

Women and Net Worth over the Life Cycle

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Using the Life Cycle Hypothesis of Savings as a theoretical framework, this study examined the amount of net worth held by female-headed households in different life cycle stages. Data was from the 2001 SCF. The analysis also compared the net worth of female-headed households with that of single male households and couples. As expected, ANOVA results showed that female-headed households had less net worth than single male households and couples. Furthermore, the amount of net worth of female-headed households at different ages provided support for the Life Cycle Hypothesis of Savings. ANOVA results also showed that female headed households with more net worth had more education, better health, greater tolerance for risk, and longer planning horizons. Also, they were more likely to be white and without any dependent children. Implications to improve the economic well-being of female-headed households are offered.

Endnotes

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