Consumer Morsel

Women and wealth: Growing the pie, creating opportunities

05 March 2025

Key takeaways

- The gender gaps between labor force participation and the employment ratio are both narrowing, and, according to Bank of America internal data, the difference in median annual income growth between men and women has fallen to around 4% at the end of 2024 from 6.5% in 2022.
- Increased wage gains, coupled with the "Great Wealth Transfer," position women to be key drivers of economic growth, in our view. However, this isn't at the expense of men. As wealth increases, women's prosperity will help to 'grow the pie' of total affluence, expanding opportunities across the board.
- Women's rising wealth is also likely to change entire sectors, from specific products to how marketing is directed more broadly, per BofA Global Research. We address three key sectors that we think could be "disrupted": professional sports, travel, and healthcare.

Equal pay and labor force participation – what if?

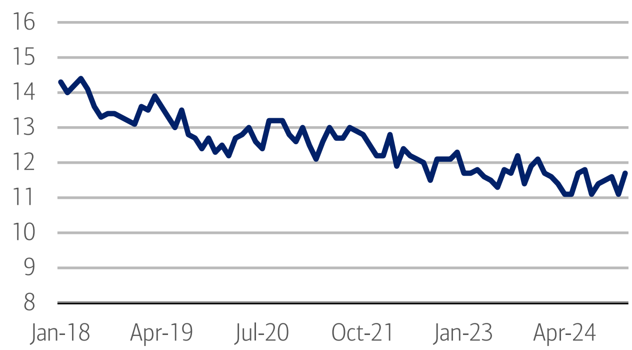
According to a recent World Bank report, no country provides equal opportunities for women – not even the wealthiest economies. There are large gaps in the rate of employment by gender. In fact, the share of working age (15+) women who are employed has been 14 percentage points (ppt) lower, on average, than that of men since 2010 in high-income countries and about 27ppt in low-income countries, per BofA Global Research.

The good news is that the gap between male and female labor force participation rate (LFPR) is narrowing in the US (Exhibit 1), as is the employment ratio. This suggests the emergence of a job market which is providing more employment opportunities for working women. Women are now almost 47% of the total workforce, according to the US Bureau of Labor Statistics (BLS).

However, equal pay could raise US GDP by 3.9%, and equal labor force participation could boost it by 2.3%, according to BofA Global Research. And the gender wage gap has been slowly declining – according to Bank of America internal account data, the difference in median annual income growth between men and women has come down from 2019 growth rates, to around 4% at the end of 2024 (Exhibit 2).

Exhibit 1: The gender gap in the labor force participation rate is falling, but an 11pp difference remains

Difference between men LFPR and women LFPR (monthly, ppts)



Source: Bureau of Labor Statistics

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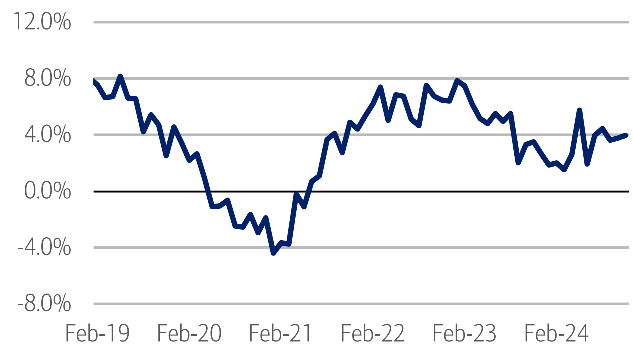
Exhibit 2: The difference in median annual income between genders was about 4% at the end of 2024

Difference in median annual income by gender (monthly, YoY%)



Source: Bank of America internal data

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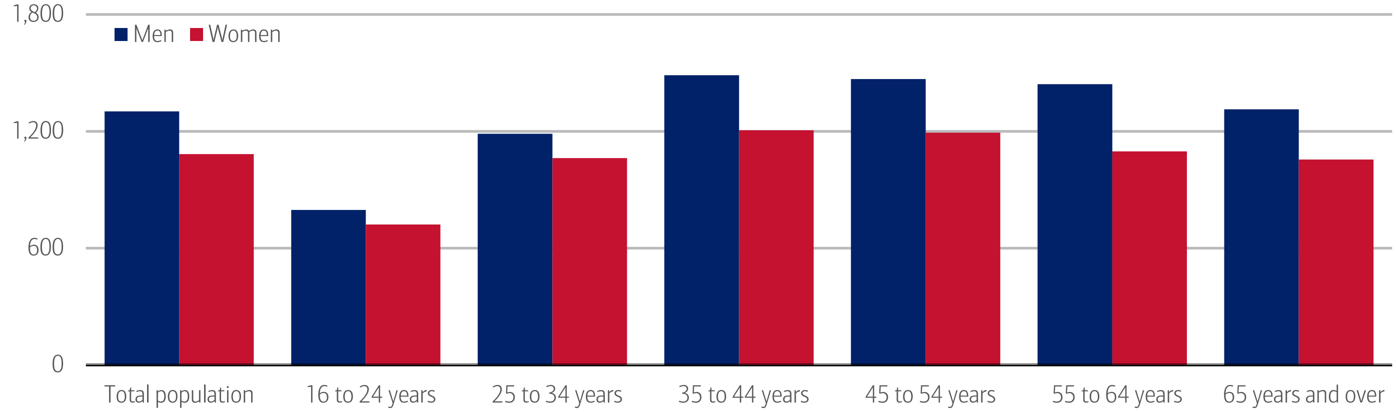
Still, in the fourth quarter of 2024, women had median weekly earnings of $1,083, or 83.2% of the $1,302 median for men according to the BLS (Exhibit 3).

The gender gap in pay increases as women get older. In fact, women 16 to 24 years old earned 90.6% as much as men in the same age group, but that gap is approximately 81% for those who are 35 to 54 years old, often when some are reaching the peak earning years of their careers. The gap is 76% for those aged 55 to 64 years old.

Exhibit 3: Among women and men, weekly earnings were highest for workers ages 35 to 44 years old, but there's a 20 percentage point gender pay gap

Median usual weekly earnings of full-time wage and salary workers by age and sex (current dollars, fourth quarter 2024, not seasonally adjusted)



Source: BLS

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Estimating the economic impact under three scenarios

Recently, BofA Global Research illustrated the economic impact of labor market equality on the European Union (EU), United Kingdom (UK) and US economies – three high-income countries – under three scenarios (Exhibit 4).

- **Scenario #1:** How much could we gain from closing the employment gap? If working-age women had the same labor force participation rate as men, assuming workers earned the current average earnings, it could generate an additional $1.1 trillion (tn) (or ~4% of GDP) in labor compensation per year in the US.

- **Scenario #2:** Gender wage gaps contribute directly to higher levels of income inequality and poverty. Closing the gender wage gap could provide an additional $866 billion (bn) in labor compensation per year in the US.

- **Scenario #3:** Finally, closing both the gender employment and wage gaps could generate an additional $2.1tn (~7.5% of GDP) in the US and $1.1tn (~4% of GDP) in the EU and $260bn (6.5% of GDP) in the UK, respectively. This totals $3.5tn, just from these three economies.

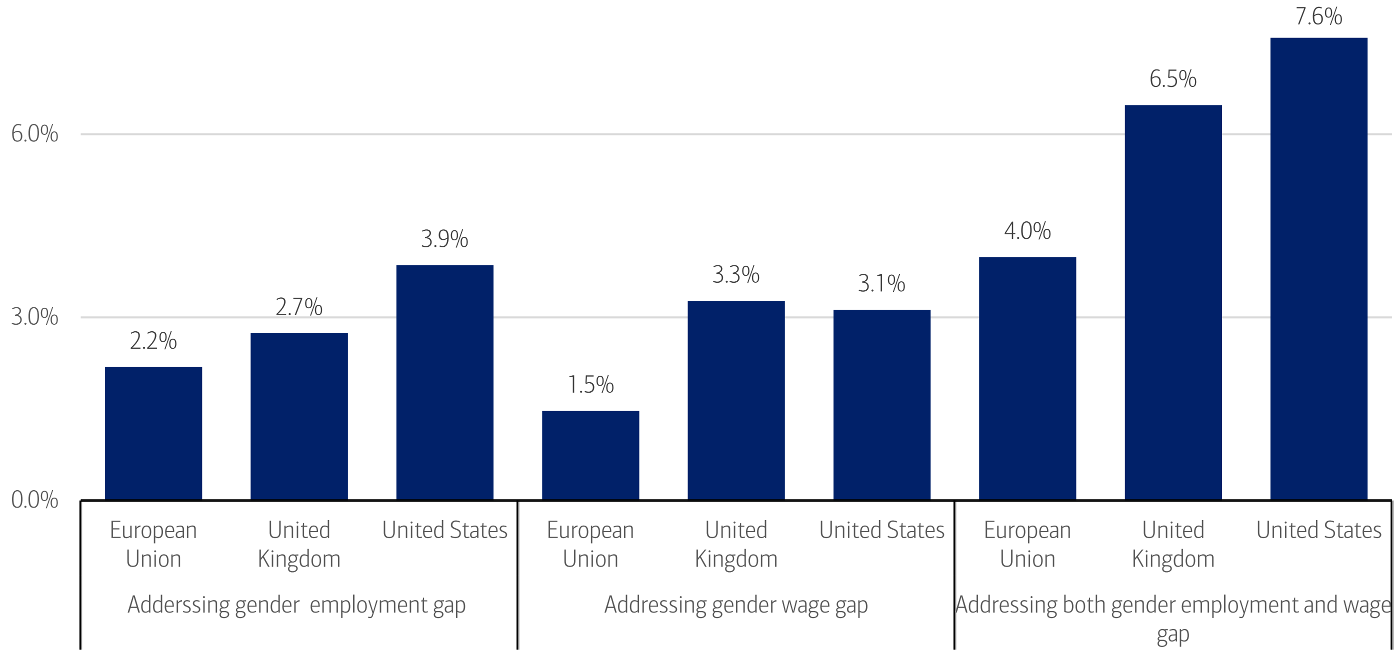
These estimates are a simple illustration of the cost of the employment and wage gap alone. Costs are likely to be greater if we consider gaps in employment opportunities (education, health, financial inclusion) due to gender biases.

One study finds that if more women were in the workforce and in management in Organization for Economic Cooperation and Development (OECD) countries, $7tn could be added to the global economy.[1] Another study indicates that achieving gender parity in employment and pay could unlock as much as a 20% increase in global GDP per capita.[2] These estimates show that the cost of inequality is high.

[1] Close the Gender Gap to Unlock Productivity Gains

[2] Gender Employment Gap Index (Pennings)

Exhibit 4: Closing both the gender employment and wage gaps could generate an additional $3.5 trillion in Europe, US and the UK
% of GDP impact



Source: BofA Global Research estimates, International Labour Organization estimates, World Bank, Eurostat. Note: GDP, PPP (current international $)

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Even without pay parity, wealth is tilting female

An estimated $124tn in US wealth is expected to be transferred through 2048 – also known as the "Great Wealth Transfer."[3] This is more than the total global GDP for 2023 ($105tn). Of the total, $54tn will be transfers to surviving spouses, with 95% expected to be going to women. Another $47tn is expected to go to women in younger generations as wealth is inherited.

Half of all US wealth is held by Baby Boomers and these inheritances are already being passed down. The result: women will soon control more money than ever before – and how they use this money is expected to have a profound impact.

Inheritance is only part of the story

Women today are more educated than ever before (see our previous publication Working towards a woman's world). The result is that women are entering the workforce at higher levels, have greater career aspirations and expect higher pay. Furthermore, women today are marrying later, having fewer children, and more of them are remaining in the labor force after having a child (see our recent analysis on Labor pains or labor gains?). All of these trends mean women are in control of their finances earlier in their lives, according to BofA Global Research.

Additionally, women are more financially literate than previous generations, and they can grow their wealth earlier (and longer), being more likely to own a home or a car, for example. And increasingly, they have role models: women globally now occupy 29% of senior management roles, and one-third of business owners are female entrepreneurs, per BofA Global Research.

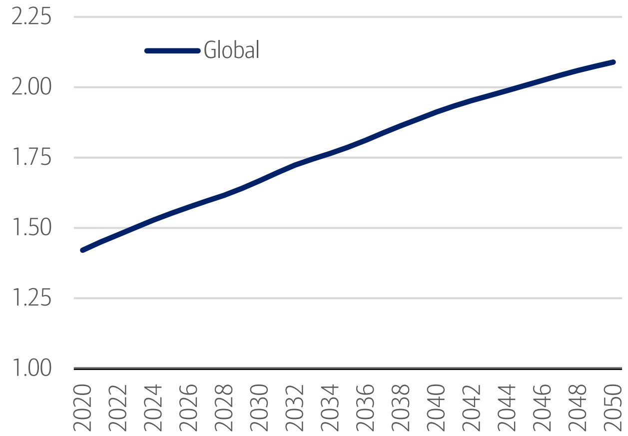
Silver dollars: strength in (50+) numbers?

BofA Global Research estimates that there are 1.4bn women 50-70 years old globally, and that is expected to increase 47% to reach 2.1bn by 2050 (Exhibit 5). Women in that cohort have more wealth, independence, and opportunity than previous generations – and those following them are likely to have even more. Much of the growth will come from emerging market countries (Exhibit 6), where women are expected to increase their labor force participation and their economic contribution.

The Great Wealth Transfer is making women richer as well as changing family formation and spending habits, and women over 50 are the largest female cohort with incomes over $100k, according to BofA Global Research. What's more, these women control 95% of household purchases and make 80% of travel purchases – and the 50+ group is the most likely to pay for luxury travel.[4]

[3] Cerulli Associates
[4] AARP

Exhibit 5: The number of women aged 50-70 is expected to reach 2.1bn by 2050
Global expected growth of 50-70 age cohort (2020-2050, in bn)



Source: United Nations World Population Prospects 2022

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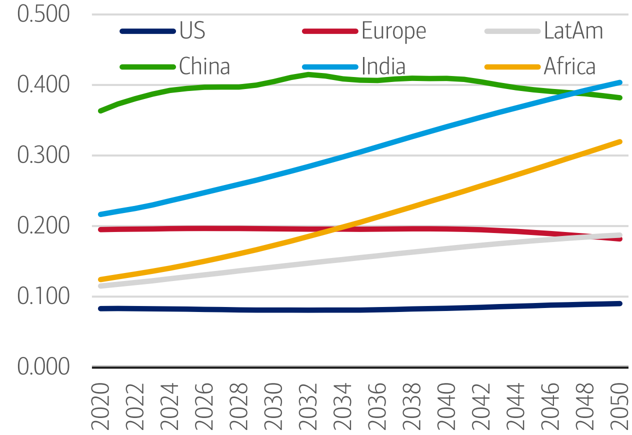
Exhibit 6: India and Africa will grow their 50-70 age cohort most
Expected growth of 50-70 age cohort by area (2020-2050, in bn)



Source: United Nations World Population Prospects 2022

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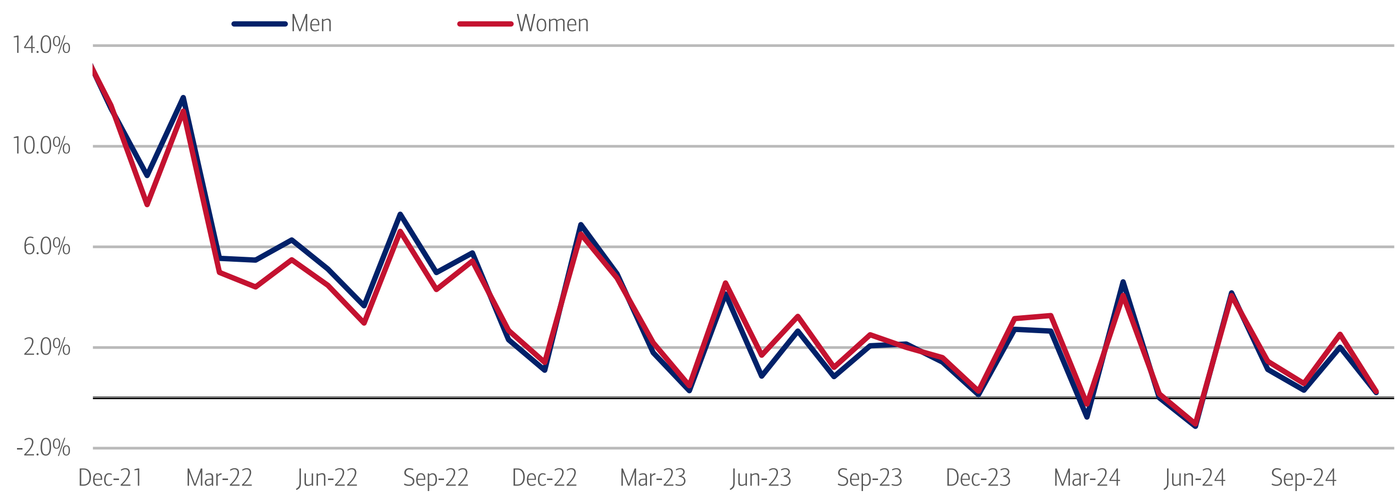
The impact of women on spending and sectors

Going forward, BofA Global Research expects higher spending on services, experiences and products specifically designed for women. And according to Bank of America internal data, women's spending growth on discretionary and necessity items outpaced men's throughout most of last year, though has come down from peak levels (Exhibit 7).

As women gain more disposable income, it will likely bolster demand for products that have been less valued in the past. Wealthier populations may also drive more demand for e-commerce and logistics (including online purchases and at home delivery), personal services, and home-based care, per BofA Global Research. However, this spending doesn't have to come at the expense of men. As women become richer it helps to "grow the pie" of total affluence, expanding opportunities for all.

Exhibit 7: Women's spending growth has largely outpaced men's over the last year, though has fallen from its 2021 peak
Median discretionary and necessity spending by gender (monthly, YoY%)



Source: Bank of America internal data
Note: Spending includes BAC aggregated debit and credit card, automated clearing house, and checks.

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Industry disruptors

Beyond consumer spending, women's rising wealth is likely to change entire sectors, perhaps leading to the creation of new products or altering how marketing is directed more broadly, per BofA Global Research. Here we address three key sectors poised for disruption: professional sports, travel, and healthcare.

Women's sports: A slam dunk

Women's sports have gone mainstream, and BofA Global Research expects pay, profits and sponsorships to continue to follow. And that matters beyond the entertainment sector. The World Trade Organization, for example, said that the FIFA Women's World Cup tournament in 2023 contributed almost $1.9bn to global GDP, created almost 40,000 jobs, and added just under $1bn to household incomes.

Women represented 50% of participating athletes for the first time at the 2024 Paris Summer Olympics (up from 15% in 1972). Additionally, about 35 female commentators were hired for Paris, a more than 200% increase compared to Rio in 2016 and up 80% compared to Tokyo in 2020, per BofA Global Research.

Women's soccer and basketball are widely followed, and leagues for cricket, rugby and ice hockey are gaining traction. Women's sports media coverage has tripled since 2019 and may reach 20% by the end of this year, according to UN Women. Further, more than 70% of people say they watch women's sports at least a few times a year – similar to the 81% who watch men's sports – and over half of these viewers only started viewing women's sports in the past three years.[5]

Sponsorship pays dividends

Revenues from women's sports come mainly from merchandise sales, sponsorships and partnerships. This is a contrast to men's sports, where revenues can be much more heavily skewed toward broadcasting rights, according to BofA Global Research. Either way, there is a lot of room for women's sports revenues to increase through multiple channels (see: our previous analysis on the sports sector).

Combined efforts from brands and broadcasters have created a positive cycle for women's sports, pulling in audiences and increasing the value of these investments. Sponsorship deals in women's sports grew at a 12% year-over-year (YoY) rate, outpacing the 8% YoY growth across the five major men's professional leagues.[6] A recent report by Sports Innovation Lab found that 82% of brands plan to increase spending on women's sports this year. And every $1 spent by a corporate sponsor in women's sports generates upwards of $7 in customer value.[7]

Audiences are growing

According to Nielsen Sports, about 43% of women's sports fans are men. And interestingly, 23% of them say they watch women's sports at least weekly, compared to 15% of women. Further, 30% of men said they watched more women's sports in 2024 compared to 2023 or earlier.

The WNBA (Women's National Basketball Association) saw average viewership almost triple from 2016 to 2024. The 2024 US NCAA (National Collegiate Athletic Association) Women's Basketball Championship drew an audience of 18.9 million (mn), an 89% increase from 2023 and was significantly higher than the men's championship audience of 14.8mn.

Last year, Deloitte predicted that 52% of women's sports revenue in 2024 would come from the US, 14% from Europe and 33% from the rest of the globe. Soccer/football is the most popular sport by revenue, at over 40% of the total, followed by basketball at 28%, and other sports splitting the remaining 29%.

Wander woman: Setting trends in travel

With discretionary spending among women continuing to grow (see our recent publication What's the power of a woman's wallet?), women are prioritizing travel, particularly solo travel. This trend is key to the travel industry as an estimated 64% of travelers globally are female, and estimates put women's spending on travel at $125bn in 2024 alone, per BofA Global Research.

According to the Solo Female Travelers Club, women make the overwhelming majority of travel bookings, whether it be for themselves, their families and even for parents, colleagues and friends. Furthermore, they represent 70% of the hotel website visits and companies catering to female travelers and women-only groups have grown by 230% in the past few years, according to BofA Global Research. The average solo traveler is 47 years old and about 86% of single travelers are over 35.[8]

What is a woman's attraction to solo travel?

An estimated 85% of solo travelers are women, and tour operators, cruise lines and travel advisors report growing demand from this cohort per BofA Global Research. At the same time, travel companies are increasingly offering flexible scheduling and more independence in itineraries to appeal to more women.

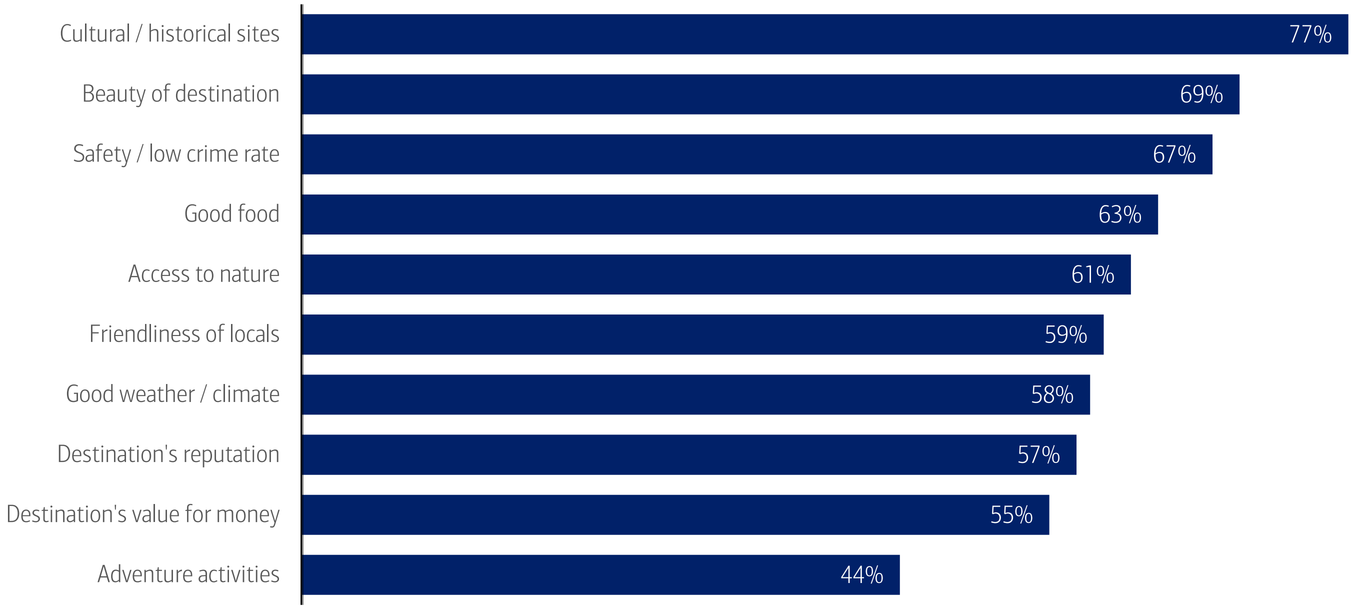
There are many reasons women are seeking to travel on their own including the desire for freedom and flexibility in travel, taking time away from home routines and responsibilities, and to achieve self-care, or "me time."[9] Solo travel also provides women a

[5] UN Women
[6] Sponsor United 2025 report
[7] IMG, Endeavor Analytics
[8] Condor Ferries
[9] Solo Female Travelers

feeling of empowerment – they can travel as they choose and pique their interest in meeting new people. Yet the benefits come with some concerns, particularly around safety, according to the data travel intelligence firm Mabrian.

Urban tourism and city breaks are the most common choice for female single travelers. European cities are the most popular, led by London and Paris, although Tokyo ranks third.[10] Women are often looking for cultural and historical sites, good food, good weather, and a friendly atmosphere (Exhibit 8). Value for money, a location's reputation and access to nature and adventure activities round out the wish list.

Exhibit 8: Safety ranks #3 behind cultural/historical sites and a beautiful location
Top 10 factors that solo female travelers consider in choosing a destination



Source: Solo Female Travelers, '2024 Solo Female Travel Trends & Statistics, https://tours.solofemaletravelers.club/

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Women's health means business – and 3.9 billion consumers

As favorable as the economic picture is for women, there's one area where the picture is far less positive: women's health. The statistics are stark. Compared to men, women spend 25% more of their lives in debilitating health.[11] Improving women's heath could enable women to better participate in the labor force, which in turn boosts the global economy (and, once again, grows the pie).

Perhaps that's because women's health is underfunded across the globe. In 2020, an estimated 5% of almost $200bn in global research and development funding was earmarked for women's health according to a World Economic Forum and McKinsey report. That's just under $10bn for women's cancers and $2bn for *all* other female-specific health conditions combined. Additionally, in 2020, this left about $250mn for menopause, a poorly understood condition that women will experience (and where approximately 90% of women have symptoms).

Of mice and men: Separating the sexes in medical research

Progress has been slow in medical research as well. It wasn't until 1993 that the US National Institutes of Health (NIH) required that women and minorities be included in clinical trials for research funded by the organization. And it wasn't until April 2022 that it became a requirement that men and women be represented equally in trials and that data analysis be separated by sex. Previously, while men and women may have been used in a clinical study, the results may not have included a sub-analysis reviewing differences by sex.

In 2019, a study of almost 7 million people in Denmark found that women received diagnoses for diseases four years later than men for hundreds of health conditions[12]. For cancer, it takes women an average of two and a half years longer than men to be diagnosed – and the delay for diabetes is more than four years longer. Even attention-deficit/hyperactivity disorder (ADHD) took

[10] Mabrian
[11] World Economic Forum and McKinsey
[12] University of Copenhagen, Westergaard

an additional six years for diagnosis (typically at age 14 for boys and at 20 for girls) due to women having a different subtype of the disorder.

In addition to slower diagnoses, women are 52% more likely than men to have an adverse drug reaction, and they are almost 30% more likely to die from it.[13]

The business case for narrowing the gender health gap

BofA Global Research expects working women with greater wealth to be more vocal in demanding better health outcomes. For now, failing to view medical care through the lens of a female patient ignores the experience of 3.9bn women globally.

What if additional research could lead to better outcomes for these women? How much could that be worth? If the gaps in women's health were addressed, there would be benefits for men and women across age groups. A 2024 report by the World Economic Forum and McKinsey pointed to at least $1tn in economic gains if the women's health gap were narrowed. This would be achieved mainly through fewer health conditions and higher productivity.

Femtech to the rescue? A $50bn market (and counting)

Femtech, or female technology, is a fast-growing industry that focuses on addressing gaps in women's health through software, diagnostics, products and services. And the industry appears to be taking off at the same time national research institutes are lagging, according to BofA Global Research.

For now, femtech focuses mainly on reproductive health, contraception, general wellness and related subsectors. Companies in this area, mostly start-ups, aim to address niche areas of women's health that may not be addressed by the broader market. The question is whether women will pay for such advances. After all, women-specific healthcare services come with higher out-of-pocket costs already (after accounting for insurance coverage).

All signs point to continued growth, with the US leading the world with femtech companies (at just under 40% of the total). Plus, improved awareness of women's health issues is also likely to lead to more research on a broader scale.

Methodology

Selected Bank of America transaction data is used to inform the macroeconomic views expressed in this report and should be considered in the context of other economic indicators and publicly available information. In certain instances, the data may provide directional and/or predictive value. The data used is not comprehensive; it is based on **aggregated and anonymized** selections of Bank of America data and may reflect a degree of selection bias and limitations on the data available.

Bank of America credit/debit card spending per household includes spending from active US households only. Only consumer card holders making a minimum of five transactions a month are included in the dataset. Spending from corporate cards is excluded. Data regarding merchants who receive payments are identified and classified by the Merchant Categorization Code (MCC) defined by financial services companies. The data are mapped using proprietary methods from the MCCs to the North American Industry Classification System (NAICS), which is also used by the Census Bureau, in order to classify spending data by subsector. Spending data may also be classified by other proprietary methods not using MCCs.

If applicable, the consumer deposit data based on Bank of America internal data is derived by anonymizing and aggregating data from Bank of America consumer deposit accounts in the US and analyzing that data at a highly aggregated level.

If applicable, any payments data represents aggregated spend from US Retail, Preferred, Small Business and Wealth Management clients with a deposit account or credit card. Any reference to aggregated spend include total credit card, debit card, ACH, wires, bill pay, business/peer-to-peer, cash and checks.

[13] NIH, Zucker

Median annual income growth is derived from customers who have a valid income value for every month over the time period and who have a non-null gender code. Gender data is self-select.

Unless otherwise stated, data is not adjusted for seasonality, processing days or portfolio changes, and may be subject to periodic revisions.

Additional information about the methodology used to aggregate the data is available upon request.

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Disclosures