



Wider Opportunities for Women

2011 Jobs Agenda

Ensure Women Are Part of the Recovery

August 2011

Federal action to spur job creation is critical for the American economy, for women and men of all ages and for the families they support. The longer the nation goes without substantially increasing employment, the more painful deficit reduction becomes for everyone and the more American productivity is damaged. A less painful way to cut the deficit is to have millions more people working and paying taxes. We must maintain and create jobs and finance them in equitable ways while also ensuring the protection of “fill the gap” policies and programs that make it possible for low-income individuals, families and older adults to move toward economic security.

A Plan to --

- Preserve and increase job opportunities
- Promote consumer spending
- Reward employers who help the recovery
- Establish a fair tax policy to support job growth
- Prepare job seekers and workers for the recovery

Women’s work is crucial to economic well-being

No longer can most women afford to be full-time, stay-at-home moms. As *The Shriver Report: A Woman’s Nation Changes Everything*, declared in 2009, “For the first time in our nation’s history, women are nearly half of all U.S. workers and mothers are the primary breadwinners or co-breadwinners in nearly two-thirds of American families.”

With today’s rising prices for food, transportation and other necessities, maintaining a family costs two to three times the poverty level and many times the minimum wage. In 2010, a family with two workers and two children, one needing infant care, required a total annual income of \$69,432 to pay for basic necessities, including child care, and to save a minimal amount for retirement and the inevitable financial emergency, based on WOW’s Basic Economic Security Tables (BEST standard) for the United

States.¹ A typical single working parent with one child needing infant care required \$46,368; a single, childless worker, \$30,012.

In July, 5,450,000 women aged 20 and older were unemployed (seasonally adjusted), according to the Bureau of Labor Statistics. Another 3,210,000 women wanted a job but had not looked for work in the past four weeks, and, therefore, were not counted as officially unemployed. This number includes “discouraged” recent job seekers, as well as those who have dropped out of the labor force for other reasons.

Women’s job re-entry is lagging behind men’s

Women, particularly women heading families, are not faring well in today’s lackluster economy. A recent study by the Pew Research Center found that women are gaining jobs at a slower pace than men.² In the first two years of the recovery (June 2009 through May 2011), the unemployment rate for men fell from 10.6% to 9.5%; for women, it increased slightly, from 8.3% to 8.5%. From May 2009 through May 2011, men gained 768,000 jobs, while women *lost* 218,000 jobs.

Moreover, men are making inroads into the better paying “women’s jobs” like nursing, while gaining many more jobs than women in sectors like manufacturing. Pew found women *lost* a total of 120,000 jobs in manufacturing, where pay is relatively good, while men *gained* 86,000 manufacturing jobs.

Disproportionate unemployment of women-headed households

Current levels of unemployment are dangerously high among households that rely solely on a woman for support. In July, according to the Bureau of Labor Statistics, the unemployment rate for women householders age 20 and over with no spouse present was 12 percent compared to 9.1 percent for the general population.³ Among women household heads, the unemployment rate was 17.4 percent for African Americans and 12.4 percent for Hispanics. While the overall unemployment rate for female householders declined by a slight 0.9 percent in July, it increased for both black female householders and Latina householders.

Quick Facts

- Women are key breadwinners in 2/3 of American families.
- 8.7 million women are officially unemployed or want a job.
- The unemployment rate for women householders with no spouse present is 12.0%.
- The average duration of unemployment for older men and older women is 10 months.
- Most women are concentrated in only 5% of occupations.

¹ *The Basic Economic Security Tables for the United States*. <http://www.wowonline.org/usbest/>.

² Kochhar, Rakesh. “In Two Year of Economic Recovery, Women Lost Jobs, Men Found Them.” *Pew Research Center*. July 6, 2011. <http://pewresearch.org/pubs/2049/unemployment-jobs-gender-recession-economic-recovery>.

³ U.S. Bureau of Labor Statistics. Table 12. July 2011.

All told, 1.2 million female householders with no spouse present were unemployed in July. Another 623,000 wanted a job, but had dropped out of the labor force.

These women-led households can include adult relatives and non-relatives, but most are women and their children. While joblessness leaves all the households in dire economic straits, the long-term effect on children can be devastating. What's more, few of these families are receiving government cash assistance. In the 15 years since welfare reform, receipt of TANF (Temporary Assistance to Needy Families) benefits has fallen from three-fifths of poor children to just one-fifth of poor children. Meanwhile, benefit amounts have plummeted to less than five dollars a person a day in most states.⁴ In spite of this harsh reality, a subsidized transitional on-the-job training program aimed at needy families was allowed to expire last December.

Preserve and create jobs through

- Jobs in public and nonprofit human service agencies
- Work-sharing programs
- Inclusive hiring in nontraditional jobs for women
- Paid on-the-job training
- Capital for self-employment
- Fair tax incentives

Older women workers

With the diminished availability of defined benefit pensions and the resulting need to augment personal savings in order to supplement Social Security, American workers need to work longer in order to meet basic needs. In 2011, according to WOW's Elder Economic Security Standard Index™ (Elder Index) a woman aged 65 or older needs an income of \$20,326 to meet basic needs if she rents her home. Average Social Security benefits provide just 61% of what's needed to be economically secure, as measured by the Elder Index. An older woman, thus, needs a combination of wages, savings and/or public supports approximately equal to her Social Security check (average \$12,526 per year) in order to make ends meet after age 65.

However, older workers are finding it increasingly difficult to get new jobs after losing theirs. The average duration of unemployment for workers age 55-64 is 41 weeks for both men and women compared to 33 weeks for all workers over age 16.⁵ The long-term unemployment rate for women from 45 to 64 years of age has increased dramatically in this decade. In 1983, after a deep recession, women in that age range made up only 7 percent of those who had been out of work for six months or longer, according to the Labor Department. Last year, they made up 14 percent.⁶

Latina women age 55 and over who head households are at particular risk of economic insecurity and poverty going into their retirement age. Among these older Hispanic women, 14.3 percent are

⁴ Legal Momentum, August 2011.

⁵ U.S. Bureau of Labor Statistics. Table 31. *2010 Household Data Annual Averages*.

⁶ Goodman, Peter. "Millions of Unemployed Face Years Without Jobs." *New York Times*. Feb. 20, 2010, <http://www.nytimes.com/2010/02/21/business/economy/21unemployed.html>.

unemployed, about twice the 6.9 percent of non-Hispanic white women and 7.4 percent of black women household heads of the same age.

What to do to help women of all ages get back to work

Preserve existing jobs. Congress and the Administration should do everything possible to minimize cuts, or even increase, funding for health, education, and social service programs that not only disproportionately employ women but provide human services, such as child care, elder care and job training, that families need when working or preparing for new jobs. They should also minimize cuts in program administration that will lead to lay-offs of caseworkers in critical income support programs such as disability and nutrition assistance, Social Security and aid to needy families and seniors. Women make up large majorities of teachers, counselors, case managers, nurses and other health workers in both public and non-profit agencies.

The direct-care occupation, largely filled by women, is one that is growing rapidly and should be strengthened and supported with increased public funding. Totalling 3.2 million jobs in 2008, there is a projected need for an additional 1.1 million employees by 2018, a 35 percent increase. According to PHI-Quality Care Through Quality Jobs, employers are finding difficulty recruiting qualified workers to provide top-notch care, partly because the average wage is only \$16,800, insufficient to sustain a family. Medicaid is the primary source of funding for these jobs that provide assistance to older adults and people with disabilities so they can live in dignity in their homes rather than institutions. The workforce commission established through the Affordable Care Act is charged with formulating strategies to bolster the direct-care workforce.

Spur state work sharing programs to expand layoff prevention. According to the U.S. Department of Labor, work sharing programs in 23 states have saved 165,000 jobs in 2009 and another 100,000 in 2010. These programs save taxpayer dollars and help businesses retain skilled workers they have spent time and money to hire and train. Work sharing enables employers to reduce their workers' weekly hours and pay, while states make up some of the lost wages from their unemployment funds. Employers are able to remain competitive by lowering costs and keeping a skilled workforce. Employees are able to keep their jobs and health benefits. One proposal (by Sen. Jack Reed and Rep. Rosa DeLauro) would provide states that operate work sharing programs with temporary federal financing for 100 percent of work sharing benefits paid to workers.

Create emergency jobs serving community needs. A number of proposals have been made in recent years to create temporary, emergency jobs to improve communities and provide needed human services. Recently Rep. Jan Schakowsky, co-chair of the Congressional Caucus for Women's Issues, outlined a proposal to support over two million jobs over two years at an annual cost of \$113.5 billion per year, paid for by creating higher tax brackets for millionaires and billionaires and eliminating subsidies for big oil and companies that shift jobs overseas.

Women would be employed in many of the jobs created through the proposal's seven initiatives – a School Improvements Corps, Park Improvement Corps, Student Job Corps, Neighborhood Heroes Corps (teachers, police and firefighters), Community Corps, Health Corps and Child Care Corps. The

Community Corps would support green jobs, a field of growing interest among women, through energy audits and conservation upgrades, urban land reclamation and blight removal, public property maintenance and beautification, housing rehabilitation, and new construction. Policies for jobs in areas nontraditional for women, such as firefighting and police, need to ensure that women are recruited, trained and employed equally with men.

Ensure low-income women and minorities are included in infrastructure jobs. America's surface transportation program is due to expire at the end of September unless extended and, we hope, expanded to include environmentally friendly and energy-saving transportation options that make transportation affordable and accessible to all. President Obama and leaders from both parties in Congress have indicated a desire to pass a major transportation bill this year.

Historically, women, minorities and residents of poor communities have been greatly underrepresented in transportation and construction jobs where earnings can be significantly higher than in administrative, retail and personal service occupations traditionally occupied by women without a professional degree.

Women are less than three percent of the workforce in the building trades, where a high-quality, four-year, paid apprenticeship can lead to a lifetime career where it is possible to earn the equivalent of someone who has a master's degree. Where policy makers use infrastructure investment as a job-creating mechanism, they should create a pipeline for the recruitment, training, employment and retention of women and other underrepresented groups.

Administratively, the Office of Federal Contract Compliance Programs within the Department of Labor should encourage collaborative efforts among stakeholders, including labor, owners/developers and community based organizations to recruit and train underrepresented populations. Also, OFCCP should look to model employers like the armed services to inform new goals for the employment of women in nontraditional construction fields.

Provide stipends and subsidized wages for youth and adults while they develop job skills in high-growth sectors. Wage subsidies should be enhanced through the Department of Labor's Workforce Investment Act programs for youth employment, on-the-job and customized training with private employers, transitional jobs, internships and try-out employment with businesses and nonprofits.

Paid on-the-job training in the private sector should be tied to a commitment to make the job permanent at family-sustaining wages. These specialized training subsidies should be targeted to special populations such as older workers, needy single parents with children to support while upgrading their skills and women developing skills to enter occupations traditionally dominated by men. A bill has been introduced by Sen. Jean Shaheen that would target such paid on-the-job training to competitive, small and medium-sized businesses in which the training will enhance competitiveness.

Increase investment in adult education and skill development. To equip women and all workers for jobs in the high-growth sectors of the 21st century, it is vital that Congress maintain resources for basic

skills education and job training through the Workforce Investment Act's one-stop career centers and Career and Technical Education (CTE) programs in post-secondary and secondary schools.

Women, who are a majority of those served by the workforce system, will be more likely to obtain career pathways leading to economic security if all levels of education and job training are aligned and fully resourced, and if the necessary support services and career counseling are in place to help them obtain the credentials necessary for career advancement. The workforce development system needs also to be given incentives to serve older workers who need new skills to work productively in the 21st century economy. Steps such as these will serve the needs of women at all skill levels while supplying business with the workforce it needs to innovate. Proposals such as the Women & Workforce Investment for Nontraditional Jobs Act (Women WIN Jobs Act), the Pathways Advancing Career Training (PACT) Act and the SECTORS Act contain improvements that would enhance workforce development along these lines.

Trade Adjustment Assistance to help trade-impacted workers must be considered along with pending foreign trade pacts that would encourage exports of American products. The program must be maintained for capacity-building competitive grants to community colleges and other eligible institutions to support career education and training that prepares these workers for high-wage, high-skill occupations.

Increase consumer spending by

- Maintaining benefits
- Home foreclosure assistance
- Business incentives to hire
- Fair tax policies

Promote self-employment and small business development. Self-employment is a solution that many women and older workers choose to make up for lost income from a job. Research suggests that low-income women who run businesses frequently hire other women, thereby increasing the likelihood that they too will find pathways into the middle class and develop assets that will pass across generations.

Women own more than 7.8 million businesses, or nearly 29 percent of the total in the U.S., but their firms generate only 3.95 percent of all revenue.⁷ According to the U.S. Women's Chamber of Commerce, what women business owners need most is access to capital and the business expertise either from the private banking system or the Small Business Administration. The Recovery Act provided \$50 million for the Small Business Administration's (SBA) microloan program for qualified nonprofit community-based lenders to provide technical assistance and microloans of up to \$35,000 to local entrepreneurs and small business owners along with technical assistance. The SBA program, along with the Commerce Department's Women's Business Centers and Minority Business Development Program, should be extended.

⁷ Dorfman, Margot. "What Women-Owned Firms Need Most: Access to Capital." *American Banker*. Oct. 1, 2010. http://www.americanbanker.com/magazine/120_10/what-women-owned-firms-need-most-access-to-capital-1026090-1.html.

Create jobs by stimulating demand by lower and moderate income consumers. According to economists, putting cash in the pockets of those with the lowest income has the largest multiplier effect of all job creation strategies. One of the highest rates is the \$1.74 in economic growth for every \$1.00 spent in the Supplemental Nutrition Assistance Program. Unemployment Insurance has a similarly high rate, as does the \$1.69 for work sharing programs, according to Mark Zandi of Moody's Analytics. To achieve similar payoffs in economic activity, we should:

Maintain funding for all income support, health benefits, nutrition, housing and home heating/cooling programs that go to the most vulnerable, including disabled and older individuals, pregnant women and children and needy families.

Reauthorize TANF to be more effective in enrolling low-income families, improving benefits and boosting skill development opportunities.

Continue Unemployment Insurance for the long-term unemployed, of particular assistance to workers, and the temporary 2 percent payroll tax holiday for workers, both of which are scheduled to expire at the end of this year.

Consider increasing the minimum wage to consumer demand sufficiently to create new jobs, according to Harvard labor economist Robert Freeman.⁸ Women hold 63 percent of all minimum wage jobs, partly because they afford the flexibility to care for family members.⁹

The still-rising number of home mortgage foreclosures has taken a toll on housing and related industries and left families without homes and drained pocketbooks. Seniors, women and people of color would be the largest demographic groups to benefit from a renewed effort to assist homeowners in foreclosure. Older women in particular were the targets of predatory refinance lending that contributed to the rise in foreclosures.¹⁰ Several nationwide surveys of older borrowers by AARP and others have suggested that women, particularly elderly women, receive a disproportionate number of subprime and broker-originated loans.¹¹ AARP's survey of 1,008 refinance customers found women accounted for over one in three (35 percent) of subprime loans but only 28 percent of prime loans that carry lower interest rates. Older women have been susceptible to expensive, repeated refinancing schemes as a result of their living longer than their spouses and having fewer economic resources to draw on to cover medical and other unexpected expenses.

⁸ U.S. Department of Labor. "The Case for Increasing the Minimum Wage." *U.S. Department of Labor*. 1996. <http://www.dol.gov/oasam/programs/history/reich/reports/pay.htm>.

⁹ Fillion, Kai. "Fact sheet for 2009 minimum wage increase—Minimum Wage Issue Guide." *Economic Policy Institute*. July 20, 2009. http://www.epi.org/publications/entry/mwig_fact_sheet/.

¹⁰ Reisman, Suzanne. "Foreclosure's Female Face." *Blogger*. March 09, 2009. <http://www.blogger.com/foreclosures-female-face>.

¹¹ Walters, N. and Hermanson, S. "Older Subprime Refinance Mortgage Borrowers." *AARP Data Digest No. 74*. 2002; and Kim-Sung, K. and Hermanson, S. "Experiences of Older Refinance Mortgage Loan Borrowers: Broker- and Lender-Originated Loans." *AARP Data Digest No. D17819*. 2003. AARP and others have raised concerns that brokers, who are more likely to engage in aggressive marketing practices, may rely on compensation systems that inevitably result in higher interest rates or loan costs for borrowers.

Finally, comprehensive tax reform should be pursued to close subsidies for job-losing activities, such as moving jobs off-shore, raise the taxes of those who can afford to pay and increase the spending power of those who currently are struggling.

Conclusion

With women making up half of the American workforce and their families depending on their earnings, it is crucial that policy-makers take steps such as these immediately in order to create quality jobs that women, as well as men, can fill regardless of age or education level. The well-being of our nation depends on a skilled workforce and employment for everyone who wants a job.