

## WOMEN, WORK, and WASHINGTON'S ECONOMY

### How State Budget Cuts are Hurting All Three

By Lori Pfingst

#### Introduction

Few of us have escaped the pain of the Great Recession, but the downturn has had an especially severe impact on women in our state. Of the \$10 billion in state spending cuts already made, 93 percent have targeted education, health, and human services – areas that disproportionately employ and serve women. This is taking a major toll on the economic well-being, health, and safety of women and their families:

- **Fewer jobs for women and persistent overall unemployment.** Over half of public service jobs are in education, health, and social services, where women make up nearly three-quarters (72 percent) of the workforce. Cuts in these areas have forced a large number of women out of work, contributing to stubbornly high unemployment overall.
- **Women's economic disadvantages prior to the recession made them more vulnerable to cuts.** Women are at greater risk for poverty than men due to their large numbers in lower-paying fields and under-representation in higher-paying jobs; greater likelihood of working part-time; earnings that are lower, on average, than men's; and their role as primary caregivers for children, which affects whether and how much they can work.
- **Cuts to work supports especially jeopardize women's ability to work and meet their families' basic needs.** Time limits have cut 23,000 Washingtonians off from resources that support work and keep them engaged with the economy. Over 27,000 fewer families are receiving assistance to help them afford child care so they can work. After recent cuts, cash assistance provides just 27 percent of the resources families need to meet basic needs.
- **Cuts to reproductive health programs threaten maternal and child health.** In 36 of 39 counties in Washington state, use of Maternity Support Services, a program proven to promote healthier pregnancies and safer births, has declined. Forty-nine family planning agencies have lost funding, resulting in 46,000 fewer women receiving critical reproductive health services.
- **Less help for survivors of domestic violence and sexual assault as need is rising.** The Governor has proposed cuts to assistance for victims of violence just as two alarming trends appear to be on the rise in Washington – more women are seeking help for domestic violence and sexual assault, and are increasingly requesting help with finding shelter, feeding their children and other economic hardships.

We need a state economy and budget that works for all Washingtonians. Given the important contributions women make to family economic security, child well-being, and the education and health of our population, it is essential that policymakers consider their needs to ensure a fair and just recovery. As the state grapples with an additional \$1.5 billion shortfall this legislative session, it is critical that we raise revenue, asking for more from those who can best afford it, to prevent cuts that would further threaten not just the well-being of women, but all of us.

### Cuts to education, health, and human services especially harmful to women

Public investments are necessary to create jobs, build a strong economy, and ensure a high quality of life for Washingtonians. We all benefit when our state makes investments that promote economic security, open doors to education, and lay a foundation for healthy people and communities.

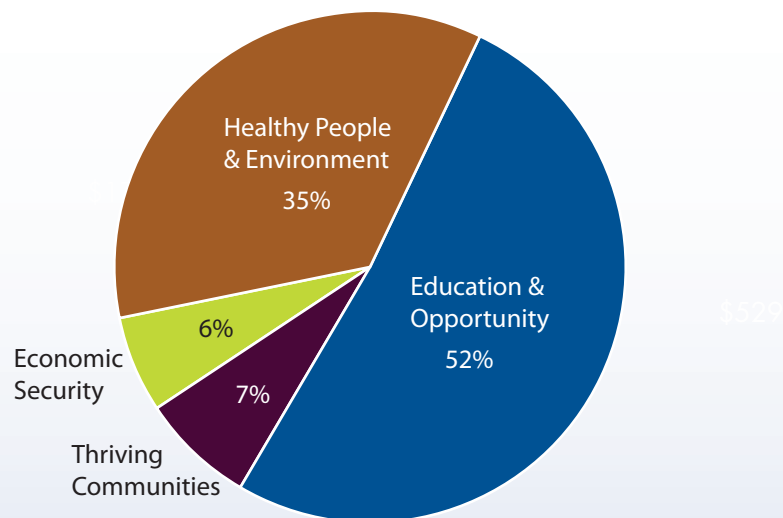
But these investments have been steadily declining in the wake of the recession. An unprecedented drop in revenue resulted in an \$18 billion hole in the state budget. Instead of taking a balanced approach that included raising revenue alongside carefully thought-out cuts, lawmakers so far have slashed \$10 billion, 93 percent of which occurred in education, health, and social services (**Figure 1**).

Service cuts hurt all of us, but they are especially painful for women. The high concentration of women employed in public service jobs, the importance of child care and other work supports for their economic security, and their reliance on services that promote healthy child birth and protect them from violence make recent budget cuts especially harmful to women.

### Fewer jobs for women and persistent overall unemployment

Over the past 40 years, the growing number of women with jobs outside the home has contributed substantially to economic growth in the nation and Washington

Figure 1: Over 90 percent of Budget Cuts have Occurred in Health, Education, and Economic security



Source: Budget & Policy Center calculations; data from LEAP

state. Much of the rise in America's prosperity during the latter half of the 20th century came from the majority of adult women entering the labor force. For families, this has created more financial security and greater social and economic opportunities, such as owning a home and sending children to college. Today, women make up nearly half (48 percent) of the people working in Washington, and three of every four women age 20 to 54 work, just below the rate for men.<sup>1</sup>

In Washington, nearly one of every five women (19 percent) is employed in public service.<sup>2</sup> Women represent 74<sup>3</sup> percent of the teachers educating our children and preparing them for success as adults. They are health professionals who provide emergency medical care, give immunizations that protect us from disease, and keep our air and water safe. And they are social workers who help people find jobs and other resources to help families meet their basic needs during tough times.

In fact, 59 percent of all public service jobs in our state are held by women.<sup>4</sup> Moreover, 55 percent of government jobs are in education, health, and social services, where women make up nearly three-quarters (72 percent) of the workforce (**Figure 2**).

Reductions in state support for fields that primarily employ women are hurting our state's economic recovery. While job loss has been severe for both men and women during the recession, their experiences have been different because the downturn affected male- and female-dominated industries differently.

Among men in Washington, unemployment rose the greatest at the beginning of the recession, as male-dominated industries like construction and manufacturing became the first casualties of the downturn. As **Figure 3** illustrates, men's unemployment skyrocketed starting in 2008 and remained high until early 2010, when it started a gradual decline.

Figure 2: Women Make Up Three-Quarters of Public Sector Jobs in Education, Health, and Social Services

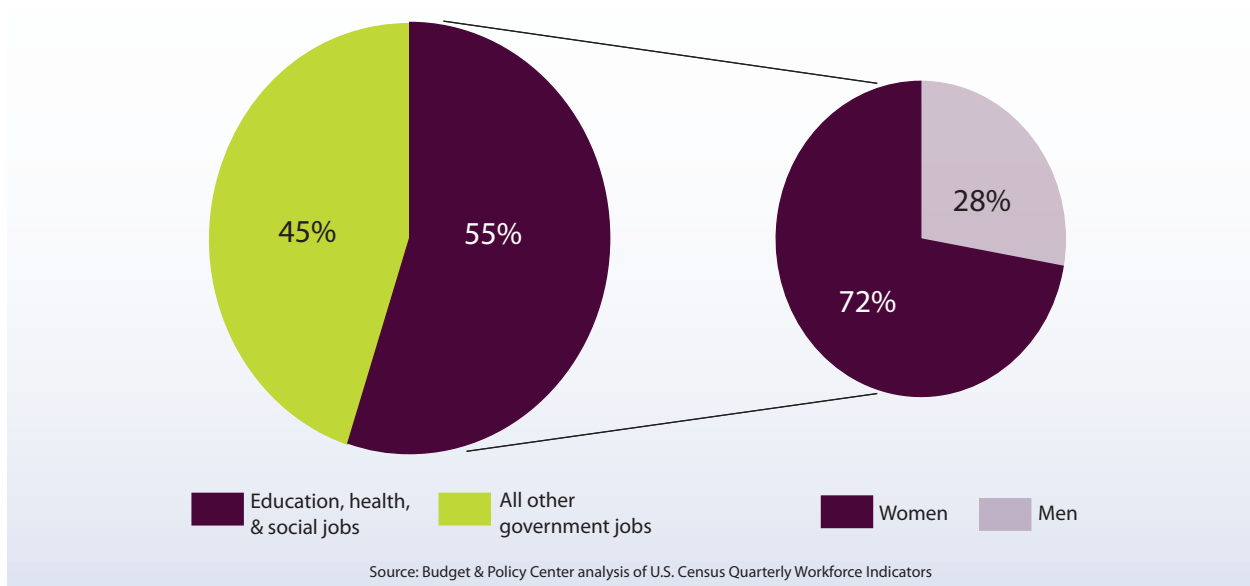
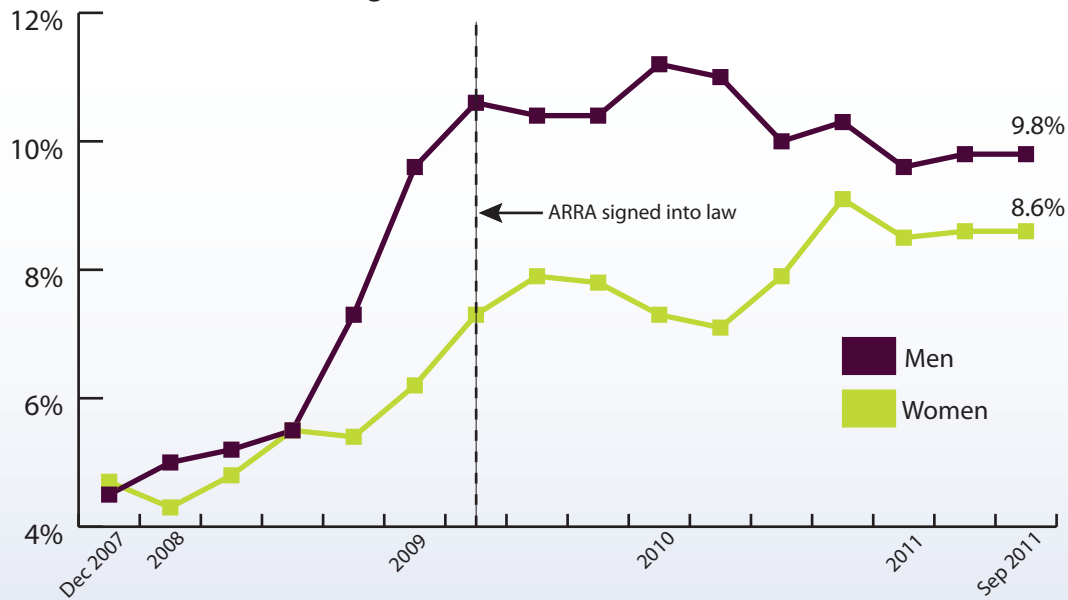
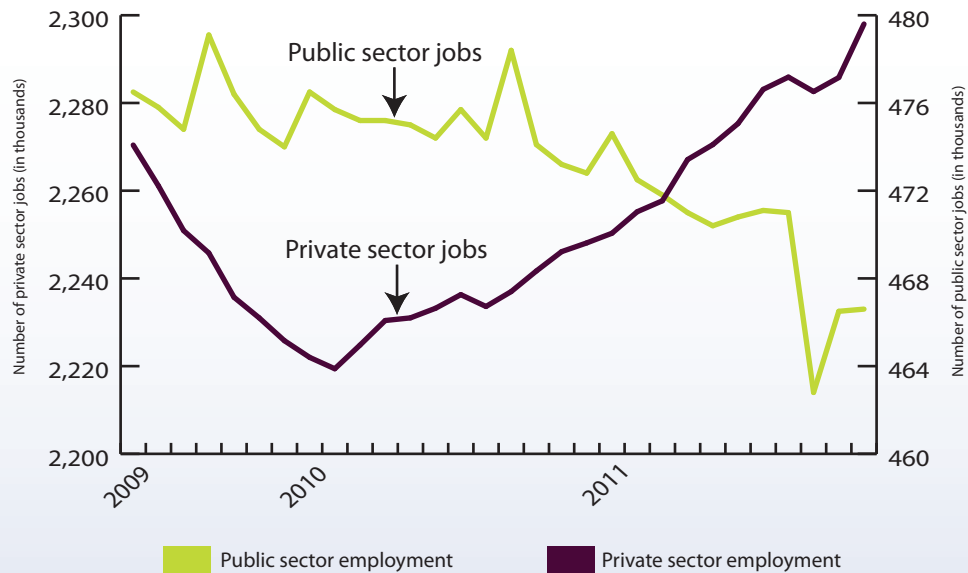


Figure 3: Rise in Women's Unemployment Associated with Loss of Funding for Education, Health, and Social Services



Source: Economic Policy Institute and Budget & Policy Center analysis of Current Populations Survey data

Figure 4: Shedding of Public Sector Jobs Contributing to Stubborn Unemployment Rate



Source: Economic Policy Institute and Budget & Policy Center analysis of Current Population Survey data

A different pattern emerged among women. Unemployment increased significantly for women in the beginning, then declined, but shot up again at the end of 2010.

The difference is partially due to women’s greater likelihood of being employed in state and local government, especially in education, health, and social services. The 2009 American Recovery and Reinvestment Act (ARRA) provided some funding for states to stabilize their budgets in the wake of the recession, initially stemming the tide of job loss in these fields and contributing to women’s lower rates of unemployment compared to men. But as that money ran out, revenues continued to decline, cuts ensued, and women’s unemployment escalated.

These job losses not only undermined women’s recovery, but our overall economic progress. While the private sector has been steadily gaining jobs, the

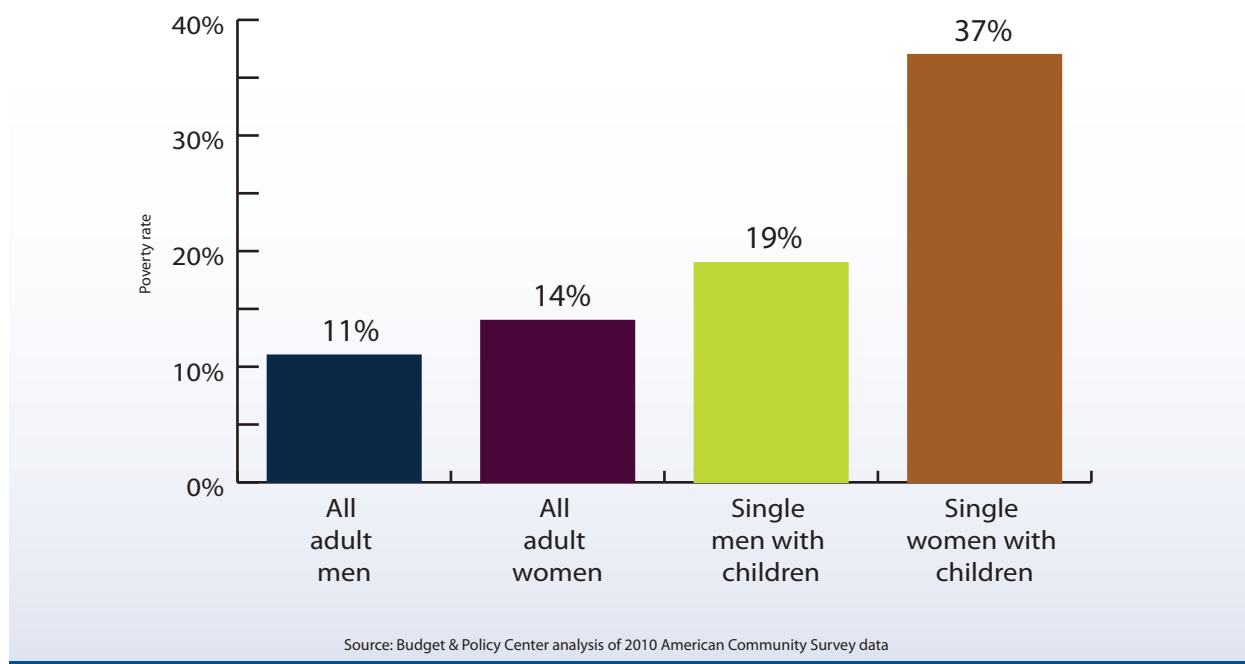
shedding of public jobs has kept the overall unemployment rate stubbornly high (Figure 4).

*Women’s economic disadvantages prior to recession made them more vulnerable to cuts*

Several factors put women at an economic disadvantage even before the recession began. Most notable is that they are less likely to earn as much as men (Box 1), and they remain the primary caregivers of children, which affects whether and how much they are able to work.

Lower overall earnings, coupled with caregiving responsibilities, puts women – especially single women with children – at greater risk for poverty than men. The overall poverty rate in Washington for women and men is 14 percent and 11 percent, respectively, and for single women with children it is a staggering 37 percent (Figure 5).

Figure 5: Women are More Likely to Live in Poverty than Men



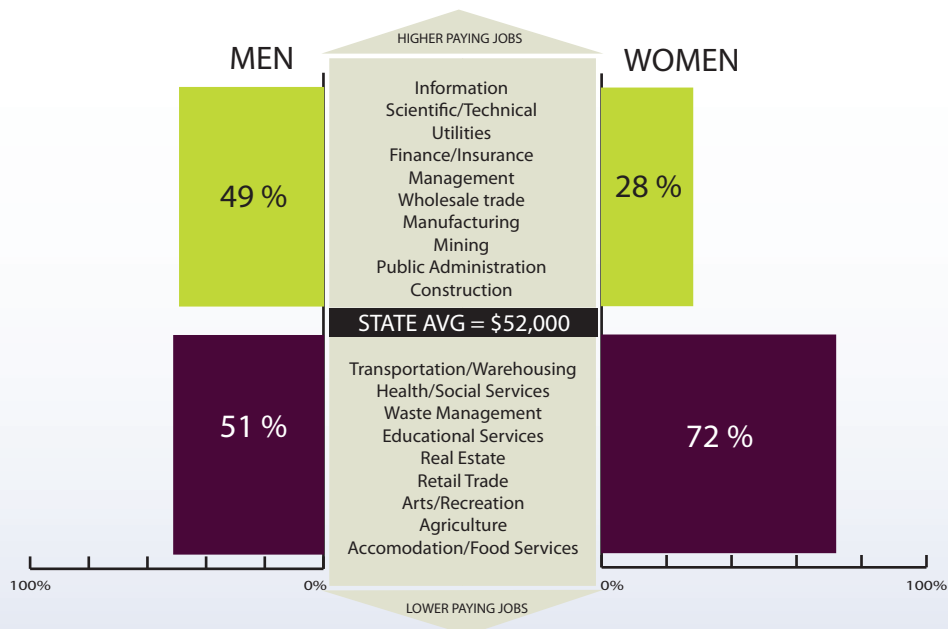
## Box 1: Why Women Typically Earn Less than Men

Women contribute significantly to the overall economy, family economic security, and remain the primary care-givers for our children. State investments that promote women’s economic security and support their well-being, therefore, benefit all of us.

But several factors put women at an economic disadvantage even before the recession began. Most notable is that women are less likely to earn as much as men due to structural inequalities:

- **Women are less likely to work as many hours outside the home as men, often so they can care for children.** In Washington, just over half (52 percent) of women work full-time,<sup>5</sup> compared to 65 percent of men, resulting in lower earnings.<sup>6</sup> Women who choose to or must work often face barriers that may affect how many hours they are able to work, including costly child care, inflexible work schedules, and a lack of paid sick days.
- **Women are under-represented in higher-paying fields, and over-represented in lower-paying fields.** Nearly three-quarters (72 percent) of women work in industries where earnings are below the state average (\$52,000), compared to just 51 percent of men (see **Figure**).<sup>7</sup>
- **The “wage gap” between men and women is significant.** Women who work full time still earn, on average, just 76 cents for every dollar men earn – \$41,055 annually compared to \$54,194 for men.<sup>8</sup> While the degree of this “wage gap” varies by field, there is no industry in Washington where women earn the same as men, even when accounting for educational background.<sup>9</sup>

A High Concentration of Women Work in Jobs that Pay Less than State Average



Source: Budget & Policy Center analysis of Quarterly Workforce Indicators

*State investments in work supports are critical for women's and children's recovery*

Because women are often at an economic disadvantage, supporting their ability to work is especially critical. Investments in Temporary Assistance for Needy Families (TANF), WorkFirst, and Working Connections Child Care (WCCC) ensure low-income families can meet their basic needs and get affordable child care so parents can work. Women represent 78 percent of adults receiving TANF/WorkFirst, and children make up 70 percent of the entire caseload (Figure 6).

Significant cuts have been made to TANF, WorkFirst, and WCCC since the recession began, making it harder for women to contribute to their families' economic success and meet their children's basic needs:

- **Reduction in TANF/WorkFirst cash grant covers just 27 percent of a family's basic needs.** The value of cash assistance has declined substantially. In 1983, a family of three (a single parent and two children) received 63 percent of what they required to cover basic needs, as defined by Washington's own need standard.<sup>10</sup> Today, just 27 percent is covered, and that would decline to 26 percent (Figure 7) under proposed cuts.
- **Enforcement of 60-month time limit denies critical benefits to 23,000 families.** In February 2011 a time limit was enforced on families that had been receiving TANF for 60 months or more. Over 17,000 families immediately lost TANF, cutting them off from one of the only lifelines some had for meeting basic needs, like food, shelter, and clothing. In just one year, 33 percent more families have lost benefits (Figure 8). A proposed 48-month limit would immediately cut off an additional 2,000 families.

Figure 6: Women and Children Represent the Vast Majority of People Receiving TANF

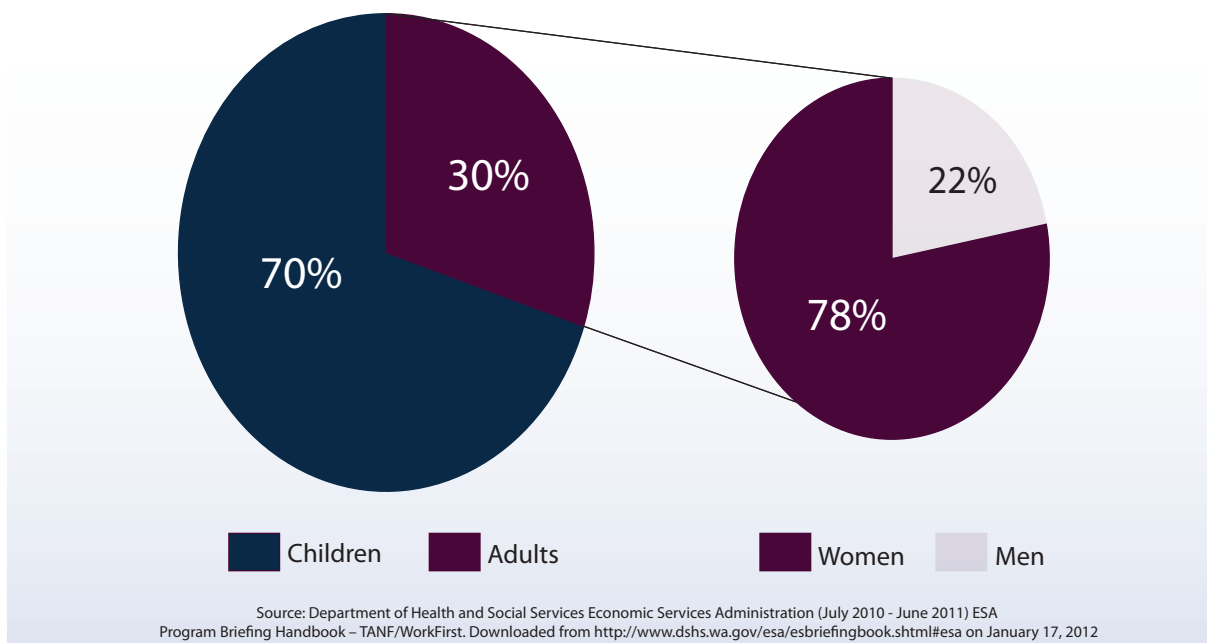
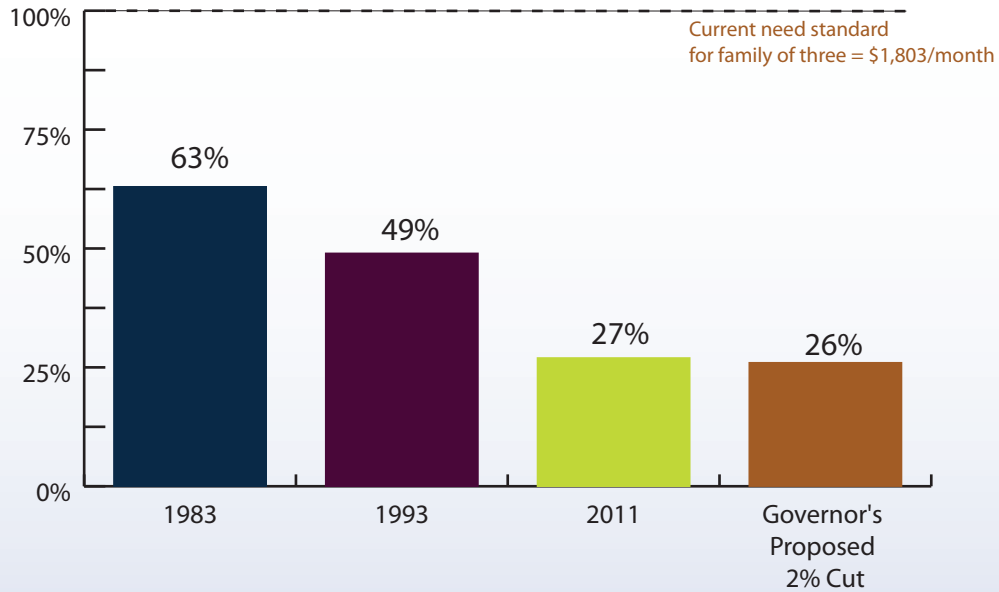
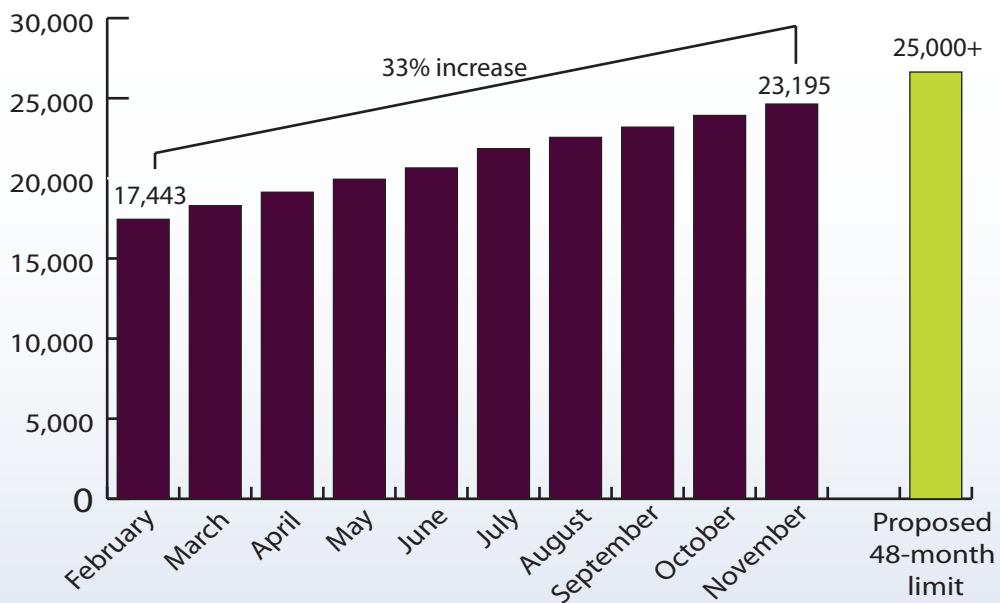


Figure 7: Recent Cut to TANF Cash Grant Covers Just 27 Percent of the Resources Needed to Meet a Family's Basic Needs



Source: Budget & Policy Center calculations of DSHS data and WAC standards

Figure 8: Over 23,000 people in WA have lost TANF/WorkFirst assistance so far; at least an additional 2,000 will lose benefits under proposed 48-month limit



Source: Budget & Policy Center analysis of DSHS data



- **Over 27,000 families lose child care support following cuts to TANF and WCCC.** Since 2011, over 27,000 families have lost assistance that helped them afford child care so parents could work. The enforcement of a 60-month time limit for TANF benefits, coupled with a reduction in eligibility for WCCC to 175 percent from 200 percent of the federal poverty line,<sup>11</sup> has reduced the WCCC case-load by 38 percent in just one year (**Figure 9**).

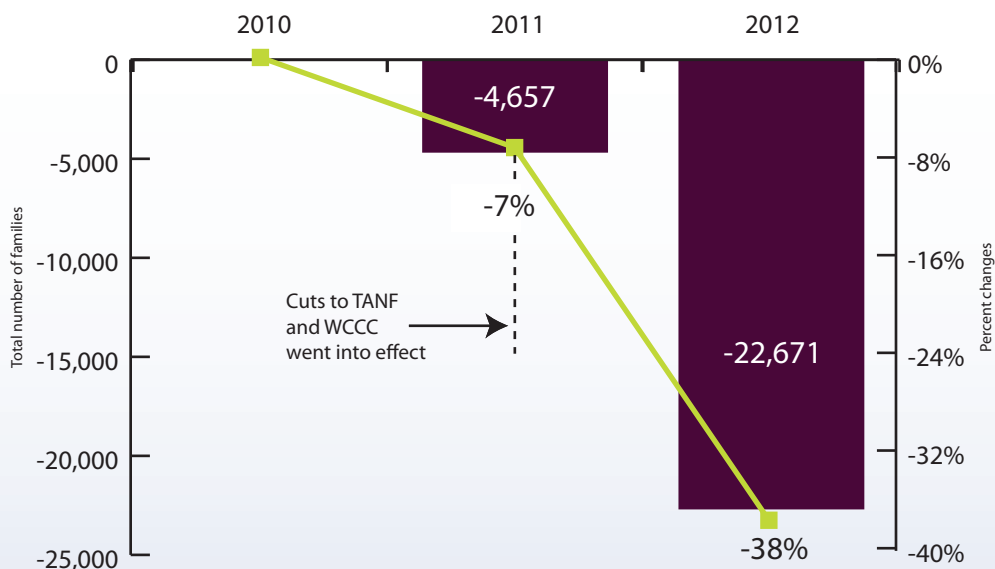
*Cuts to reproductive health programs threaten maternal and child health*

Washington state provides a range of reproductive health services intended to promote healthy pregnancies for mothers and babies, while reducing the number of unintended pregnancies. For example, the Department of Health funds a network of local family planning providers throughout the state.<sup>12</sup> For every \$1 spent on family planning, \$4 is saved in lower rates of unintended pregnancy and improved maternal and child health outcomes.<sup>13</sup>

In addition, Maternity Support Services (MSS) provides low-income women with the medical care, education, and counseling they need to be healthy during and after pregnancy. Women who receive MSS are more likely to seek prenatal care, which reduces low birth weight among babies and improves the number of healthy births.<sup>14</sup> Since 2009, cuts to MSS and family planning grants have reduced the number of women receiving this vital care:

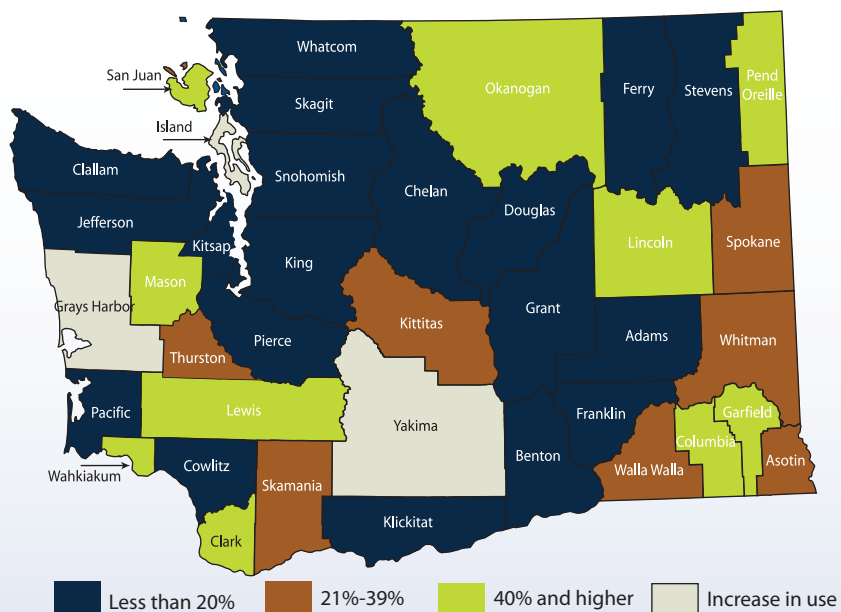
- **In 36 of 39 counties use of Maternity Support Services fell following cuts.** A \$23 million funding cut has meant fewer MSS providers, limiting the availability of services. The majority of counties have seen a decrease in use of MSS, with rural counties experiencing the sharpest drops (**Figure 10**).
- **Over 46,000 fewer women being served by family planning agencies .** Over \$3.5 million has been cut for family planning, reducing the number of agencies funded from 119 to 70. As a result, these agencies served 46,000 fewer women in 2011 compared to 2009.<sup>15</sup>

Figure 9: Over 27,000 Families Have Lost Child Care Support Following Budget Cuts



Source: Budget & Policy Center analysis of Department of Early Learning data

Figure 10: Use of MSS Services Decreased in 36 out of 39 Counties Following Budget Cuts



Source: WA Department of Health and Social Services analysis of First Steps Database

*Less help for survivors of domestic violence and sexual assault as need is rising*

Living in a home where you feel safe and free of violence is essential to overall well-being. Violence, however, is an all-too-common experience for women and children in Washington state, and the recession appears to be escalating the need for domestic violence and sexual assault services.

Tracking domestic violence and sexual assault is notoriously difficult due to underreporting. However, there is a strong correlation between economic stress and violence against women and children.<sup>16</sup> Economic stress not only increases the likelihood of violence against women and children; victims are also more likely to experience greater economic stress when trying to escape violence.

Two alarming trends appear to be on the rise – more women are seeking help for domestic violence and sexual assault, and a growing number are requesting economic help at the same time.

Three of every four domestic violence shelters in the U.S. report an increase in women seeking services for abuse since September 2008, according to a survey by the Mary Kay Ash Foundation, a private foundation that supports organizations seeking to end violence against women.<sup>17</sup> Shelters are at maximum capacity even as the economic hardship caused by the recession is making it more difficult for other women to leave abusive households, according to reports from across the country compiled by the National Network to End Domestic Violence.<sup>18</sup>

Anecdotal evidence in Washington mirrors these trends, just as the state is proposing a 20 percent cut in grants to organizations supporting survivors of domestic violence and sexual assault. Organizations throughout Washington state are grappling with what services they will have to eliminate, and how it will affect our communities (**Box 2**).

## Box 2: Jessica's story

After her mom lost her job and their home in the recession, 9-year-old Jessica\*, her mother, and her two younger sisters moved in with a man from their church, who offered them his home as a chance to get back on their feet.

But something didn't seem quite right with Jessica after the move. Her behavior in the classroom raised her school counselor's concern about potential sexual abuse, and Jessica was referred to the King County Sexual Assault Resource Center (KCSARC). As a therapist was meeting with her, Jessica asked, "What happens to kids if they tell what's happening at home"?

At first Jessica was reluctant to tell the therapist what was happening for fear she would "get in trouble" and that her family would become homeless. But the center's skilled staff built a trust with Jessica, and she finally revealed that she was being sexually abused by the man whose home they were living in.

Thanks to organizations supporting survivors of sexual assault, Jessica and thousands of other women and children are receiving the resources they need to recover from violence. But such critical services are threatened by severe state budget cuts, just as demand is increasing.

Christine Wall, Director of Alternatives to Violence in the Palouse (ATVP) in Pullman, says that more women are coming to the shelter, and their needs have been compounded by the recession:

*"Many women are at the end of their rope when they arrive here. In many situations, they and/or their partner have lost a job or social benefits, and we are seeing more emotional and mental health issues than in the past."*

Similarly, the King County center has seen almost a 20 percent increase in the number of sexual assault cases involving children since the recession began, as well as a rise in economic stress among the families they serve. According to Mary Ellen Stone, the center's director,

*"Our intake counselors report that referrals for food, shelter, and financial services are at an all-time high."*

Under Governor Gregoire's 2012 proposed budget, there would be a 20 percent cut to state grants for organizations providing direct services and shelter for survivors of violence. Both the King County and Pullman organizations say the cuts will severely compromise their work on prevention and their ability to provide a safe haven and other services women need to protect themselves and their children. Wall says,

*"We budget on a shoestring as it is. The women who come to us are desperate for a safe place to escape violence, and resources to help them get back on their feet. If our budget is cut, we will have to provide Band-Aid solutions that ignore the services women need to keep them and their children safe in the long-term. I am afraid of what will happen to our communities if we can't keep providing the full range of services we do now."*

\*Name has been changed to protect confidentiality.

## Conclusion

Public investments have a crucial role to play in women's economic recovery and overall well-being. Investments in education, health care, and social services create jobs for women, who, in turn, make significant contributions to their families' economic vitality, the education of our children, and the health and social well-being of our population. In addition, state investments help more women and children achieve economic security, promote healthy pregnancies and births, and protect women and children from violence. Cuts to these areas are undermining women's recovery by hindering their employment, reducing work supports, and eliminating programs that keep them, and their children, healthy and safe.

As the state grapples with an additional \$1.5 billion shortfall this legislative session, it is critical that policymakers raise revenue to prevent cuts that would further threaten not just women's, but all of our well-being.

With crisis comes opportunity. Now is the time to create a budget that works for all Washingtonians and puts our state on a stronger, equitable path to prosperity.

## Acknowledgments

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## Endnotes

1. Budget & Policy Center analysis of 2010 American Communities Survey data
2. Budget & Policy Center calculations of U.S. Census Quarterly Workforce Indicators
3. Budget & Policy Center calculations of U.S. Census Quarterly Workforce Indicators
4. Budget & Policy Center calculations of U.S. Census Quarterly Workforce Indicators
5. Full-time is defined as working 35 hours per week for the entire year
6. Budget & Policy Center analysis of 2010 American Communities Survey data
7. Budget & Policy Center analysis of 2010 American Communities Survey data
8. Budget & Policy Center analysis of 2010 American Communities Survey data
9. Budget & Policy Center analysis of 2010 American Communities Survey data
10. WAC 388-478-0015 Need standards for cash assistance downloaded on January 27, 2012 (<http://www.dshs.wa.gov/manuals/eaz/sections/stds4cash.shtml#388-478-0015>)
11. For a family of four, the eligibility level for WCCC dropped from \$44,700 to \$39,113.
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