

# BillGO Whitepaper

FEBRUARY 2022

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# The State of Play for Women and Paying Bills

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# Introduction:

Last year BillGO took a look at [women and bill pay](#). The article generated a significant amount of engagement – so much so that when additional data about how women pay their bills – we decided to revisit the topic in greater detail.

It's an important topic because – as we pointed out in our original article – financial institutions (FIs) and fintechs have spent the last two decades developing tools to help their customers better manage their financial lives. Yet, as one consultancy firm recently concluded, the industry continues to overlook developing tools and resources specifically designed to meet the needs of women users – and, the firm concluded, that oversight means the industry is missing out on a \$700 billion opportunity.

This whitepaper looks at the role women play in both the U.S. economy as well as the role they play as bill payers and “household CFOs”. It draws on information first shared in September 2021, as well as additional data published after the article ran . Taken together, it provides a comprehensive overview of women and bill pay.



# Women and Bills

Last year, Fidelity surveyed 1,400 women and 1,400 men for its 2021 *Women and Investing* study and found that increasingly women are serving as “household CFOs,” meaning they manage the family bills, budgets and more.

This is in-line with other recent research. In 2020, Gallup found women *manage* the bills in about 37 percent of U.S. households; while men do so in about 34 percent of households. The remainder is a joint effort. But, as Gallup pointed out, who *actually* manages household bills depends on who is asked: When women were asked, 45 percent said they did. When men were asked, only 30 percent took credit.

But household responsibilities don't stop there. Gallup also found women were more likely to handle domestic chores like laundry (58 percent), cleaning and cooking (51 percent), caring for kids (50 percent) and grocery shopping (45 percent).

This trend will likely continue. In study after study, women are increasingly identified as “heads of households.” A separate 2021 study found the share of households headed by single women grew from about 18 percent in 1990 to about 23 percent as of 2021. In married households, the percentage of women managing the bills rose from 24 percent to 46 percent during that same time period.

WHEN WOMEN WERE ASKED,

**45% SAY THEY MANAGE HOUSEHOLD  
BILLS AND ALSO HANDLE:**



DOMESTIC  
CHORES



CLEANING &  
COOKING



CARING  
FOR KIDS



GROCERY  
SHOPPING

# Women and Wealth

In the workplace, percentages shift. According to 2021 [Labor Department](#) data, women make up about 47 percent of the U.S. civilian workforce, a percentage that's been fairly consistent since the early 1990s.<sup>1</sup>

But COVID-19 appears to be reshaping this. Last year the Labor Department concluded the “pandemic has set women’s labor force participation back more than 30 years.” However, [2021 research](#) shows that among the millions of people who exited the job force due to pandemic-related reasons, more men were “discouraged over job prospects.” In fact, women were 1.5 times more likely to be “in school or training” for new employment opportunities, suggesting, if nothing else, women may be more resilient when it comes to bouncing back from job market discouragement.

Although women have valid reasons to be discouraged. Salary disparity remains a problem. [According to the BLS](#), as of 2020, U.S. women earn about 82 cents for every dollar men earn – across all occupations. (That gap grows significantly wider for women of color.)

And don’t look for this wage disparity to end anytime soon. In 2019, the [World Economic Forum](#) concluded it will take 208 years for the U.S. to achieve true gender pay equality. The Forum [amended its findings](#) in 2020, concluding that North America might be able to achieve wage equality in 151 years. So, progress. (Although the think tank determined, in some countries, “[given current rates of change](#),” salary equality will take five centuries.”)

So, to recap, despite representing a slightly smaller portion of the U.S. labor force and earning significantly less in wages, women currently manage a higher percentage of the household bills and, by all indications, will be shouldering even more bill pay responsibilities in the future.



# Banking-related Penalties and Fees

Gender disparity doesn't end with wages. Not only do women earn less than men; they pay more for essential items such as clothing and personal care products (as well as services like dry cleaning and auto repair). It's dubbed the pink tax, and despite the prim label, the upsell costs women on average more than \$1,300 a year – an imbalance so egregious New York state banned the pink tax in 2020.

**“Oliver Wyman blames ‘unintentional blind spots’ for the financial services industry’s failure to meet the needs of half of the population.”**

Earning less while paying more leaves women more vulnerable to banking-related penalties and fees. Late fees, overdraft charges, ATM fees, and non-sufficient fund (NSF) charges are more common among women. On average, women are hit with banking fees and penalties about five times a year, while the men incur similar charges four times a year. One [survey](#) found women pay an average of \$214 in bank penalties annually while men pay \$182.

These discrepancies have real-world results. Consulting firm [Oliver Wyman](#) found that, globally, even though women control two-thirds of household spending, they are less likely to be insured, less likely to qualify for mortgages and retail credit and less likely to qualify for seed money to launch a business. When retirement rolls around, women typically have 30 - 40 percent less money socked away for the future than men. Oliver Wyman blames “unintentional blind spots” for the financial services industry’s failure to meet the needs of “half of the population.”

And this is where the aforementioned multi-billion dollar opportunity comes in. Oliver Wyman believes since the industry appears unable to get past these blind spots, it’s “missing at least a \$700 billion revenue opportunity each year by not fully meeting the needs of women customers.”



**The “pink tax” - an upsell tacked on to basic goods and services - costs women more than \$1,300 a year.**

# Financial Literacy and Bill Pay

Which brings us back to bill pay. Understanding the need to keep current with bills – as well as the impact of failing to do so – falls under the heading of “financial literacy,” a term that refers to understanding the ins-and-outs of financial management, budgeting and investing.

The Federal Reserve of Atlanta determined that Americans with a solid grasp of financial literacy are late on bills only 10 percent of the time and experience foreclosures only 5 percent of the time. But those with **low levels of financial literacy** are late on their mortgage payments 25 percent of the time and experience foreclosures 20 percent of the time.

In a Fidelity study **from 2017**, 90 percent of women surveyed said they wanted to develop a better understanding of financial planning; however, they had little exposure during their formative years. As a result, many felt the need to play “catch up” late in life with regards to managing money and investing, which is where financial well-being begins.

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# Financial Literacy and Bill Pay

As Dan Holt, BillGO CEO, told PYMNTS last year: “Consumers *need* to pay their bills first. That really helps with financial wellness. Paying your bills on time is the number one way your credit score is measured. If you have a better credit score, you have better financial access.

“We know that the consumer deserves something better than they have today and we need to rethink [bill pay] no different than the way Uber rethought the way we move people. We need to rethink the way people manage and pay bills,” Holt said.

In the case of BillGO: our customer base tilts slightly towards women. Thirty-seven percent of BillGO’s active users are women; only 34 percent are men.

Because BillGO is driven by the core belief that everyone deserves access to a healthy financial future, we’re committed to creating tools that enable everyone to transform the dreaded necessity of managing and paying bills into an opportunity for financial well-being.

FIs and fintechs need to give more consideration to the half of their audience that is helping to manage and pay bills. Especially since all research indicates that – when paying bills – the future is female.



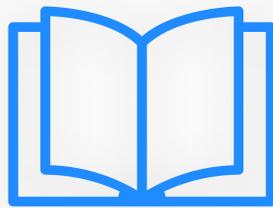
# Next Steps

One thing for sure: when it comes to paying bills, nobody enjoys it.

We know this because BillGO collaborated with both *Aite Group* and *PYMNTS* on two national studies examining the bill pay preferences and patterns of U.S. consumers. And one thing most respondents had in common: a sense of anxiety when it comes to paying bills.

But our research also showed that by providing consumers with modern bill pay technology driven by speed, choice and intelligence, it can empower cash-strapped consumers to better manage and pay their bills.

WANT TO KNOW MORE?



**The Battle for Bill Pay**

The Latest Research on How Americans Pay Their Bills

[Download Now!](#)

## About BillGO

Driven by the core belief that everyone deserves access to a healthy financial future, BillGO's award-winning real-time bill management and payments platform transforms the dreaded necessity of managing and paying bills into an opportunity for financial well-being.

To learn more contact us: [billpay@billgo.com](mailto:billpay@billgo.com) or visit our website: [billgo.com](https://billgo.com)

