Title: Same Resources, Different Perceptions: Gender Differences in Financial Well-Being in Micronesia

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Abstract

Using survey data from Guam, the Commonwealth of the Northern Mariana Islands (CNMI), and the Federated States of Micronesia (FSM), this paper examines whether gender differences in financial well-being are driven by objective economic resources or by subjective perceptions. Women report significantly lower financial satisfaction than men, and this gap persists after adjusting for demographic characteristics and objective financial resources. A residual mismatch analysis further shows that women report lower satisfaction than predicted by their observable financial conditions.

To distinguish subjective from objective dimensions, we construct latent measures of financial confidence and financial security. Women report lower financial confidence, but no meaningful gender difference in financial security. We also find similar levels of household financial decision-making across gender.

These findings indicate that gender disparities in financial well-being are driven primarily by differences in subjective financial confidence rather than objective financial conditions. To our knowledge, this is the first study to examine gender differences in financial well-being using micro-level survey data in Micronesia.

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Introduction

This paper examines gender differences in financial well-being using survey data from Guam, the Commonwealth of the Northern Mariana Islands (CNMI), and the Federated States of Micronesia (FSM), a regional context that differs substantially from the mainland United States in economic structure and demographic composition. The data were collected through ASC Trust, a major retirement plan administration and financial services organization serving the Micronesian region, and provide a unique opportunity to study financial well-being among individuals actively engaged in financial planning and decision-making.

Despite similar levels of objective financial resources and comparable involvement in household financial decision-making, women report systematically lower financial satisfaction than men. This raises a central question: are gender differences in financial well-being driven by objective economic conditions, or by subjective perceptions of those conditions?

Although the sample is not representative of the general population, it is informative because respondents are actively engaged with a financial services provider and are therefore likely to make consequential financial decisions. The results should thus be interpreted as characterizing patterns within a financially engaged Micronesian sample rather than the broader population.

A large literature documents gender differences in income, wealth, financial literacy, and risk preferences. At the same time, research on well-being emphasizes that outcomes are shaped not only by objective conditions but also by subjective perceptions and psychological factors (Diener et al., 1999). Financial well-being is commonly measured using self-reported satisfaction and perceptions, which may diverge from observable economic resources (Netemeyer et al., 2018; Sorgente & Lanz, 2019; CFPB, 2015). More broadly, interdisciplinary research highlights that well-being reflects a combination of material conditions, psychological appraisal, and environmental context rather than any single dimension alone (Brüggen et al., 2017). Despite this, relatively little is known about whether gender differences in financial well-being primarily reflect disparities in resources or differences in how those resources are perceived and evaluated.

This paper addresses this question in three steps. First, we estimate gender differences in financial and life satisfaction and examine how these differences change after adjusting for demographic characteristics and objective financial resources. Second, we assess whether reported financial satisfaction departs systematically from the level predicted by income, assets, and housing conditions using a residual mismatch approach. Third, we decompose financial well-being into latent dimensions and test whether gender differences are concentrated in subjective financial confidence or in more objective financial security.

We find that women report lower financial satisfaction and lower financial confidence than men, even after accounting for income, assets, housing tenure, and a broad set of demographic characteristics. In contrast, we find no meaningful gender differences in financial security or in reported involvement in household financial decision-making. Taken together, these results point to a disconnect between objective financial conditions and subjective financial perceptions in understanding gender differences in financial well-being.

To our knowledge, this paper provides the first micro-level evidence on gender differences in financial well-being in Micronesia. More broadly, the findings contribute to a growing literature emphasizing the importance of perception-based mechanisms in shaping economic well-being, even in contexts where observable financial conditions are similar.

2. Data

2.1 Data Source

The data come from the 2025 ASC Trust Financial Well-Being Survey. ASC Trust Corporation is a retirement plan administration and consulting firm headquartered in Hagåtña, Guam, and a major provider of retirement plan services in the Micronesian region. The survey, developed in collaboration with Dr. Sonya Lutter, captures both objective financial conditions and subjective dimensions of financial well-being.

The survey was administered electronically via SurveyMonkey to retirement plan participants with an email address on file at ASC Trust, including both current and former employees. Data collection took place over four weeks, with small weekly raffle incentives to encourage participation.

A total of 1,265 individuals completed the survey, of whom 1,252 provided usable responses after excluding respondents who did not consent to have their data used for research purposes. For gender comparisons, we further restrict the sample to respondents identifying as male or female, excluding three respondents who identified as another gender. The resulting analytic sample consists of 1,249 individuals.

Because respondents were drawn from clients of a financial services organization, the sample is not representative of the general population. It likely overrepresents individuals with stronger labor-force attachment and greater engagement in financial planning. Accordingly, results should be interpreted as reflecting patterns within a financially engaged sample rather than the broader population.

The data were collected by ASC Trust Corporation as part of an internal survey of its clients. Participation was voluntary and based on informed consent, and the data set provided to the authors was de-identified and contains no personally identifiable information.

2.2 Key Variables

We include demographic and socioeconomic covariates capturing age, race/ethnicity, education, employment status, relationship status, household income, assets, housing tenure, and household composition. Age is grouped into five categories (18–29, 30–39, 40–49, 50–59, and 60+). Income and assets are categorized into ordered brackets reflecting increasing levels of economic resources. Household composition is captured using indicators for the presence of children in different age groups.

Race/ethnicity is based on survey responses supplemented by open-ended entries. Individuals identifying as Chamorro, Micronesian, Palauan, Marshallese, and related groups are classified as Pacific Islander, while those identifying as Filipino, Japanese, Chinese, Korean, or other Asian backgrounds are classified as Asian. Respondents reporting multiple racial backgrounds are categorized as multiracial, and remaining responses as other.

Education is grouped into five levels (high school or less, some college, associate degree, bachelor's degree, and graduate degree). Employment status is categorized as full-time, part-time, or not employed.

Relationship status is grouped as single, cohabiting, married, previously married, or other. Household income and assets are categorized into four and three brackets, respectively, and housing tenure distinguishes owners, renters, and other arrangements.

Financial Measures

Financial satisfaction. Measured using a 1–5 Likert item capturing overall satisfaction with one's financial situation.

Objective financial resources. Proxied by household income, assets, and housing tenure.

Financial confidence. Captures forward-looking perceptions of financial capability, including confidence in achieving financial goals, managing finances, and retirement preparedness.

Financial security. Captures current financial conditions and stability, including debt burden, recent financial deterioration, and overall financial standing. Adverse items are reverse coded so that higher values indicate greater security.

Household financial decision-making. Measured using respondents' self-reported involvement in financial decisions.

3. Methods

We begin with descriptive statistics by gender. Differences in categorical variables are assessed using Pearson chi-square tests.

We estimate gender differences in financial and life satisfaction using linear regression models of the form:

$$\text{Satisfaction}_i = \beta_0 + \beta_1 \text{Female}_i + X_i'\gamma + \varepsilon_i$$

where Satisfaction_i represents either self-reported **financial satisfaction** or **life satisfaction**, each measured on a 1–5 Likert scale, and $X_i$includes demographic and socioeconomic controls.

We estimate a sequence of nested models. Model (1) includes gender only. Model (2) adds demographic characteristics: age, education, relationship status, race/ethnicity, and household composition. Model (3) further adds objective financial resources, including income, assets, and housing tenure. Model (4) additionally includes financial confidence. To assess whether the association between resources and satisfaction differs by gender, we estimate models including interactions between gender and income and between gender and assets.

As a complementary approach, we construct a mismatch measure of financial satisfaction, defined as the residual from a regression of financial satisfaction on objective financial resources (income, assets, and housing tenure). This measure captures the extent to which reported satisfaction deviates from the level predicted by observable economic conditions.

To examine the structure of financial well-being, we conduct exploratory factor analysis using maximum likelihood estimation with oblique rotation. Because survey items are ordinal, we base the analysis on polychoric correlations.

Items reflecting adverse financial conditions are reverse coded so that higher values indicate more favorable outcomes. Responses coded as “not applicable” are treated as missing.

Based on eigenvalues, scree plot inspection, and interpretability, we retain two factors, interpreted as financial confidence (forward-looking perceptions) and financial security (current financial conditions). Factor scores are computed using regression scoring and used as outcomes in subsequent analyses.

Finally, we estimate linear regression models for financial confidence and financial security using a similar sequence of nested specifications, without interaction terms.

Although the outcomes are ordinal, linear models are used for ease of interpretation; results are robust to ordered logit specifications (not shown).

4. Results

Table 1 presents sample characteristics by gender. The distribution of key socioeconomic variables is broadly similar across men and women. There are some differences in age and race/ethnicity, with women more represented in younger age groups and among Asian respondents, while men are more likely to be older and White. Women are also less likely to have young children in the household and are slightly less likely to own their home. In contrast, income, employment status, education, and asset distributions are similar across gender.

Table 1. Sample Characteristics by Gender

Domain	Characteristic	Men (N=471)	Women (N=778)	Total (N=1249)	p-value
Age	18–29	8.9	12.7	11.3	0.001
	30–39	26.3	23.9	24.8	
	40–49	24	27.5	26.2	
	50–59	21.2	24.2	23.1	
	60+	19.5	11.7	14.7	
Race/ethnicity	Pacific Islander	59.7	59	59.2	<0.001
	Asian	26.5	34.3	31.4	
	White	8.1	3.5	5.2	
	Multiracial/Other	5.7	3.2	4.2	
Education	High school or less	21	18.9	19.7	0.33
	Some college	24.6	22.4	23.2	
	Associate degree	9.8	13.4	12	
	Bachelor's degree	29.3	30.3	29.9	
	Graduate degree	15.3	15	15.1	
Employment status	Full-time	91.7	90.4	90.9	0.515
	Part-time	2.3	3.5	3	
	Not employed	5.9	6.2	6.1	
Relationship status	Single	15.9	20.4	18.7	0.098
	Cohabiting	13.2	14.3	13.9	
	Married	58.4	50.6	53.6	
	Previously married	7.6	9.4	8.7	
	Other	4.9	5.3	5.1	
Children under 5	Yes	28.7	22.8	25	0.023

School-age children	Yes	47.8	46.9	47.2	0.814
Adult children	Yes	43.5	43.1	43.2	0.919
Income	< $30k	28.5	27.6	27.9	0.721
	$30k–$74k	38.6	41.8	40.6	
	$75k–$150k	24	22.6	23.1	
	$150k+	8.9	8	8.3	
Assets	< $50k	60.5	64.7	63.1	0.074
	$50k–$249k	22.7	23.1	23	
	$250k+	16.8	12.2	13.9	
First-generation wealth	Yes	26.3	24.8	25.4	0.595
Housing tenure	Own	54.6	50	51.7	0.01
	Rent	34.8	33.2	33.8	
	Other	10.6	16.8	14.5	

Notes: Entries report column percentages. P-values are from chi-square tests of independence between gender and each characteristic. Binary variables are reported as the percentage of respondents with the characteristic.

4.1 Gender Gap in Satisfaction: Not Explained by Resources

Table 2 reports regression estimates for financial satisfaction and life satisfaction across a sequence of specifications. Together, these models assess whether the gender gap is explained by demographic composition, objective resources, or financial confidence.

Table 2. Gender Gap in Financial and Life Satisfaction: Nested Models.

Outcome	**Model 1**	**Model 2**	**Model 3**	**Model 4**	
	Female	**Female**	**Female**	**Female**	**Confidence**
Financial satisfaction	-0.27***	-0.24***	-0.22***	-0.19***	0.63***
	(0.06)	(0.06)	(0.06)	(0.06)	(0.04)
Life satisfaction	-0.14**	-0.10*	-0.10*	-0.08	0.42***
	(0.05)	(0.05)	(0.06)	(0.06)	(0.03)
N	1249	1249	1249	1215	
R^2 (Financial)	0.02	0.07	0.10	0.25	
R^2 (Life)	0.01	0.05	0.07	0.18	

Notes: Standard errors in parentheses.
Model (1) includes gender only. Model (2) adds demographic controls.
Model (3) adds income, assets, and homeownership. Model (4) additionally includes financial confidence.
$p < 0.05$, ** $p < 0.01$, *** $p < 0.001$.

In the baseline models, women report significantly lower levels of both financial and life satisfaction than men. The gender gap is larger for financial satisfaction ($\beta = -0.27$, $p < 0.001$) than for life satisfaction ($\beta = -0.14$, $p = 0.004$), indicating that the disparity is more pronounced in the financial domain.

Adjusting for demographic characteristics, including age, education, relationship status, race, and household composition, leaves the estimated gaps largely unchanged. The female coefficient remains statistically significant for both outcomes, implying that observed sociodemographic differences do not account for the disparity.

Adding objective financial resources (income, assets, and homeownership), also does not eliminate the gender gap. For financial satisfaction, the coefficient remains relatively stable; for life satisfaction, the estimate is smaller but still negative. These results suggest that differences in observable economic resources explain only a limited share of gender disparities in well-being.

A different pattern emerges when financial confidence is introduced. Confidence is strongly and positively associated with both financial satisfaction and life satisfaction, and its inclusion substantially improves model fit, especially for financial satisfaction. At the same time, the female coefficient is attenuated in both models, indicating that financial confidence explains part, but not all, of the observed gender gap.

Models including interactions between gender and financial resources show no statistically significant interaction terms. In other words, the relationship between income or assets and reported well-being appears broadly similar for men and women in this sample.

Across both outcomes, economic variables show weaker and less consistent associations than financial confidence. Income has limited association with life satisfaction and only modest association with financial satisfaction, whereas assets are more strongly related to financial satisfaction. Homeownership is positively associated with both outcomes, particularly life satisfaction.

The explanatory power of the models also differs across outcomes. Financial satisfaction is more strongly explained by the covariates included, whereas the models for life satisfaction account for a smaller share of variance, consistent with the idea that broader nonfinancial influences shape overall well-being.

The mismatch analysis shows that women report lower financial satisfaction than would be predicted based on their objective resources alone ($\beta = -0.23$, $p < 0.001$), reinforcing the conclusion that subjective perceptions contribute importantly to gender disparities in financial well-being.

Taken together, these results indicate that gender differences in satisfaction are not driven primarily by objective resources, motivating a closer examination of underlying dimensions of financial well-being.

4.2 Decomposing Financial Well-Being: Confidence vs. Security

To further distinguish between subjective and objective dimensions, we next examine whether gender differences in financial well-being are concentrated in financial confidence or financial security.

Exploratory factor analysis based on polychoric correlations identifies two distinct but moderately correlated dimensions of financial well-being ($\rho = 0.53$).

The financial security factor loads most strongly on reverse-coded debt burden and reverse-coded financial deterioration, capturing current stability and the absence of financial strain. The financial confidence factor loads on retirement preparedness, confidence in achieving financial goals, and perceived financial management ability, capturing forward-looking perceptions of financial capability.

The two factors are substantively interpretable and align closely with the conceptual distinction between objective financial conditions and subjective financial appraisal.

Model fit statistics support the two-factor solution. The Tucker-Lewis Index is 0.966, the RMSEA is 0.066 (90% CI: 0.043-0.091), and the RMSR is 0.02, indicating good overall fit and little residual correlation among items.

Although the chi-square test rejects exact fit ($\chi^2 = 25.81$, $p < 0.001$), that result is common in samples of this size. Overall, the evidence supports the two-factor structure as an adequate representation of the financial well-being items.

4.2.1 Financial Confidence: Partial Gender Gap

Table 3 reports regression estimates for financial confidence and financial security across progressively adjusted models.

Table 3. Gender Differences in Financial Confidence and Financial Security.

Outcome	Model 1	Model 2	Model 3
	Female	Female	Female
Financial confidence	-0.14**	-0.09	-0.09
	(0.06)	(0.06)	(0.05)
Financial security	-0.08	-0.03	-0.01
	(0.06)	(0.06)	(0.05)
N	1082	1082	1082
R^2 (Confidence)	0.01	0.05	0.13
R^2 (Security)	0.01	0.16	0.26

Notes: Standard errors in parentheses.
Model (1) includes gender only. Model (2) adds demographic controls.
Model (3) adds income, assets, and homeownership.
$p < 0.05$, ** $p < 0.01$, *** $p < 0.001$.

In the baseline model, women report significantly lower financial confidence than men ($\beta = -0.144$, $p = 0.011$). This difference is reduced after demographic adjustment and becomes smaller and statistically weaker after adding socioeconomic controls. The pattern suggests that some, but not all, of the gender gap in confidence is linked to differences in observed circumstances.

Even after attenuation, the estimated coefficient remains economically meaningful, implying that women's lower confidence is not fully explained by income, assets, employment, or housing tenure.

Among the covariates, assets are the strongest and most consistent predictors of financial confidence, and homeownership is also positively associated with confidence. Income is less consistently related,

suggesting that accumulated resources may matter more than current income for forward-looking financial perceptions.

The explanatory power of the confidence model is modest ($R^2 = 0.13$), which indicates that important determinants of financial confidence likely extend beyond the socioeconomic measures observed in the survey.

4.2.2 Financial Security: No Gender Gap

In contrast, we find no evidence of a meaningful gender difference in financial security.

The coefficient on female is negative but statistically insignificant in the baseline model and remains close to zero after adjusting for demographic and socioeconomic characteristics. This pattern indicates that women and men in the sample report broadly similar levels of current financial security.

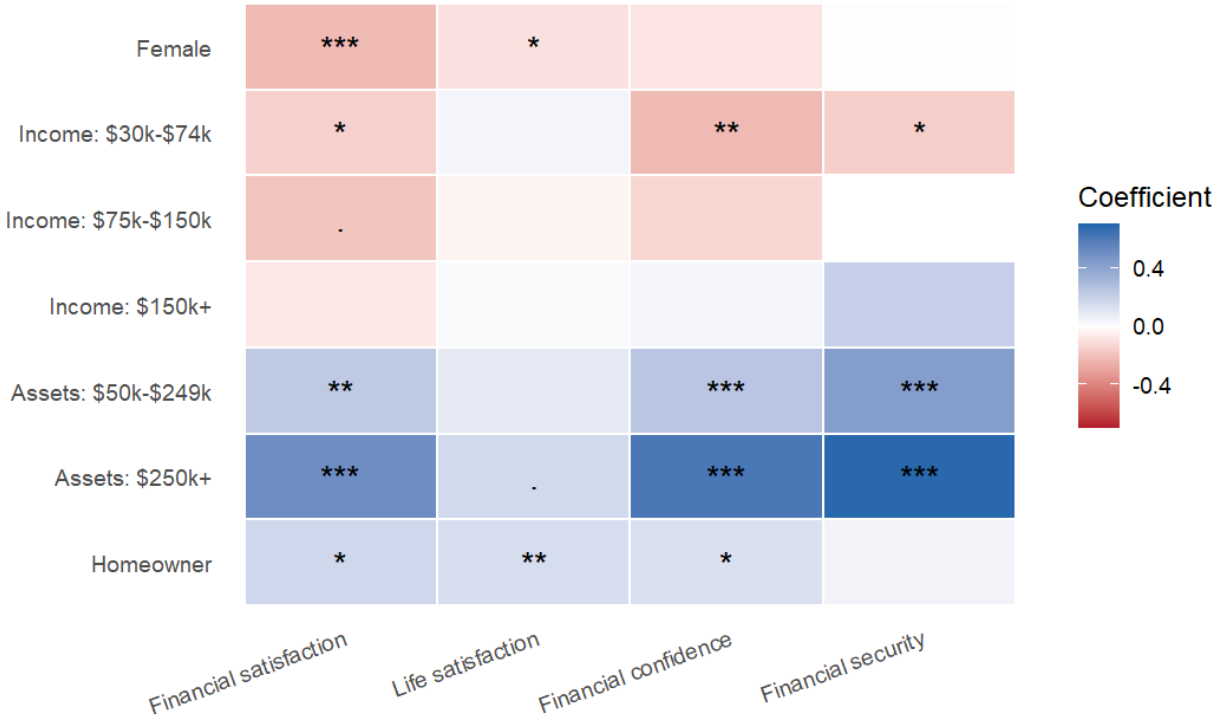
Instead, financial security is strongly associated with objective resources. Asset levels are especially important, with large positive coefficients for higher asset categories, and lower income is associated with lower security.

Household structure also matters: the presence of young children and adult children is associated with lower financial security, while employment and education tend to be associated with better current financial conditions.

Compared with financial confidence, the financial security model explains a substantially larger share of variation ($R^2 = 0.26$), consistent with the closer connection between this factor and observable material circumstances.

Figure 1 summarizes coefficient estimates across all four outcomes and highlights a clear asymmetry between evaluative and resource-based measures. The gender gap is concentrated in evaluative measures, financial and life satisfaction, while it is smaller and not robust after adjustment for financial confidence and financial security. In contrast, asset ownership is strongly and consistently associated with all outcomes, with particularly large effects for financial confidence and financial security. Income plays a more limited and inconsistent role. Overall, the figure reinforces that gender differences in financial well-being arise primarily from differences in subjective evaluation rather than differences in observable financial conditions.

Figure 1. Determinants of Financial and Life Well-being.



4.3 Decision-Making Does Not Explain the Gap

Finally, we examine whether differences in household financial decision-making help explain the observed gender gaps in financial well-being.

Descriptive analyses show similar distributions of decision-making roles across men and women, and a chi-square test indicates no statistically significant association between gender and decision-making ($\chi^2 = 3.53$, $p = 0.316$).

These findings suggest that women's lower financial confidence is not explained by lower reported involvement in household financial decisions.

5. Discussion

The results reveal a consistent pattern. Women report lower financial satisfaction and lower financial confidence than men, yet they do not differ meaningfully in financial security or in their involvement in household financial decision-making. The persistence of the financial satisfaction gap after adjusting for income, assets, housing tenure, and demographic characteristics indicates that objective resources alone do not explain the disparity.

Taken together, the findings point to a systematic divergence between financial conditions and financial perceptions. Gender differences in financial well-being in this sample appear to be driven less by material disadvantage and more by differences in how financial circumstances are evaluated. Women report lower satisfaction even when their observable economic conditions are similar to those of men.

Several mechanisms may underlie this pattern, including differences in financial socialization, confidence formation, self-assessment, and risk perception. These interpretations are consistent with prior work emphasizing that subjective financial well-being reflects not only economic resources but also individuals' expectations, beliefs, and perceived control over their financial futures.

The distinction between financial confidence and financial security is therefore central. While financial security closely tracks observable resources, financial confidence captures a more subjective dimension that varies systematically by gender. This distinction helps reconcile why gender gaps emerge in satisfaction but not in security.

These findings have practical implications. Policies and interventions aimed at improving financial well-being may need to extend beyond increasing income or asset accumulation to also address confidence, financial self-efficacy, and perceptions of preparedness. Efforts focused solely on material conditions may overlook an important dimension of financial well-being.

More broadly, the results suggest that reducing gender disparities in financial well-being requires addressing not only economic inequality, but also the psychological and perceptual factors that shape how individuals experience their financial lives.

6. Conclusion

In this sample of financially engaged adults in Micronesia, gender differences in financial well-being arise primarily from differences in subjective perceptions rather than objective financial conditions. Women report lower financial satisfaction and lower financial confidence despite having similar levels of financial security and comparable involvement in household financial decision-making.

These findings highlight the importance of distinguishing between financial conditions and financial perceptions. While material resources are critical, they do not fully capture how individuals experience their financial well-being.

The results have practical implications for financial education, counseling, and workplace wellness initiatives. Policies aimed at improving financial well-being should focus not only on income and asset accumulation, but also on strengthening financial confidence, perceived control, and financial self-efficacy. Addressing these perception-based dimensions may be essential for reducing gender disparities in financial well-being.

More broadly, improving financial well-being requires attention not only to what individuals have, but also to how they perceive and evaluate their financial lives.

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