

BUSINESS

Women's power equals economic power, authors say

Women have made great strides in the marketplace and the workplace, not just in North America, but around the world.

Maddy Dychtwald, who co-founded the demographics research firm Age Wave with her husband, Ken Dychtwald, has written a book with Christine Larson that looks at women's rising economic power and what it means.

"It's hardly an exaggeration to say that for all of recorded history, women have basically been second-class citizens," she says in *Influence: How Women's Soaring Economic Power Will Transform Our World for the Better* (Hyperion Books, \$32.99).

But the status of women is changing. Around the world — gradually, quietly, slowly — women are becoming a larger share of the work force, entering increasingly well-paid jobs and inching up the income ladder.

For the past two decades, the increase in female employment in the rich world has been the main driving force of growth, the *Econo-*



ELLEN ROSEMAN

mist magazine said in 2006.

"Those women have contributed more to global GDP growth than have either new technology or the new giants, China or India."

That women's growing employment just in wealthy countries has had a bigger impact than on the global economy than either China or India is simply astounding, the authors say.

Imagine what will happen when women's full economic power, worldwide, is unleashed. Talk about the power of the purse.

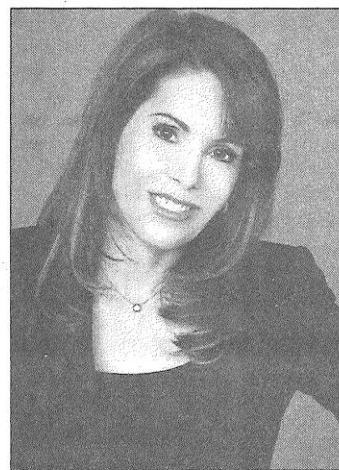
So, how do women handle their money? Age Wave, along with Allianz, a financial services company, and Harris Interactive, a public opinion research firm, did a survey of 3,000 U.S. men and women. Three clear trends emerged:

Money means security to women,

freedom to men. Overall, women were far less optimistic and confident than men were about money. One in five women had a secret stash of money her partner didn't know about — twice the number of men with a secret stash — to use as a hedge against economic disaster.

Men see themselves as warriors and women see themselves as worriers. Men are almost twice as likely to say they would take significant financial risks, while women are more likely to buy and hold investments, rather than churn them. As a result, women's investments often do better than men's in the long run.

Women are more likely to put others' financial needs ahead of their own. They often feel torn between the desire to do what's best for their family and what's best for their own future. While women may be hurting themselves, there's clearly a social benefit when women chose to use their earnings to pay for university, support their children or help care for aging parents. Despite their growing economic power, many women are unsure of their money



Maddy Dychtwald says women are likely to put financial needs of others before their own.

management skills. This lack of confidence is a roadblock to attaining their dreams.

"Women live longer than men and earn less," the authors say. "If they don't save aggressively, invest wisely and learn to control their money, they won't be able to maintain their own security, let alone

continue the march toward influence."

Women are the primary buyers of just about everything. They're responsible for 80 per cent of consumer purchases, such as vacations, food, home furnishings and over-the-counter drugs.

Yet many industries miss the boat when it comes to pleasing women.

Companies ignore these consumers at their own peril, since shifts in women's spending power are swift, strong and startling.

Just look at the market for organic and natural foods, which has grown 28 per cent in two years, largely driven by women.

"If you're really a visionary company, you look at the fundamental values of your shoppers and realize that women's spending on organics and healthy foods isn't a whim," the authors write.

"It's related to basic spending priorities, including the tendency of women to put others' needs ahead of their own financial well-being."

For more information, check out their blog at www.influencebook.wordpress.com.