THE UNPRECEDENTED POWER AND POTENTIAL OF WOMEN’S PHILANTHROPY IN THE WASHINGTON REGION
The Unprecedented Power and Potential of Women’s Philanthropy in the Washington Region

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EXECUTIVE SUMMARY

In “The Unprecedented Power and Potential of Women’s Philanthropy in the Washington Region,” Washington Area Women’s Foundation finds that turning the corner on poverty for women and girls in our region is within our grasp. The key is investing in women and girls with a gender lens, and tapping into the unprecedented giving potential of women philanthropists in our region.

The Washington region is one of deeply embedded economic inequalities—the top fifth of earners make on average at least four times the income of the bottom fifth. Currently, one in five (22 percent) women and girls are living below or near poverty in the region and struggle every day to make ends meet. On the other hand, some women in the region are gaining a growing proportion of wealth and in turn, giving power. On average, women in the Washington region are among the nation’s top earners, and the share of women with a six-figure income is rapidly rising. Close to one in three of the region’s top earners ($115,000 or more) is a woman. In nearly 90 percent of wealthy households, women are also either the sole decision-maker or an equal partner in charitable decision-making.

Bringing all women and girls to a place of economic security hinges on eliminating the persistent barriers that disproportionately impact them. These barriers may include a lack of access to affordable and quality childcare, inflexible work schedules, and lack of affordable and reliable transportation options. Women employed in nontraditional occupations for their gender—such as engineering and construction—typically have a dearth of mentors or other support networks to help them navigate these high-paying career paths. Despite the proven effectiveness of programs that acknowledge and lessen the particular barriers low-income women and girls face, less than 10 percent of all philanthropic dollars in the Washington region goes to these types of programs.

By our estimates, if women in our region with a net worth of $5 million or more contributed one tenth of one percent of their growing wealth to programs tailored to the unique needs of women and girls, they could collectively invest at least $45 million—enough to have a significant impact on helping the nearly half million women and girls living below or near poverty in our region attain economic security.

If women benefiting from this investment increased their earnings by at least five percent after completing a workforce development program (the average amount based on The Women’s Foundation’s program evaluation) the direct impact in our community could be over $317 million in a single year. An approximate return on investment of 560 percent.

With growing economic disparity and poverty at historically high levels, it is critical that we leverage the unprecedented philanthropic power of women in our region. We have the resources within our community to help all women and girls access the opportunities they need to thrive. Let us work together to make it happen.
INVESTING WITH A GENDER LENS MATTERS

Advancing the economic security and unleashing the untapped potential of the one in five women and girls living below or near poverty in the Washington region is crucial to creating a brighter future for the entire region. The case for doing so is clear: providing access to education, opportunities to build assets, and career pathways with family-sustaining wages are among the most effective strategies to build stronger communities and reduce poverty in the long term. Evidence from several countries, including the United States, reveals that investments that boost women’s earnings flow down to future generations and benefit children’s health, education, and nutrition, and improve life chances and living standards of the entire family. Female-headed households, for example, reinvest as much as 90 percent of their new income back into their families, while men in the same position reinvest only between 30 to 40 percent.

The idea that investing in women and girls is a powerful strategy for igniting social change is one that is gaining momentum. Yet, many donors still do not consider, or underestimate, how targeted investments in programs that account for how gender interacts with key issues like education, asset building and job training can have an even bigger impact.

The value of investing with a gender lens is to develop interventions that yield the best possible outcomes for all participants—whether they are female or male.

I’ve experienced personally—and I think studies support this—that if you empower women, you will save the world, so that’s why I like to give to women and have interventions for young girls through the giving circle, because I want to teach them how to fish and not give them a fish...”

Lorena, Philanthropist in the Washington region
Gender refers to socially constructed female and male roles, behaviors, and expectations. Each society interprets differences between women and men, and shapes views about what is—and what is not—appropriate for each gender, as well as their rights, access to resources, and opportunities. The value of investing with a gender lens or conducting a gender analysis to carry out effective social investments is to recognize how gender roles and expectations impact the issue at hand, and develop interventions that yield the best possible outcomes for participants—whether they are female or male.

The Women’s Foundation invests in workforce development programs that support job training for low-income women with a gender lens. Much of our gender analysis looks at how the workplace environment can be responsive to women with varied backgrounds and how systems and supports can be implemented or enhanced to address some of the challenges and opportunities women face, including gender biases. In addition to addressing the most well-known employment barriers that specifically impact low-income women, such as lack of flexible work schedules, limited affordable transportation, and inadequate childcare, we also identified lesser known challenges. For instance, low-income women are less likely to have mentors or role models to help them navigate career paths, or they might have little support from family and friends, especially if they are pursuing a career in nontraditional occupations, which are often higher paying career paths for women. Without a thorough gender analysis, it is easy to overlook these particular challenges and underestimate the value of providing case management and other supportive services that are central to successful workforce development programs.
Investing in universal programs without acknowledging gender dynamics implies that all participants are in the position of benefiting equally from the program. However, the idea of gender neutral or universal programs is misleading because of the inherent issues that impact men and women differently. Universal programs are usually biased toward the status quo which is more inclined toward male experiences and perspectives and therefore, help perpetuate and exacerbate disadvantages for women. In our rapidly changing society, gender analysis is absolutely necessary to uncover issues that affect both women and men, and that are likely to be overlooked by simplistic stereotypes and outdated gender norms.\(^8\)

It is critical that programs be tailored to the different needs of women and girls.\(^9\) Nonetheless, the proportion of all philanthropic dollars targeted to programs for women and girls in the Washington region is minuscule—less than ten percent.\(^10\) And while there has been some progress in the last decade, funding for the advancement of women and girls remains weak. Herein lies the challenge—and the opportunity—for philanthropists in the Washington region. Women donors in particular have an unprecedented opportunity to drive this change and close the gap in funding for women and girls in the region; not only because of their growing wealth and increased leadership and decision-making roles, but also because their personal connection to giving, and their ability to contribute their influence, voice, and networks.\(^11\)
THE UNPRECEDENTED POWER OF WOMEN PHILANTHROPISTS

Like never before, women philanthropists in the Washington region have a unique opportunity to catalyze major resources to help reduce the growing economic disparity in our community. Women have a long history of volunteering their time to causes they care about, and have been active donors even as far back as the 1800s. Over the last twenty years their economic power and influence has grown rapidly and the nature of women’s giving has changed as a result. Historically, most of women’s wealth was derived from their husbands’ or families’ wealth. Today, women have a faster wealth growth rate than men thanks to their increased participation in the workforce, educational attainment, and leadership roles. In addition, women are making important financial decisions for their households, suggesting untapped opportunities for philanthropic engagement.

“Women never had money to give unless they had a husband who died or something of that sort. Now we have wonderful women who are working hard and doing good jobs and getting paid a lot of money, and so they need to know how to give.”

Tamicka, Philanthropist in the Washington region

Like never before, women have a unique opportunity to catalyze major resources to help reduce the growing economic disparity in the Washington region.
Women’s Educational Attainment is Increasingly Outpacing Men’s

Advanced schooling is helping drive women’s professional achievement, influence, and higher earnings. In our region women are as likely as men to complete college (27 percent), and nearly as likely to hold a graduate or professional degree (30 percent for men compared to 29 percent for women).12

Between 2005 and 2014, the share of both women and men with postsecondary education increased steadily across the region; yet, the number of women with a bachelor’s degree or higher grew at a much faster rate than the number of men (11 percent versus four percent).13

Women’s progress in educational settings has translated into a workforce where women increasingly hold professional and managerial jobs. Today, close to 52 percent of women in the region are employed in these occupations, compared to 45 percent in 2005.14

Women are now more likely than women from previous generations to be part of for-profit and non-profit boards, and are, in turn, gaining clout in philanthropic decisions and leadership.15

Women’s Earning Potential Is Rising

These days women have more of their own money to spend; not only because they have entered the workforce in record numbers, but also because their real earnings have been going up since the 1980s while men’s earnings have been edging down year after year. In the past 10 years, men in our region have seen a decrease in real earnings of four percent; while women’s real earnings increased by one percent, though most of these gains have been realized by college educated women who work full time.16

Women are quickly becoming part of our country’s top earners. The number of women with six-figure incomes is rising at a faster rate than the number of men who earn that much.17 Close to one in three earners (31 percent) in the top fifth ($115,000 or more) in the Washington region is now a woman.18 In addition, women are more likely than ever before to be the primary breadwinner for their families (34 percent),19 and to out earn their husbands (20 percent).20

While it is important to underscore that the gender wage gap is still a real and problematic issue for women in the Washington region, it is less pronounced than in other parts of the country. Women in our region are among the nation’s top earners and on average, earn roughly $25,000 more than their counterparts across the United States.21

This growing purchasing power allows women to comfortably meet their day-to-day needs and also leaves room to accumulate assets, grow their wealth, save for retirement, and engage in philanthropic endeavors.
**Women Control a Growing Proportion of Wealth**

While exact figures are difficult to pin down, a rough estimation of women's net worth in the Washington region is over $253 billion. Moreover, women are expected to receive a significant share of future intergenerational transfers of wealth from parents and spouses, growing their wealth to over $500 billion in the next ten years.

With this vast amount of resources, women have the potential to significantly grow philanthropy. In fact, research shows that women proportionately donate more of their own wealth to benefit their communities than men. On average, high net worth women give close to four percent of their total net worth each year, twice as much as the two percent men give.

**Women are Philanthropic Decision-Makers**

As women’s earning potential has grown, women have also become more equal economic partners and participate more in household economic decisions.

A study of high net worth women revealed that in nearly 90 percent of wealthy households, women are either the sole decision-maker or at least an equal partner in charitable decision-making. Other research has found that when only one spouse decides about charitable giving in heterosexual marriages, it is the wife who decides twice as often as the husband.

Women spend more time than men doing due diligence before making decisions about their philanthropy, and engage deeply with the organizations or causes they support.
How Women are Motivated to Give

Women across the economic spectrum have the desire and capacity for giving, and not just because they could receive incentives or recognition, but because they deeply believe in the power of organizations to make communities better, and that their gifts can make a significant difference. Research has shown that women are more likely to give, give proportionally more to charity than men, and have an ongoing connection to the organizations they support.

Furthermore, women particularly care about economic security and rank reducing poverty and advancing women’s rights higher on their list of top concerns. A recent survey found that close to two in five (41 percent) women have identified reducing poverty among their top priorities, while only two in six (32 percent) of men have. More remarkably, while 23 percent of women prioritize advancing women’s rights, only six percent of men do.

“I’m a big believer in outcomes and results. I’m just a big believer in putting my money where things are working best.”

Women are more likely to give, give proportionally more to charity than men, and have an ongoing connection to the organizations they support.
WHY GIVE?

The biggest challenge facing our community is not a lack of strategies to address the needs of the region’s most economically vulnerable residents, but a lack of resources. Timely and effective investments of money, time, and influence can accelerate change, and unleash the potential of women and girls living below and near poverty in our region. With poverty at historically high levels and growing economic inequality, investments to reduce women’s poverty are more important than ever.

A rough estimation of women’s net worth in the Washington region is over $253 billion. If women in this region—with a net worth of five million dollars or more—contributed just one-tenth of one percent of their growing wealth toward programs for women and girls, the philanthropic pool of dollars would be at least $45 million, more than enough to reach the nearly half million women and girls living below or near poverty in the region (approximately 445,510).

If women benefiting from this investment increased their earnings by at least five percent after completing a job training program—the average amount based on The Women’s Foundation program evaluation—the direct impact in our community could be over $317 million in a single year. An approximate return on investment of 560 percent. Even these estimates are conservative because they do not take into consideration any of the other benefits women gain when they complete job training and workforce development programs, or any other cumulative gains after the first year. Assuming women spend 80 percent of their increased earnings, every new dollar generates another five dollars of extra income, resulting in a collective impact of $1.5 billion.
If women with a net worth between $25,000 and up to $4 million also join in giving just one-tenth of one percent of their wealth, they could direct another $208 million to women and girls facing economic hardship. Investments like this would indeed give women and girls a strong foothold to jumpstart their journey toward economic security. The complexity and interconnectedness of poverty is overwhelming, but here in the Washington region we have the resources to do something about it, especially if we tap the incredible potential of the growing women’s philanthropy in our region.

“I think I feel like life has been very good to me, and I have an obligation to give back to those who haven’t been as fortunate...”

Clara, Philanthropist in the Washington region

The complexity of poverty is overwhelming, but we have the resources needed to do something about it, especially if we tap into the incredible giving power of women in our region.
A CALL TO ACTION: BECOME A PHILANTHROPIST

Anyone can become a philanthropist, regardless of their wealth, age, or gender. Women’s economic power and influence is catching up with men’s and is even growing at a faster rate, suggesting untapped opportunities to increase funding sorely needed for women and girls in our region. With growing economic disparities and poverty at historically high levels, it is critical that we leverage the unprecedented philanthropic power of women in our region. We have the resources within our community to ensure that every woman and girl in the Washington region has access to the opportunities she needs to thrive. Below are some suggestions for what we can do:

**Give:** Every gift, of every size, can have considerable impact. It’s not only about writing checks. It is also about donating time, skills, and influence; caring about your community, organizations, and causes you believe in.

**Give boldly:** In addition to expanding programmatic activities, big gifts reduce fundraising costs and make time and resources available that allow organizations to be more strategic, innovative, and effective.

**Give with intention:** With the needs of women and girls, at home and abroad, it is easy to become overwhelmed with the variety of issues that need attention. To be more strategic with your philanthropy:

1. **Be informed:** Learn more about the issues and causes you are supporting. Understand what non-profits need to operate optimally. Recognize that changing deeply embedded social problems takes time, but that the time to challenge the status quo is now.

2. **Get involved:** Amplify the size of your gift by offering some of your time, skills, and influence.

3. **Give locally:** Invest in your region to build and strengthen your community.

**Give effectively:** Make sure the money you donate goes as far as it can. Invest in strategies and programs that acknowledge the impact of gender and other dimensions of diversity so program participants can truly see a transformation in their lives. Set high expectations for the organizations you support and hold them accountable.

**Give unrestricted gifts:** Support for operating expenses is the most difficult funding to secure for non-profit organizations, but it is what keeps programs running. Donate to fill the gap in funding left by other donors whose funding is restricted to specific program activities.

**Take risks:** There is no innovation without risk and experimentation. Invest in non-profit innovators that might not have a proven record but that have sound proposals and projects.
Find a mentor to guide your philanthropic endeavors: Understanding and focusing your giving priorities can be challenging. A friend, family member, or colleague with experience in giving can help you make smart philanthropic decisions. And then be a mentor to someone else.

Make giving a family tradition: Involve children and other family members in your giving decisions to start turning their attention to helping others and supporting causes close to their hearts.

Spread the word, inspire others to become philanthropists: Leverage your network and influence to inspire others to become philanthropists. Let other people know they too can be part of the solution for a better world. Giving sometimes works as a chain reaction, if you give and you are passionate about helping others, very often, friends and family will follow. Help start the momentum. This is the time to give boldly, and to ask and inspire others to do the same.
METHODOLOGY

Social and Demographic Information

Most of the data used to provide context on the status of women and girls in the Washington region—including earnings, educational attainment and poverty—come from the American Community Survey accessed through American Fact Finder. To obtain more related data on the status of women and girls in the Washington region and details on the methodology to obtain such data please consult “Poverty Among Women and Girls in the Washington Region,” “Girls’ Economic Security in the Washington Region,” and “Investing in Change: Trends, Challenges, and Opportunities for Women in the Washington Region’s Labor Force.”

Women’s Voices

The voices of women philanthropists appearing through the text are drawn from a focus group conducted this summer at The Women’s Foundation by researchers from the Indiana University Lilly Family School of Philanthropy. Researchers probed six women engaged in philanthropy in our region to understand their motivations to give. Researchers offered confidentiality to all women who participated in the focus group, informed them about the objectives of the research project, and asked for their informed consent to participate. This helped to ensure that women spoke freely about their motivations to give and their giving experiences. All the names that appear in this issue brief are pseudonyms that we have assigned in order to facilitate the narrative and to present a straightforward yet personal analysis. The IU Lilly School of Philanthropy kindly allowed us to use the quotes included in this brief.

Women’s Wealth

To calculate the estimation of women’s wealth we compiled data from Wealth Engine by zip code for the jurisdictions in the Washington region—the District of Columbia, Montgomery County, Prince George’s County, Arlington County, Fairfax County, and the City of Alexandria. Wealth Engine allowed us to obtain an approximate tally of the number of women 18 years and older with a net worth of $25K or more, $50K or more, $100K or more, $500K or more, $1MM or more, $5MM or more, $25MM or more, $50MM or more, $100MM or more, and $500MM or more. We then deleted duplicates—someone with a net worth of $25MM or more appeared in the tally for women with a net worth of $5MM, $1MM, $500K, etc., etc.—and multiplied the resulting figure times the net worth women potentially have. This analysis is based in the net worth of 1,790,837 women 18 years and older. It is likely that the figure we present in this issue brief following this methodology is an underestimation because we only count with information of the lower threshold of each of the 11 net worth brackets available for analysis.

Estimated Impact of Women’s Philanthropy Potential in the Washington Region

To calculate the estimated impact of women’s philanthropy in the Washington region we assumed women would donate $45 million to workforce development programs tailored to the specific needs of low-income women 18 years and older,
currently close to 350,500. The Women's Foundation, in collaboration with Grantee Partners, serves approximately 10,000 unique women in the Washington region with slightly over $1 million in a single year. Based on our current outputs and outcomes, we estimate an investment of $45 million would allow the Women's Foundation to support the 350,500 women 18 years and older living below or near poverty in the Washington region through job training and workforce development programs.

We assume women 18 years and older living below or near poverty will increase their earnings by five percent as a result from the program. We based this percent increase on evaluations from our own programmatic work, and used the annual earnings threshold established by the U.S. federal poverty guidelines to determine financial eligibility for federal programs as base earnings for women 18 years and older living below or near poverty. Women living below poverty would increase their annual earnings by $589 and women living near poverty by $1,177; both of these figures, multiplied by the number of women 18 years and older living below and near poverty yields approximately $317 million. We then calculated a simple spending multiplier assuming a marginal propensity to consume of 80 percent, and used the general formula of $1/1-mpc. Assuming women spend 80 percent of their increased earnings, every new dollar generates another five dollars of extra income, resulting in a collective impact of $1.5 billion. Due to the global nature of our economy, it is very likely that some of the new income will also benefit people and business outside the Washington region.

The reader should bear in mind that these are very rough estimations that shed some light on the power and potential of women's philanthropy in the Washington region, and should be interpreted with caution.

All icons designed by FreePik (freepik.com); Photographs provided by April Greer, Lisa Helfert, and Michael Colella
REFERENCES

1. The Women's Foundation's analysis of the American Community Survey 2014


10. The Women's Foundation's analysis of Foundation Stats. Retrieved October 15, 2015 from http://foundationcenter.org/findfounders/foundation-stats.html; it is difficult to find data on giving to women and girls specifically for the Washington region. Data presented in this issue brief is for the District of Columbia, Maryland and Virginia. In addition, the reader should take into consideration that many foundations with national and international interests are located in the District of Columbia; inflating the figure presented here on philanthropic dollars targeted to gender-specific issues as it might include those made for women and girls living abroad and across the country.


12. The Women's Foundation's analysis of the American Community Survey 2014

13. Ibid


17. The Women’s Foundation’s analysis of the American Community Survey 2005-2014

18. The Women’s Foundation’s analysis of the American Community Survey 2013


20. The Women's Foundation's analysis of the American Community Survey 2014


33 1.7 percent is the lowest percentage of giving from disposable income on record in the last 40 years based off of U.S. giving statistics according to All In For Her

34 The Washington Area Women's Foundation in collaboration with Grantee Partners approximately serves 10,000 unique women in the Washington region with slightly over one million dollars in a single year. Based on our current outputs and outcomes, we estimate an investment of this size would allow us to touch the lives of more than 460,000 women and girls through our programmatic work.

35 When benefited women spend income from their increased earnings this spending becomes someone else's income, and so on---this is the so-called multiplier effect.

36 Investing in women-specific programs designed to eliminate poverty becomes an effective vehicle to learn more about the issue. This knowledge then positions you to increase awareness about the issue among those in your circles.


41 Wealth Engine https://www.wealthengine.com,
About the foundation

Since 1998, The Women’s Foundation has worked to transform the lives of women and girls in the Washington region and the nation.

Drawing on our deep expertise and insight into the needs of women and girls in the Washington region, we direct and leverage financial resources to support the most effective organizations and solutions working toward increasing economic security.

**Mission**

We mobilize our community to ensure that economically vulnerable women and girls in the Washington region have the resources they need to thrive.

**Vision**

The Washington region is a model community that ensures women and girls are on a path to prosperity.

**Values**

Washington Area Women’s Foundation is an influential, respected, visionary national leader of community strategies that enrich the lives of women and girls.