



# The Association between Women's Education and Perceived Financial Success

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## Introduction

- Increases in measurable skills, such as education, have resulted in a convergence of the gender wage gap. However, there has been no observed increase in the proportion of women who occupy managerial or C-suite positions in their field (Branson, D., 2010)
- Women are more negatively impacted by social and financial failure than men (Samuel, R., 2014)
- Additionally, gender-related social structures such as the relegation of caregiving responsibilities leave women more vulnerable to high-risk financial situations. Despite their investment in education and the labor market, women in single income households are unlikely to achieve financial stability (Mosesdottir, L., 2019)
- Economic well-being is measured by poverty status, independence from public assistance, and the ability to purchase necessary or desired goods and services (Cancian, M. & Meyer, 2004). These factors are all a function of annual income.

## Research Questions

- Is a rise in education associated with a rise in life satisfaction, controlling for income?
- Are changes in life satisfaction greatest between lower bounds of received education or upper bounds of received education?

## Methods

### Sample

- Respondents (n=3,043) were drawn from the 2016 Financial Well-Being Survey (FWB), a nationally representative sample of non-institutionalized adult women in the U.S.

### Measures

- Financial well-being was assessed with the Consumer Financial Protection Bureau's (CFPB) established FWB scale. Questions were designed to assess the basic elements of financial security, such as (1) control of day-to-day finances, (2) capacity to absorb financial shock, (3) meeting financial goals, and (4) freedom to make choices for enjoyment. Each response was coded on a scale of 1 (strongly disagree) to 7 (strongly agree).
- Education was measured with the question "What is your highest degree received?" Possible responses ranged from 1 (less than highschool) and 5 (graduate or professional).

## Results

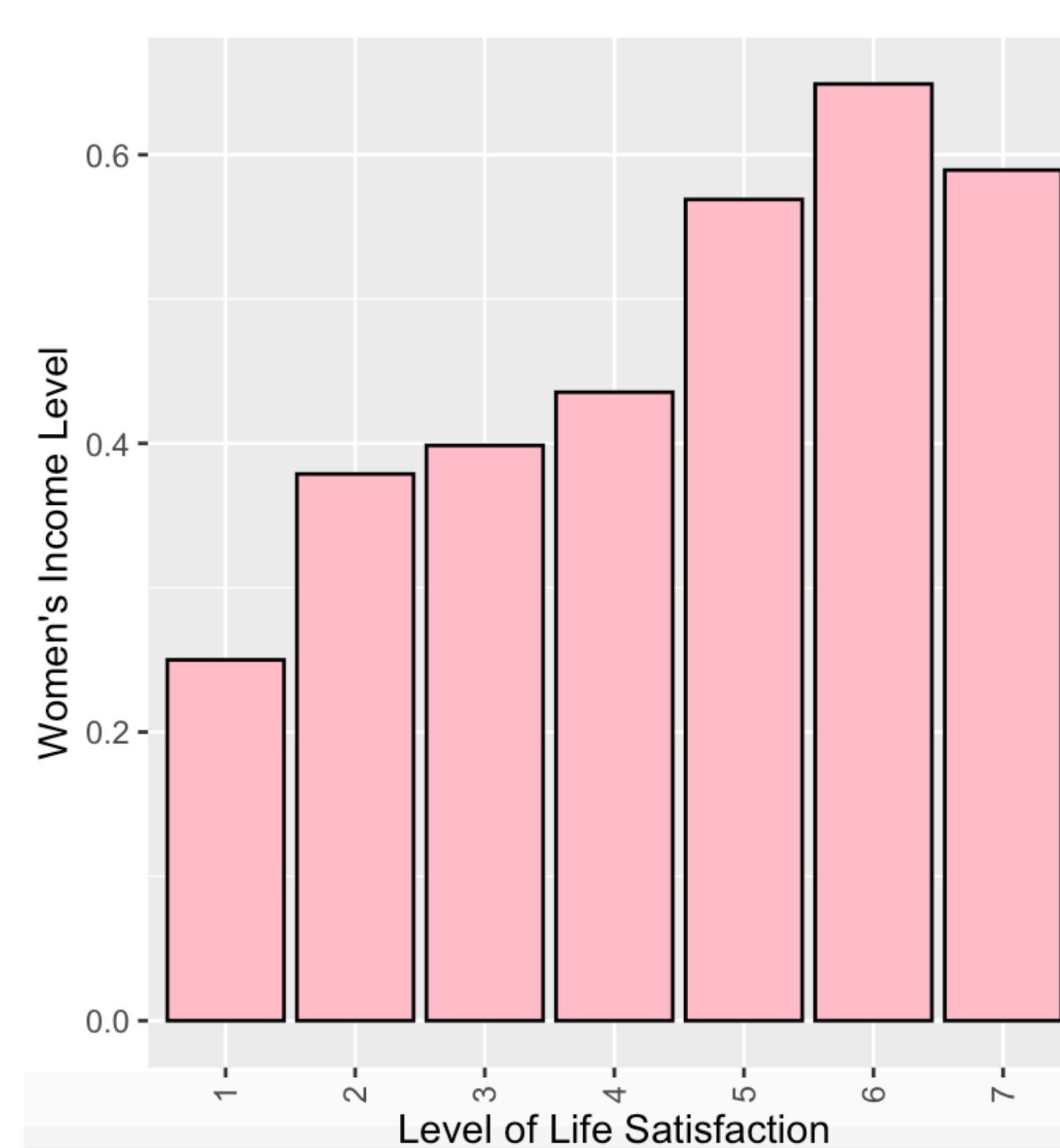
### Univariate

- 47.6% of respondents are women
- 37.7% of respondents have received a college education or higher
- The median reported level of Life Satisfaction is 6 (out of 7)

### Bivariate

- Categorical-categorical plot shows that there is a positive correlation between women's income and life satisfaction. (Figure 1)
- Chi-squared analysis showed that there is a significant association between education and income ( $p < 2.2e-16$ ), and a significant association between life satisfaction and education (p-value = 0.00019)

Figure 1. Life Satisfaction against Current Annual Income



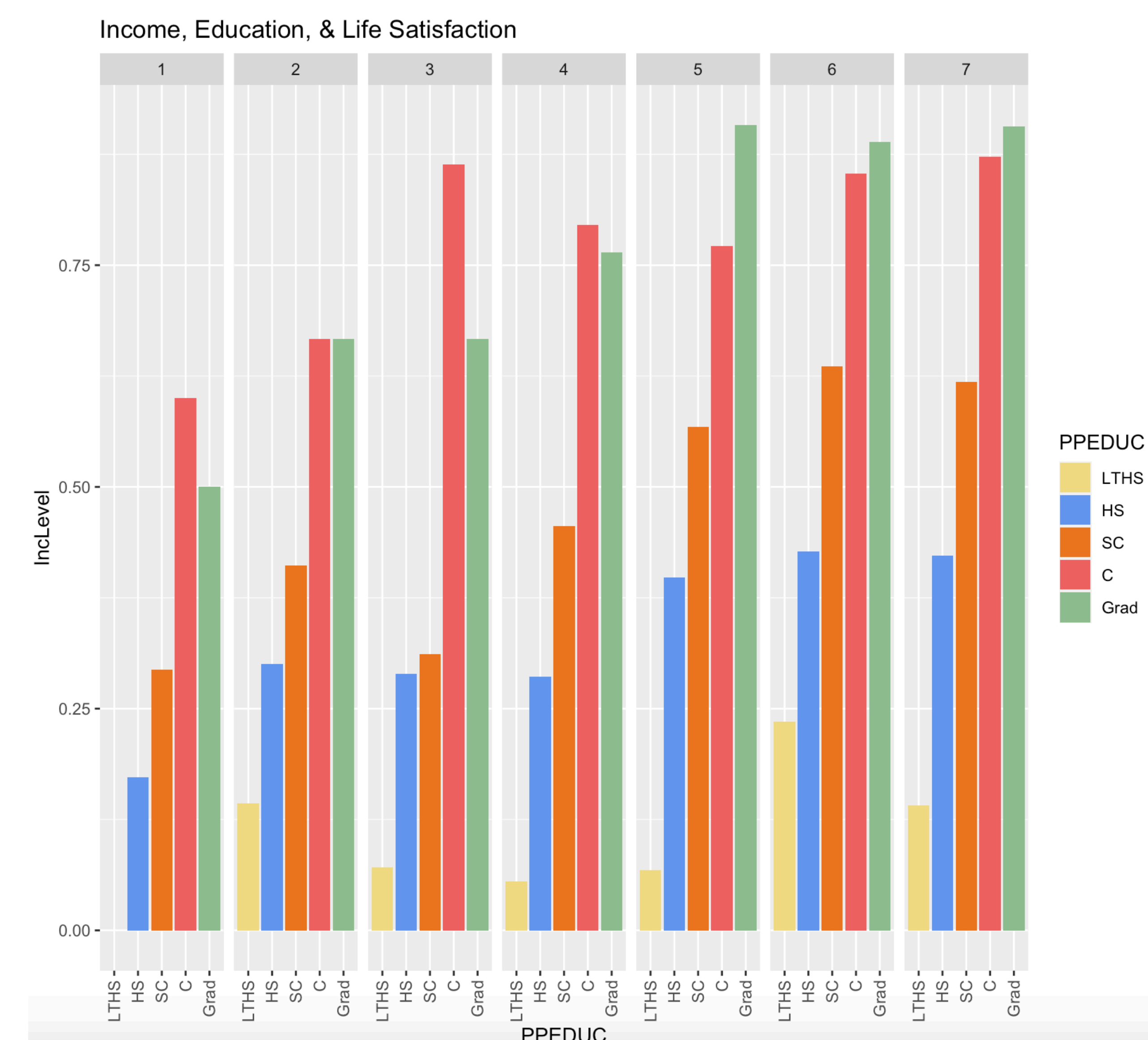
- Additionally, Chi-squared analysis showed that:**

- An increase in life satisfaction was most statistically significant when comparing women with less than high school education and women with graduate degrees.
- The differences in income between the lower bounds of education levels are greater than the differences in income between the upper bounds of education

### Multivariate

- Education level is not a moderator for the association between income and life satisfaction (Figure 2).
- Logistic regression analysis of education on life satisfaction, after controlling for income volatility, shows that as education levels increase, the presence of income volatility leads to a larger reduction in life satisfaction. ( $p = .003$ )

Figure 2. Life Satisfaction against Current Annual Income and Education



## Discussion

- Regardless of generation, association between life satisfaction, income, and education remains consistent.
- Goal confidence (one's drive to work hard) does vary across education or income level and has no correlation to life satisfaction.
- Majority of women with less than high school and high school educations report life satisfaction between 5-7, despite also reporting the lowest income levels. When controlling for income, the association between education and life satisfaction is not statistically significant.
- Since women with more or younger children are more sensitive to financial volatility, these results represent an opportunity for U.S policy changes about family planning and maternity/paternity leave in the U.S.**

Branson, D. M. (2010). *The last male bastion : gender and the CEO suite in America's public companies*. Routledge.

Cancian, M., & Meyer, D. R. (2004). Alternative measures of economic success among TANF participants: Avoiding poverty, hardship, and dependence on public assistance. *Journal of policy analysis and management*, 23(3), 531-548. <https://doi.org/10.1002/pam.20025> (Journal of Policy Analysis and Management)

Mosesdottir, L. (2019). *The Interplay Between Gender, Markets and the State in Sweden, Germany and the United States* (First edition. ed.). Taylor and Francis, an imprint of Routledge.

Samuel, R. (2014). The gendered interplay between success and well-being during transitions. *Educational research (Windsor)*, 56(2), 202-219. <https://doi.org/10.1080/00131881.2014.898915>