# The Gender Wealth Gap: Structural and Material Constraints and Implications for Later Life 

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#### Abstract

Wealth is an important measure of economic well-being, because while income captures the current state of inequality, wealth has the potential for examining accumulated and historically structured inequality. This presentation documents the extent of gender inequality in wealth for Canadian women and men aged 45 and older. The analysis uses data from the 1999 Canadian Survey of Financial Security, a large nationally representative survey of household wealth in Canada. Wealth is measured by total net worth as measured by total assets minus debt. We test two general hypotheses to account for gender differences in wealth. The differential exposure hypothesis suggests that women report less wealth accumulation because of their reduced access to the material and social conditions of life that foster economic security. The differential vulnerability hypothesis suggests that women report lower levels of wealth


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because they receive differential returns to material and social conditions of their lives. Support is found for both hypotheses. Much of the gender differences in wealth can be explained by the gendering of work and family roles that restricts women's ability to build up assets over the life course. But beyond this, there are significant gender interaction effects that indicate that women are further penalized by their returns to participation in family life, their health and where they live. When women do work, net of other factors, they are better able to accumulate wealth than their male counterparts. doi:10.1300/J074v19n03 _08 [Article copies available for a fee from The Haworth Document Delivery Service: 1-800HAWORTH. E-mail address: [docdelivery@haworthpress.com](mailto:docdelivery@haworthpress.com) Website: [http://www.HaworthPress.com](http://www.HaworthPress.com) © 2007 by The Haworth Press, Inc. All rights reserved.]

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## INTRODUCTION

Financial security in retirement requires building claims to multiple sources of retirement income. Research on the financial situation of older women show that they have less income than their male counterparts (Prus, 2000) and further that the sources of their income differs. Older women are more likely to rely on government transfer income and less likely to have income from private pensions, (Statistics Canada, 1999), but retirement income is only part of the picture. Beyond income, wealth is also an important measure of economic well-being, because while income captures the current state of inequality, wealth has the potential for examining accumulated and historically structured inequality (Warren, Rowlingson \& Whyley, 2001). Research has documented the factors that determine the accumulation of wealth including pension assets. They include demographic factors such as age, sex, marital status, race, education, health status, household income, as well as job-related characteristics such as occupation, industry, membership in a union, firm size and hourly wage (Statistics Canada, 2001; Mitchell, Moore \& Phillips, 2000; McGarry \& Davenport, 1999).

Much less attention has been paid to the gendering of assets than to the gender differences in earning. Warren, Rowlingson and Whyley (2001) have shown that women in Britain face a reduced ability to build up assets over their working lives and the long-term consequences is that
older women have fewer assets than men do. Sociologists explain this as a product of women's cumulative disadvantage through their lower levels of participation in the paid labour force and their greater likelihood to live in single person households due to divorce and widowhood (O'Rand \& Henretta, 1999).

This paper documents the extent of gender inequality in wealth for women and men aged 45 and older ${ }^{1}$ living in Canada with a focus on gender differences by age and marital status. We test two general hypotheses to account for gender differences in wealth. The differential exposure hypothesis suggest that women report less wealth accumulation because of their reduced access to the material and social conditions of life that foster economic security. The differential vulnerability hypothesis suggests that women report lower levels of wealth because they receive differential returns to material and social conditions of their lives.

Research shows that the gendering of work and family life puts women at a disadvantage in the accumulation of wealth (Hardy \& Shuey, 2000). The cumulative effect of these gender differences over the life course translates into a decreased ability to accrue assets including pension assets (Moen, 2001; Prus, 2000). Research has shown that differences in wages, reduced pension contributions, years of job tenure, discontinuous employment and industry appear to account for much of the gender gap in pension wealth (Ginn \& Arber, 1996, 2000).

Marriage is a mediating factor protecting many women from poverty (Gregoire et al., 2002). The financial security of both men and women is enhanced by being able to pool resources and share costs. Typically, married couples have the highest level of wealth, and lone parents, the lowest with singles in between (Warren, Rowlingson \& Whyley, 2001; Browning \& Lusardi, 1996). Research findings indicate that the dissolution of marriage, either through death or divorce increases both men and women's vulnerability to poverty, although the effect is greater for women than men (McDonald \& Robb, 2004; Davies \& Denton, 2002; Warren, Rowlingson \& Whyley, 2001; McDonald, 2006; Kokrda \& Crammer, 1996).

In an analysis of gender differences in pension wealth, Johnson, Sambamoorthi and Crystal (1999) were able to explain about two-thirds of the gender difference as due to exposure or compositional differences. It is possible that some of the remaining difference may be due to gender differences in vulnerability to the determinants of wealth, but they did not estimate these effects. To date we have not identified any studies that examine the differential vulnerability hypothesis.

## DATA SOURCE AND CONSIDERATIONS

Data used for the analysis were taken from the 1999 Survey of Financial Securities (SFS). The purpose of this survey was to provide a comprehensive view of the assets and net worth of Canadians. The survey contains information on all financial and non-financial assets as well as money owing on debts such as mortgage, credit cards, loans and vehicles, as well as miscellaneous debts. The survey was administered in all (10) provinces. Territories were not included. Data were collected between May and July 1999 and were taken from two sources. The main sample was drawn from approximately 21,000 households. A second sample of approximately 2,000 households was taken from an area identified as "high income." The reason for including this sample was to enhance the quality of estimates of net worth since a disproportionate share of net worth is to be found in higher income households.

Data were collected for each person in the family aged 15 and over and for the family unit. Information on demographics, ethno-cultural characteristics, education, employment and income for 1998 was collected for each family member. For each family unit data on financial and non-financial assets, business equity, debts and loans were included. This research is based on the information provided by and about the respondent.

A difficulty in researching individual's wealth occurs especially when women and men are living in couples. In the SFS, as in most wealth surveys, financial data are collected at the level of the household. This is because when couples marry they often pool their assets and the argument is that "resources separately available to husbands and wives from pooled income or wealth cannot be separately allocated" (Levine, Mitchell \& Moore, 2000: 170). As a result, most wealth studies focus on the household (Mitchell \& Moore, 1998; Browning \& Lusardi, 1996). The focus on the family as the level of analysis has been criticized for rendering invisible the extent of women's poverty within the home (Glendinning \& Millar, 1993).

Researchers have identified a number of concerns related to the analysis of pooled data for understanding gendered inequality. Assuming that assets are pooled equally gives little indication to who built up the majority of the financial investment and it neglects assets brought into the marriage that are the property of one party such as an inheritance or business. It does not consider any premarital agreements regarding the division of assets if the couple separates. Further, when a spouse dies the surviving spouse does not typically inherit all of the wealth because of the rules around the inheritance of pensions. Researchers not
wishing to encounter the problems associated with conflating the assets of men and women in couples focus their gender analysis on single women and men (never married, divorced or separated and widowed), masking the full extent of women's positions (Warren, Rowlingson \& Whyley, 2001). Others, in the case of married respondents, focus on the "head of the household" meaning the highest income earners (usually the male) and control for differences in spouse's characteristics (Levine, Mitchell \& Moore, 2000; Johnson, 1999). Still other researchers focus their gender analysis on pension wealth because data sets such as the Health and Retirement Study in the U.S. assign pension assets to the individual (Warren, Rowlingson \& Whyley, 2001; Hardy \& Shuey, 2000; Johnson, 1999) and they do not is have to deal with the issue of "pooled assets."

The solution used here follows the lead of researchers who attached the household wealth data to the individual file and use multiple regression to statistically control for other determinants of wealth (Warren, Rowlingson \& Whyley, 2001; Conley, 2000, 2001; Elder \& Rudolph, 2000; Glass \& Kilpatrick, 1998). Following this solution, we have attached the asset/wealth data from the family file to the respondent's information so that both the respondent's and the partner's (if there is one), as well as other possible member of the household with an income and net worth, are included. Controls entered into the multiple regression analysis for marital status, number of earners in the household (only $15 \%$ of households have more than two earners) and household income should correct for this confounding. There are problems with this solution too, but despite the problems we do feel the end justifies the means, if we can learn something more about the gender wealth gap in Canada.

## MEASURES

## Dependent Variables

The measure of wealth used here, Net worth, is defined as the difference between the value of total assets and the amount of total indebtedness. Total assets represent the total dollar value of all financial assets, non-financial assets and equity in business. Respondents reported the market value of the asset (i.e., the amount they could expect to receive if they had sold the asset at the time of the survey). Respondents were asked to check financial records where available. When the value could
not be determined by such means, the respondent was asked to estimate the value. Assets include financial assets such as private pension assets (RRSPs and RRIFs, employer pension plans, ${ }^{2}$ other private pension asset), non-pension financial assets (deposits in financial institutions, mutual/investment funds, stocks, bonds, other financial assets), nonfinancial assets (principal residence, other real estate, vehicles, other non-financial assets), and equity in business. Total debt includes mortgages, lines of credit, credit card and installment debt, student loans, vehicle loans and other debt. This portfolio of financial and non-financial assets can be used to provide a retirement income or a safety net to fall back upon in times of need.

## Independent Variables: Individual

Demographic information includes age, sex, marital status, urban size and region. Age is measured in 10-year age groups and includes only respondents aged 45 and over. Sex, marital status and region are categorical variables and entered into models as dummy variables. Urban size is an ordinal level variable ranging from 1 (rural) to 11 (1,000,000-9,999,995 people). Categories are not evenly spaced. Socio-cultural data include landed immigrant status and mother tongue (English, French, other). Mother tongue is utilized as a dummy variable. Activity limitation reflects whether the respondent has any physical limitations. Education has four categories ranging from less than high school to university degree and is used as a categorical dummy variable.

Employment-related variables include occupation, union status, employee pension plan at work. Occupation has ten categories with sales and service occupations as the reference category. Employment status is captured in this variable as the last category, not in the labour force. Union status and employee pension are yes/no variables Income variables include total income measured in dollars and major source of income represented by seven categories.

## Independent Variables: Economic Family

The number of children in the family under 18 ranged from 0 to 7 , whereas the number of earners in the family ranged from 1 to 6 . Home ownership was categorized as owning with a mortgage, owning without a mortgage or not owning. Total income for the family was measured in dollars.

## ANALYSIS

To begin with, we compare male-female compositional differences and test for gender differences. In all multiple least-squared regressions, the dependent variables have undergone log transformations to successfully obtain normal distributions. Tests for colinearity were conducted and because of this issue we had to combine the measures of occupation and employment status in our regression models and we are unable to distinguish between full and part-time employment. Note though that only $5 \%$ of the males and $9 \%$ of the females were working less than 30 hours per week.

To test for the differential exposure hypothesis, net worth was regressed on gender and then regressed on gender and the remaining independent variables. To prove this hypothesis we would expect the gender coefficient to be reduced when other determinants are controlled. To test for the differential vulnerability hypothesis, gender interaction terms were entered into the model with all respondents over 45 . Significant interaction terms would indicate support for the differential vulnerability hypothesis.

## RESULTS

Women aged 45 and over, on average, have a net worth of $64 \%$ of men's assets, a $\$ 282,826$ compared with $\$ 430,650 .{ }^{3}$ The wealth distribution is skewed heavily to the right, and so if we examine the medium net worth (the value at which $50 \%$ of the distribution falls either above or below), women's net worth is $\$ 163,924$ as compared with $\$ 282,588$. As shown in Table 1, while women have about two-thirds the nonfinancial assets (including the value of their home) than men do, they

TABLE 1. Median and Mean Assets by Gender, Aged 45 and Over

| Wealth Measures | Males $(\mathrm{N}=5298)$ |  | Females $(\mathrm{N}=3589)$ <br> Dollars $(\mathrm{Cdn})$ |  |
| :--- | ---: | :---: | ---: | :---: |
|  | Median |  | Mean | Median |
| Networth | 282,588 | 430,650 | 163,924 | 282,827 |
| Non-financial assets | 149,469 | 190,813 | 98,255 | 137,705 |
| Financial assets | 99,276 | 231,457 | 42,000 | 136,699 |
| Total assets | 303,872 | 455,084 | 179,220 | 296,675 |
| Total debt | 3000 | 33,500 | 100 | 23,189 |

have less than half the financial assets (including the value of their pensions and other financial assets).

As hypothesized, this may be owing to the fact that women and men occupy different structural locations in society that puts women at a disadvantage in the accumulation of wealth. Table 2 documents that

TABLE 2. Gender Differences in Social Structural Variables: Unstandardized OLS Regression Coefficients for Net Worth, Ages 45 and Over

| Means and Percentage |  |  | Wealth (Net Worth) |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: |
| Social Structural Determinants | $\begin{gathered} \text { Males } \\ (N=5298) \end{gathered}$ | $\begin{gathered} \text { Females } \\ (\mathrm{N}=3589) \end{gathered}$ | $\begin{gathered} \text { Males } \\ \text { B } \end{gathered}$ | $\begin{gathered} \text { Females } \\ \text { B } \end{gathered}$ | Interaction B |
| Marital status |  |  |  |  |  |
| Married (ref) | 75.3\% | 32.5\%** | - | - | - |
| Com law | 4.4 | 3.0** | -.089*** | .096** | .184** |
| Separated | 2.7 | 4.8** | -.369*** | $-.251^{* * *}$ | . 118 |
| Divorced | 6.6 | 16.4** | -.269*** | -. 163 *** | .106* |
| Widowed | 5.2 | 35.9** | -.197*** | . 005 | .202*** |
| Single** | 5.8 | 7.4** | $-.198^{* * *}$ | $-.330^{* * *}$ | -. $132^{*}$ |
| Age group (years) |  |  |  |  |  |
| 45-54 | 36.3\% | 31.3\%** | - | - | - |
| 55-64 | 27.3 | 23.3** | .096** | .108*** | . 012 |
| 65-74 | 22.1 | 21.2 | .221*** | .145*** | -. 076 |
| 75-84 | 12.1 | 18.4** | .254*** | .220*** | -. 034 |
| 85+ | 2.3 | 5.8** | .135* | .223*** | . 088 |
| Child under 18 | 19.0\% | 11.3\%** | . 037 | -. 014 | -. 051 |
| Landed immigrant | 22.1\% | 18.3\%** | .099** | -. 042 | -. $142^{* * *}$ |
| Language |  |  |  |  |  |
| English (ref) | 61.2\% | 63.4\%* | - | - | - |
| French | 18.5 | 18.6 | -. 048 | -.058* | -. 010 |
| Other | 20.3 | 17.9* | -. $132^{* * *}$ | $-.115^{* * *}$ | . 017 |
| Region |  |  |  |  |  |
| Ontario (ref) | 23.0\% | 26.1\%** | - | - | - |
| Atlantic | 18.3 | 18.5 | -.137* | $-.256^{* * *}$ | -. 119 |
| Quebec | 17.5 | 15.9* | -. 058 | -.056* | . 002 |
| Prairies | 24.8 | 26.5 | . 002 | -. $118^{* * *}$ | -.120** |
| B.C. | 16.3 | 13.1** | -. $098{ }^{* *}$ | . 017 | .114** |
| Urban size | 6.4 (4.0) | 6.7 (3.8) | .007* | .004* | -. 003 |
| Activity limitations | 19.7\% | 23.2\%** | -.199*** | -. 042 | -. $142^{* * *}$ |
| Education (\%) |  |  |  |  |  |
| Less than HS | 36.0 | 40.7** | $-.184^{* * *}$ | $-.063^{* *}$ | 121.0*** |
| HS (ref) | 17.5 | 19.6* | - | - | - |
| NonUniv | 21.0 | 24.3 ** | -. 050 | .060** | .110** |
| University | 25.5 | 15.4** | . 026 | .136*** | .110** |


| Means and Percentage |  |  | Wealth (Net Worth) |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: |
| Social Structural Determinants | $\begin{gathered} \text { Males } \\ (\mathrm{N}=5298) \end{gathered}$ | $\begin{gathered} \text { Females } \\ (\mathrm{N}=3589) \end{gathered}$ | $\begin{gathered} \text { Males } \\ \text { B } \end{gathered}$ | $\underset{\text { B }}{\substack{\text { Females }}}$ | Interaction B |
| Occupation (\%) |  |  |  |  |  |
| Sales/Service (ref) | 7.0 | 9.6** | - | - | - |
| Management | 9.8 | 3.4** | .181** | .097** | -. 085 |
| Bus/Fin/Admin | 5.3 | 10.0** | .163*** | -. 025 | -.189*** |
| Nat/Appl Sci | 4.4 | 0.6 ** | . 056 | . 047 | -. 009 |
| Health | 1.8 | 4.0** | .133* | -. 002 | -. 135 |
| Soc. Sci/Gov/Ed | 4.6 | 3.8 | .259*** | .105* | -. 154 * |
| Arts/Culture | 1.0 | 1.4 | .283*** | . 077 | -.206* |
| Trades/Transp | 10.7 | 0.6 ** | . $384{ }^{* *}$ | -. 055 | -. 439 *** |
| Prim industry | 4.9 | 0.6 ** | . 308 | .225*** | -. 082 |
| Proces/Manuf | 3.9 | 1.7** | -. 048 | $-.087^{*}$ | -. 039 |
| Not in labour force | 46.5 | 64.4** | .105* | -.051* | -. $156{ }^{* *}$ |
| Union member | 12.8\% | 11.5\% | . 052 | . 000 | -. 053 |
| EPP at Work | 18.6\% | 14.5\%** | .168*** | .149*** | -. 019 |
| Major source income |  |  |  |  |  |
| Wage/Sal (ref) | 41.4\% | 30.3\%** | - | - | - |
| No income | 0.5 | 2.6** | . 087 | . 036 | -. 051 |
| Self employ | 9.3 | 3.7** | .123* | .137*** | . 015 |
| Govt transfers | 26.8 | 47.2** | -.093* | -.106*** | -. 013 |
| Invest income | 5.2 | 5.9 | .235*** | .301*** | . 065 |
| Ret pension | 15.3 | 8.4** | .410*** | .292*** | -. $118^{*}$ |
| Other income | 1.5 | 2.0* | .141* | .245** | . 105 |
| Num earners (\%) |  |  | -. 021 | -. 011 | . 011 |
| 0 | 29.9 | 47.9** |  |  |  |
| 1 | 26.5 | 26.3 |  |  |  |
| 2 | 27.7 | 17.9** |  |  |  |
| 3 | 10.2 | 5.5** |  |  |  |
| 4 | 4.8 | 2.1 ** |  |  |  |
| 5 or more | 0.9 | 0.3 |  |  |  |
| Total person income (Mean, SD) | $\begin{gathered} 50,264 \\ (75,552) \end{gathered}$ | $\begin{aligned} & 24,352^{* *} \\ & (27,990) \end{aligned}$ | $1.948^{-06^{* *}}$ | $-9.868^{-07^{*}}$ | $-2.934^{-06 * *}$ |
| Total family income (Mean, SD) | $\begin{gathered} 71,210 \\ (85,775) \end{gathered}$ | $\begin{aligned} & 45,937^{\star *} \\ & (63,952) \end{aligned}$ | $2.218^{-06^{* * *}}$ | $3.431^{-06^{* * *}}$ | $1.213^{-06 *}$ |
| Home ownership (\%) |  |  |  |  |  |
| Do not own (ref) | 18.8 | 33.0** | - | - | - |
| Own with mortgage | 26.6 | 19.4** | .679*** | .568*** | -.111** |
| Own no mortgage | 54.6 | 47.6** | .886*** | .822*** | -.064* |
| Adjusted $\mathrm{R}^{2}$ |  |  | . 571 | . 536 |  |

$$
{ }^{*} p<.05,{ }^{* *} p<.01
$$

women, aged 45 and over, who responded to SFS are much less likely to be married than the male respondents ( $33 \%$ vs. $76 \%$ ) and much more likely to be never married, separated, divorced or widowed. The women, on average are older than the men in the sample, probably due to their longer life expectancy. In keeping with the age difference, 19\% of the men have children under the age of 18 as compared with $11 \%$ of women. In terms of other demographic characteristics, they are less likely be a landed immigrant and more likely to speak English. With respect to their health, more women than men have an activity limitation.

Women respondents, as compared with men, are more likely to live in Ontario and less likely to live in Quebec or B.C. and are more likely to live in an urban environment than the men. In terms of their education, men and women also differ; compared with men, women are more likely to have less than high school education, to have completed high school education or a non-university diploma. Men, on the other hand, are more likely to have a University degree.

More men than women ( $55 \%$ vs. $36 \%$ ) are currently employed, although more women than men are working less than 30 hours per week. They differ with respect to their occupations too with more women in sales and services, business/financial/administration, health occupations, and more men in management, natural and applied sciences, trades and transportation, primary industry and process, and manufacturing occupations. About $12 \%$ of both men and women are union members, but more men than women have employer pension plans ( $19 \%$ vs. $15 \%$ ). With respect to major source of income, the men are more likely to receive income from wages and salaries, from self-employment and, despite their younger age, on average, almost twice as likely to report income from a retirement pension as the major source of income. Major source of income for women, on the other hand, is more likely to be government transfers and they are also more likely to have no income. Both men and women are equally likely to report income from investment as a major source of income.

In keeping with their older age and marital status, more men than women report two or more earners in the house ( $44 \%$ vs. $26 \%$ ). Women respondents report only $49 \%$ of the total personal income that men do, and $65 \%$ of the total family income. Finally, more men than women own their own home. The analysis of Table 2 is a clear demonstration of the very different structural and material differences of women and men (aged 45 and over) lives.

The differential exposure hypothesis suggest that women report less wealth accumulation because of their reduced access to the material
and social conditions of life that foster economic security When net worth is regressed on gender, as expected, women have significantly less wealth than men (regression coefficient is .259 ). When net worth is regressed on gender controlling for differences in the social and material conditions of women and men's lives the gender differences are still significant but substantially reduced (regression coefficient is .046 ). This can be interrupted to mean that differences in the accumulation of wealth are largely a product of the gendering of work and family live over the life course.

Our second hypothesis states that women also report lower levels of wealth because they receive differential returns to the material and social conditions of their lives. To verify this hypothesis we have tested for gender interaction effects on the main determinants of wealth. Table 2 (columns three to five) shows the significant determinants of wealth for men and women separately and also shows the significant interaction effects.

Marital status plays a very important role. For both men and women, compared with being married, separation, divorce, being single has a negative impact on net worth. Being widowed also has a negative impact on net worth for women, but not for men. The interaction terms show that the impact on net worth of being separated, divorced and widowed is more detrimental for women than men. For men, living common law contributes to net worth but for women the effect is negative. Being never married has a greater dis-savings effect on men, than women.

As expected, age has a positive effect on wealth accumulation for those between 45 and 85 , but declines at age 85 and over for women, although the gender difference is not significant. Being a landed immigrant contributes to net worth for women but not men; however speaking a first language other than English or French has a negative impact on net worth but again this impact is felt equally by men and women. Compared with living in Ontario, for men living in the Atlantic Provinces, Quebec and the Prairies has a negative impact on net worth. For women, the negative effect is experienced in the Atlantic provinces and B.C. This translates into significant differences by gender for the Prairies and B.C. so that living in B.C. is an advantage for men but not for women, while the reverse is true on the Prairies. Living in a large urban place has a positive impact on net worth for both men and women. In terms of health, having an activity limitation is a dis-saving for women but not for men.

In terms of education, having less than high school is a disadvantage for both men and women though the effect is greater for women than men. Education beyond the high school level contributes to net worth for men but not for women. In our sample, $49 \%$ of the males are in the labour force as compared with $27 \%$ of the women. Not working has a negative impact on wealth for men, but not women, when other determinants are controlled. For those currently employed, there are gender differences by occupation with women in business, financial and administrative, social science, government and education, arts and culture, and trades and transportation occupations having accumulated more wealth than their male counterparts. Being a member of an employer pension plan contributed to the accumulation of wealth for both men and women and there are no gender differences.

Compared with wages and salaries as the major source of income, selfemployment income, investment income, pension income and other income are all positively associated with wealth accumulation for both men and women, but the magnitude is greater for women than men with respect to retirement pensions. Government transfers as the major source of income has a negative effect on net worth for both men and women. Total family income contributes significantly to net worth, but the effect is stronger for men than women. Total personal income also contributes to net worth for women, but the effect is negated for men when total family income is also included in the equation. Finally, home ownerships contributes to net worth for both men and women and the effects are greater for women than men

## DISCUSSION

The findings of this paper show very clearly that, compared with men, women face a reduced ability to build up and secure a safety net of savings. On average, women have accumulated about two-thirds of what men have. And there are specific groups of women, the separated and divorced women, in particular, who have much less than that. The wealth disparity is compounded by that demographic fact that women, on average, live five years longer than men. This being the case, one would expect that women would need more assets than men do.

The findings from this study support the differential exposure hypothesis. Much of the gender differences in wealth can be explained by the gendering of work and family roles that restricts women's ability to
build up assets over their life course. The long-term consequences are that the majority of women would fail to build up the financial assets to provide good incomes for their retirement. The feminization of poverty extends into old age; poverty among older women differs from that of younger women only in its form, specifically, low income from retirement and social security benefits (Perkins, 1992).

There is some support for the differential vulnerability hypothesis. When women do work, they are able to better accumulate wealth than men. However they are more disadvantaged by the social aspects of their lives including their marital status, their health and where they live. The returns to education also seem to have a strong association with wealth accumulation for men when other factors are controlled.

Women who are divorced or widowed have fewer assets than their male counterparts net of other factors. And, never married men have accumulated less wealth than never married women. Men who live common law have more assets than do their female counterparts (which may explain their reluctance to marry). Although Canadian law stipulates an equal division of assets (with some exceptions such as a premarital agreement, some inheritances, and assets brought into the marriage), women fare less than men after a marital dissolution. Although not presented here, their non-financial assets are about equal men's yet their financial assets are much less. Women sometimes trade the home for pension assets, but more importantly after the divorce they may be less able to build up their financial assets (i.e., savings and pensions) than men are given the gendering of their work and family roles. Furthermore, women are much less likely to remarry than men would.

The fact that many widows are poor raises questions about how couples make financial plans prior to a spouse's death. If the husband has an employer pension, the benefit is usually reduced to about half at the death of a spouse. Women are less likely to have their own pensions and the value of that pension would be less than men's. Further, like divorced women they are able to accumulate less wealth than their male counterparts and as they age they may need to spend some of their net worth. Given that women are much more likely to be widowed than men, the advantage that married women have may disappear with the death of their spouse.

The sample used in this analysis is aged 45 and over and includes just the tip of the baby boom generation. Researchers speculate that women born in the baby boom years and younger will have retirement incomes that more closely resembles that of men because they would had more continuous work careers and their earnings would more closely
approximate those of men (Rosenthal, Denton, Martin-Matthews \& French, 2000). While the wealth gap may be dampened for younger cohorts of women, we should not be lulled into a false sense of optimism. These younger cohorts of women would still be at a disadvantage due to their greater likelihood of working part-time and in casual employment, of having discontinuous work careers, lower earnings, less access to employer pensions and their greater likelihood of living alone in old age.

## NOTES

1. Research suggests that financial preparations for later life generally commence at middle age (Anderson et al., 2000; Statistics Canada, 2001).
2. A consultation paper, titled Survey of Financial Security: Estimating the value of employer pension plan benefits-A discussion paper can be found on the Statistics Canada Website (www.statcan.ca) under Products and Services.
3. Net worth includes both financial and non-financial assets (minus their debt).

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