

ECONOMIC SECURITY



We all need public supports and services that provide avenues to economic security.

Investments in economic security ensure that people can survive difficult financial times and take steps to improve their quality of life. Families succeed when parents are secure in their ability to provide basic necessities for their children. Workers prosper when workplaces are safe and financial protections exist in cases of injury or job loss. Everyone in the state benefits when people can meet their basic needs and find meaningful employment.

Even in times of prosperity, we all face the risk of job loss, disability, or family crisis. When the economy is strained, these public investments matter even more.

Strong social support systems ensure all people can meet basic needs in times of hardship as well as support people in their efforts to escape poverty. Regulation can make sure that jobs are safe and pay a fair wage. Public programs can assist working people by providing needed supports such as child care, health insurance, and wage supplements. Unemployment insurance can be used to protect against deprivation in times of job loss. And together as a state, we can make sure that those who are unable to work can meet basic needs such as food, housing, transportation, and medical care.

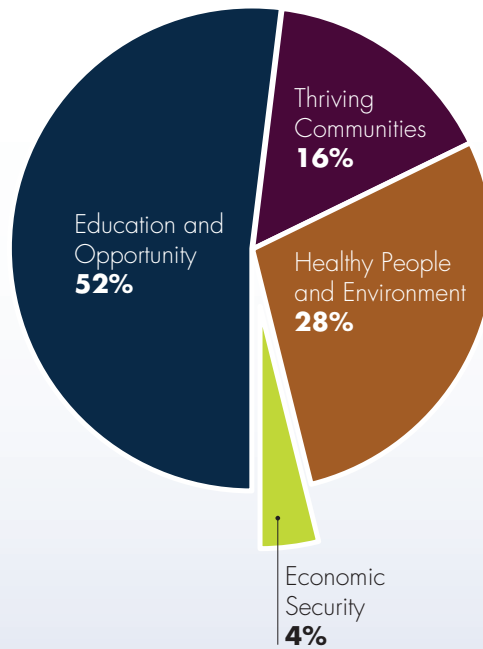
This chapter describes our shared efforts to ensure that everyone has economic security in the state. It includes goals, measurable outcomes, and spotlights on key issues.

GOALS

Provide Work Supports and Assistance Meeting Basic Needs

- Workers will be able to balance jobs and family life and see a rising standard of living through employment.
- Workers will be insured against unsafe workplaces and job loss.
- People will have access to healthy, affordable food and will not suffer from hunger.
- People will have access to safe, affordable housing and financial assistance for basic needs.
- Pathways out of poverty such as job training, employment assistance, and asset development will be widely available.

Economic Security in the State Budget



State general fund plus only. Source: BPC analysis of LEAP data.

Economic Security

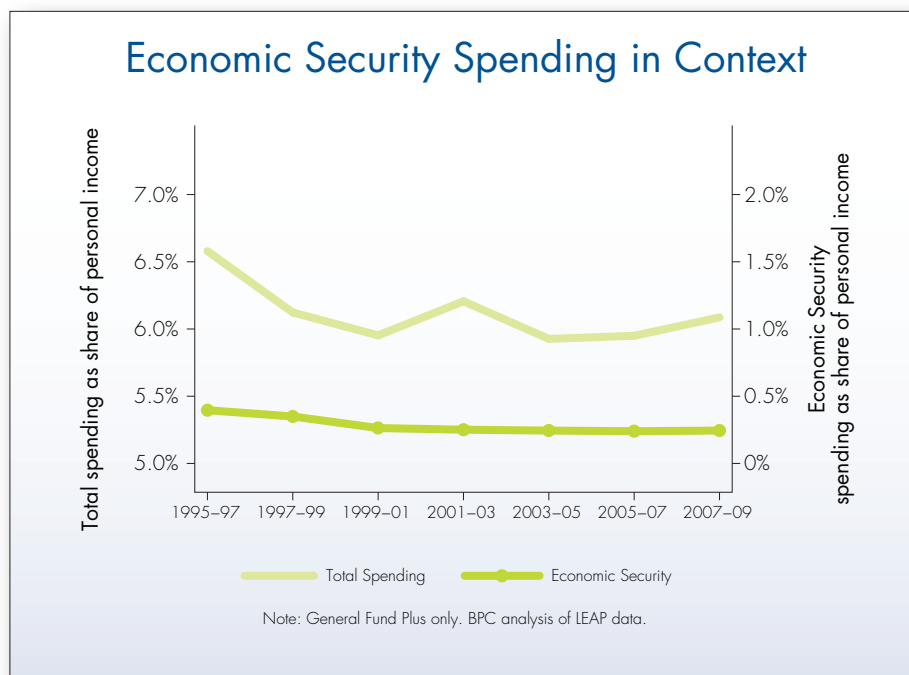
2007 – 2009 Operating Budget (in millions)

	GENERAL FUND PLUS	OTHER STATE SOURCES	FEDERAL	OTHER
Provide Work Supports and Assistance				
Meeting Basic Needs	1,352	670	1,895	74
Economic Security	\$1352	\$670	\$1,895	\$74

Important Changes in State Spending for Economic Security

Provide Work Supports and Assistance Meeting Basic Needs

- Spending on Economic Security fell as a share of personal income in each biennium from 1995-97 to 2005-07.
- Funding rose in the 2007-09 budget due to increased reimbursement rates for child care centers and a new collective bargaining agreement with family child care providers.



SPOTLIGHT ON:

Working Mothers and Unemployment Insurance

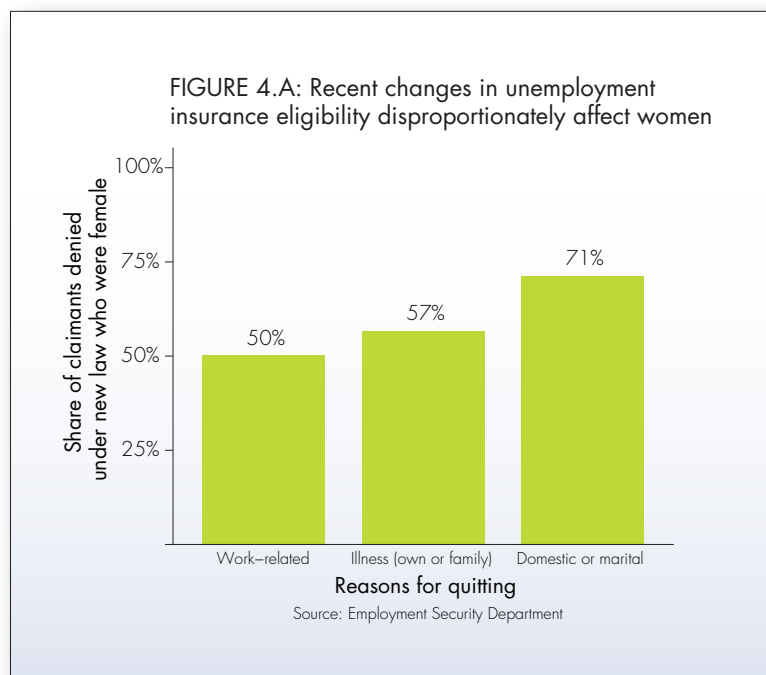
Over the last three decades, mothers have contributed significantly more to family income while still maintaining traditional household responsibilities. The growth in labor force participation among married mothers during that time has been the sole source of income growth among lower and moderate income families.

The labor market often makes it difficult for working mothers to balance all the demands on their time and talents. For example, while a recent survey found that 60 percent of working mothers believe that part-time work would be ideal for them, the reality is that part-time jobs often do not meet their needs.³⁵ Only one in four part-time jobs offers health insurance.³⁶ Only one in five offers paid personal or sick leave.³⁷

In addition, when women lose their jobs, the state's unemployment insurance program often fails to meet their needs. Unlike in 23 other states, the availability of unemployment insurance benefits is strictly limited for unemployed workers who are seeking part-time, rather than full-time, work.³⁸

Many women leave work to take care of family members. But changes made in 2003 to the state unemployment benefits system restricted the reasons why workers could quit their job and still receive benefits. These reasons include losing child care, taking a leave of absence to care for a sick parent, or walking away from an abusive workplace.

A recent study found that about 3,300 workers in Washington were denied unemployment benefits in 2005 who would have received them before the changes. Seventy-one percent of those who had quit because of family responsibilities were women (Figure 4.A).



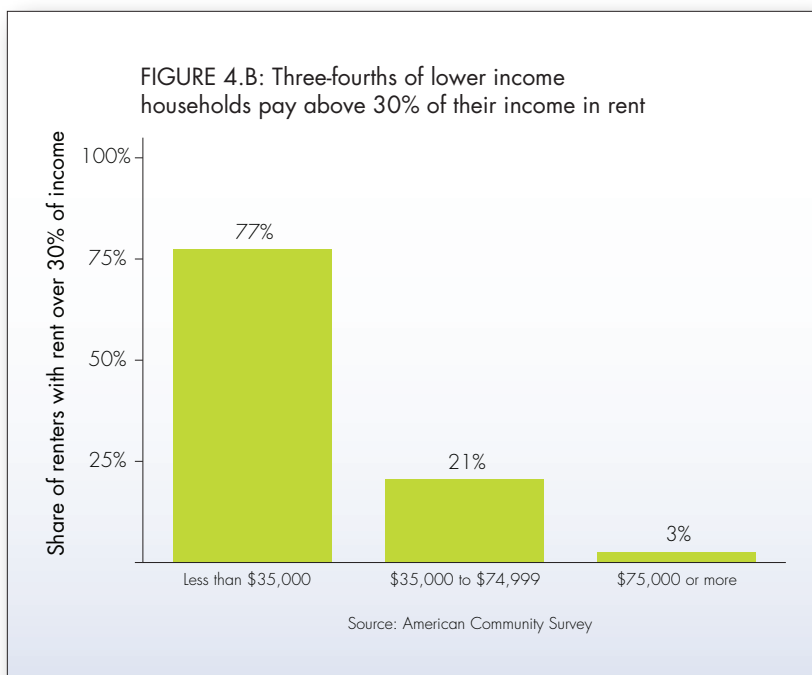
SPOTLIGHT ON: Housing

Safe and affordable housing is an important component of economic security. Stable housing is a key variable to getting jobs, educational attainment, and health care. Research shows that quick rehousing plus supportive services can have a long-term impact on homelessness.³⁹

But affordable housing is not readily available to many people living in Washington State: three-fourths of renters with incomes under \$35,000 were paying more than 30 percent of their income in rent in 2007 (Figure 4.B).

The state has made long-term investments in trying to address the lack of affordable housing. In 1987, the Washington State Housing Trust Fund was created as a source of capital funding to support affordable housing for lower income Washingtonians. The Fund supports the construction, acquisition or rehabilitation of over 4,500 units every two years.⁴⁰ In 2008, the Fund was increased to \$200 million for the biennium.

Despite the increased investment, state funding is still inadequate to meet the housing needs of lower income people. Increased construction costs, land prices, and a growing population have absorbed the additional funds without providing enough affordable housing to those who need it.



SPOTLIGHT ON: Asset Limits

Washington State encourages lower income families to build assets through the state's Individual Development Accounts program. IDAs match the savings of lower income families to help build assets that can be used to start a business, buy a home, or pay for college.

But in other instances, the state inadvertently discourages asset building. Families with short-term disabilities to meet basic needs can be refused temporary cash assistance (TANF) from the state based on the amount of assets they own. For example, a family applying for benefits would be turned down if they had more than \$1,000 in a retirement account. In order to be eligible, they would have to withdraw and spend at least a portion of their savings.

There is a \$5,000 exemption for vehicles. However, this amount is often insufficient to allow families to own reliable transportation.

This system works against shared goals. Public programs should help people meet temporary needs without requiring them to deplete modest savings. And restricting car ownership creates obstacles to succeeding in the labor market.

This problem has been recently addressed in the state's Basic Food Program, which no longer uses asset limits. However, the state's asset limits on cash assistance remain among the most stringent in the nation.⁴⁰