

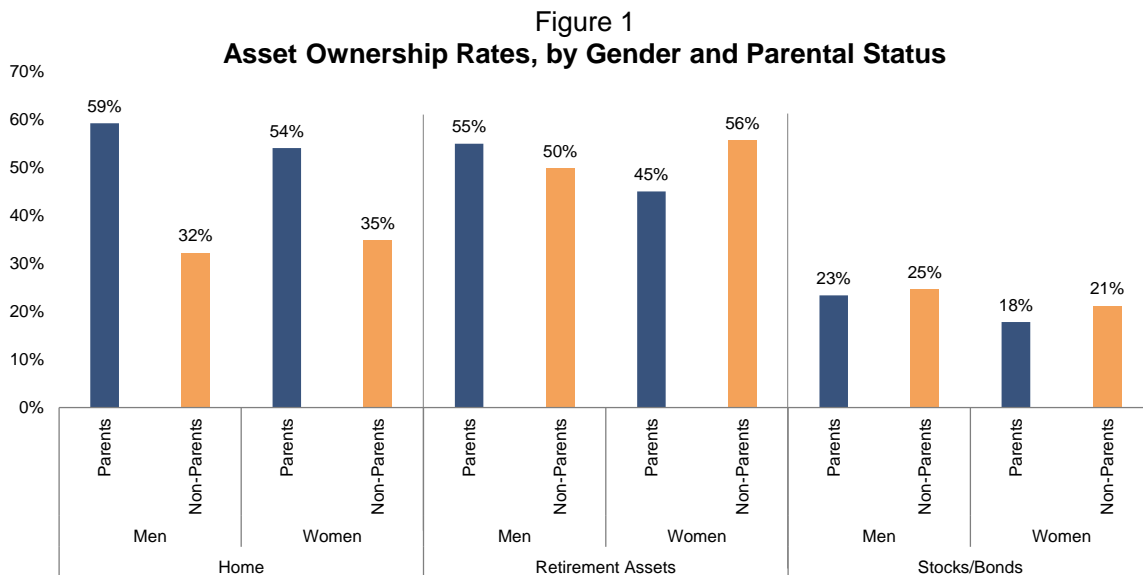
Exploring the Financial Implications of Motherhood: Analyzing How Having Children Influences Financial Wellbeing in Women

This *Fast Fact* examines the financial wellbeing of parents compared with adults without children, with a focus on the status of women. It analyzes total income, ownership rates, and the median value of homes, retirement assets, and stocks and bonds. The analysis is based on survey responses from adults ages 25 to 65 who participated in the 2023 Survey of Income and Program Participation (SIPP).¹

Gender and Parental Status

Individuals ages 25 to 65 were categorized into gender and parental status groups to compare ownership rates of homes, retirement accounts, and stocks and bonds. The two parental status groups are (1) those with biological, step, or adopted children of any age (parents) and (2) those without children of any age.

Fathers were more likely to own each type of assets than were mothers (Figure 1). For example, 59 percent of fathers reported owning a home, compared with 54 percent of mothers. A different pattern can be observed among non-parents, as women without children reported higher ownership rates for homes and retirement accounts than men without children. For instance, 56 percent of women with no children reported owning retirement assets, compared with 50 percent of men with no children.



Source: 2023 Survey of Income and Program Participation (SIPP).

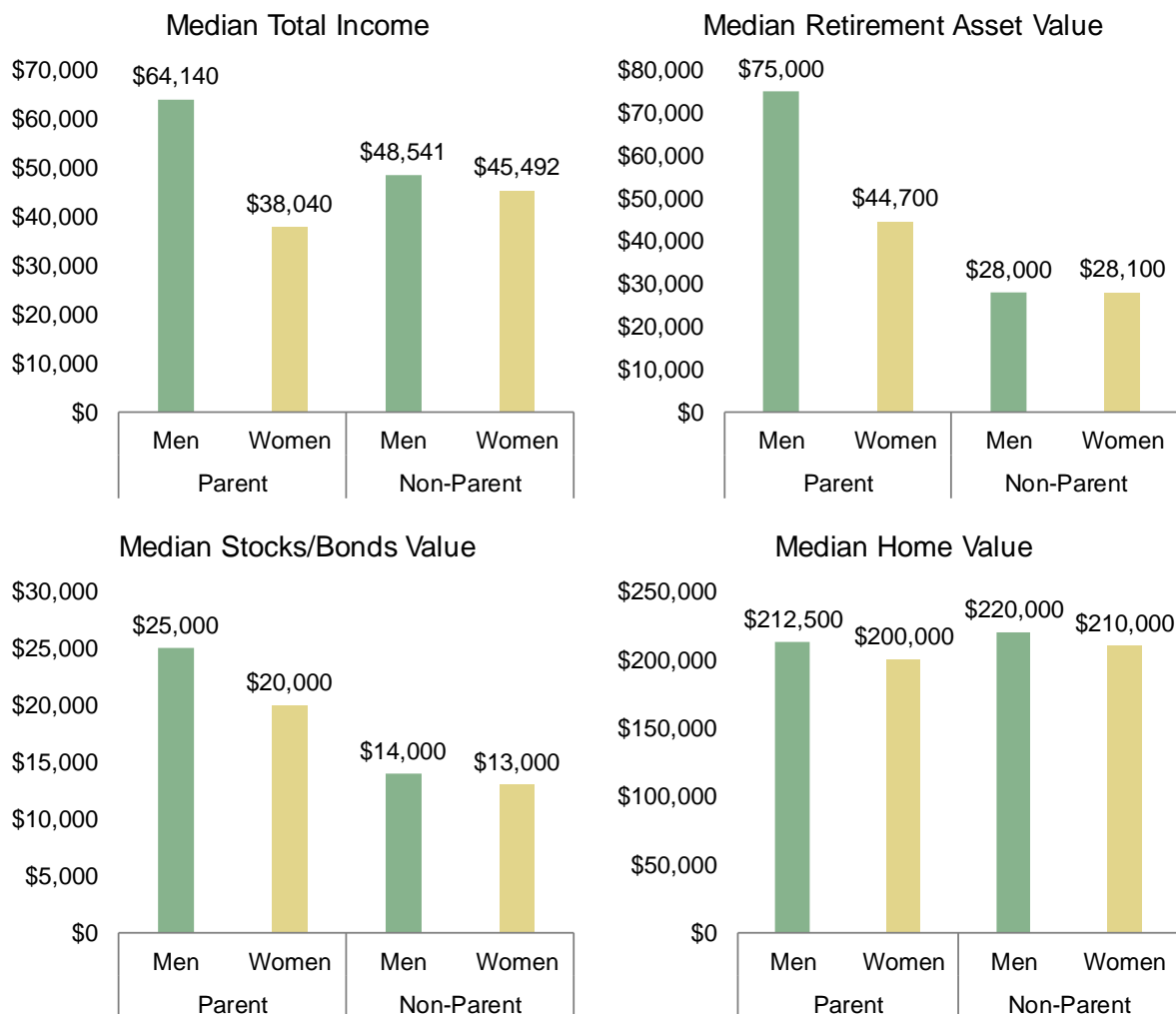
¹ The U.S. Census Bureau describes SIPP as “a nationally representative longitudinal survey that provides comprehensive information on income, employment, household composition, and participation in government programs.” It also provides data on economic well-being, family dynamics, education, wealth, health insurance, child care, and food security. [Survey of Income and Program Participation \(SIPP\)](https://www.census.gov/sipp/)

Despite lower rates of homeownership, women without children reported higher ownership rates for retirement assets and stocks and bonds compared with mothers. For instance, 56 percent of women without children reported owning retirement assets, compared with 45 percent of mothers.

Additionally, the median total incomes² and the median values of retirement assets, stocks and bonds, and homes among those owning them were both higher for fathers than for mothers (Figure 2). For instance, the median total income for fathers was \$64,140, while it was \$38,040 for mothers among those who received income. While the median total income and median retirement asset value were significantly higher for fathers than mothers, they were much more comparable among those without children. For instance, the median total income for fathers was \$64,140 compared with \$38,040 for mothers, a 69 percent higher income for fathers. In contrast, the median incomes for men and women without children were \$48,541 and \$45,492, respectively, only a 7 percent difference. This discrepancy may be attributed to many mothers choosing to pause their careers or take on less demanding roles, such as accepting lower positions or switching to part-time work, which significantly reduces their incomes compared with those of fathers.

Figure 2

Median Total Income and Asset Values, by Gender and Parental Status



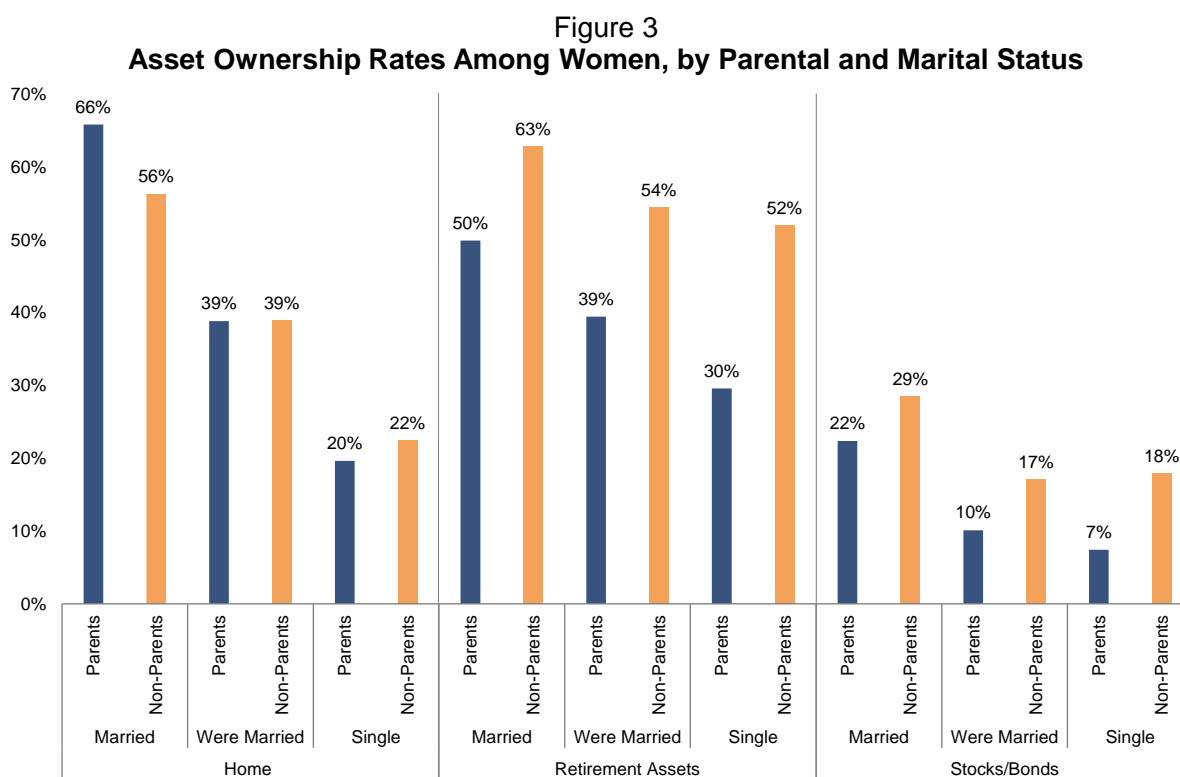
Source: 2023 Survey of Income and Program Participation (SIPP).

² Total personal income includes earnings and profits/losses from all jobs, personal investment/property income, personal income received from means-tested transfer programs (including SSI, TANF, GA, and the Veterans Pension program), personal social insurance payments, and other income sources such as: survivor benefits, retirement benefits, disability benefits, foster child care payments, child support payments, alimony payments, lump-sum payments, deferred payments from a prior job, life insurance payments, or miscellaneous income sources.

Marital and Parental Status

Marital status can also play a role in the incomes and assets held among individuals. In a focus on women, the marital status of each woman was categorized into one of three groups: (1) those currently married (married), including those who reported being married but whose spouse was not present in the household; (2) those no longer married (were married), including those who were widowed, divorced, or separated; and (3) those who had never been married (single).

Married women had the highest rates of asset ownership compared with other marital statuses (Figure 3). However, mothers had lower rates of ownership rates of retirement assets and stocks and bonds compared with women in the same marital group who did not have children. For example, while 50 percent of married mothers reported owning retirement assets, only 30 percent of single mothers did. In contrast, the retirement asset ownership rate for married women without children was significantly higher at 63 percent — 13 percentage points above that of married mothers. Single mothers, in particular, reported the lowest asset ownership rates for all asset types examined compared with any other group.



Source: 2023 Survey of Income and Program Participation (SIPP).

Just as married women were found to be more likely to own each asset type, married women also had the highest median total incomes and the largest median values of retirement assets and stocks and bonds (Figure 4).³ Additionally, women without children had higher median total incomes and a greater median value of stocks and bonds compared with mothers with the same marital statuses. For example, the median total income for married

³ Total income, retirement asset values, and the values of stocks and bonds are recorded at the individual level, reflecting only what each person receives in income or has in their retirement or investment accounts. In contrast, primary home values are collected at the household level. This is done by asking the reference person in each household to provide the value of the home if they own it. Some reference persons may report that one individual in the household has full ownership of the house, while others may indicate shared ownership. For example, in a married household, one reference person might state that their home is valued at \$300,000, with each spouse owning \$150,000. In contrast, another reference person from a different household may claim that their home is also worth \$300,000, but only one spouse owns it entirely, making only one of the spouses a homeowner.

mothers was \$41,232 compared with \$30,108 for single mothers. Furthermore, the median total income for married women without children was \$52,342, which was 27 percent higher than that of married mothers.

Among women homeowners, mothers who were no longer married had the highest median home value, followed by women who were no longer married but did not have children, at \$250,000 and \$240,000, respectively. Meanwhile, single mothers received the lowest median total income and held the lowest asset values across all asset types. It is important to note that for married women, the total home value may be split with their spouses, even though the overall value of the home may be higher. The median home value for married women reflects only the value of their individual share.

Figure 4
Median Total Income and Asset Values, by Marital and Parental Status



Source: 2023 Survey of Income and Program Participation (SIPP).

Conclusion

Among parents, fathers generally had higher rates of asset ownership and higher median values for the assets held, and they also tend to have higher median total incomes compared with mothers. While fathers exhibited higher asset ownership rates than men without children, women without children reported higher ownership rates for retirement assets and stocks and bonds compared with mothers. Furthermore, women without children had higher retirement asset ownership rates than men, regardless of parental status, while women with children had the lowest ownership rates for these assets.

For women by parental and marital statuses, it should be noted that across both parental statuses, married women had the highest rates of asset ownership and the largest median total incomes. However, mothers had lower rates of asset ownership across all examined types of assets except homeownership compared with those who did not have children. In particular, single mothers had the lowest median total income, median asset value, and ownership rates for all examined asset types.

Considering the financial challenges faced by mothers, especially single mothers, it is essential to take into account the family situations of participants. While further research is needed to gain a better understanding of the financial difficulties encountered by parents, benefit plan sponsors and policymakers clearly should consider the challenges parents face in accumulating assets when designing and regulating benefit plans.

This report was written by Samita Thephasit, EBRI Research Associate, with assistance from the Institute's research and editorial staffs. Any views expressed in this report are those of the author and should not be ascribed to the officers, trustees, or other sponsors of EBRI, Employee Benefit Research Institute-Education and Research Fund (EBRI-ERF), or their staffs. Neither EBRI nor EBRI-ERF lobbies or takes positions on specific policy proposals. EBRI invites comment on this research.