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## Women and Finance: Impact Recommendation Report

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**WOMEN AND FINANCE: IMPACT RECOMMENDATION REPORT**

Impact Luncheon: September 5, 2019, YWCA Utah; Released October 16, 2019

Participants: Erin Jemison (YWCA Utah Policy Director), Susan Madsen (UWLP, UVU), Danny Harris (AARP Utah), Amanda Christensen (USU Extension, Utah Money Moms), Nancy Anderson (Key Bank, Forbes Columnist), Courtney Giles (YWCA Utah Educator & Women’s Wellness Specialist), Ann House (U of U Personal Money Management Center), Kori Renwick (IRS SPEC), Martha Wunderli (AAA Fair Credit Foundation), Susan Speirs (Utah Association of Certified Public Accountants), Brittany Griffin (Utah Treasurer’s Office), Jonyce Bullock (CPA, Squire), Jesse Mecham (You Need a Budget)

Categories	Current Resources/Strengths	Gaps/Challenges	Potential Interventions
1. Financial incentives and support	<ul style="list-style-type: none"> <li>Individual Development Accounts: special match savings account for education, entrepreneurship, and home purchases (80% of Average Median Income or below).</li> <li>Community Reinvestment Act (CRA) funding for banks: banks are required to spend a percentage of income per year on financial education in Title I and other types of schools.</li> <li>Utah 211 can be helpful in some situations.</li> </ul>	<ul style="list-style-type: none"> <li>There are issues with banks charging fees and minimums, making it more difficult for lower income people to open accounts.</li> <li>There is a lot of free information, but no central Utah “hub.”</li> <li>Many Utah women struggle (e.g., make less money, lack of childcare)</li> <li>There are some disincentives built into some of the federal assistance programs, like food stamps.</li> <li>Typically, when people are sent to Utah 211, it is too late; many resources and support are too far out of reach when people are having problems.</li> </ul>	<ul style="list-style-type: none"> <li>Need a better hub with women and finance resources and recommend that the State Treasurers Office and the Utah Council on Financial and Economic Education (UCFEE) be the convener and hub; it has more credibility than a private entity.</li> <li>The hub should split resources and support into levels of help and make sure there are resources for each situation.</li> <li>Find a way to highlight companies that are doing good things for employees around parental leave, money to pay off loans, and other positive and effective strategies.</li> </ul>
2. Technology Infrastructure	<ul style="list-style-type: none"> <li>The most sophisticated financial technology is built around improving credit.</li> <li>Loan processing is now much faster.</li> <li>Ease of access to credit is better than it’s ever been, which is also a challenge.</li> <li>There are many smartphone apps available to help individuals manage their finances; however, they need to be vetted before being used.</li> </ul>	<ul style="list-style-type: none"> <li>Apps are coming out that people think are helping them budget or plan, but they are really payday lenders.</li> <li>There is a lack of education opportunity around behavioral issues regarding money.</li> <li>Ease of access to credit is better than it’s ever been; this is also a challenge.</li> </ul>	<ul style="list-style-type: none"> <li>Technology can help with trusted information and resources when people are looking for help.</li> <li>As part of financial literacy education in the schools, create assignments that involve the guardians of children.</li> <li>Create and market a hub managed by the Treasurer’s office for the citizenry.</li> <li>Expanding and utilizing You Need a Budget (YNAB).</li> </ul>
3. Creation of economic opportunity	<ul style="list-style-type: none"> <li>My529 Plan is a gift in Utah; it is one of the best plans in the nation.</li> <li>Utah currently has strong employment resources.</li> <li>Utah has a robust VITA\TCE (Tax Counseling for the Elderly) program</li> </ul>	<ul style="list-style-type: none"> <li>Even when people have education, for many it still feels nearly impossible for people to save.</li> <li>There are specific challenges for women:</li> </ul>	<ul style="list-style-type: none"> <li>There is an opportunity to target women who are part of gig economy, side hustle, or remote work and show them how to budget and succeed.</li> <li>Highlight companies that are doing good things for employees around parental</li> </ul>

	<p>statewide.</p> <ul style="list-style-type: none"> <li>• A lot of Utah women have flexible work options including “side hustles,” being part of gig economy, freelance/contract work, remote work, etc.</li> </ul>	<p>gender wage gap, lack of employer-sponsored retirement plans, and benefits not available for part-time labor force which is more women.</p> <ul style="list-style-type: none"> <li>• Utah doesn’t have a system and structure in place, particularly for women, to be successful in these areas; this new kind of economy and workforce has not yet been considered.</li> <li>• No matter what we do as far as education, if women aren’t making enough money more broadly, women won’t make progress.</li> <li>• Another risk of the “side hustle” is that some of these “opportunities” take advantage of women and require them to purchase expensive “kits” or spend a certain amount of money to make money each month and they end up losing money overall.</li> </ul>	<p>leave, helping employees pay off student loans, and other related benefits.</p> <ul style="list-style-type: none"> <li>• We now have the statewide “Women and the Money: conference; there may be a need for a conference for men too.</li> <li>• Until women are more involved in leadership positions, serve on boards and educate those already in those positions, change will be slow at best.</li> <li>• Find ways to connect women interested in doing the “side hustle” type of work and connect them with the various small business growth centers, including the Women’s Business Center of Utah, where they can receive education on starting and growing a business.</li> </ul>
<p>4. Capacity building</p>	<ul style="list-style-type: none"> <li>• Mandated financial literacy education in a state is rare.</li> <li>• Utah is starting to see the impact of mandatory financial literacy education and legislation; the policy discussion now is about what’s included in that education rather than whether it should exist.</li> <li>• Strong free financial education from various groups and organizations is available (e.g. cooperative extension in every county).</li> <li>• Utah Jump Start Coalition teaches educators how to teach finances.</li> <li>• Utah has successfully embedded finances in other K-12 topics (i.e., math, English, social studies) as part of the legislative mandate referenced above; Utah is the only state to receive an A+ grade for financial literacy.</li> <li>• Teachers are now qualified to teach this class, which was a previous challenge; this resulted from state audit of the class.</li> </ul>	<ul style="list-style-type: none"> <li>• People may not know about all the free financial education available to them; getting people to show up for training is also challenging.</li> <li>• Many Utahns don’t want to talk about finance because they are afraid to show their ignorance.</li> <li>• Even though it is mandated at legislative level, there are still not enough educators teaching financial issues (e.g., investing, planning for college, planning for retirement).</li> <li>• Financial literacy is the only mandated course in public education that is still opposed by some, including the state board of education.</li> <li>• Connecting with families is a challenge; students are taught but are not bringing the concepts home and getting support there. Parents are still the biggest influence and need to be onboard. Teachers need to encourage students to</li> </ul>	<ul style="list-style-type: none"> <li>• Continue to address financial literacy crisis in Utah through policy work (i.e. mandatory financial education). Every year requires policy advocacy to keep it mandatory in schools.</li> <li>• There is a Jump\$tart summit in June 2020, and it is going to be inviting parents; a potential way to get education to parents is to approach them as needing to come for their child/student.</li> <li>• The Utah Women &amp; Leadership Project is working with AAUW and other partners to get 1,000 women to take online salary negotiation course by end of 2020.</li> <li>• Some financial education needs to be gender-specific to look at underlying issues (e.g., psychological, abuse, other root causes); this is also true with cultural issues as Utah has 127 languages spoken in our schools.</li> <li>• Financial counselors and peers are key because it’s not just about education. They</li> </ul>

	<ul style="list-style-type: none"> <li>• The WISE class is taught to domestic violence survivors at YWCA; it is a basic course but is making a difference.</li> <li>• Many Utah employers do have programs for their employees.</li> </ul>	<p>talk about it at home.</p> <ul style="list-style-type: none"> <li>• Financial education is all about behavior change, which makes it complex.</li> <li>• Financial dependence is a major reason people stay in abusive relationships; it is not given enough attention.</li> <li>• It is still difficult to get the information and education to employees; there are some attempts to go through employee assistant plans, but people are not encouraged to use it unless there’s a crisis. It is not a great vehicle for financial education.</li> </ul>	<p>need to know about resources, like the Habitudes game (i.e., personality traits around finance, self-awareness assessments related to finance).</p> <ul style="list-style-type: none"> <li>• Financial education needs to start at younger ages, to help people understand healthy financial behavior; Utah does have financial literacy education mandated by legislation beginning at Kindergarten.</li> <li>• Continue to develop a hub of information and resources through UCFFEE/Treasurer’s Office.</li> </ul> <p>Education and tools need to target Utah women who are participating in a very different kind of workforce and economy (e.g., side hustle, gig work, remote).</p>
<p>5. Advocacy and shaping attitudes</p>	<ul style="list-style-type: none"> <li>• The Utah Association of CPAs (UACPA) has taught financial literacy classes for years at prison and rehab facilities.</li> <li>• Basic education and intervention make a vast difference in creating success and independence for women coming out of various situations (e.g., abuse, death, divorce, disability).</li> <li>• We are seeing changes in ability to earn a living with emerging types of work (e.g., side gigs, remote).</li> </ul>	<ul style="list-style-type: none"> <li>• Still not seeing parents getting financial education themselves.</li> <li>• There are unique issues based on gender and most don’t recognize this.</li> <li>• New issue, especially with lower income families, is that over 50% of people are unbanked, which is very concerning; one of the issues is new minimum requirements from banks to open accounts, and fees associated with banking.</li> <li>• The paycheck to paycheck cycle is an issue regardless of income level (except at the very highest levels) and regardless of how often they get paid.</li> <li>• Need to address attitudes shaping habits and behavior (e.g., money personality, banking habits) before even get to training piece, particularly for women.</li> <li>• Many women care about these issues, but there is still a gender socialization factor—we don’t talk about money, politics, and sex.</li> <li>• Sometimes women don’t think they need to know about finances until life falls apart due to death, disability, or divorce;</li> </ul>	<ul style="list-style-type: none"> <li>• Need to teach people to break out of the paycheck to paycheck cycle, regardless of income level.</li> <li>• Teach women about money personality and habits; we skip the “why” and go to the “how” too quickly. This is a critical element.</li> <li>• Address the gender socialization factor around talking about finances; start by talking about your dreams and then inspire action.</li> <li>• Start conversations about money at younger ages; help influencers know they need to educate early.</li> <li>• At least some of the education needs to be tailored to gender and cultural differences; consider adding this to the half credit required class for high school graduation.</li> <li>• Empower not just women to understand finances but empower men to share information; they need to understand why it’s important to partner with spouse in managing finances.</li> <li>• Tax preparers, accountants, and financial planners can play a role in bringing women into the conversation more, not allowing</li> </ul>

		<p>connected to domestic violence as well.</p> <ul style="list-style-type: none"> <li>• The Utah culture is focused on self-reliance, but financial empowerment and education isn't prioritized, particularly for women.</li> <li>• Culturally, there is an attitude that finances are one of the things you split up with your partner as a household duty – not something both people do together.</li> <li>• YNAB (You Need a Budget) has tried to get employers to buy very inexpensive products to help educate employees (may be free in the future); yet, they struggle with getting employers to take advantage of financial education (e.g., lack of trust, employers don't want to lose the work time).</li> <li>• Unconscious gender bias is still at play in financial world and with women in business in Utah. Even with wealthy couples, women don't have a voice and/or don't show interest.</li> <li>• In Utah, there is more separated household domains; men oversee the finances and women take care of the kids.</li> </ul>	<p>papers to just be signed but involving both partners in the process.</p> <ul style="list-style-type: none"> <li>• Need to socialize an attitude where household finances are shared.</li> <li>• Need employers to be engaged and provide education to employees.</li> <li>• People with products (e.g., YNAB) have found that just targeting people who want it, not convincing them they need it, is key; it is not about demographics or income. It tends to be about what they see on W2, whether they got a tax refund or bill, etc.—an event. Need to find that moment of timing when people are looking for this information.</li> <li>• Utah needs a strategic public awareness campaign regarding public support for policies like paid leave.</li> <li>• Ask Becky Jacobs at Tribune to give gender lens to this issue (e.g., gender differences in ability to pay off debt, highlighting businesses doing good things).</li> </ul>
<p>6. Laws, policies, and regulations</p>	<ul style="list-style-type: none"> <li>• Mandated financial literacy education in public schools.</li> <li>• AARP has some strong polling numbers showing support for ballot initiatives on paid leave, capping interest rates, for example.</li> </ul>	<ul style="list-style-type: none"> <li>• Still some resistance to any kind of mandatory class; this is the only topic/class that's mandated.</li> <li>• Utah is the “wild west” (one of the worst states) on payday loan regulations, and it is centered around low-income areas. Many states have a 36% cap on interest rates, we have none. Some are 1000%. They have lobbying power. Federal policymakers won't touch it as it is a state issue. Apps are now coming out with fees; these really are payday lenders without regulation.</li> <li>• Advocates have tried to advance policy for small business retirement plans but get a lot of pushback from financial institutions.</li> </ul>	<ul style="list-style-type: none"> <li>• Utah needs regulations on payday lending: usury laws, caps on interest rates, etc.</li> <li>• People coming out of criminal justice system need options other than payday lenders; yet, we can't just get rid of them without thinking about other options and banking challenges for the highest risk people (e.g., women, seniors).</li> <li>• Need a policy to get more small businesses to offer retirement (e.g., similar to 529 plan). People need the vehicle through their employers as there it is 15x more likely than if they have to go out on their own to get it. Needs to be a system in place for people so that it's automatic for people—a mechanism.</li> <li>• Paid leave for workers is needed; Utah has</li> </ul>

		<ul style="list-style-type: none"> <li>• The business community lobbies against some of these policy approaches.</li> </ul>	<p>many challenges with childcare and caregiving in general.</p>
<p>7. Research and data</p>	<ul style="list-style-type: none"> <li>• Included a reporting piece in legislative few years ago to improve data tracking piece.</li> <li>• State audit was done about the mandatory class, and it showed that the class is doing what it’s supposed to be doing.</li> <li>• University of Utah, USU, and Weber State participated in national research, which can be sorted by gender. It shows how we compare to rest of the country.</li> <li>• AAUW published national data on women and student loans.</li> <li>• Price Waterhouse Cooper published a study on financial stress and cost to employees.</li> </ul>	<ul style="list-style-type: none"> <li>• Utah is still struggling with tracking what is being taught and where the gaps still are.</li> <li>• Takes women much longer to pay off student loans than men.</li> </ul>	<ul style="list-style-type: none"> <li>• Need longitudinal look at the effects of mandatory education on students’ lives down the road.</li> <li>• Contact AAUW for state-specific data on challenges that women may experience compared to men in paying off student loan debt.</li> <li>• Need to understand why the answer is so different between men and women when asked where they would go for financial information and assistance.</li> </ul>

*This Impact Recommendation Report was compiled, drafted, and refined by Erin Jemison (Director of Public Policy, YWCA Utah) and Dr. Susan R. Madsen (Orin R. Woodbury Professor of Leadership & Ethics, Woodbury School of Business, Utah Valley University). For questions, contact Dr. Madsen at [uwlp@usu.edu](mailto:uwlp@usu.edu). For additional information, see the following websites: Utah Women & Leadership Project ([www.utwomen.org](http://www.utwomen.org)) and YWCA Utah (<https://www.ywcautah.org/>).*