WOMEN'S ECONOMIC EMPOWERMENT FOR A SUSTAINABLE FUTURE

Looking around us we cannot simply ignore the fact that women-related issues have come to the forefront more than ever, whether it is the establishment of the W20 under the Turkish G20 Presidency, women-related Sustainable Development Goals spearheaded by the UN, or an increasing amount of gender- related policies and regulations around the globe. This is happening because private, public, and civil sectors are slowly coming to the realization, although slower in practice than in theory, that the topic of women is not just a gender or social issue, but also an economic concern that demands careful and urgent consideration from all sides to achieve our aspirations for global sustainable economic growth. In this article, the author raises several key issues, from the obstacles to attaining global goals for women and women's relationship with money, to gender equality in the workplace.

Özlem Denizmen*

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* Özlem Denizmen is the founder of the social enterprise *Para Durumu*, founding chair of the Financial Literacy and Inclusion Association of Turkey (FODER), board member at Doğuş Otomotiv, and head of Social Investments at Doğuş Holding.

It was on a visit to New York in the spring of 2007 that I was inspired by the success of Suze Orman, the long-serving and much-respected personal finance advisor at CNBC. I talked to Doğuş Chairman Ferit Şahenk and told him that Turkish women would benefit greatly from a broad education in financial literacy. Mr. Şahenk suggested I take a stab at it myself, an idea that I kind of dismissed as a joke, but the idea actually never died.

In late 2009, I approached Mr. Şahenk again and told him that I wanted to become the Suze Orman of Turkey. He laughed because he always knew I would come back to this, and he was ready to help straight away. He said that I could spend two days a week working on the idea. We sat down right then and there and came up with a plan for what would become *Para Durumu,* and that is how my journey to empower women began.

I have never looked back and am constantly on the lookout for how to create new ways to empower women, whether it be through personal efforts or by trying to initiate programs that merge civil, private, and public efforts, especially through financial literacy and inclusion.

The Era of Women

"I'm not the next Usain Bolt or Michael Phelps, I'm the first Simone Biles," said the Texan gymnast. It was a bold statement that summarizes the rising power of women. Attributing success to men or in this case women's success to men is nothing new, yet it must change. Whether it's Simone Biles, the Indian wrestler Sakshi Malik, weightlifter Sara Ahmed, Brazilian judo star Rafaela Silva, or Majlinda Kelmendi winning Kosovo its first Olympic medal, these athletes have shown clearly that women from all backgrounds can overcome gender barriers and can become symbols of empowerment.

Although more women athletes competed at the Rio Olympics than ever before and although every National Olympic Committee has now sent a female athlete to the Games, it is clear that we have a long way to go. Flor Isava Fonseca, a 95-year-old Venezuelan activist, athlete, journalist, and writer, became the first female International Olympic Committee Member in 1981 and the first to be on the Executive Board in 1990.

"I can't believe we just put the biggest crack in that glass ceiling yet," stated Hillary Clinton, as she became the first female presidential nominee of a major political party in US history. Women like Hillary Clinton, Flor, and Simone are still outliers in our society, and this seems terribly crooked given all we know from studies and

reports about how women can and will break any and every ceiling whether its glass or iron when given equal opportunities.

And yet, one can easily argue that women have to break an iron ceiling in most parts of the world, whether it be in sports, politics, or business. Obviously, there are new policies and legislations being implemented in an attempt to address the imbalances in our society. However, the pace of transformation when it comes to women's roles and participation in our societies, socially but especially within the economy, is slower than anticipated.

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Women Are the New World Economy

The female economy is a force to be reckoned with and is presented as the largest emerging market, with the global income of women predicted to reach a stunning 18 trillion dollars by 2018.[1] Globally, more women than men are in institutions of higher learning, women make 80 percent of all buying decisions, and reinvest 90 percent of their income in their families (more than twice what men do). "Empowering young women to become not only wage-earners but also job-creators is imperative for eradicating poverty," said UN Women Deputy Executive Director Lakshmi Puri. There are amazing figures that we seem to read but fail to acknowledge and comprehend completely. Otherwise, we would surely be doing things a bit differently, one would presume.

Women-led companies perform three times better than the Standard & Poor's (S&P) 500, and yet women hold only 22 CEO jobs and 58 CFO positions at companies on the S&P's 500 Index, and only four percent of Fortune 500 CEOs are women.[2] Fewer women run big companies than men named John. For every nine men who get equity financing, only one woman does. It is hard to comprehend that even in 2016 there is not one country where women earn the same as men. This is despite studies that show female entrepreneurs start companies with 50 percent less capital than male entrepreneurs.[3]

[1] "Women: The Next Emerging Market," *Ernst & Young,* http://www.ey.com/Publication/vwLUAssets/EY_Women_-_The_next_emerging_market/$FILE/EY_Women_the_next_emerging_market.pdf

[2] "The Percentage of Female CEOs in the Fortune 500 Drops to 4%," *Fortune,* 6 June 2016, http://fortune.com/2016/06/06/women-ceos-fortune-500-2016/?iid=sr-link1

[3] "Access to Capital by High-Growth Women-Owned Businesses," *The National Women's Business Council (NWBC),* 3 April 2014, https://www.nwbc.gov/sites/default/files/Access%20to%20Capital%20by%20High%20Growth%20Women-Owned%20Businesses%20(Robb)%20-%20Final%20Draft.pdf

So on one hand, we have sound evidence that once women are educated, financially literate, and in the financial system; they are great at what they do, whether it is investing in their family, becoming a CFO, or an entrepreneur.

Women and Financial Freedom

When we talk women and financial literacy, we need to think about the following aspects: financial freedom, workforce confidence, sustainable entrepreneurship, their role in consumption, and women spending on children and education.

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I want to approach this issue from three perspectives. These perspectives are based on various research and data, but also, and crucially, on personal and professional experience. My experience comes from my ever-growing passion for my mission of creating awareness of financial literacy and inclusion in Turkey, giving seminars and training sessions all over the country to over 50 thousand individuals. I have reached over two million people via the media and answered thousands of people via e-mail and telephone – with the sole objective of solving their money problems.

One of the programs that we led was with the Istanbul Metropolitan Municipality. I personally gave financial literacy seminars to twenty thousand women over four years within the framework of a personal finance education movement for housewives with support from the Doğuş Group, the Ministry of Family and Social Policies, and the Istanbul Metropolitan Municipality, as well as answering thousands of emails and calls from women regarding finances. Whether it is per email, via my columns, or through my TV program I can tell you that reality is in line with all the studies that are out there regarding women and money.

As a member of the World Economic Forum Council on Gender Parity, I can tell you that it is not so different for women professionals and entrepreneurs. All in all, the macro results are not encouraging. My work led me to question the deep-rooted attitudes and behavior about money. Why is it that some women feel they do not understand money? What stops a woman from being interested in money and managing it? It is a vicious cycle.

Women and Money: Chicken and Egg Problem

There is little or no effort by the system to include, inform, and integrate women

when it comes to issues related to money. This is more the case for the finance sector itself - much less the average woman. A survey conducted by Oliver Wyman entitled "Women in Financial Services" included the management of 150 financial companies globally. Women accounted for four percent of the CEOs and 13 percent of the board members. As for the women that are keener to tackle issues regarding money and finance, the applications, and services etc. are not comprehensive and customized enough. In fact, in a recent study, 40 percent of women said that they lacked sufficient financial knowledge, and this was the single largest barrier to getting more involved in managing savings and investments.[4]

Understanding women's financial competency is key to ensuring they understand products and are being appropriately served. According to the recent publication of the Global Banking Alliance for Women (GBA), analyzing the sex-disaggregated supply and demand-side financial data should be a key consideration. Sex-disaggregated data is not only able to provide regulators with information to see who is included and excluded, but can also deliver a greater understanding of who is accessing what kinds of products, what kinds of behavior are displayed in various product categories, what kinds of channels (e.g. branch, ATM, etc.) are used by whom, and last but not least, what types of financial service providers (e.g. commercial banks, telecommunications companies, etc.) are reaching whom in the market and on what scale.[5]

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Secondly, there is the "women" perspective, meaning that women lack confidence, information, interest, and role models. You can do much better than you think and also pay it forward. Some women hinder themselves with excuses such as "I don't understand money," or "my husband takes care of our money so I don't bother/don't need to know." These women are building a "Chinese wall" between themselves and their "relationship" with money. Women need to take matters into their own hands and become the CFOs of their lives. Often, women know more about managing money than they think. In a global financial literacy study, women scored lower than men. However, what was interesting was that when the researchers took away the

[4] "The Allianz Women, Money, and Power Study," *Allianz Life Insurance Company of North America,* https://www2.allianzlife.com/content/public/Literature/Documents/ENT-1462-N.pdf

[5] "Measuring Women's Financial Inclusion: The Value of Sex-Disaggregated Data," *SME Finance Forum,* 20 October 2015, https://www.smefinanceforum.org/post/measuring-womens-financial-inclusion-the-value-of-sex-disaggregated-data

"I don't know" option, women scored as highly as men. All they were lacking was confidence in their judgment. As I like to put it: we need to "give women credit."

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Before going into the details of what we can do as women, let me talk about what needs to happen in the system, meaning society, culture, and our ecosystem. The culture we are brought up in, the role models we are confronted with, and the media, all play a critical role in how we perceive money-related issues. We need to remove the barrier to women's access to capital and minimize if not eliminate prejudice against women and their capabilities with regards to money and finances. Social prejudices and stereotyping puts women in an unpleasant position when it comes to how or even whether they feel they should deal with money in the first place. As a society we need to get rid of the stereotype that women do not understand money, cannot deal with it, or that those few women who can cope with money-related issues are "threatening." We need to showcase and praise role models for encouragement.

Let's talk about Hollywood for example. Finance is portrayed as a man's world. Just take a look at two of the more recent movies: "The Wolf of Wall Street" and "Wall Street: Money Never Dies."

However, there are great role models out there – Christine Lagarde, the Managing Director of the International Monetary Fund, or the Chairwoman of the US Federal Reserve, Janet L. Yellen. They know how to manage money. In addition, we need to create a platform where women can network and gain confidence. Last but not least, we need to provide education, training, and skills.

Given that it is hard to change the system, we need to focus on what we can actually do, and there is so much. We need to remind regulators that their core financial inclusion objectives are impacted if a majority of those excluded are women, who tend to be excluded at higher rates than men. Although 62 percent of the adult population worldwide is banked, which is up from 51 percent in 2011, women make up 55 percent – or 1.1 billion – of the world's two billion unbanked adults. [6]

[6] "The Global Findex Database 2014: Measuring Financial Inclusion around the World," World Bank Policy Research Working Paper, http://documents.worldbank.org/curated/en/187761468179367706/pdf/WPS7255.pdf#page=3

In 2011, 47 percent of women had an account, while 54 percent of men did. Today, 58 percent of women have an account, and 65 percent of men do. Although account penetration increased for both men and women between 2011 and 2014, the gender gap remains persistent globally; 59 percent of men reported having an account in 2014, but only 50 percent of women did.

There is no doubt that international financial institutions play a significant role not only in creating awareness regarding gender issues in finance, but also in for providing guidelines for both the private and public sector in terms of financing relevant programs and assisting in the formation of policies and regulation in the financial sector.

Concluding Remarks

Our passions may lie in different areas of interest and we may not have the same "a-ha" moments, but when it comes to global sustainable growth issues such as the empowerment of women and the gender gap, we can all do our part. We must understand that this is more than just a gender or social issue and that it has critical economic outcomes. A recent report by McKinsey Global Institute clearly stated that 12 trillion dollars could be added to the global GDP by 2025 by advancing women's equality. All sectors and individuals must act together to overcome this pressing global economic issue. If we do not act soon, women are not likely to reach economic equality with men until 2133. Yes, that is another 117 years.