

# New York Women's Economic Security: 2004

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# Economic security for women depends on:

- their own employment
  - job
  - hours
  - wages
- the ability/willingness of their spouses to contribute to family resources
  - employment/wages
  - child support
- public assistance
  - UI Insurance
  - TANF/Safety Net
  - Social Security
  - SSI

**Most of these pillars of women's economic security have been threatened over the past eight years, either by the recession or by government policies and practices**

- recession erased income and job gains of the 1990s
- minimum wage has not kept up with inflation
- welfare reform weakened the safety net and NYS has committed TANF block grant funds to fiscal relief rather than programs to help women find and keep jobs
- UI insurance policies have not kept pace with the entrance of women into the labor force
- privatization of social security would hurt thousands of NY women who rely on social security to keep them out of poverty

**Nationally and in New York State, women were hurt by the recent recession. The number of employed women did not return to pre-recession levels until August 2004.**

- Nationally, had job growth continued at the same rate as in the 1990s, 4 million jobs would have been created
  - women have lost the most jobs in the information, retail, professional business services and manufacturing industries
  - education, health and government jobs have increased but at a much weaker rate

- Women's unemployment rates have averaged about 5% during 2004.
  - this does not count 3 million discouraged workers
  - unemployment rates are much higher for Black women (8.9%), Hispanic women (7.6%) and female head of households (8.2%)
- Nationally, women's labor force participation rates are down a full percentage point from 60% to 59%
- Women's real median earnings fell by \$171, or 0.6 percent, from 2002 to 2003
- The wage gap is now 24.5 cents on the dollar or, \$9,944 per year for workers at the median earnings level.

## **New York was hit particularly hard by the latest recession**

- Between March 2001 and July 2003, New York lost 3% of jobs vs 2% national rate of job loss
  - Three of every four jobs lost were in NYC
  - Upstate also lost jobs, particularly in manufacturing
  - Moderate unemployment rates upstate reflect shrinking labor forces, not job growth

## **One out of every seven New York women lives in poverty**

- 1.6 million live in families with incomes below the official poverty thresholds
- Another million women live in households with incomes below 150% of the official poverty thresholds:
  - One in four women lives below 150% of poverty
- One in three women lives below 200% of poverty

# Official poverty statistics clearly understate the problem:

## Self Sufficiency Standard for NYS - Sept 2000

- Make it clear that families need much more than official poverty thresholds
  - include cost of child care and after school care
  - single parent families need twice the official poverty thresholds to achieve self sufficiency
    - Rochester NY - Single parent with two preschool children needs \$33,000 per year --- vs. \$14,824 2003 poverty threshold
    - NYC - upper Manhattan - \$48,000
    - Westchester County - \$60,000
  - Updated standard for NYC will be released soon - December 2004



# How do women in New York make ends meet?

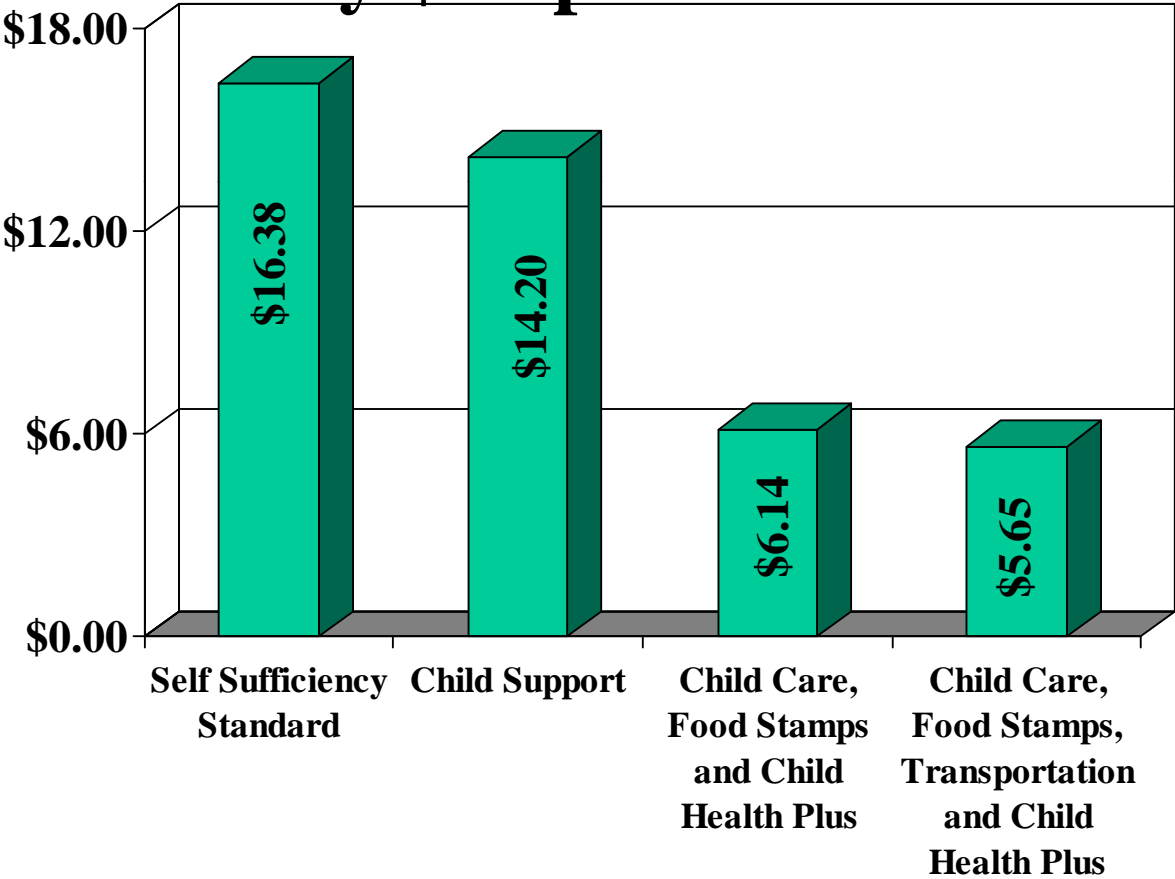
In many places in New York most women do not earn enough to get to “self sufficiency” working 40 hours a week

- two or more jobs -- 2003 5,6% of women had two or more jobs -- double the 1973 rate
- additional hours --- the annual work hours of low-income single mothers rose from about 900 per year in 1994 to over 1,200 six years later, an increase of 320 hours per year. This strategy made difficult given women’s continued responsibility for family and children

## **Role of income supports**

- Self sufficiency study shows the importance of public and private income supports
  - child support
  - subsidized child care
  - publicly subsidized health care for women and/or their children
  - public housing
  - tax credits

**For example, in Albany County, public and private supports can reduce the hourly wage required to support a family of three by \$10 per hour.**



**In the 21st century, having a job is the first step towards economic security for women in NY.**

**What can government do to promote job creation?**

- Rhetoric aside, no evidence that broad based tax rate cuts produce the jobs promised by their proponents
  - Bush tax cuts have resulted in 2,738,000 fewer jobs than promised
  - Pataki likes to boast that he has cut taxes more than any other governor in history (\$16 billion this year) --- yet NY hardest hit by recession and upstate never shared in 1990s gains

- No evidence that economic development subsidies are efficient tools to create jobs:
  - widespread abuse of Empire Zone program
  - at a minimum, economic development subsidies need to be tied to
    - strict reporting requirements
    - job quality standards
    - clawback provisions when promises not kept

**One out of five women workers in New York would benefit from an increase in the state minimum wage to \$7.15 per hour.**

- More than 730,000 women in New York State would benefit
  - 467,000 women earn less than \$7.15 per hour
  - Another 263,000 earn less than \$8.15 per hour
  - Thousands of women would benefit in every county of the state
  - Half of the women who would benefit work at least 35 hours a week
  - 84% of beneficiaries are adults

## **Contrary to the claims made by opponents to the minimum wage...**

- most beneficiaries live in low income households and are important contributors to their families support
  - 38% of families with low wage worker have not other worker
  - beneficiaries are responsible for half their families' total earnings
  - 60% of the gain would go to families in the lower two quintiles of the earnings distribution

**New York would join 14 other states that have increased their minimum wages above the federal level.**

- This month, Florida and Nevada passed minimum wage referendum - both states will increase the minimum to \$6.15 and then index for inflation
- Twelve states plus DC had already increased:
  - Washington (\$7.16), Alaska (\$7.15), Connecticut (\$7.10), Oregon (\$7.05) California (\$6.75), Massachusetts (\$6.75), Rhode Island (\$6.75), Vermont (\$6.75/\$7.00), Hawaii (\$6.25), Maine (\$6.25), Delaware (\$6.15), Illinois (\$5.50/\$6.50), DC (\$6.15). Oregon and Washington minimums are also indexed.



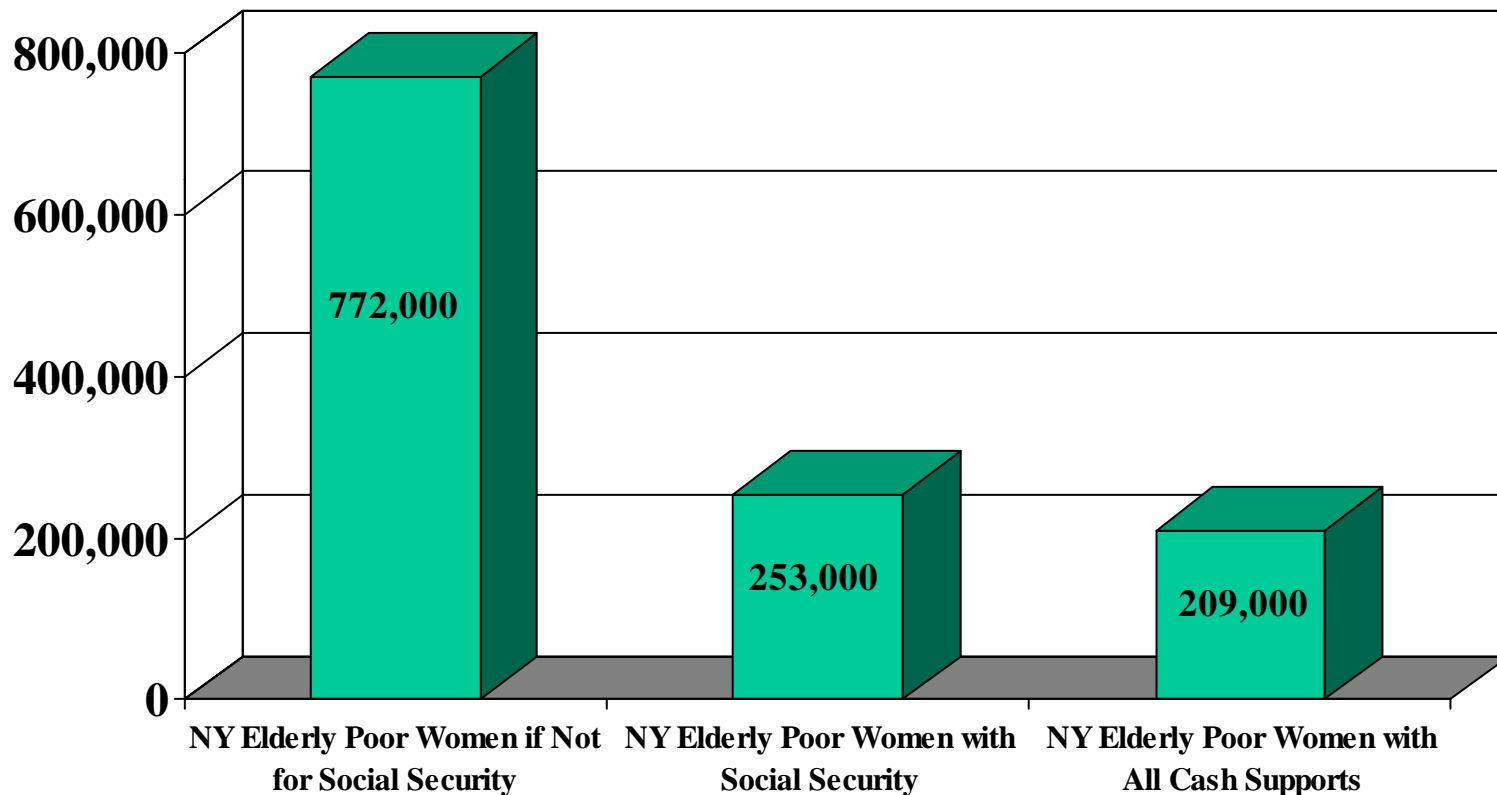
## **Local living wage ordinances are another option to establish a wage floor for at least some employees.**

- Local living wage ordinances have been passed in 123 jurisdictions across the US
- In New York ordinances have been passed in New York City (November 2002) Westchester County (November 2002), Hempstead, Long Island (October 2001 repealed in December 2001), Oyster Bay (August 2001), Suffolk County (July 2001), Rochester (January 2001), Buffalo (August 1999), NYC (September 1996).
- Campaigns were(?) active in: Ithaca; Elmira; Utica; Rockland County; Albany and Troy.

## **Older women rely on Social Security and SSI to keep them out of poverty**

- More than half (54.5% or 772,000) New York elderly women would be poor if not for social security and other income supports
- Social security reduces the poverty rate to 17.8% --- lifting over 500,000 elderly women out of poverty
- Other income supports lift another 44,000

# Social security lifts half a million NY elderly women out of poverty.



**In the past, many poor women relied on public assistance (AFDC, now TANF) to provide economic security.**

- Historically, public policy discouraged women with dependent children from working
- Since welfare reform in 1996, poor women are expected to work
  - public assistance only “temporary”
  - stringent work requirements -
  - workfare

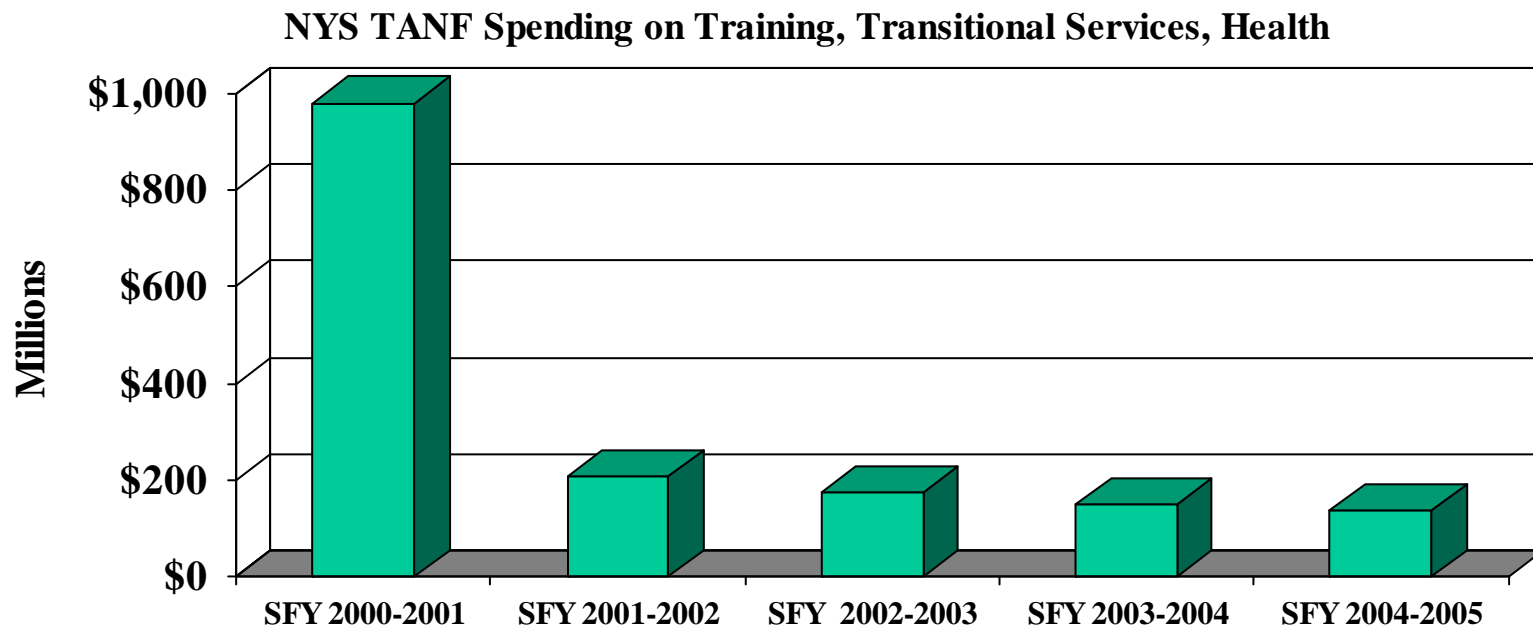
## **Over 700,000 New Yorkers have lost cash public assistance benefits since 1996**

- In New York, families are still “entitled” to assistance, but caseloads have been reduced by more than 50% since 1996.
- Reduction in caseload not accompanied by a reduction in poverty - many women take jobs that do not pay enough to bring them out of poverty.
- Work requirements make adequate, affordable child care a key issue for low income women

# **Funding for programs to help women find and keep employment has been slashed**

- Welfare reform converted NY's federal welfare assistance funding to a fixed block grant - \$2.4 billion per year
- NYS attempts to fund a myriad of programs and services out of this fixed block grant
  - NYS EITC, Child and Dependent Care Credit, many child welfare services formerly paid for out of general revenues, child care.
  - Each year less money “left over” for all other work supports - this year Governor vetoed most so-called “legislative initiatives.”

**Each year New York invests less in programmatic initiatives designed to remove employment barriers and help public assistance recipients gain skills that will enable them to become self-sufficient and leave public assistance.**



## **Increasingly, economic security for women is tied to affordable child care options.**

- Currently, NYS subsidizes approximately 186,000 slots for low income families across the state
- The Child Care that Works campaign (CCTW) estimates that almost 600,000 children are eligible for child care subsidies --- income less than 200% of poverty



## **Rules for child care subsidies vary by county --- patchwork of policies -**

- District definitions of a reasonable distance to travel, one way, from home to work with a stop at child care range from 15 miles to 50 miles and from 15 minutes to 90 minutes.
- Size of parental copayments ranges by county, for example, a family with \$30,040 annual income pays \$5,200 per year in Onondaga County but only \$3,004 in NYC.

## **Child support collections in NY is one area that has seen some improvement**

- Between August 1996 and August 2004, in NYS the monthly child support collections have increased from \$68 million to \$107 million
  - This represents a 27% increase, even after accounting for inflation

# **Unemployment insurance system could do a better job of protecting women who involuntarily lose their jobs**

- Only 39% of the unemployed received UI benefits in the past 12 months
  - many women do not qualify because they do not earn \$1600 in one quarter --- minimum should be based on hours worked not income
  - NY should explicitly recognize compelling domestic circumstances, marital obligations and domestic violence as “good cause’ justifying a voluntary separation
  - benefits at one half the weekly wage not sufficient for low wage workers.
  - If you were not previously working part time, you lose benefits if you restrict job search to part time jobs

# **New York women also need paid family leave**

- New York's disability benefits program provides paid leave for non-work related disabilities, including, since 1977, pregnancy and recovery after child birth
- The temporary disability insurance program could be expanded to cover leaves under the federal Family and Medical Leave Act (like California)
  - Since July 1, 2004, California workers can get up to six weeks of partial pay a year while taking time from work to care for a new child or sick family member. Most people get just over half (55%) of their usual pay, up to a maximum, while on leave. The payments are distributed by the EDD, a state agency, not the employer.

# **Lack of health insurance for themselves or their children continues to constitute a major threat to women's economic security:**

- In New York, over one million women (18% of the women 18 to 64) are uninsured. Most of these women either can't afford individual policies, do not qualify for Medicaid, or don't have access to employer-sponsored plans.
- MEDICAID, the health program for the poor, covers 13% of nonelderly women in New York --- 785,000. This is much higher than the 9% national coverage rate;
  - Medicaid disproportionately carries the weight of covering the sickest groups - nationally, 39% of nonelderly women reporting poor health are covered by Medicaid.
- 31% of NY's children are on Medicaid (compared to 27% nationally) while 500,000 children (10%) remain uninsured. Nationally 12% of children are uninsured.

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