The women behind this survey

The overwhelming majority of women that took part in this survey are based in the US (76%) followed by Europe (7%) and Canada (5%). However, we received responses from 42 countries across 5 continents, representing a diverse pool of women from very different geographic and economic backgrounds.

45% of the women surveyed self-identified as Black or African American, 35% identified as White/Caucasian, 14% identified as Hispanic/Latina/Spanish origin, 7% identified as Asian, and 1% identified as Native American.

The majority of the respondents in this survey were millennials. Close to 80% of women who responded were under 44 years old, with the majority ranging from ages 25 to 34. In addition, two thirds of respondents had a bachelor's degree or Master's degree and 7.5% had a high school diploma.

What these results show is that women of all races, ages, and educational backgrounds are actively on or seeking the path to financial success.

And the amazing reality? It really doesn't matter what your age, race, or income level are. *Anyone can and should* pursue a better financial future. Not only is the right thing

to do; it's also very possible.

## Summary of key findings around women and money

**Commitment:** Our results reinforce that women within communities like Clever Girl Finance are committed to improving their financial futures, but they also recognize that they have a lot of work to do to achieve their financial goals.

**Optimism and financial confidence:** Over 66% of respondents felt optimistic or extremely optimistic about their future financial well-being, and the majority of respondents (86%) expressed slight to above-average confidence about their financial knowledge. Specifically, 79% of women expressed financial confidence in their ability to build long-term wealth.

The 21% of respondents who said they were not confident in their ability to build long-term wealth expressed that they would feel more empowered about their financial situation by improving their financial knowledge.

**Financial concerns:** Of those who were worried about their financial well-being, their main concerns included student loans, having no emergency fund, lack of knowledge on how to start, and poor spending habits. However, the number one financial concern for women in the Clever Girl Finance community was having enough saved for retirement.

**Debt:** We discovered that the number of those with credit card debt vs. the number with no debt was almost evenly distributed. Of those with credit card debt, about half had under \$5,000. The rest had more.

Our data also shows an almost 50/50 split between women who had no student loans vs. those that did. For over 70% of those that did have student loan debt, the amount was over \$20,000. 14% of women in our community shared that they have had to use a payday loan in the past.

**Investing:** Over two thirds of respondents (68%) reported that they actively invest for the future in order to build long-term wealth for themselves and their families. This indicates with financial literacy, women recognize the importance of long-term investing as a wealth building tool.

**Home ownership:** Home ownership is a top priority for the 68% of respondents who currently don't own homes. Of this 68%, over 90% shared that they want to own their own home. This is not surprising, since home ownership is a main catalyst when it comes to wealth building and transitioning generational wealth.

## The details behind our key findings

Based on the summary of findings, let's break down each key finding in detail.

### Commitment

Women within personal finance communities like Clever Girl Finance are committed to improving their financial futures. Without a doubt, one of our biggest findings was that women within our community care deeply about their finances and are seeking ways to improve their outcomes.

They're not only focused on immediate financial needs such as [setting up an emergency fund](#), but they're also working towards their long-term goals. An overwhelming majority, 85.7%, are investing for retirement.

## What Are You Investing for?



In other words, modern women are financially savvy. They are not sitting back with their fingers crossed for a happy retirement; they are taking proactive steps to retire well.

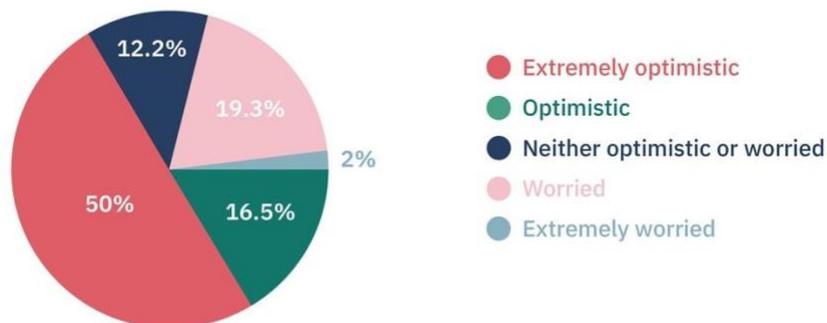
## Optimism and financial confidence

A [2018 survey of 1,048 U.S. based adults by Credit Karma and Qualtrics](#) found this: 71% of women felt either overwhelmed or discouraged when thinking about their finances. Many felt this way because their incomes felt somewhat low, they had little in savings, and many felt overwhelmed by debt.

While these factors around lower earnings, lower savings and high debt are absolutely true, in our survey, specifically when it came to optimism, we've found that the majority of women that participated felt optimistic about their financial futures.

In fact, over 66% of CGF respondents told us they feel optimistic or extremely optimistic about their future financial well-being despite the negative factors.

### What Is Your Outlook For Your Future Financial Well-being?



Some reasons for the high optimism within our community include:

- **Intentional focus on financial wellness:** Women in the Clever Girl Finance community are likely more invested in their financial journey. When there is intentional focus on achieving financial wellness, optimism is likely to increase.
- **Earning consistent and potentially higher incomes:** Income is a key contributing factor when it comes feeling financial optimistic. We found that 24% of

respondents earned incomes of \$40,000 to \$60,000, 18% of respondents earned \$61,000 to \$80,000, and 22% of respondents earned \$81,000 and above. The other 36% of respondents who shared that they earned no income at all yet (8%) or were earning under \$40,000 (28%) were more likely to feel worried about their finances.

With the existing gender wage gap, women earn 20% less on average than their white male counterparts, with minority women earning much less (For example, [Black women earn 38% less](#) and [Latina women earn 46% less](#)). As a result, intentional financial focus including financial planning, negotiating salaries, etc., by women is critical.

- **Lower stress around debt when a plan is in place:** Having a plan in place to pay off debt can help with managing stress around debt. In addition, higher incomes mean a higher ability to deal with debt faster and with less anxiety.

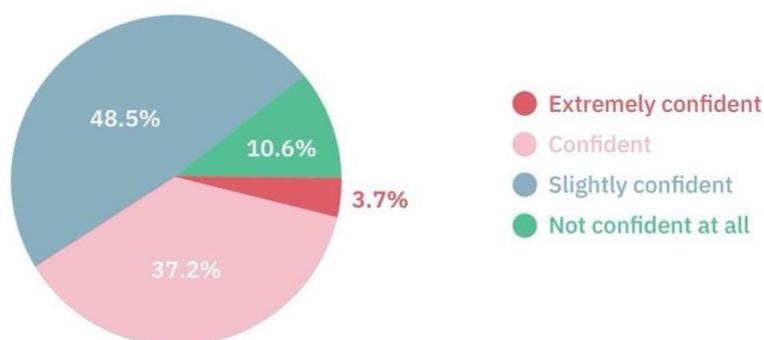
Regardless of the drivers, we feel that the underlying cause for optimism is sound knowledge in personal finance principles. Knowledge is power—and positivity.

Another question we wanted to answer in this survey was this:

### ***How confident do women in the CGF community feel about their financial knowledge?***

An overwhelming majority of women (86%) expressed slight to above-average confidence about their financial knowledge.

### **How Confident Are You About Your Financial Knowledge?**

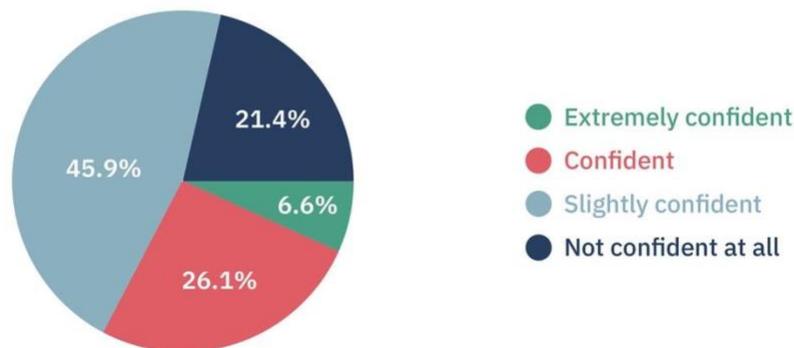


These results are telling. After reviewing other general studies on women and financial literacy, we found that women with higher levels of financial literacy tended to save more, spend more wisely, and invest.

We believe there is a strong correlation between financial literacy and better outcomes, which is displayed in the overall strong wins our survey participants are seeing financially.

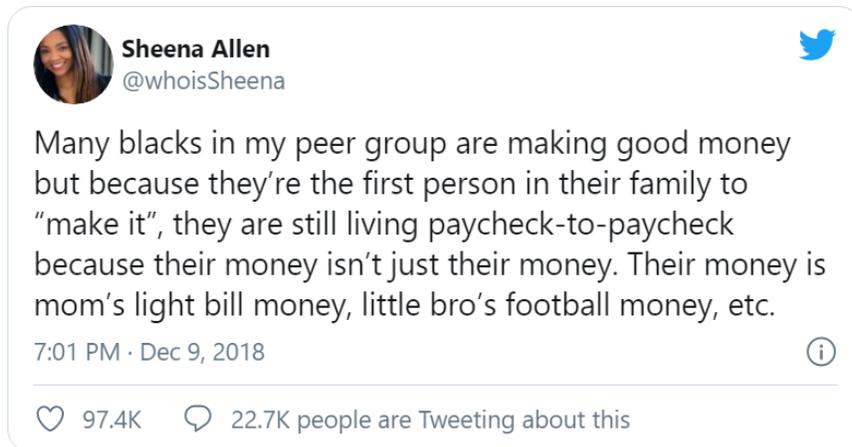
There were, however, 10.6% of respondents (chart above) who shared that they were not confident about their financial knowledge at all, and 21% of respondents were not confident in their ability to build long-term wealth (chart below).

### How Confident Are You About Your Ability To Build Long-Term Wealth?



Even after achieving financial gains, minority populations in particular often struggle with one thing: building generational wealth. 21% of respondents found this to be a challenge, with that number being higher among minority demographics.

The terms “black tax” and “brown tax” come to mind. It refers to the money that some black and brown people have to spend to support their families each month. This can drill a significant hole in savings fast. And often, it can be tough to get out of.



[Link to Tweet](#)

The numbers on this speak for themselves. According to the [Institute for Policy Studies](#), “[At this rate], by 2050, median White wealth will be \$174,000, while Latino wealth will be \$8,600 and Black median wealth will be \$600. Black family wealth is on track to reach zero wealth by 2082.”

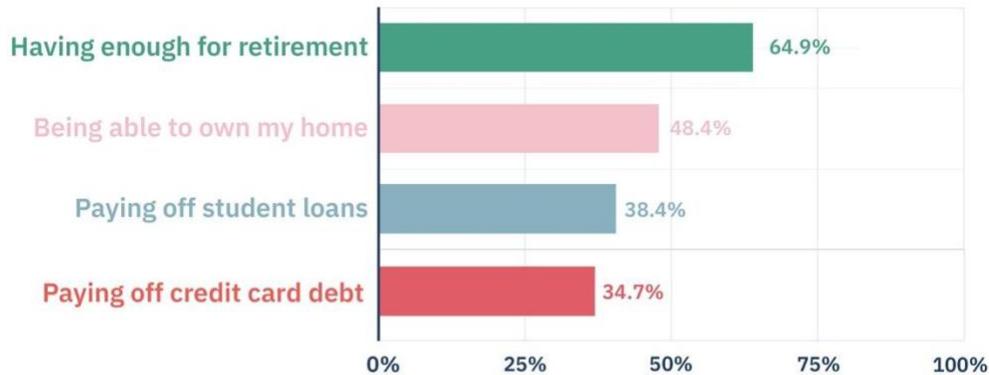
Specifically, for women of color, this is something that needs to change, and it starts now. At Clever Girl Finance, we are committed to helping women achieve this goal. All our courses are absolutely free. We have courses starting at the Foundational level, including ones on [budgeting](#), [paying off debt](#), and [savings challenges](#). We also have courses on [financial wellness](#) and [investing](#) that can help you get set up for success!

## Financial concerns

From our survey, one thing was clear about the financial concerns women have. They mostly center around debt or lack of knowledge. In our survey, we found that among the women who were most concerned about their financial well-being, their main concerns included saving for retirement, student loans, having no emergency fund, lack of knowledge on how to start, and poor spending habits.

In fact, women that took part in this survey resoundingly noted that retirement finances and having enough saved for retirement are their number one concern.

## What Is Your Biggest Financial Concern?



\*\*\*Respondents were able to select more than one response\*\*\*

These women recognize the value in saving for retirement and know the effort it takes to build a retirement nest egg. Not too far behind were concerns about home ownership and debt.

Based on these responses, we are also able to debunk the idea that women are satisfied with sitting back and letting their spouses figure out the finances. That is mostly not true (at least not for this bunch). Women's concerns seem to center on foundational building blocks: debt, savings, and good spending habits.

On the other hand, [76% of millennial men say they're good with money](#). This gives them the freedom to spend more time [taking bigger investing risks and seeing greater rewards](#).

It is important to note that men saying that they're good with money doesn't necessarily mean that they are better with it. Instead, it shows that their confident outlook may make them more comfortable than women with taking actions such as investing in stocks or real estate.

### Debt

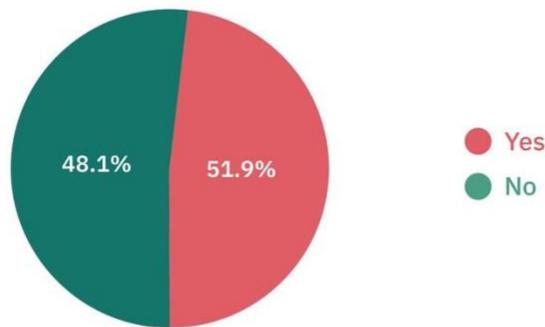
On a national level, women hold a ton of debt. With student loans, for example, [women hold nearly two-thirds of the \\$1.5 trillion student loan burden](#). When it comes to credit card debt, there is a similar trend. According to the Financial Industry Regulatory

Authority (FINRA), about 75% of Americans have at least one credit card, with an average balance of \$5,600. However, women are more likely to carry more debt. [In a millitary.com survey](#), 60 percent of women said they were likely to carry debt from one month to the next, while only 55% of men said the same.

### **Credit cards**

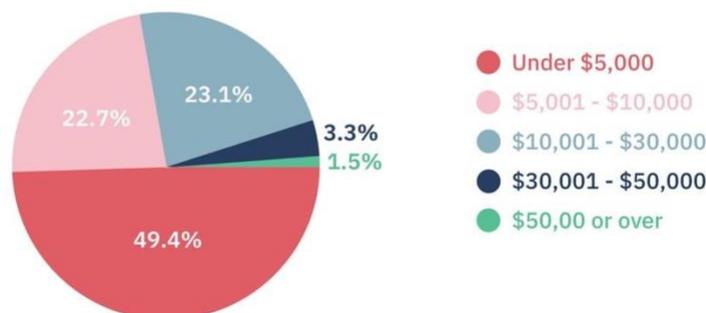
In our survey, there was an almost 50/50 split between those with and without credit card debt.

#### **Do You Currently Have Credit Card Debt?**



Of the respondents with credit card debt, about half had debt under \$5,000. However, the other 50% of respondents had more, with a majority carrying debt in the \$10,000 - \$30,000 range.

#### **If Yes, How Much Credit Card Debt Do You Have?**

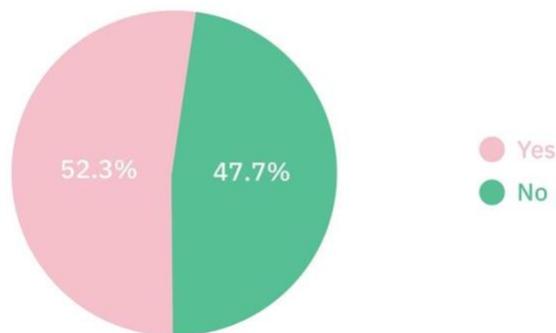


Interestingly, credit card or any form of debt is one of the reasons many people begin to pursue a path to financial literacy and freedom. So, while the debt levels may be high for some, these women are likely taking concrete steps to get their debt levels down.

### **Student loans**

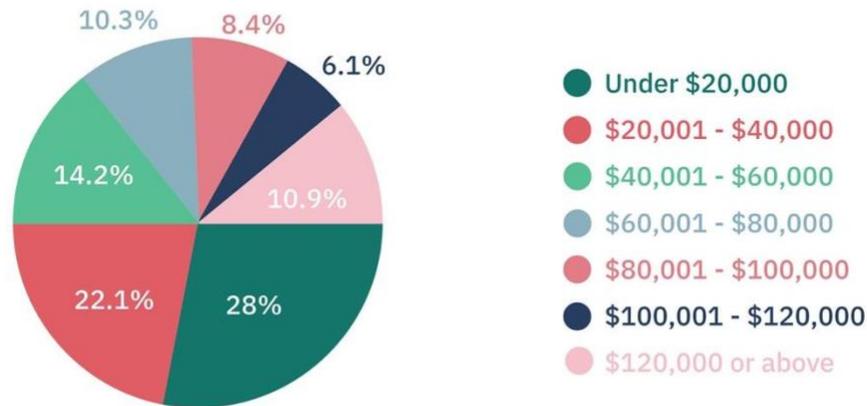
Credit card debt is one challenge, but student loans are equally burdensome. Our data shows an almost 50/50 split between women with no student loans vs. those that have them.

#### **Do You Currently Have Student Loan Debt?**



Over 72% of respondents with student loan debt have loans over \$20,000, and within this group, 17.1% have student loan debt over \$100,000.

## How Much Student Debt Do You Have?



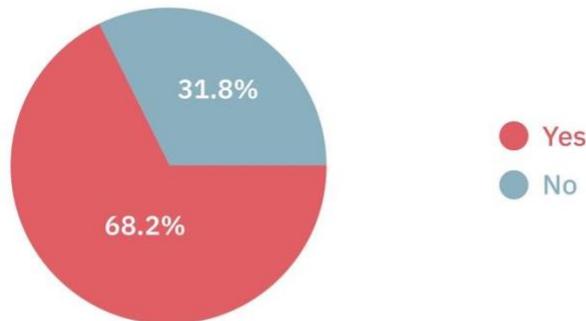
Although these numbers might send shivers down your spine, we do see a trend among the respondents. In our findings, the overwhelming majority of women in our community have used debt as a tool to further their education and not to fulfil consumer needs (student loans vs. credit cards).

Finally, looking further into the forms of debt among respondents, 86% of women have never had to use a payday loan (short-term loans that typically carry extremely high interest rates). There are, however, 14% of women who have had to resort to payday loans in the past.

## Investing

Investing is one of the best ways to build a retirement nest-egg, allowing individuals to put their money to work for them. Over two thirds (70%) of respondents shared that they invest. This is a win in our book!

## Do You Invest?



Almost 90% of respondents said that they are investing for retirement as their primary goal, while 50% said they also have additional long-term investment goals. The primary win here is that women are pursuing long-term financial goals and taking concrete steps to achieve them.

## What Are You Investing for?



## Home ownership

In terms of future goals, the women who took part in this survey have bold dreams that include home ownership. **Home ownership is a top priority for over 90% of women who currently don't own homes.**

It's no secret that owning a home, when done right, can be a very positive investment. A home can help individuals build equity; as monthly mortgage payments are made, the equity increases. Women are actively working to become homeowners.

## In closing

Taking in all of this information, we now know this for sure: When women are intentional about their finances, despite the factors working against them, they can accomplish great things.

When it comes to women and money, with intention and focus, women are more than capable of achieving financial wellness despite the negative factors working against them.

The Clever Girl Finance community is made up of women who know what they want financially and are not afraid to do the work to get it. They know their strengths, are able to reflect on past and present decisions, and make informed choices about their futures. Inspiring and educating these women is what drives us at Clever Girl Finance.

We're truly passionate about seeing women saving, investing, owning homes, and crushing their debt into pieces. And more importantly, we are passionate about changing the negative narratives that exist about women and money.

As a result, we're driven to stand alongside women everywhere by offering resources that empowers them to be trailblazers for themselves, their families, and their communities as they achieve goals along their financial journeys.