



NATIONAL COUNCIL OF NEGRO WOMEN, INC.

Tomorrow Begins Today: African American Women As We Age

African American women between the ages of 35 and 59 years constitute the fastest-growing demographic of the African American population. Many African American households are headed by women, and many of them also have extended family responsibilities. Historically speaking, financial management is not discussed in African American households, and research demonstrates that African American women often feel insecure about financial planning. It takes careful planning to improve opportunities for more fulfilling and financially secure futures for ourselves and our loved ones.

Facts About African American Women and Financial Well-Being

- African American women head 44 percent of all African American families.
- On average, African American women aged 35 to 59 earn less than \$35,000.00 annually.
- Long-term disadvantages for those with heavy credit card debt may include delayed investments in real estate, bad credit scores, or higher insurance premiums.
- Over 85 percent of African Americans do not have IRAs (individual retirement accounts), although 76 percent report having employer or union pension plans.
- Many African American women face internal and external obstacles to financial planning including lack of information, low income, low self-esteem, and putting the needs of others first.
- Approximately 54 percent of middle age African American women are homeowners. Homeownership is an important investment component to building wealth and developing equity that can finance an education, fund personal care for yourself or a loved one, or provide income in later years.
- Almost 50 percent of middle age African American women expressed confidence in investing in the stock market and understand the role of investments in wealth-building.

Steps That African American Women Can Take to Improve Financial Well-Being

As African American women assume more financial obligations and continue to live longer lives, it is important that we begin preparing for financial security at all stages of life. Some positive steps that we can make now include:

- Consider continuing your education. Education can greatly improve our opportunities for financial stability even if funded by loan programs.
- Make a commitment to set aside something each week or month and then stick with it. With even modest, regular saving, the effects of compounding interest can grow a valuable “nest egg” for retirement or emergencies. It’s never too soon to begin.
- Identify the financial planning options available through your employer. Rising costs and decreasing Social Security benefits mean that saving specifically for our retirement is essential to a secure future. We cannot take care of anyone else if we do not first “invest in ourselves.”
- Investigate financial educational seminars in your local community. Improving our “financial literacy” can help each of us make wiser financial planning decisions even with limited means.
- Ensure that you have adequate coverage. Health, life, and disability insurance are necessities. Unexpected health crises can have serious financial consequences. Even if you are not the sole income provider for your family, review your insurances to be sure that you are adequately covered in case of an accident or illness or in case you predecease your loved ones.