



**The Women's
Foundation of Colorado**
Women Thriving. Colorado Rising.®

The Cost of Failing to Invest in Women

When We Invest in Women, We All Win.

Women's Economic Realities in Colorado

LITERATURE REVIEW & DATA ANALYSIS
SEPTEMBER 2020



To download the report, visit www.wfco.org/research.

INTRODUCTION

Women are “the most underutilized economic asset in the world.”¹ Sexism and racism have been historically ingrained into the social, economic, and political structures of the United States, resulting in the current systemic barriers women face in achieving economic security. The degree to which women experience institutionalized oppression is largely based on the intersectionality of their identities—for instance, women of color face the synergy between racism and sexism in a way that white women do not. Apart from social and moral concerns, gender inequality also poses a significant economic challenge to society. The economy—be it at the state level, national level or global level—cannot operate at its true capacity with constraints that limit the economic security of almost half of the world’s population.² This is no different for Colorado where women account for 49.6 percent of our population³. Despite the substantial progress made over past decades, women in our state still face inequities and systemic barriers that keep them from reaching their full potential. While women are the co- or sole-breadwinners in 45 percent of households in Colorado, a family headed by a female householder only earns 72 percent of the earnings of a family headed by a male householder.⁴ This is just one of many statistics that demonstrate the barriers facing women in Colorado today. These challenges have been illuminated and exacerbated by COVID-19. As policy makers in Colorado begin to better understand the impacts of the pandemic on our state and its population, they must ensure our state’s response includes policies that will promote a sustained, equitable recovery for women and their families.

This report aims to develop an initial understanding of the economic security of women in Colorado—what economic security means, why it is significant, what are the barriers deterring its achievement, and how to promote it. The objectives of this research study are to create a better understanding of women’s economic realities in Colorado—backed by relevant literature and current data—and to develop a research framework to answer the following questions in regard to women’s economic security:

- What are the impacts/returns of investing in women?
- What are the costs of failing to invest in women?
- What are the most effective levers for propelling more Colorado women to economic security?
- What is the magnitude of the wealth gap for Colorado women? What is the wealth gap for women of color and considering other intersections of identity? What key factors contribute to or mitigate the wealth gap?
- What do we need to know about various sectors of the economy/workforce particularly relevant to women’s economic security?
- What do we need to know about women’s economic security at different stages of life and factors that contribute to or detract from women’s well-being and well building?
- While many of the barriers impacting a women’s path to economic security are known, are there other less-known barriers?

Furthermore, the measures used in this report have been disaggregated by race and ethnicity to demonstrate that women are not a monolith. Intersectionality is a large determinant of whether a woman is economically secure.

¹ Angel Gurría, Secretary-General at Organisation for Economic Cooperation and Development (OECD)

² 49.585% of the world population are women (World Bank 2018 data)

³ US Census Bureau Population Estimates (2019)

⁴ American Community Survey Estimates (2017): Number of female headed household and Earnings (Single man headed vs. Single woman headed)

About This Report

This report is one of two products created as part of the first phase of a larger research project initiated by The Women's Foundation of Colorado to develop a comprehensive research framework for analyzing women's economic security in Colorado. This first phase of the project has two goals:

1. To explore and summarize the existing universe of women's economic security research at the national, state, and local levels (within Colorado) as foundation for the research framework; and
2. To develop a framework to explore the aforementioned key questions in a series of external-facing research reports in the following two-to-three years.

This report satisfies the first goal while a companion research framework satisfies the second. Both the report and the research framework were developed by the Colorado Center on Law and Policy (CCLP). CCLP's mission is to stand with diverse communities across Colorado in the fight against poverty through research, legislation and legal advocacy. They focus on securing access to food, health, housing and income to build a more equitable state.

WOMEN'S ECONOMIC SECURITY

Over the last several decades, women's economic well-being, in general, has advanced. Women have entered the workforce in record numbers and have achieved significant improvements in educational attainment. Nonetheless, when compared with men, women are still paid less, are more likely to hold low-wage jobs, are less likely to hold top managerial positions, and are more likely to live in poverty. Moreover, when we look beyond women as a single group and view women across distinct races, ethnicities, age-groups, marital status, and other intersectional demographics, the economic inequities become even more evident.



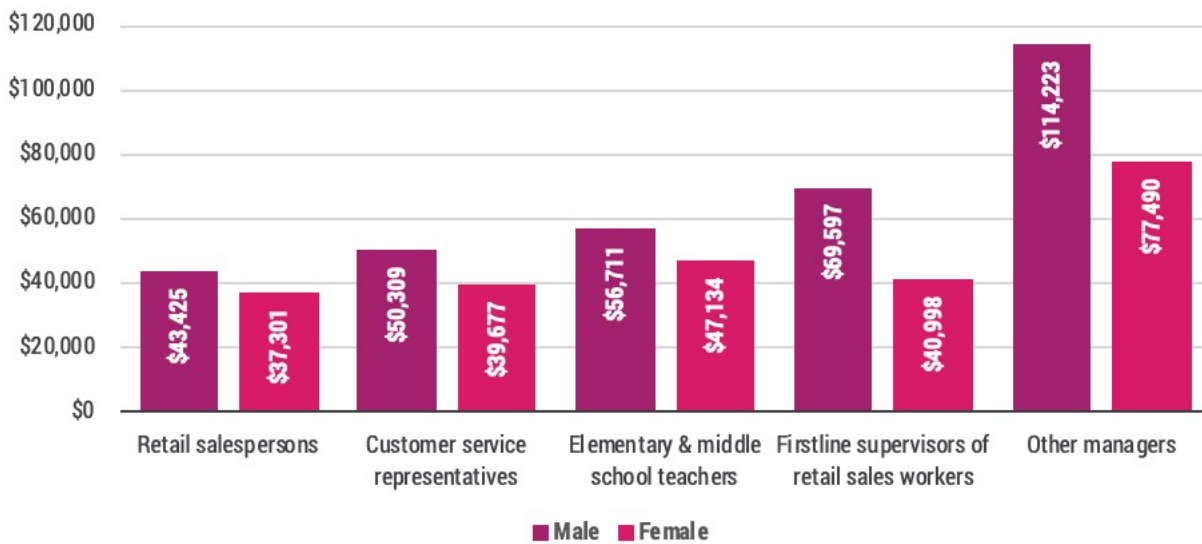
Gender Income & Wealth Gap

Gender wage and income inequities are prevalent across the nation, reflecting the persistence of institutionalized sexism that undervalues the work of women in comparison to that of men. For every dollar paid to men ages 16 and up working full-time year-round in 2016, women in Colorado were paid 86 cents, amounting to an annual gender earnings gap of approximately \$7,000.⁵ Looking at this disparity across racial and ethnic groups that same year, for every dollar paid to a white, non-Hispanic/Latino male, Black women were paid 63 cents, Native American women 56 cents and Latinas just 54 cents. White, non-Hispanic/Latina women are paid 78 cents and Asian American women 70 cents for every dollar paid to white, non-Hispanic/Latino men. Overall, if the wage gap between men and women continues to close at its current rate, women will not reach parity in the state until 2057. Due to the gender wage gap, each woman in Colorado will lose an average of \$322,320 over the course of their lifetime.⁶ If Colorado women and men earned the same for comparable work, the poverty rate for all working women would be cut in half and the state economy would grow by an additional \$9.2 billion or 3.0 percent of the state's GDP in 2014.⁷

⁵ Institute for Women's Policy Research (2018). Status of Women in the States - Colorado

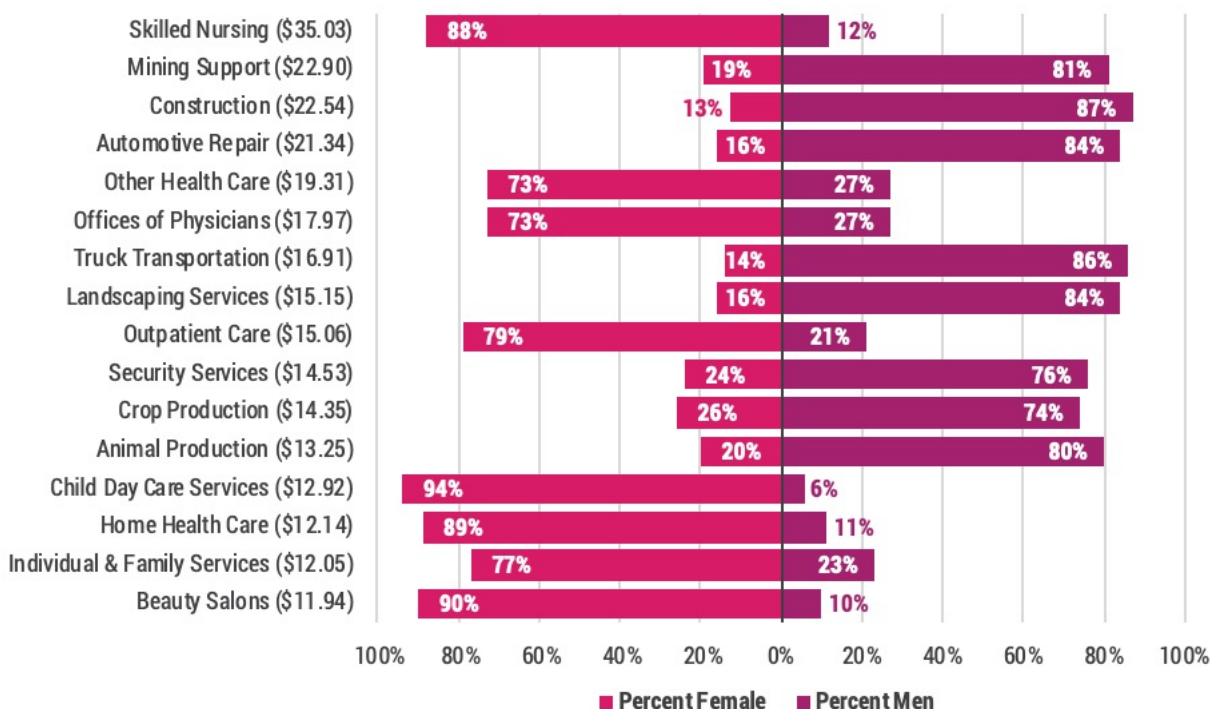
⁶ Center for American Progress. (2018). Economic Security for Women and Families in Colorado

⁷ Institute for Women's Policy Research. (2015). Status of Women in the States – The Economic Status of Women in Colorado

Figure 1: Median Income by Occupation and Gender – Colorado, 2017

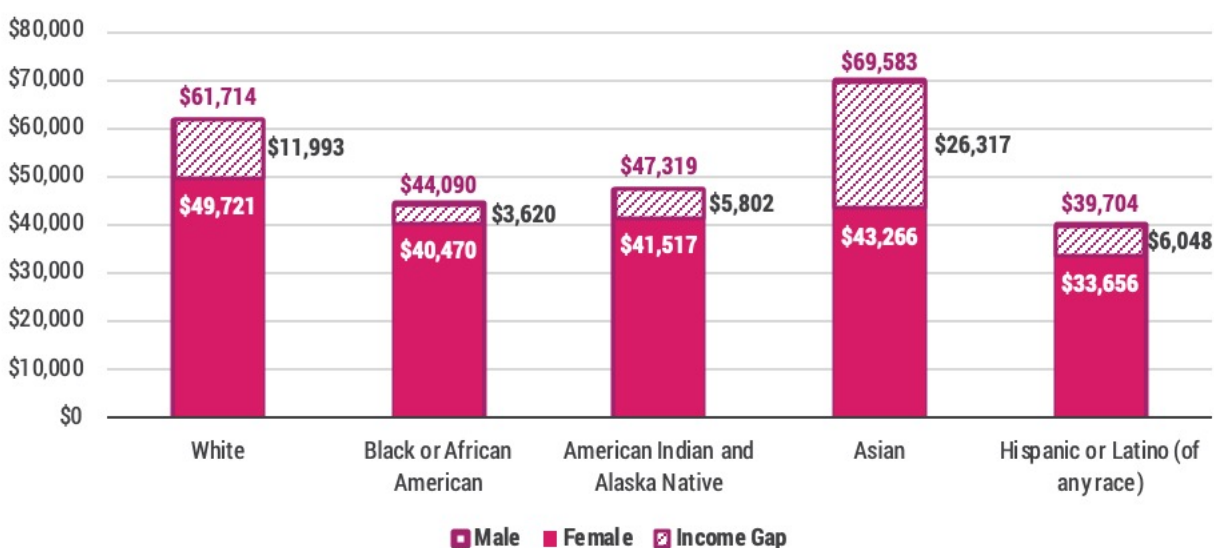
Source: U.S. Census Bureau - ACS 2017 1-Year Estimate.

Figure 1 shows the average wage of men and women for the most commonly held occupations for both genders in Colorado. As we can see, there is a disparity between genders in every occupation. The persistence of this disparity across multiple occupations underscores its systemic nature—even in occupations that are thought of as being “female dominated”, such as teaching, a gap exists between men and women’s earnings. It is widest for first line supervisors of retail sales workers, where women earned just 59 cents for every dollar earned by men. **Figure 2** shows a comparison of wages paid in industries most represented by women and by men in Colorado. It is evident that women are mostly concentrated in industries with lesser pay compared to men.

Figure 2: Industries Most Represented by Men and Women by Median Wage – Colorado, 2017

Source: U.S. Census Bureau - ACS 2017 1-Year Estimate.

These differences are even more acute across racial and ethnic groups. **Figure 3** shows the gap in median income between men and women, across intersectional population groupings in Colorado for 2017.

Figure 3: Median Income by Race/Ethnicity and Gender (including Gender Gap) – Colorado, 2017

Note: Data for racial groups (White, Black or African American, American Indian and Alaska Native, and Asian) do not include members of these groups who also identified as Hispanic or Latino.

Source: U.S. Census Bureau - ACS 2017 1-Year Estimate

Closing the income and wage gap has been a top policy priority among those looking to promote women's economic security. However, while reducing the wage/income gap is essential, we must go beyond the income narrative if we are to reverse the long-term impacts of the decades-long trend of lower income for women, particularly women of color. As a measure of economic security, wealth is distinct from income. It measures a household's net worth and represents a resource that women and their families can use in genders and within the female population.⁸

A lack of data on other diverse groups, such as LGBTQ+ women, Asian American and Pacific Islander women, and Native American women, makes further comparisons difficult. These gaps in data often result in "legislative invisibility," leading policy makers to overlook and undercount their needs.⁹

The acute wealth gaps between men and women, and across different groups of women, are the result of historical wage disparities, limits on asset ownership and accumulation, and segregation of employment caused by centuries of sexism and racism. Millions of women and their families are trapped in a vicious cycle of debt perpetuated by the limits society has placed—and still places—on their capacity to build and generate wealth. As a result, current efforts to minimize income and wage disparities must also incorporate strategies on mitigating gender wealth gaps. Opportunities for women to attain higher education, financial knowledge, and to establish businesses should be expanded while the barriers (cultural and economic) should be reduced. There is also a need to target these solutions to maximize benefits for lower income women, women of color, and women belonging to other minority and traditionally marginalized groups in order for such efforts to be done in an equitable manner.¹⁰

Barriers to Women's Economic Security



Around the world, as well as here in Colorado, women are faced with complex barriers that limit them from realizing their true economic potential. These barriers—economic or social—shape women's economic status. They exist for all women but are more evident as we move through intersections of women's identities and other historically disadvantaged or marginalized groups. In order to understand strategies that will lead to greater economic security for women, it is essential to understand the types and nature of the barriers they face.

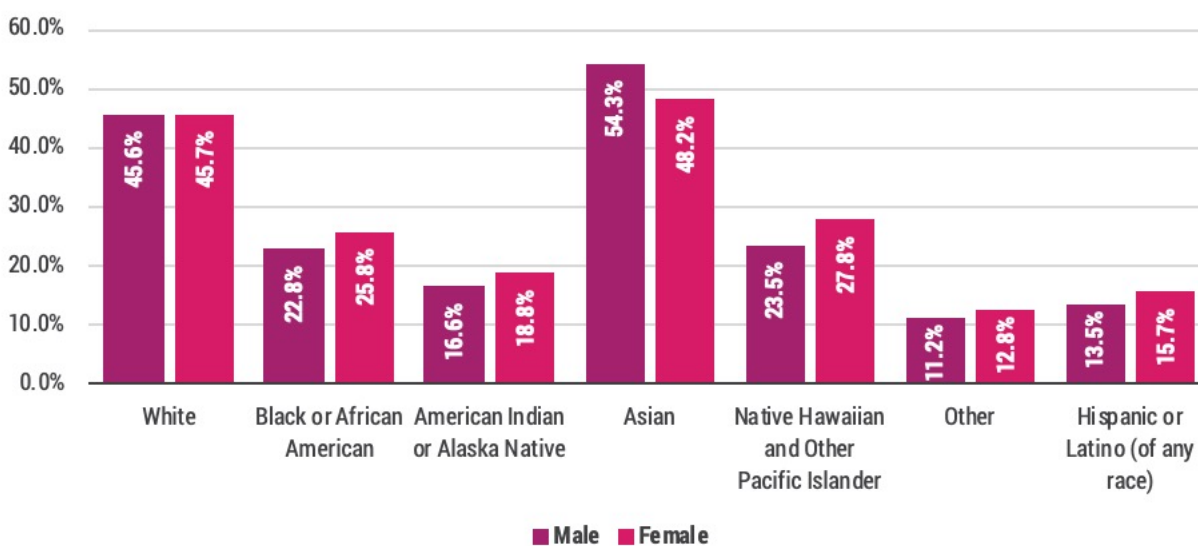
Historically, economic security has been linked with educational attainment. Education is a consistent determinant of human development which contributes to both social as well as economic progress in a country. **Figure 4** shows the differences in percentages of people 25 years and older with or beyond a bachelor's degree in Colorado. The figure shows that while women tend to have a higher educational attainment rate than men, the differences among racial/ethnic groups are quite acute. According to a study by Bell Policy Center, by 2020, 74 percent of jobs in Colorado will require some level of postsecondary education and training.¹¹ As such, limited educational attainment could be linked to fewer employment opportunities in the future for certain groups of women, particularly higher paying opportunities.

⁸ Davis, A., & Gould, E. (2015). Closing the pay gap and beyond: A comprehensive strategy for improving economic security for women and families. *Economic Policy Institute*, November 18.

⁹ Ibid.

¹⁰ McCulloch, H. (2017). Closing the Women's Wealth Gap: What It Is, Why It Matters, and What Can Be Done About It. Closing the Women's Wealth Gap Initiative

¹¹ The Bell Policy Center. The Future of work: Education and workforce gaps affecting Colorado women

Figure 4: Share of Population 25 Years and Older with a Bachelor's Degree or Higher – Colorado, 2017

Note: Data for racial groups (White, Black or African American, American Indian and Alaska Native, Asian, Native Hawaiian and Other Pacific Islander, and Other) do not include members of these groups who also identified as Hispanic or Latino.

Source: U.S. Census Bureau - ACS 2013-17 5-Year Estimate.

Additionally, even though women have made strides in educational attainment over the past four decades, this progress has not necessarily resulted in greater economic equality with men. While earnings for both men and women go up with higher levels of educational attainment, perversely, the difference between men's and women's earnings widens with more education. Among workers in the United States with a bachelor's degree, women earn 74 cents for every dollar men make, less than the 78 cent-gap for male and female workers without the college degree.¹² Even though women today are enrolling in college in greater numbers, breaking barriers and pursuing careers traditionally considered "male dominated," women still seem to end up in lower paying jobs or are paid less for the same job compared their male colleagues.¹³ In other words, educational attainment alone will not be enough to close the gender wage gap in this country without changing the way employers value the work of women.

Women & The Workplace

Women are an integral part of the workforce. According to a scenario analysis conducted by economists at S&P Global, if women in the United States entered and stayed in the workforce at a pace in line with that seen in Norway, our nation's economy would have been \$1.6 trillion larger than it is today.¹⁴ However, women face several barriers that prevent them from entering and remaining in the workforce. Even if they do enter and stay in the workforce, they face challenges in advancing to higher managerial positions within their industry. The percentage of women entering the labor force in the United States lags most other members of the Organisation for Economic Cooperation and Development (OECD).¹⁵ Diversity efforts are

¹² Cheeseman Day, Jennifer (2019). Among the Educated, Women Earn 74 Cents for Every Dollar Men Make. US Census Bureau:

<https://www.census.gov/library/stories/2019/05/college-degree-widens-gender-earnings-gap.html>

¹³ Carnevale, A. P., Smith, N., & Gulish, A. (2018). Women can't win: Despite making educational gains and pursuing high-wage majors, women still earn less than men

¹⁴ Bovino, Beth Ann and Jason Gold (2017). The Key to Unlocking U.S. GDP Growth? Women. S&P Global:

https://www.spglobal.com/Media/Documents/03651.00_Women_at_Work_Doc.8.5x11-R4.pdf

¹⁵ OECD Database: Female labor participation rate (2016)

increasingly prevalent in hiring and promotion processes, but there still are inconsistencies leading to biases in recruitment.

Women face even tougher challenges to remain in the workforce. The United States is the only OECD country that does not mandate income supports to workers during maternal or parental leave.¹⁶ As women are the primary caregivers for children in the United States, both the pregnancy and subsequent birth of a child cause challenges for women who would like to remain in their current position after the birth of a child, as they must leave without any legal guarantee of being able to return. Women are also disproportionately the victims of workplace harassment, leading to unstable and unwelcoming work environments. Sexual harassment continues to be a widespread issue for women at work. In 2016, the Equal Employment Opportunity Commission (EEOC) released a study of workplace harassment in the United States which concluded that “anywhere from 25 percent to 85 percent of women report having experienced sexual harassment in the workplace.”¹⁷

The invisible systemic barriers that prevent women from rising to senior leadership positions—often referred to as the “glass ceiling”—hinder women’s growth prospects in a company, both in terms of positions and potential earnings. Despite recent advancements there is a persistent underrepresentation of females in key executive positions, with a 19:1 male-to-female ratio for CEO positions and a 6.5:1 male-to-female ratio for CFO positions. The statistics are similar for manager, where men hold 62 percent of the positions¹⁸. These inequalities lead to long-term impacts beyond the implications they have for women’s earnings and wealth. Since men significantly outnumber women in managerial position, there are notably fewer women to hire or promote to senior managers, leading to decreases in the number of women at every subsequent level.¹⁹ In Colorado, 44.5 percent of employed women are in managerial/professional occupations, up from 36.4 percent in 2004.²⁰ However, the percentage of women in CEO positions was only 7.7 percent, much less than the national rate of 23.3 percent.²¹

Due to this occupational segregation, women are often limited to low-wage jobs, including those paying the minimum wage. Nearly 6 in 10 of all minimum wage workers in Colorado are women.²² Apart from paying low wages, workplaces dominated by women tend to be focused in specific industries, such as the care of others, and are often connected to direct public investment. Despite the economy’s dependence on these positions, they often have lower pay, poor benefits, inadequate training, and a lack of career advancement.²³ This imbalance is also creating differences in the ways men and women have been experiencing the recent social and economic impacts of the COVID-19 pandemic. Not only are the low-paying jobs dominated by women more likely to be lost due to social distancing measures, but women are also more likely to be in caregiving occupations placing them at greater risk for infection.

Women & Business

The number of women-owned businesses in the US has increased significantly in the past two decades, specifically among women of color who have started more businesses than other demographics.²⁴ Colorado

¹⁶ Bovino, B. A., Gold, J., Panday, S., & Maguire, J. (2017). The key to unlocking US GDP growth.

¹⁷ Feldblum, C. R., & Lipnic, V. A. (2016). Select task force on the study of harassment in the workplace. *Washington: US Equal Employment Opportunity Commission*

¹⁸ Daniel J. Sandberg (2019). When Women Lead, Firms Win.

¹⁹ Huang, J., Krivkovich, A., Starikova, I., Yee, L., & Zanoschi, D. (2019). Women in the Workplace 2019. San Francisco: Retrieved from McKinsey & Co. website: <https://www.mckinsey.com/featured-insights/gender-equality/women-in-the-workplace-2019>.

²⁰ Institute for Women’s Policy Research (2018). Status of Women in the States - Colorado

²¹ <https://www.denverpost.com/2019/03/08/colorado-women-ceos-denny-post-teresa-elder/>

²² National Women’s Law Center (2020). Women in Low-Paid Jobs, State by State.

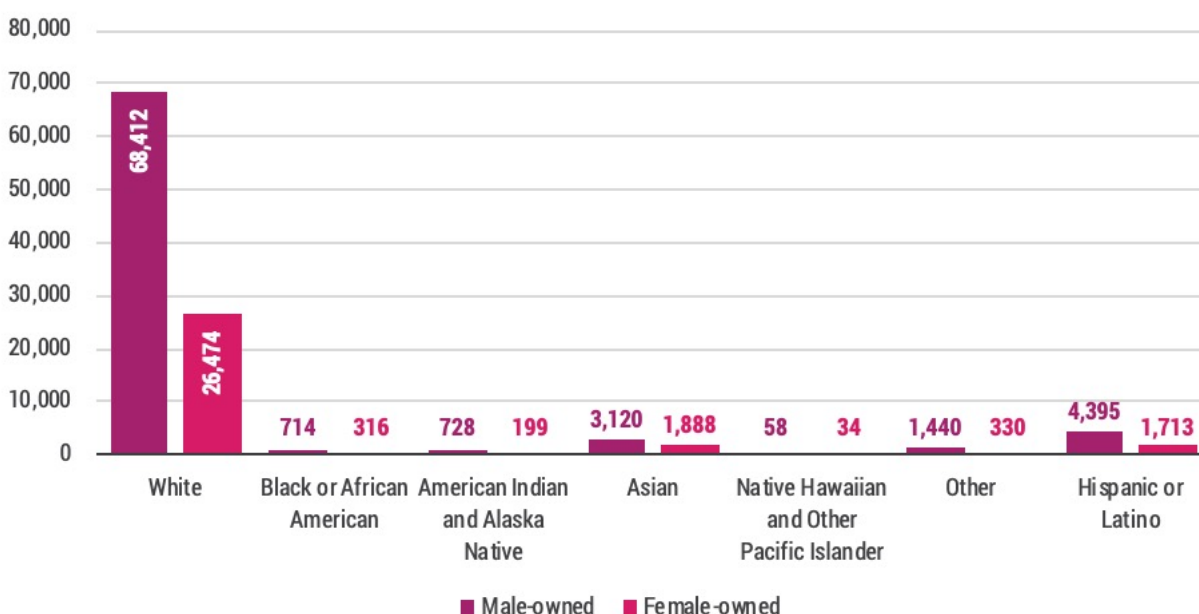
²³ The Bell Policy Center. The Future of work: Education and workforce gaps affecting Colorado women

²⁴ American Express (2019). The 2019 State of Women-Owned Businesses Report.



also ranks as one the top state for women entrepreneurs.²⁵ However, despite the growth and success of women-owned firms and businesses in Colorado, the overall number is still significantly lower compared to male-owned businesses. As **Figure 5** shows, 28.2 percent of businesses with paid employees in the state were owned by women in 2016. There is also an enormous difference between the number of firms owned by white and non-white groups of any gender. For instance, in 2016 over 91 percent of women-owned firms in Colorado were owned by white women. **Figure 5** shows the differences in male- and female-owned firms across different racial and ethnic groups in Colorado.

Figure 5: Businesses by Gender and Race/Ethnicity of Owner – Colorado, 2016



Source: Census Bureau- ACS PUMS 2017 1-Year Estimate.

The level of revenue and wealth generated by women-owned firms has also not been on par with the firms owned by men. While the number of women-owned firms are growing, the scale of operations of these firms are small and thus, lead to lower revenues and employment opportunities. Men-owned businesses received close to 80 percent of all sales revenues, whereas businesses owned by women received 12 percent.²⁶ Some of the key obstacles faced by women business owners are limited access to capital, occupational segregation, limited mentorship and networking opportunities, and lower levels of business training opportunities. The financing gaps for women entrepreneurs remains at an estimated \$285 billion.²⁷

Women & Health

Compared to men, women are more in need of health care but are more likely to be poor. The costs associated with health care affect women's health as well as their economic security. To maintain financial security, women often forgo needed care. Many women go to work sick out of fear of missing work as a result of limited or no access to paid sick leave. Roughly 1 in 4 women reported in 2017 that they delayed or

²⁵ FitSmallBusiness.com (2020). Best States for Female Entrepreneurs 2020—Definitive Ranking of All 50 States <https://fitsmallbusiness.com/best-states-for-female-entrepreneurs-2020/>

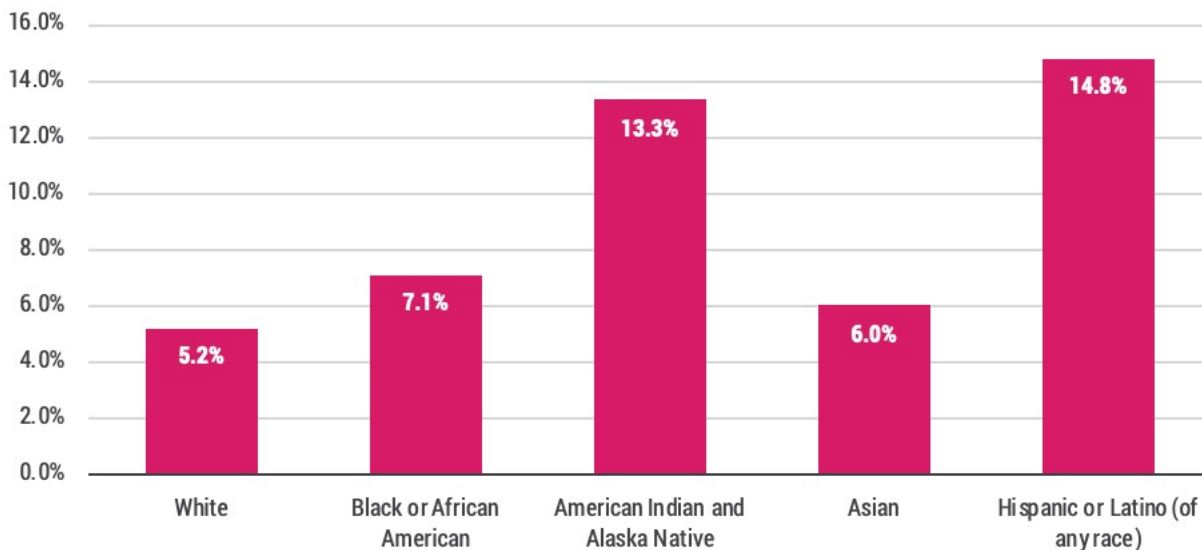
²⁶ Asset Funders Network (2016). Unlocking Assets: Building Women's Wealth through Business Ownership <https://socialequity.duke.edu/wp-content/uploads/2020/02/AFN-Unlocking-Assets-July-2019.pdf>

²⁷ <https://www.whitecase.com/publications/article/closing-credit-gap-women-entrepreneurs>

went without care due to costs.²⁸ In addition to foregoing care, women lack access, more specifically to reproductive health care. Lack of access to reproductive health care correlates with a woman's ability to participate in the labor market and educational attainment.²⁹ Women are also shown to have more problems paying medical debt, which can pose a significant challenge in attaining economic security.³⁰

In Colorado, almost 10 percent of women have no public or private health insurance.³¹ There are also significant racial differences in health care coverage in Colorado. **Figure 6** shows the percentages of population without health coverage for different race/ethnicity groups in 2017. One factor influencing this inequity is the fact that non-citizens without documentation are not eligible for public benefits, including Medicaid or subsidized health insurance. For this group of women, the only mechanism for health insurance coverage is paying often expensive premiums for private insurance or employer coverage, which is not always affordable or available. Similarly, historical disenfranchisement of American Indian and Alaskan Native communities has led to high unemployment rates and thus less access to employer-based insurance.

Figure 6: Share of Women Who Lack Health Insurance Coverage by Race/Ethnicity – Colorado 2017



Source: U.S. Census Bureau - ACS 2017 1-Year Estimate.

The COVID-19 pandemic illuminates how traditional gender roles can result in health inequities. Women are at greater risk to catch the virus, as many are caregivers and are unable to properly practice social distancing measures. Globally, around 70 percent of healthcare workers are women and thus more likely to come into contact with people who have been infected. A larger percentage of women occupy nursing positions, while physicians tend to be men. As nursing care tends to involve more intimate care, nurses are at high risk of contracting the novel coronavirus than their physician counterparts.³²

Furthermore, those who are immunocompromised are more at risk. Prevalence rates for autoimmune conditions are much higher in women than in men. While just 8 percent of the United States population has an autoimmune condition, 78 percent of those are women.³³

²⁸ https://www.americanbar.org/groups/crsj/publications/human_rights_magazine_home/the-state-of-healthcare-in-the-united-states/poverty-on-womens-health/

²⁹ <https://iwpr.org/publications/economic-effects-abortion-access-report/>

³⁰ <https://www.kff.org/report-section/the-burden-of-medical-debt-section-1-who-has-medical-bill-problems-and-what-are-the-contributing-factors/>

³¹ US Census Bureau. American Community Survey 2017 1-Year Estimate.

³² <https://www.nytimes.com/2020/03/12/us/women-coronavirus-greater-risk.html>

³³ <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3328995/>



Gender Norms

Social and gender norms that create and shape gender inequities and discrimination act as a major barrier to women's economic security. Gender norms reinforce women's lower economic status by depressing their participation in the labor force and limiting their personal autonomy.³⁴ Cultural and societal obligations placed on women by society hinder their ability to be actively involved in economic activities as they are often the ones assuming responsibility for raising children or caring for a sick or elderly parent. These norms push women away from greater economic opportunities and toward a smaller range of jobs with low wages, instability, or lack of advancement opportunities, reinforcing the ongoing vicious cycle of poverty. Intersectional studies on the impacts of gender norms on women's economic security are important, as these norms are often different for different cultures.³⁵ As gender norms are less likely to be quantifiable based on current census or population surveys, their role as a barrier of women's economic security is barely discussed in detail in existing studies or research.



Women, Disasters, and Epidemics

Past evidences suggest that women and girls are especially vulnerable to the impacts of natural disasters and calamities, as well as health crises and disease outbreaks. Pandemics and natural disasters worsen existing gender inequalities and make it difficult for women and girls to receive treatment and health care. Before Hurricane Katrina, the rate of poverty for women in New Orleans was 25 percent, compared to 20 percent of men. Thus, women had less access to resources to escape during the disaster, leaving them stranded when the hurricane hit. There was also a 400 percent uptick in gender-based violence during the disaster.³⁶ Recovery after the hurricane was also shaped along gender and racial lines. Women, particularly Black women who were living in public housing, found it difficult to return home as many areas of the city had been demolished, their social networks displaced, and public rental assistance less generous than before.³⁷

While, as of the writing of this report, there were still many unknowns surrounding the impact of the COVID-19 pandemic, it is likely that women will be affected in the following ways:

- Significant numbers of women are considered essential workers as they are more likely to work in sectors including health care, child care, and grocery. Although women make up 55 percent of all essential workers, they make up 77 percent of all health care workers.³⁸ Thus, they face greater exposure to the virus. As the pandemic spreads, the toll on female health care workers will most likely be very significant.
- The nonprofit sector employs more women than men. In light of the pandemic, nonprofits may see a significant decrease revenue from the typical sources of gifts and donations. Furthermore, the demand for the services while people are social distancing may decrease, putting many nonprofits on the brink of collapse, consequently leaving many women without employment.³⁹
- School closures- a response mechanism against the spread of the virus- are likely to have a differential impact on women, who in many groups act as the primary caregivers for children. In

³⁴ <https://www.economist.com/finance-and-economics/2020/02/06/economists-discover-the-power-of-social-norms>

³⁵ Economic Security & Gender Norms: Economic Security & Gender Norms Why Our Current "Empowerment Model" of Funding Won't Work & How to Fix It

³⁶ <https://iwpr.org/wp-content/uploads/wpallimport/files/iwpr-export/publications/D492.pdf>

³⁷ https://iwpr.org/wp-content/uploads/wpallimport/files/iwpr-export/publications/D506_GetToTheBricks.pdf

³⁸ <https://www.bellpolicy.org/2020/04/07/colorados-essential-workers/>

³⁹ <https://www.gvsu.edu/gvnext/2020/how-will-covid-19-impact-the-nonprofit-sector-11453.htm>

addition to familial responsibilities, 87.1 percent of the United States' teachers are women.⁴⁰ Women's participation in the workforce is likely to fall due to increased responsibilities at home.

- There is a risk of a rise in intimate partner/domestic violence in the wake of such emergencies. This is further aggravated by "stay at home" orders which restrict women's movement from the house. Shelters and centers that typically house victims may not be open, impeding women's ability to escape.
- The burden of care usually falls on women—not just for children in the face of school closures, but also for extended family members. As family members fall ill, women are more likely to provide care for them placing themselves at greater risk of contracting the virus.
- The economic crisis triggered by the health crisis will most likely impact women differently from men. As discussed in the earlier sections and as shown in **Figure 2**, women are mostly employed in service industries- salons, childcare, restaurants- which have been hardest hit by the business closures prompted by this global health crisis.
- As the casualties of pandemic surge, it can make it more difficult for women and girls to receive other necessary treatment and care as health care systems are required to channel most of their resources toward combating the pandemic.
- Women are also losing access to reproductive, sexual, and maternal health care. Women may find themselves unable to get access to contraceptives, gender-affirming surgeries, and pregnancy terminations in this time. Also due to the strain on the health care system, pre-natal and post-natal care are often unavailable and pregnant women are having to give birth at home at higher rates than before.⁴¹ For women of color who have notoriously high rates of poor maternal health outcomes, this can be devastating to the health of both women and children.

INVESTMENTS IN WOMEN

Globally, the loss in human capital due to gender inequality is estimated at \$160.2 trillion. If gender inequalities did not exist, this human capital would increase by 21.7 percent globally and cause total wealth to grow by 14 percent.⁴² The huge costs of denying women and girls equal rights and opportunities are endured not only by women and girls themselves, but also by their families, communities, and the economy as a whole. A country loses somewhere between \$15 trillion to \$30 trillion in lost lifetime productivity and earnings due to limited opportunities for girls and barriers obstructing women to complete their education.⁴³ The disparity between women of different races and ethnicities created by historic and ongoing racism exacerbate existing barriers women of color face in being economically secure. In many places, the economic effects of sexism and racism combine and lead to even greater repercussions within their communities. For example, four million new jobs and \$981 billion in revenue would be added if average revenue of firms owned by women of color matched that of white women-owned businesses, providing an influx of income and employment opportunities for both men and women of color.⁴⁴

When women prosper, the economy prospers. By maximizing opportunities for all women to have access to education, job training, and placement in careers that allow them to earn livable wages, achieve pay equity,

⁴⁰ OECD (2017). Distribution of Teachers by Age and Gender.

⁴¹ <https://iwhc.org/2020/03/sexual-and-reproductive-health-during-the-covid-19-crisis/>

⁴² Wodon, Q. T., & De La Briere, B. (2018). Unrealized potential: The high cost of gender inequality in earnings. World Bank

⁴³ Wodon, Quentin; Montenegro, Claudio; Nguyen, Hoa; Onagoruwa, Adenike. 2018. Missed Opportunities: The High Cost of Not Educating Girls. The Cost of Not Educating Girls Notes Series. World Bank, Washington, DC. © World Bank. <https://openknowledge.worldbank.org/handle/10986/29956> License: CC BY 3.0 IGO."

⁴⁴ The 2019 Status of Women-Owned Businesses Report

career advancement, or even start their own businesses, we strengthen the economic engines of our communities at all scales of society.



Women-Owned Businesses

Women-owned businesses are not only empowering the women who own them but also driving economic growth in our country. They represent 42 percent of all the businesses. The number of women-owned businesses increased by 21 percent, while the number of all businesses increased by only 9 percent. In fact, the city of Denver ranks the number one city for women entrepreneurs. Women of color in particular are opening up businesses at a faster rate than other women.⁴⁵ While the number of women-owned businesses grew 21 percent from 2014 to 2019, firms owned by women of color grew at double that rate (43 percent). Numbers for Black women grew even faster at 50 percent. Native Hawaiian and Pacific Islander (41 percent), Hispanic or Latina (40 percent), Asian American (37 percent) and Native American and Alaska Native (26 percent) businesses owned by women all grew more slowly than for women of color in general but faster than for women-owned businesses overall. Women-owned businesses bring a positive shift in the US economy. The number of people employed by women-owned businesses rose by 8 percent to 9.4 million and their revenues rose 21 percent to \$1.9 trillion.⁴⁶ In Colorado, women owned firms employed 182,840 employees and contributed an annual payroll of \$6.4 billion.⁴⁷ Investments in women, and the subsequent empowerment such investment brings, helps to minimize disparities in our society.

Women entrepreneurs are severely undercapitalized, resulting in cash flow deficiencies; consequently, many have to rely on credit as a funding source. Only 2.7 percent of all venture-backed companies are women led. Although a common explanation for this disparity is that venture capitalists only invest in experienced entrepreneurs, research suggests that capitalization and experience of the entrepreneur have no correlation.⁴⁸ The more probable explanation is that undercapitalization is due to the lack of women venture capitalists and the implicit (sometimes explicit) bias of male venture capitalists. As investing in the increasing number of women-owned businesses increases profitability and decreases debt, prioritizing capitalization for women-led organizations are imperative to boosting the economy.



Women in Leadership

Women are often underrepresented in leadership roles at work. Expanding and strengthening women in leadership positions can benefit the company and the economy through innovative ideas and advanced leadership skills. A study by S&P Global finds that firms with female CFOs are more profitable and have superior stock price performance compared to the market average.⁴⁹ Firms with high gender diversity on their board of directors were observed to be more profitable and larger than firms with low gender diversity. Female leaders also value diversity and demonstrate a culture of diversity and inclusion in their companies. **Figure 7** draws on data from all states in the United States to show the positive correlation between women in managerial/professional position and per capita GDP for these states.

⁴⁵ <https://www.bizjournals.com/denver/news/2019/10/31/denver-women-businesses.html>

⁴⁶ The 2019 Status of Women-Owned Businesses Report

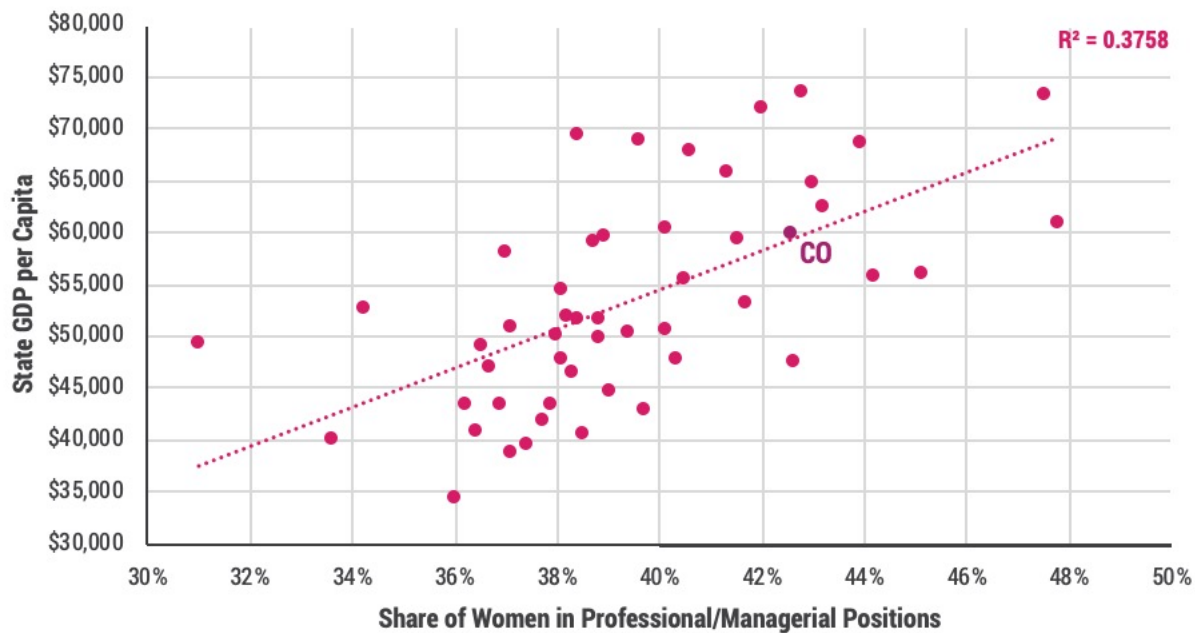
⁴⁷ US Census Bureau. American Community Survey 2017 1-Year Estimate.

⁴⁸ National Women's Business Council (2016). Undercapitalization as a Contributing Factor Business Failure for Women Entrepreneurs.

<https://www.nwbc.gov/2016/01/01/undercapitalization-as-a-contributing-factor-to-business-failure-for-women-entrepreneurs/>

⁴⁹ Daniel J. Sandberg (2019). When Women Lead, Firms Win.

Figure 7: Correlation Between State GDP per Capita and Women in Professional/Managerial Positions - 2017



Source: U.S. Bureau of Economic Analysis, U.S. Census Bureau- ACS 2017 1-Year Estimate

THE ROAD AHEAD: EFFECTIVE LEVERS FOR WOMEN'S ECONOMIC SECURITY

While Colorado has steadily achieved some level of progress towards strengthening women's economic security, women and girls around the state still continue to face challenges, discrimination, and violence. Providing women and girls with equal access to education, health care, work advancement opportunities, and representation in political and economic decision-making processes will fuel greater gender equity and will lead to a more sustainable and equitable economy. Based on the literature review on women's economic security featured in this report, the study team considered the following to be some effective strategies to reduce barriers limiting women's economic empowerment and to promote self-sufficiency in women.

- Encouraging a Safe and Equitable Workplace Environment:** Educated women still face barriers in work opportunities. The gender pay gap increases with level of educational attainment and the "glass ceiling" limits career growth opportunities for women. Employers need to pursue workplace policies and human resources practices that foster a diverse and inclusive culture within their organizations to ensure equitable opportunity and fairness for all their employees.
- Affordable Child Care and Leave Policy:** Literature suggests that one of the biggest barriers that limits women's path to economic security is unaffordable child care. Colorado is one of the most expensive states in the country when it comes to child care. A recent analysis of child care costs across the country found that the average annual cost of infant care in Colorado was \$15,325 and the average cost of child care for a 4-year-old was \$12,390. In all, a typical family in Colorado spends 37.9 percent of their income on child care for an infant and 4-year-old.⁵⁰ For women with young children, reliable and affordable child care determines their ability to work and/or go to school. Women face a trade-off between going to work and paying for child care or staying at home

⁵⁰ Economic Policy Institute (2019). The Cost of Child Care in Colorado: <https://www.epi.org/child-care-costs-in-the-united-states/#/CO>

and forgoing the work opportunity. The United States is one of the only OECD countries that provide no income support during pregnancy or parental leave, by law. Hence, policy discussion should focus on eradicating this lesser known but very common barrier to women's economic security.

- Affordable Health Care:** Health insurance is a critical factor in ensuring women receive the preventive and medical care they need to achieve and maintain good health. Without affordable health care, women are faced with a serious threat to their economic security in events of illness, an accident or even childbirth. In 2019, 10.1 percent of women ages 19-44 were not covered by private or public health insurance.⁵¹ Provision of affordable health care opportunities for women should be a policy priority. There should be increased efforts to assure that women have access to reproductive, sexual, and maternal health. Unwanted pregnancies contribute to the cycle of poverty for the mother as well as the child. To promote economic security, assuring that women have access to resources to plan pregnancies is imperative.
- Dismantling Gender Norms:** Gender norms work as an invisible barrier between women and their path to economic security and reinforce factors that keep women out of the workforce. It is also very important to study gender norms at disaggregated level as they are often created by societal and cultural norms- different for different cultures. Women at different stages of lives are pushed back in their pursuit of economic empowerment as a result of these norms. The role these play in any potential policy seeking to advance women's economic security should be understood and addressed, to the extent possible, in order to ensure the benefits of any such policy are enjoyed equitably among women of all cultural backgrounds.
- Promoting Women's Businesses:** Even though women-owned businesses have been rising in steady numbers in the last decade, their profitability is still not comparable to men-owned business. Women face barriers such as unequal access to capital, limited professional training and mentoring, limited financial education and training, and occupational segregation. These barriers need to be removed so that female entrepreneurs enjoy a level playing field compared to their male counterparts.
- Disaggregation is Important:** Both literature and data show the inequities between men and women, but they also tell a contrasting story between women in different intersectional population groupings. Women, in general, face disparities in economic security compared to men, but these disparities are even more severe for some groups compared to others. Therefore, discussions on gender equity and women's economic security should also incorporate other dimensions such as race, ethnicity, marital status, age, LGBTQ+ status, and more.
- COVID-19 Response:** In light of the pandemic, governments are encouraged to identify strategies to mitigate gender-based factors that put women at greater risk for contracting the virus and the economic devastation caused by social distancing measures. To spur economic growth, special recovery efforts should target women and families to help recover from any lost wages, increases in medical debt, and unemployment.

⁵¹ America's Health Rankings composite measure, 2019. Accessed via: https://www.americashealthrankings.org/explore/health-of-women-and-children/measure/Uninsured_women/state/CO