



Women's Economic Empowerment: Why It Works for Women and the World

What is women's economic empowerment (WEE)? It's the process by which women improve their lives and the well-being of their families and communities through increased access to economic resources and the power to make their own decisions. Women's economic empowerment is about creating long-term changes in social norms and economic structures that benefit both women and men. **At its heart, economic empowerment helps women live self-sufficient lives where they can use their skills to generate income and escape poverty — for good.**

WEE is:

- **Crucial for poverty reduction.** Women's economic contributions in low-income households are vital for the survival of everyone in those households. When a woman earns an income, she invests this in her family's education, health and nutrition.
- **Essential for equality between men and women,** which can only be achieved when women have equal economic rights, control over economic resources and access to economic opportunities.
- **Key to facilitating social and economic justice,** which is central to how CARE works to overcome and reduce poverty. When all members of a community can access the resources, tools and skills they need to be economically stable, they have greater ability to advocate for themselves and their community.

Who does CARE work with?

CARE prioritizes marginalized women and girls living in poverty who have limited economic options and opportunities. We work with women who are micro-entrepreneurs, small-scale agricultural producers, workers in the formal and informal sectors and financially-excluded women to give everyone an opportunity to reach their full potential. We also work with men to help them achieve their own economic aspirations and to challenge gender stereotypes about men's and women's roles.

How does WEE work?

WEE focuses on **four interrelated pathways** to economic empowerment:

1. **Financial inclusion** of women so they can meaningfully access financial services and use these tools to advance their own businesses. This means linking women to resources such as informal savings groups that enable them to build financial skills and assets and increase their ability to control financial resources.
2. **Women and value chains** – The contributions of women often go unpaid and unrecognized, including the three to six hour of unpaid housework, child care and eldercare that underpins the formal economy. Other barriers, such as laws that bar women from owning or controlling assets, or accessing financial services, prevent their economic empowerment. Reducing these barriers are critical to women's economic empowerment.
3. **Dignified work** – In the workplace, both formal and informal, women experience harassment, discrimination and disparity in pay, and they take on a disproportionate share of unpaid work that limits their ability to grow economically and socially. By emphasizing dignified work, CARE aims to support "invisible workers" rights, skills and opportunities to obtain safe, fair, paid employment.

4. **Entrepreneurship** – Women own approximately 31-38 percent of all small- and medium-sized enterprises in emerging markets. Their entrepreneurship is stunted, however, as many women lack the skills to start a business, and millions have limited control over economic resources and earnings and access to credit or financial services. By developing their business literacy and leadership skills, and connecting them to tools such as mobile banking services, CARE helps women build their enterprises.

CARE-supported savings programs, like Village Savings and Loan Associations (VSLAs), help poor women address some of these constraints through basic financial services and business skills training.

Does WEE work?

Yes! Women's Economic Empowerment programs are proven to support women to:

- Grow businesses, increase financial self-sufficiency and respond to economic shocks.
- Increase women's decision-making power in their households and communities.
- Connect to formal financial systems.

Currently, at least **95 financial service providers are offering 106 group savings and credit products to savings groups in 27 countries.**



The impact of women's economic empowerment is wide-ranging

U.S. Government investments in women's economic empowerment catalyze broader development for communities and nations, which brings about stability and productivity and makes America and our allies stronger. U.S. support for programs like CARE's VSLAs currently helps five million members in 35 countries, where 85 percent of these groups are still operating five years after CARE's exit. In addition to greater financial security, members spend more on health, education, housing, food and businesses. Their household relationships are closer and they feel more respected and influential in their communities. By adequately funding investments in women's economic empowerment throughout U.S. foreign assistance programs, it places America at the center of growth and development worldwide.

We urge Congress to pass the Women's Entrepreneurship and Economic Empowerment Act (H.R. 5480) to prioritize approaches that help eliminate social and legal barriers that limit women's opportunities and promote gender equality in economic empowerment.

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