



Women and Financial Education

Empowering Women to Manage Their Finances

> Summary of Research Findings

Overview

Freddie Mac sponsored research to understand women's financial and credit education needs, particularly as they relate to homeownership. Through this research, Freddie Mac sought to gain insights into ways that marketing financial education to women can be improved. Three phases of research were conducted, including the following:

Phase I: Roundtable Discussions

- Included nearly 50 industry experts
- Conducted in November 2007

Phase II: Focus Groups

- Included women ages 25-54 who make or share in financial decisions for their households
- Conducted in December 2007

Phase III: Quantitative Survey

- Included a total of 2,270 respondents (1,284 women and 986 men)
- Respondents demographically representative of U.S. adult population
- Conducted in December 2007

Key Findings

Discussion participants and survey respondents expressed a variety of views. Upon closer analysis, some common themes emerged.

Financial Education and Life Stages

- Different segments of women have different financial education needs based largely upon their life's circumstances, especially marital status.
- Even though women, taken as an entire group, do not need different financial and credit information than men, that information must be delivered to them in ways that are relevant to who they are and the lives they are leading.
- A good strategy for educating women would be based on lifetime exposure to the principles and best practices of using credit wisely, along with additional support at critical life moments (e.g. getting married, having a child, buying a house, divorce or death of a spouse).

Women's Perceived Need for Financial Education

- In focus group discussions, relatively few women expressed a need for financial education or interest in attending a financial education program.
- Women became much more interested in financial education during these discussions when confronted with research conducted by the Consumer Federation of America* highlighting a disparity in mortgage terms between men and women.

Summary of Research Findings, *continued*

Marketing Financial Education to Women

- Any credit or financial education program should be marketed to women as learning or financial empowerment, rather than as a “financial education program”.
- The marketing messages should encourage women to become actively engaged and take control of their credit and finances.
- Networks are powerful ways to reach and influence women. Since many women are closely tied into several circles of relationships, these networks would be a very effective way to increase women’s knowledge and understanding about credit and personal finances.

Delivering Financial Education to Women

- There is already an abundance of content in the marketplace related to credit, so there is no need to create additional content.
- The main challenge is identifying which information is useful and reliable, and determining the most effective ways to package and deliver it to women.
- There is no “one-size fits all” approach to offering financial education.
 - Offerings need to be flexible in both medium and accessibility to reach busy women within the space of their day (day/night, weekday/weekend, 4 hours/ 8 hours, etc).
 - Friends, family, and the Internet should be leveraged in getting this information to women.

Summary and Recommendations

Overall, there are no significant differences between men and women or their perceived need for financial education. In fact, it’s a woman’s life stage, particularly her marital status, that’s the primary influence on her interest in financial education. Filling seats in a financial education program with women would be a challenge, so marketing education as financial empowerment, reaching women through their social networks, and offering credible, relevant information in a variety of ways are some of the most effective approaches to reaching women where they are and encouraging them to take full control of their credit and finances.

Based upon the research, some recommendations for financial education providers include the following:

- Build partnerships at national and local levels to share ideas, create synergies, and energize and strengthen efforts.
- Begin teaching financial skills at an early age.
- Develop a financial education referral network that links women’s groups and individuals seeking information and training with highly qualified, credible teachers, facilitators and counselors.

*Fishbein, A. and Woodall, P., “Women More Likely to Receive Subprime Home Loans; Disparity Highest for Women with Highest Income,” Consumer Federation of America, 2006.

Learn more about financial education:

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