BUYING POWER
WOMEN IN THE US

WHAT IS BUYING POWER?
Buying power is defined as the total personal income that is available, after taxes, for spending on virtually everything including goods and services.\(^1\) It is also called “discretionary income” or “disposable income.”

EDUCATION

EARNINGS INCREASE WITH LEVEL OF EDUCATION AND TODAY WOMEN ARE ATTAINING MORE COLLEGE DEGREES THAN EVER

Percentage of degrees conferred to women\(^2\)

\[\begin{array}{c|c|c|c}
\text{Degree Level} & 1970/71 & 2012/13 & 2020/21 (projected) \\
\hline
\text{Doctoral Degree} & 54\% & 52\% & 60\% \\
\text{Master’s Degree} & 62\% & 60\% & 57\% \\
\text{Bachelor’s Degree} & 58\% & 57\% & 43\% \\
\text{Associate’s Degree} & 62\% & 62\% & 43\% \\
\end{array}\]

Median Weekly Earning Men and Women 2013\(^3\)

\[\begin{array}{c|c|c|c}
\text{Degree Level} & 1970/71 & 2012/13 & 2020/21 (projected) \\
\hline
\text{Doctoral Degree} & $1,623 & $1,329 & \\
\text{Master’s Degree} & $1,108 & \\
\text{Bachelor’s Degree} & $777 & \\
\text{Associate’s Degree} & \\
\end{array}\]

In 2013, 69\% of women with a Bachelor’s degree were employed compared to 46\% of women who attained only a high school diploma.\(^4\)

WOMEN HOLD LARGE PERCENTAGES OF SOME OF THE HIGHEST PAYING JOBS, INCLUDING:\(^5\)

- Dentists: 31\%
- Lawyers: 33\%
- Marketing and Sales Managers: 43\%
- Pharmacists: 56\%
- Physicians and Surgeons: 36\%
**WOMEN SPEND MORE THAN MEN ON SHOPPING TRIPS**

<table>
<thead>
<tr>
<th>Type of store</th>
<th>Men</th>
<th>Women</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grocery</td>
<td>$37</td>
<td>$63</td>
</tr>
<tr>
<td>Drugstore</td>
<td>$32</td>
<td>$68</td>
</tr>
<tr>
<td>Warehouse Club Outlets</td>
<td>$39</td>
<td>$61</td>
</tr>
<tr>
<td>Supercenters</td>
<td>$31</td>
<td>$69</td>
</tr>
</tbody>
</table>

**WOMEN ARE CLOSING THE GAP ON CONSUMER ELECTRONICS SPENDING**

Average spending over 12 months

- Women: $667
- Men: $728

**AUTOMOBILE PURCHASES**

- 46% of new cars purchased by women
- 80% of car sales influenced by women

**TOTAL HOUSEHOLD SPENDING**

Household spending in 2013:

- $11.2 trillion dollars

Women in the US report controlling or influencing:

- 73% of all household spending

60% of women share in the household investment decisions.
MARIED WOMEN INCREASINGLY CONTROL HOUSEHOLD FINANCIAL PLANNING\textsuperscript{12}

\[
\begin{array}{ccc}
\text{2006} & \text{2010} & \text{2014} \\
14\% & 15\% & 27\%
\end{array}
\]

SINGLE WOMEN HAVE ACCOUNTED FOR APPROXIMATELY ONE OUT OF SIX HOME BUYERS SINCE THE 1990S.\textsuperscript{13}

<table>
<thead>
<tr>
<th>Year</th>
<th>% Homes Bought by Married Couples</th>
<th>% Homes Bought by Single Women</th>
</tr>
</thead>
<tbody>
<tr>
<td>1981</td>
<td>73%</td>
<td>11%</td>
</tr>
<tr>
<td>1991</td>
<td>76%</td>
<td>14%</td>
</tr>
<tr>
<td>2001</td>
<td>68%</td>
<td>15%</td>
</tr>
<tr>
<td>2011</td>
<td>64%</td>
<td>18%</td>
</tr>
<tr>
<td>2013</td>
<td>66%</td>
<td>16%</td>
</tr>
</tbody>
</table>

HIGH-_NET WEALTH OWNED/CONTROLLED BY INDIVIDUALS\textsuperscript{14}

\[
\begin{array}{c}
\text{will grow from} \\
\$14 \text{ trillion}
\end{array}
\begin{array}{c}
to \\
\$22 \text{ trillion}
\end{array}
\begin{array}{c}
\text{by 2020}
\end{array}
\]

50\% will be controlled by women.

FACT

Highest income households spend: \textbf{10X} more on non-essential goods and services than the lowest income households\textsuperscript{15}

Strategic businesses stay competitive by understanding their consumer base, which is composed of a growing number of women with increased earning and buying power.
Buying power is challenging to measure, especially by gender, since census income data are reported by household unit. Isolating the individual spending of married women (almost half of women are married) is difficult because “household” spending measures the spending of married couples. However, by combining statistics we can tell that women’s buying power is increasing as their levels of educational attainment, labor force participation, and earning power increase. In addition, more women than ever before claim to control or influence household purchases.

SOURCES