

WOMEN IN LEADERSHIP

Why is the gender wealth gap even more significant than the gender income gap?

Often when people hear “gender wealth gap,” they think we’re referring to the “gender income gap.” According to 2021 statistics, women earn on average 89 cents on the dollar compared to men, which works out to about \$7,000 less a year and \$280,000 less over a career. In Winnipeg, that lifetime difference is enough to buy a home. That’s the gender income gap. But the gender wealth gap—the total wealth earned, saved and grown over a woman’s lifetime—is much more substantial. It’s influenced by women’s experiences and their relationship with money, and it can be magnified depending on whether a woman has access to wealth-accumulating opportunities and employee benefits.

Has the pandemic widened the gender wealth gap?

It absolutely has. The “she-cession” refers to the disproportionate job loss that occurred in fields commonly employed by women over the pandemic—for example, service, retail, childcare, education, health and part-time work in general. The gender income gap narrowed from 87 cents to 89 cents on the dollar, but that’s because there were fewer women in the workforce. In addition, the pandemic’s severe health effects led to an increased rate of health-related issues and disabilities, which affected women directly and increased their caregiving responsibilities. Arguably, the pandemic set women back decades, indirectly widening the gender wealth gap.

You’ve also researched the Indigenous wealth gap. What have you discovered?

There’s a lack of understanding about the unique needs and considerations of Indigenous communities and not a lot of financial guidance has been



“Professional financial intervention is required to narrow the gender wealth gap and the financial literacy gap.”

Kristin Ramlal

*Vice-President,
Institutional Investment Sales
Canada Life*

provided historically. Indigenous peoples have faced so many challenges and obstacles—including, as just one example, the Lost Generations who didn’t have IDs that would’ve allowed them to start their financial literacy journey by working with financial institutions. Plan sponsors have a responsibility to make financial education and member benefits accessible to everyone, including employees based in remote Indigenous communities. It’s also important to connect members with licensed financial professionals when they have questions about their benefits.

What concerns do you have about intergenerational wealth transfer?

We’re going through the greatest intergenerational wealth transfer of all time, with women projected to inherit about \$400 billion over the next 40 years. By 2026, women are expected to control 50 per cent (\$900 billion) of financial wealth in Canada. However, women’s beliefs about money, history with money and value system related to money have contributed to lower financial confidence and financial literacy scores. Professional financial intervention is required to narrow the gender wealth gap and the financial literacy gap.

What can plan sponsors do to help?

Start by finding collaborative organizations, like Canada Life, that support the mental, physical and financial well-being of female employees and allow you to offer a targeted mix of member benefits. These may include group retirement savings plans; health, disability and life benefits that support the changing demographic needs of women; and investment solutions that align with women’s values like SRI and ESG strategies. Also, it’s important to provide financial literacy education resources and tools, in addition to financial planning resources and support.

Internally, offer financial literacy sessions, encourage joint household decision-making to empower women. You should also stay aware of the unique challenges women face on their path to financial peace of mind, so you can incorporate that awareness into human resources and employee wellness initiatives.

Don’t hesitate to go back to the financial basics—many employees, female and male, Indigenous and not, need a refresher.