



BY KRISTIN SCHUMACHER

JUNE 2018

Supporting Working Mothers in California

The share of women balancing work and family life has risen dramatically over the past half century, and now more than ever women's paid work is critical to the financial well-being of their families.¹ In California, the share of mothers in the labor force has increased from 38% to 66% since the late 1960s (Figure 1). As a result, the percentage of mothers who are either the sole breadwinner, primary breadwinner, or co-breadwinner in their family has more than doubled, from 26% to 55% (Figure 2).² The growing share of working mothers means that there are more California households in which all parents are employed, requiring parents to balance paid work and unpaid caregiving responsibilities.

Balancing paid employment and family life is especially difficult for parents with low incomes, as they commonly have jobs with limited benefits and are often subject to unfair scheduling practices.³ This has been the case for women of color, who were working to support their families – often in low-wage jobs – long before white women began to enter the workforce in large numbers.⁴ Currently, due to ongoing gender- and race-based discrimination, women overall are more likely than men to earn low wages, but this is especially true for women of color, who are particularly affected by workplace practices that impede parents' ability to work and care for their families (Figure 3).

Policymakers should adopt or strengthen policies that support the balancing act families engage in every day: caring for family members while participating in the workforce. These policies would recognize the value of caregiving and allow parents to better balance work and family obligations. Further, policymakers should structure these policies so that individuals with low-incomes benefit the most, which would promote economic security. Supporting working mothers means valuing caregiving, expanding access to affordable child care, and addressing unfair scheduling practices.

KEY POLICIES

Policies that recognize the value of caregiving include the following:

- While California leads the nation in paid family leave policy, the state and the nation lag other wealthy countries. State policymakers can **expand California's paid family leave** by increasing the duration of paid leave to six months (from the current six weeks) and by boosting wage replacement levels – particularly for caregivers with low incomes.⁵ These changes would put California on par with other nations.
- State policymakers can **extend the CalEITC to include family members who are not working for pay, but are caring for children younger than school-age, elderly dependents, and dependents with disabilities**. Allowing families with these types of dependents to claim a credit would be an easy-to-implement strategy to recognize unpaid caregiving as a valuable form of work.

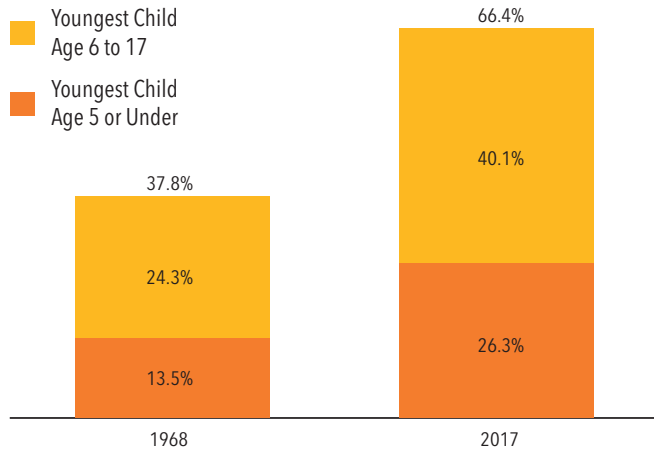
Policies that expand access to affordable child care include the following:

- State policymakers can **increase funding for California's subsidized child care and development programs**, which help families with low or moderate incomes make ends meet and allow them to avoid difficult choices about where to leave their children while at work. Funding for these programs as a whole remains below pre-recession levels, after adjusting for inflation, and far fewer children receive subsidized child care today than before the Great Recession began in 2007.
- Local jurisdictions can follow the lead of Alameda and San Francisco counties by putting forth **local ballot measures to fund additional subsidized early care and education slots** in their county. Only a small fraction of families eligible for the state's subsidized child care and development programs receive services. Local funding for subsidized child care could help address the shortage of affordable care for working families.

Policies to address unfair scheduling practices include the following:

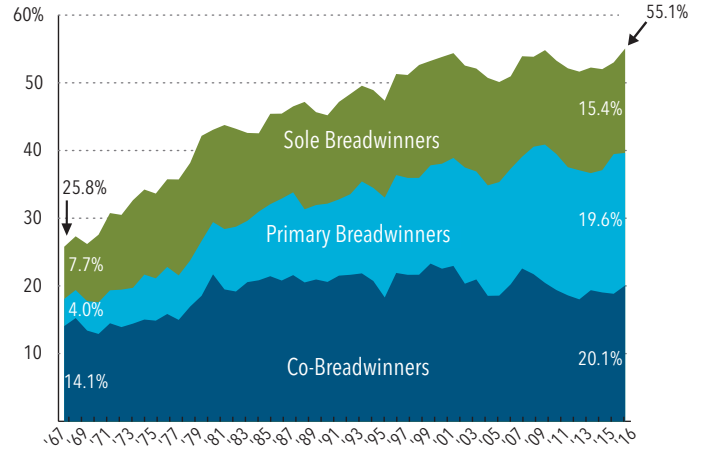
- State policymakers can pass **comprehensive fair-workweek legislation** that gives employees predictable schedules with stable hours. Without a predictable schedule with consistent hours, families have difficulty arranging child care and balancing their household budget. Unpredictable work schedules also make it hard for parents to go back to school or engage in job training, limiting economic mobility.
- In the absence of state action, local jurisdictions can follow the lead of Santa Clara and San Francisco counties and Emeryville and San Jose by **passing ordinances that support fair-workweek policies**.

FIGURE 1 Percentage of Mothers in the Labor Force in California



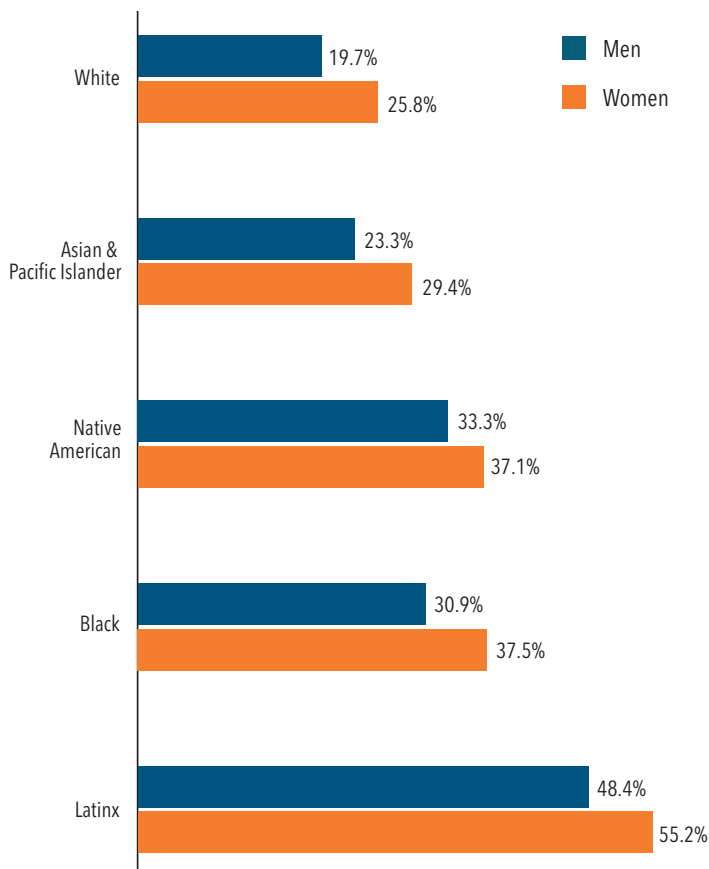
Note: Data are for the civilian, non-institutionalized population ages 16 to 64.
 Source: Budget Center analysis of US Census Bureau, Current Population Survey data

FIGURE 2 Percentage of Mothers Who Are Breadwinners in California, 1967-2016



Note: Data are for the civilian, non-institutionalized population ages 16 to 64.
 Source: Budget Center analysis of US Census Bureau, Current Population Survey data

FIGURE 3 Percentage of Workers Earning Low Wages in California, 2016



Note: Race and ethnicity categories are mutually exclusive. Data are for the civilian, non-institutionalized population ages 16 to 64 and exclude self-employed individuals. Low wages are defined as less than \$14.71 per hour, which was two-thirds of the median full-time, hourly wage in California in 2016.
 Source: Budget Center analysis of US Census Bureau, American Community Survey data

ENDNOTES

- 1 Heather Boushey and Kavya Vaghul, *Women Have Made the Difference for Family Economic Security* (Washington Center for Equitable Growth: April 2016).
- 2 "Mothers" refers to women who are living with at least one of their own children who is under the age of 18. Sole breadwinners are single mothers with earnings who are the head of household without a spouse or cohabitating partner present. Primary and co-breadwinner mothers are either the head of household or married to the head of household with a spouse present. Primary breadwinners earn more than 50% of the total earnings of the mother and her spouse. Co-breadwinner mothers earn more than 25% and less than 50% of the total earnings of the mother and her spouse.
- 3 Julie Vogtman and Karen Schulman, *Set Up to Fail: When Low-Wage Work Jeopardizes Parents' and Childrens' Success* (National Women's Law Center: January 2016).
- 4 For an in-depth discussion of race and work-life balance, see Jocelyn Frye, *The Missing Conversation About Work and Family: Unique Challenges Facing Women of Color* (Center for American Progress: October 2016).
- 5 Women may also receive State Disability Insurance (SDI) for up to four weeks before their due date and up to six weeks after the birth of the child. Combined with SDI, women in California can take 12 weeks of paid, post-partum leave for the birth of a child.

Additional analyses focusing on Boosting Income, Building Wealth, and the Safety Net can be found at <http://calbudgetcenter.org/womens-well-being>. We are thankful to a number of individuals who provided comments on policies to boost women's economic security, employment, and earnings in California. A full list can be found at <http://calbudgetcenter.org/womens-well-being/about>.



BY KRISTIN SCHUMACHER

JUNE 2018

Addressing Pay Inequality and Boosting Income for Women

Despite decades of progress in their education and careers, women – especially women of color – still are paid less than men. In 2016, the median earnings for Latinx women working full-time, year-round were just 42 cents for every dollar earned by white men in California. While white women had the highest median earnings among all women, they still earned just 78 cents for every dollar earned by white men (Figure 1). This “wage gap” is due to multiple factors such as occupational choices and time spent in the labor force, in addition to gender- and race-based discrimination.¹

When women select specific occupations or curtail their time in the workforce, it can affect their earnings and contribute to pay inequality between men and women. For instance, women may choose occupations or leave jobs in order to minimize harassment, which could reduce their earnings relative to men’s as well as lead to greater occupational segregation.² In addition, women provide most unpaid family caregiving, which often results in periods outside the paid workforce and, upon returning to work, less time at the office, which can also affect job opportunities and earnings throughout their careers. Finally, jobs that have a high share of women relative to men, such as child care workers or social workers, often have lower pay regardless of skill level or education.³ Because of these and other factors, women comprise more than half of workers in the lowest-paid occupations in California, while only about 1 in 3 women work in the highest-paid occupations (Figure 2).

Women’s earnings are critical to their family’s economic security. The California Earned Income Tax Credit (CalEITC) is a refundable state tax credit that helps working families with low incomes meet their basic needs. Women make up the majority of tax filers with children eligible to claim the CalEITC, and by expanding the tax credit, policymakers would help women that struggle to make ends meet by boosting their income.⁴ Policymakers should also take further actions to address pay inequality and strengthen harassment policies to ensure a safe workplace for all employees. These actions could increase women’s financial security, which would benefit the state’s economy, too.

KEY POLICIES

Policies to address pay inequality and to enhance workplace safety include the following:

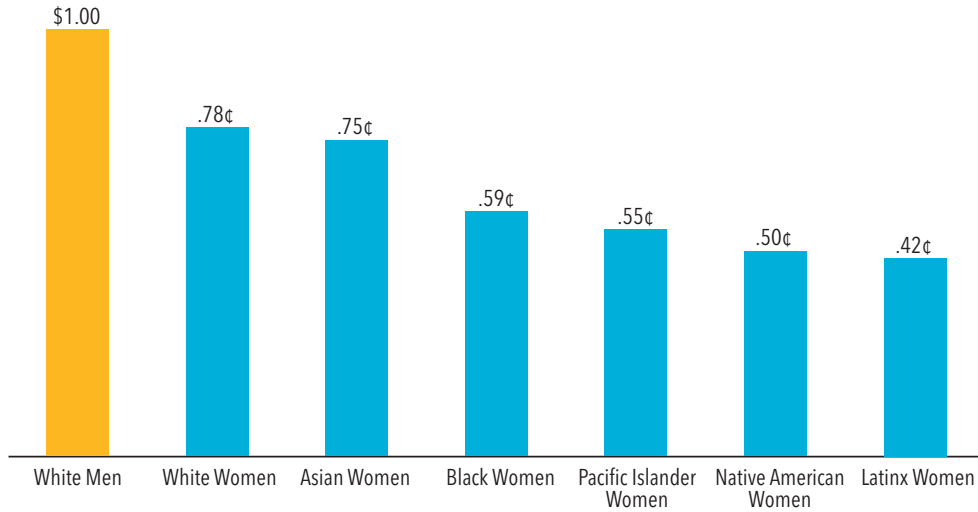
- California has some of the strongest equal pay laws in the US.⁵ State policymakers can ensure that the state continues to lead on this issue by **requiring large businesses to annually report to the state pay and job title data** by gender, race, and ethnicity and by making the aggregate data public. This would give employers the opportunity to self-audit employee pay while also allowing the state and other stakeholders to monitor pay inequality in California.
- State policymakers can improve laws that protect workers from harassment in the workplace by **extending the statute of limitations to file a harassment claim** from one year to three and **prohibiting employment clauses that require forced arbitration for sexual harassment as a condition of employment**. While sexual harassment occurs regardless of income or occupation, women with low incomes may be particularly vulnerable to harassment at work because they may not have the resources to weather the financial setbacks that can result from the harassment, such as a reduction in work hours, sudden schedule shifts, or even job loss.⁶

Policies to strengthen the CalEITC to boost women’s economic security include the following:

- State policymakers can ensure that the CalEITC continues to help very low-income Californians by:
 - **Increasing the credit’s income eligibility limit** over time so that workers do not lose access to the CalEITC as the state minimum wage rises;
 - **Extending the credit to immigrant workers with Individual Taxpayer Identification Numbers (ITINs)**, who are currently excluded from the CalEITC; and
 - **Providing funds to expand and promote free tax preparation services** to reduce the number of families losing some of their tax refunds to tax filing fees, which could help to increase the number of eligible Californians who claim the CalEITC.

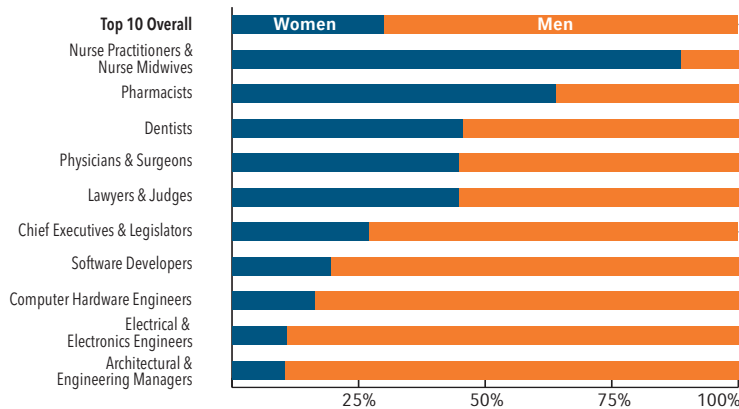
By strengthening the tax credit, policymakers could improve women’s economic security throughout their lives.

FIGURE 1 Ratio of Women’s to White Men’s Median Earnings for Individuals Employed Full-Time, Year-Round in Past 12 Months in California, 2016

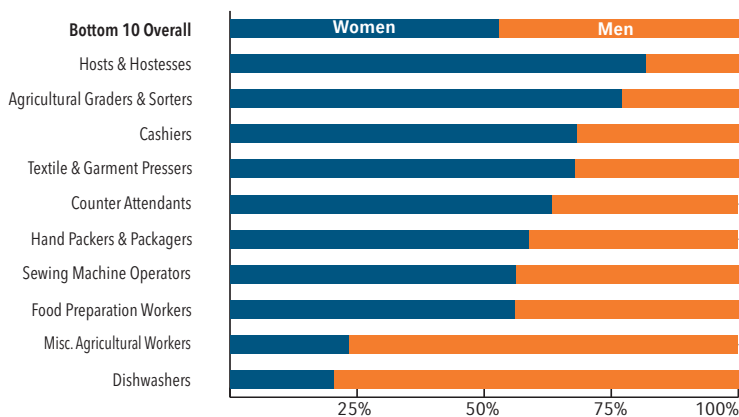


Note: Data are for individuals age 16 and over. “White” excludes individuals who also identify as “Latinx,” which means that the White and Latinx categories are mutually exclusive. For race categories other than White, individuals who identify as Latinx may be counted in both a racial category (e.g., “Black”) and in the Latinx category. As such, Latinx and the non-White racial categories are not mutually exclusive. Source: US Census Bureau, American Community Survey

FIGURE 2 Gender Composition of the 10 Highest-Paid Occupations in California, 2012-2016



Gender Composition of the 10 Lowest-Paid Occupations in California, 2012-2016



Note: Data are for the civilian, non-institutionalized population ages 16 to 64 and exclude self-employed individuals. Highest- and lowest-paid occupations based on estimated median hourly wages. Source: Budget Center analysis of US Census Bureau, American Community Survey data

ENDNOTES

- Francine D. Blau and Lawrence M. Kahn, “The Gender Wage Gap: Extent, Trends, and Explanations” *Journal of Economic Literature* 55 (2017), pp. 789-865.
- Heather McLaughlin, Christopher Uggen, and Amy Blackstone, “The Economic and Career Effects of Sexual Harassment on Working Women” *Gender & Society* 31 (2017), pp. 333-358 and National Partnership for Women & Families, *Sexual Harassment and the Gender Wage Gap* (April 2018).
- Sarah Jane Glynn, *Gender Wage Inequality: What We Know and How We Can Fix It* (Washington Center for Equitable Growth: April 2018).
- Alissa Anderson, *The CalEITC Is a Critical Tool for Improving Working Families’ Economic Security* (California Budget & Policy Center: April 2018).
- American Association of University Women, *AAUW Policy Guide to Equal Pay in the States* (Updated April 2018).
- Jocelyn Frye, *Not Just the Rich and Famous* (Center for American Progress: November 2017) and Fatima Goss Graves, et al., *Reality Check: Seventeen Million Reasons Low-Wage Workers Need Strong Protections From Harassment* (National Women’s Law Center: 2014).

Additional analyses focusing on Work Supports, Building Wealth, and the Safety Net can be found at <http://calbudgetcenter.org/womens-well-being>. We are thankful to a number of individuals who provided comments on policies to boost women’s economic security, employment, and earnings in California. A full list can be found at <http://calbudgetcenter.org/womens-well-being/about>.



BY KRISTIN SCHUMACHER

JUNE 2018

Helping Women in California Build Wealth

Women use their income to pay for day-to-day household expenses, but wealth is the key to economic security. Wealth is a measure of what a person owns, minus their debt. Wealth allows families to weather financial setbacks, save for a rainy day or retirement, or even to boost the financial security of their children. When women are paid less than men, they accumulate less wealth over time. Moreover, women are more likely to work part-time or in low-wage jobs – often due to circumstances outside of their control – which restricts access to benefits that boost wealth, such as job-based retirement plans. This “wealth divide” is even larger for women of color, due to ongoing discrimination and a legacy of policies inhibiting their ability to earn and save.¹ In the US, the median wealth for single black and Latinx women is \$300 and \$1,200, respectively, which is far less than the wealth of white men and women (Figure 1). Currently, in California homeownership and business ownership rates for women of color are quite low relative to white women (Figure 2 and Figure 3).

Certain wealth-stripping practices can also undercut women’s ability to save. For example, government-imposed fines and fees disproportionately affect people with low incomes. These charges can include parking tickets, application fees, and assessments imposed on people involved with the criminal justice system. Unpaid fines and fees can result in mounting debt, lower credit scores, and wage garnishment, which could make it difficult for people to pay for rent, food, or other basics. Criminal justice-related fees, in particular, place a heavy burden on women, who often pay these charges for family members.² In addition, predatory lending practices, such as payday loans, often target low-income women and women of color and can burden families with debt by charging high fees and interest rates.³ These practices can even affect women’s ability to buy a home or own a business – two critical ways to build wealth.

Increasing women’s wealth would improve their financial security and create additional wealth-building opportunities over time, potentially affecting multiple generations. State policymakers should take action to promote wealth building for women, while also curbing wealth-stripping practices that erode Californians’ financial security, exacerbate race-based inequities, and create roadblocks to economic success.

KEY POLICIES

Policies to promote wealth building for low-income women include the following:

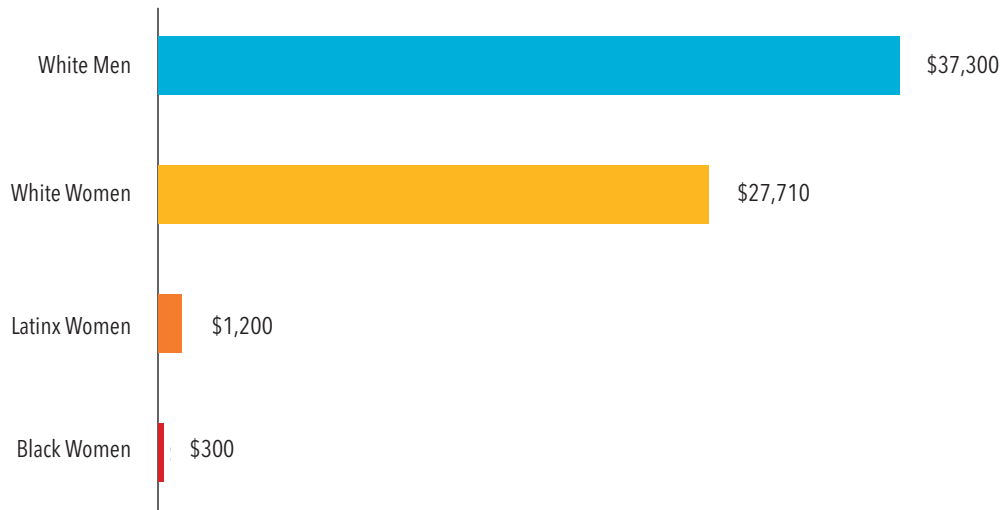
- High housing costs lock many Californians out of homeownership – a major wealth-building tool. Cities and counties can **create pathways to homeownership for individuals with low incomes**, using an array of tools, such as shared equity programs. Shared equity programs can help individuals afford a home by lowering initial costs. When selling the home, the homeowners retain a limited share of the proceeds, with the remainder reinvested in the program, which maintains affordability for future buyers with low incomes.⁴
- State policymakers can **fund outreach to boost participation in CalSavers**, California’s voluntary retirement savings plan for the millions of workers who don’t have access to a retirement plan through their employer. Women make up over half of the target population for this new program. CalSavers will launch in 2019 and, when coupled with the \$15 minimum wage, could boost low-income workers’ retirement incomes by 50%.⁵
- State policymakers can follow the lead of eight other states and **eliminate asset limits for CalWORKs**, the state’s welfare-to-work program. Most families cannot receive CalWORKs cash assistance if they have more than \$2,250 in savings or certain other resources. Eliminating these caps would allow families to save for unexpected financial setbacks while also reducing red tape and state costs.⁶

Policies to address wealth-stripping practices include the following:

- Local jurisdictions can follow the lead of San Francisco and **reform city and county fines and fees** for people involved with the criminal justice system and for other local charges to ensure that they don’t overburden individuals with low incomes.
- Six states have limited predatory lending practices by prohibiting or capping interest rates for certain financial products. California can follow suit and **impose an annual rate cap of 36% or less on payday loans and high-cost installment loans**.

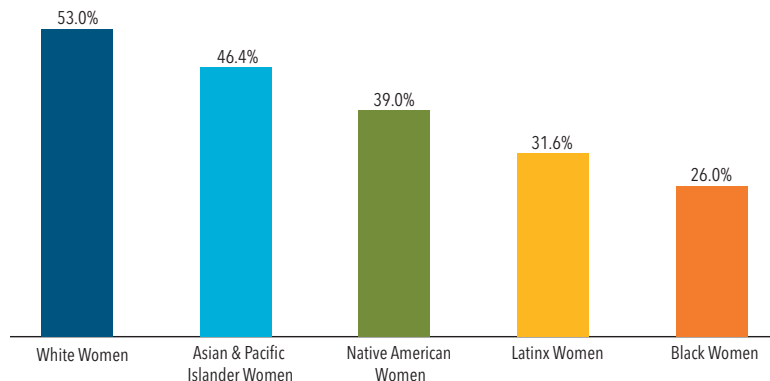
When women are able to build wealth, they can invest in their families and communities, boosting prosperity.

FIGURE 1 Median Wealth for Single White Men and Single Women by Race and Ethnicity in the United States, 2016



Note: Data are for individuals ages 18 to 64. Race and ethnicity categories are mutually exclusive. "Other" category not shown here. Wealth is defined as total assets minus total debt. The wealth estimates do not include vehicles. Source: Budget Center analysis of the Federal Reserve Board, Survey of Consumer Finances

FIGURE 2 Percentage of Single Women in California Who Own Homes by Race and Ethnicity, 2016



Note: Data are for single, household heads age 18 and older. Single includes never married, divorced, and widowed. Race and ethnicity categories are mutually exclusive. Source: Budget Center analysis of US Census Bureau, American Community Survey

FIGURE 3 Percentage of Women in California Who Own a Business, 2012



Note: Women include civilians ages 18 and older who are in the labor force. Businesses include firms with and without employees. Source: Budget Center analysis of US Census Bureau, Survey of Business Owners and Current Population Survey

ENDNOTES

- 1 Heather McCulloch, *Closing the Women's Wealth Gap: What It Is, Why It Matters, and What Can Be Done About It* (Closing the Women's Wealth Gap Initiative: Updated January 2017).
- 2 See Saneta deVuono-powell, et al., *Who Pays? The True Cost of Incarceration on Families* (Ella Baker Center, Forward Together, Research Action Design: September 2015) and The Financial Justice Project, Office of the Treasurer & Tax Collector, City and County of San Francisco, *Criminal Justice Administrative Fees: High Pain for People, Low Gain for Government* (May 2018).
- 3 Suparna Bhaskaran, *Pinklining: How Wall Street's Predatory Products Pillage Women's Wealth, Opportunities, and Futures* (New Jersey Communities United, ISAI AH, ACCE Institute: June 2016).
- 4 Brett Theodos, et al., *Affordable Homeownership: An Evaluation of Shared Equity Programs* (Urban Institute: March 2017).
- 5 Nari Rhee, *California's \$15 Minimum Wage and Secure Choice Retirement Savings Program Can Boost Young Low-Income Worker's Retirement Incomes by 50%* (UC Berkeley Center for Labor Research and Education: December 2017).
- 6 The Pew Charitable Trusts, *Do States Benefit From Restricting Safety-Net Eligibility Based on Wealth?* (September 2017).

Additional analyses focusing on Work Supports, Boosting Income, and the Safety Net can be found at <http://calbudgetcenter.org/womens-well-being>. We are thankful to a number of individuals who provided comments on policies to boost women's economic security, employment, and earnings in California. A full list can be found at <http://calbudgetcenter.org/womens-well-being/about>.



BY KRISTIN SCHUMACHER

JUNE 2018

Strengthening Public Systems and Supports in California to Help Women Make Ends Meet

Women are more likely than men to live in poverty in California. This is true for women at all stages of life, but especially during the period when women are often expanding their families and again late in life (Figure 1). Women's economic hardship is a result of interconnected factors including gender- and race-based discrimination and weak public systems and supports. Moreover, the persistence of race-based discrimination means that some women face greater challenges in achieving economic security.¹ In particular, a greater share of black, Latinx, and Native American women live in poverty, cannot afford enough food, and struggle to pay for housing, as compared to Asian and white women (Figure 2).

This means that women are more likely than men to rely on public systems and supports – such as food assistance, health care coverage, and subsidized early care and education – to afford the basics for themselves and their children. Economic insecurity threatens women's health and well-being, with potential long-term consequences for them and their children. State and local policymakers should take steps to strengthen California's public systems and supports by encouraging and facilitating participation in programs that help families make ends meet, reinvesting in key supports that were cut during and after the Great Recession, and boosting access to safe and affordable housing for women and their families.

KEY POLICIES

Policies to encourage and facilitate participation in public systems and supports include the following:

- State policymakers can **further integrate enrollment systems** for public systems and supports so that women and their families can easily access the full array of benefits and services for which they qualify. Streamlining enrollment could boost participation in a variety of programs.²
- Local jurisdictions can **increase multicultural and multilingual outreach** to women and families with low incomes in order to boost enrollment in safety-net programs, such as CalFresh; the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC); and free- and reduced-price school lunch programs; as well as increasing the number of workers claiming the CalEITC.

Policies to reinvest in services cut during and after the Great Recession include the following:

- The state can **increase CalWORKs grants and reinstate the state cost-of-living adjustment (COLA)** to ensure that women and their children currently receiving assistance are not living in deep poverty. The state can also **boost SSI/SSP grants and reinstate the state COLA** to ensure that older women receiving benefits are not living in poverty.

Policies to increase access to safe and affordable housing include the following:

- State policymakers can **increase the supply of affordable housing units** by providing state funding for affordable housing development through grants or the Low Income Housing Tax Credit, and requiring streamlining of the permitting and approval process for housing developments that include affordable units.
- State policymakers can follow the lead of 11 other states in **strengthening California's anti-discrimination laws** by specifying in state law that federal Housing Choice Vouchers are considered a source of tenant income.³ California law prohibits discrimination based on source of income, so with this change, it would be illegal for property owners to discriminate against families who use a voucher to pay for their rental home.
- State and/or local leaders can **bolster tenant protections**, such as by requiring property owners to provide a reason for an eviction (a "just cause" eviction). In addition, state policymakers can **enhance current law on nuisance evictions**, which affect many families but can be particularly harmful for women and low-income communities of color, who must be able to call the police when they are in danger without fear of eviction.
- Finally, communities can follow the lead of Los Angeles County, New York City, and other jurisdictions in **investing in legal services for families with low incomes who face evictions**. Providing legal assistance for individuals facing eviction has been found to reduce the chance that they will be evicted from their home.⁴

FIGURE 1 Percentage of Women and Men Living Below the Official Poverty Line in California, 2016

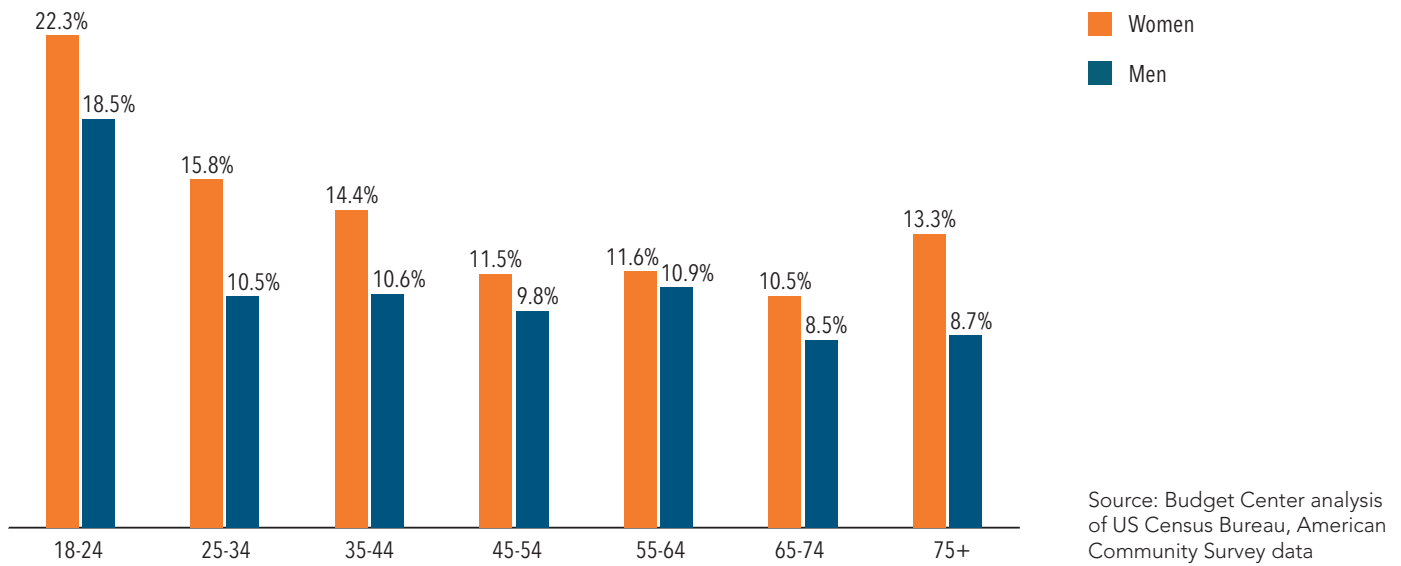
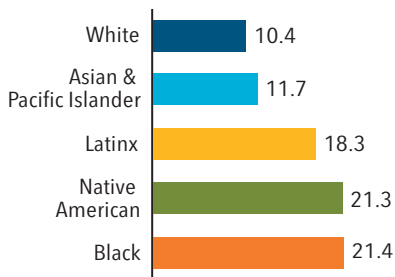
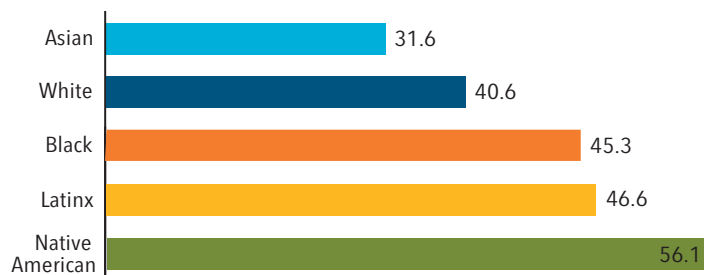


FIGURE 2 Percentage of Women Age 18 and Over Living in Poverty, 2016



Percentage of Low- and Moderate-Income Women Age 18 and Over Who Are Food Insecure, 2014-2016



Percentage of Women in Households That Spend More Than 30% of Their Income on Housing, 2016



Source: Budget Center analysis of data from the US Census Bureau, American Community Survey and University of California, Los Angeles, California Health Interview Survey

ENDNOTES

- ¹ Jasmine Tucker, Brandie Temple, and Julie Vogtman, *Cutting Programs for Low-Income People Especially Hurts Women and Their Families* (National Women's Law Center: March 2017).
- ² For more detail see Sonal Ambegaokar, Zoë Neuberger, and Dorothy Rosenbaum, *Opportunities to Streamline Enrollment Across Public Benefits Programs* (Social Interest Solutions and Center on Budget and Policy Priorities: November 2017).
- ³ Temple University, Center for Public Health Law Research, *The Policy Surveillance Program: A Law Atlas Project* at <http://lawatlas.org/datasets/state-fair-housing-protections-1498143743>.
- ⁴ D. James Greiner, Cassandra Wolos Pattanayak, and Jonathan Hennessy, "The Limits of Legal Assistance: A Randomized Study in a Massachusetts District Court and Prospects for the Future," *Harvard Law Review* (February 2013), pp. 901-989.

Additional analyses focusing on Work Supports, Boosting Income, and Building Wealth can be found at <http://calbudgetcenter.org/womens-well-being>. We are thankful to a number of individuals who provided comments on policies to boost women's economic security, employment, and earnings in California. A full list can be found at <http://calbudgetcenter.org/womens-well-being/>