

Nokomis Foundation

Women and Work Policy Agenda for Michigan

The expectation that women will be economically self-sufficient is widely recognized as desirable, and ultimately in the best interests of Michigan children, their families and the communities in which they live. Yet the ability to pursue and achieve economic security is complex, and presently beyond the reach of far too many women. Poor and working-poor populations – disproportionately women with children – face significant structural challenges on the road to self-reliance.

Economic Self-Sufficiency for Women Matters

Inadequate financial resources have a tremendous negative impact on women, children, and families. Meager incomes can make it impossible to meet basic physical and psychosocial needs. This contributes to hunger, homelessness and other insecurities causing human suffering. Financial vulnerability creates both a culture and a context that can be linked to many other serious and costly social challenges. Without adequate resources, women and children live a precarious life. Any change in circumstances: a job loss, reduced wages, illness, accident, a high utility bill or other seemingly small event, quickly results in dependence and poverty.

Although the tremendous challenges of inadequate finances create acute circumstances for individuals and families, it affects others, too. Ultimately, citizens bear the costs created when women cannot achieve economic independence. Quality of life in our communities relies on viable employment that provides economic self-sufficiency. For these reasons, economic independence for women is a vital cornerstone for a prospering and vibrant state.

What are the Needs?

Michigan's women and families are suffering much of the worst effects of the national and state recession.

Table 1. Michigan Women & Work Statistics.

403,499 Michigan women over the age of 25 had income in the last 12 months below the poverty level (12%)¹.

145,797 single female-headed households are below the poverty level (30.6%). Of these, 129,064 have one or more children <18 years (89%)³.

Michigan ranks 30th nationwide – in the middle third of states – with 88% of women having income above the poverty line.²

21% of children <18 years are living in households receiving Supplemental Security Income (SSI), cash public assistance income or Food Stamps in the last 12 months. Of these, 57% are in female head-of-household families⁴.

532,070 (46%) women working full-time, year-round earn \$25,000-\$49,999. These women are “near-poor”

Nearly twice as many full-time, year-round working women (5.5%) as men (3.1%) report annual earnings of less than \$15,000⁶.

Half of families led by single women are economically fragile, earning less than \$20,000 annually⁸. 80% of single female householders make less than \$40,000 annually⁹.

In nearly two-thirds of families with children <6 years, all parents are working. More than two-thirds are working in families with older (6-17 years) children¹¹. Most mothers with children work, making quality childcare a critical issue.

Michigan is 6th, nationwide, in its volume of housing foreclosures¹³.

Less than one-third of households with children living in poverty receive cash assistance to meet basic needs⁵.

Michigan ranks in the top third of states for women with health insurance, at 86% of women ages 18-64. However, single parents with children are twice as likely (18%) as married counterparts to be uninsured⁷.

Women, who work full-time, earn on average only 70 cents for every dollar paid to men for the same work. *Michigan is in the bottom third of states for male-female earnings ratio*¹⁰.

41% of all pregnancies in Michigan are not planned. Socio-economically vulnerable groups of women including those under age 25, racial/ethnic minorities, those with less than a high school education and those with no health insurance or on Medicaid were most likely to experience higher rates of unintended pregnancy¹².

35% of Michigan women > 25 years with income below the poverty line in the last year have at least some college education, compared to 59% of women above poverty level¹⁴ in the same age group, ranking in the bottom third of states for women with higher education¹⁵.

Women, often low-wage workers, experience substantial barriers in achieving economic self-sufficiency for many reasons. They lack the educational credentials to secure viable jobs in high demand, well-paying occupations. Unstable housing, and lack of childcare, transportation and their own health concerns can present enormous burdens. Importantly, many state and federal programs intended to help are not designed to accommodate the current realities of Michigan’s economic circumstances.

Income thresholds, other eligibility guidelines and related design are not well aligned with the theory that additional education and skills are the critical pathway for progress. In fact, most women face disincentives in lost public support benefits and flexibility when they attempt to make job changes, advances or better their prospects through educational options.

The Puzzle of Economic Self-Sufficiency

A simple determination of financial status considers both income and expense factors. In the model below we describe these factors as a way to map influences for an individual’s self-sufficiency. On the left, three general areas that influence self-sufficiency are named: workforce development, family

economic supports and community development. These three and all related factors are influenced by public policy. Within each of the general areas other factors are cited. Most of those in the community development area are expenses to an individual. Those named in family economic supports are frequently part of income. In workforce development, several issues are named that affect and include occupation type.

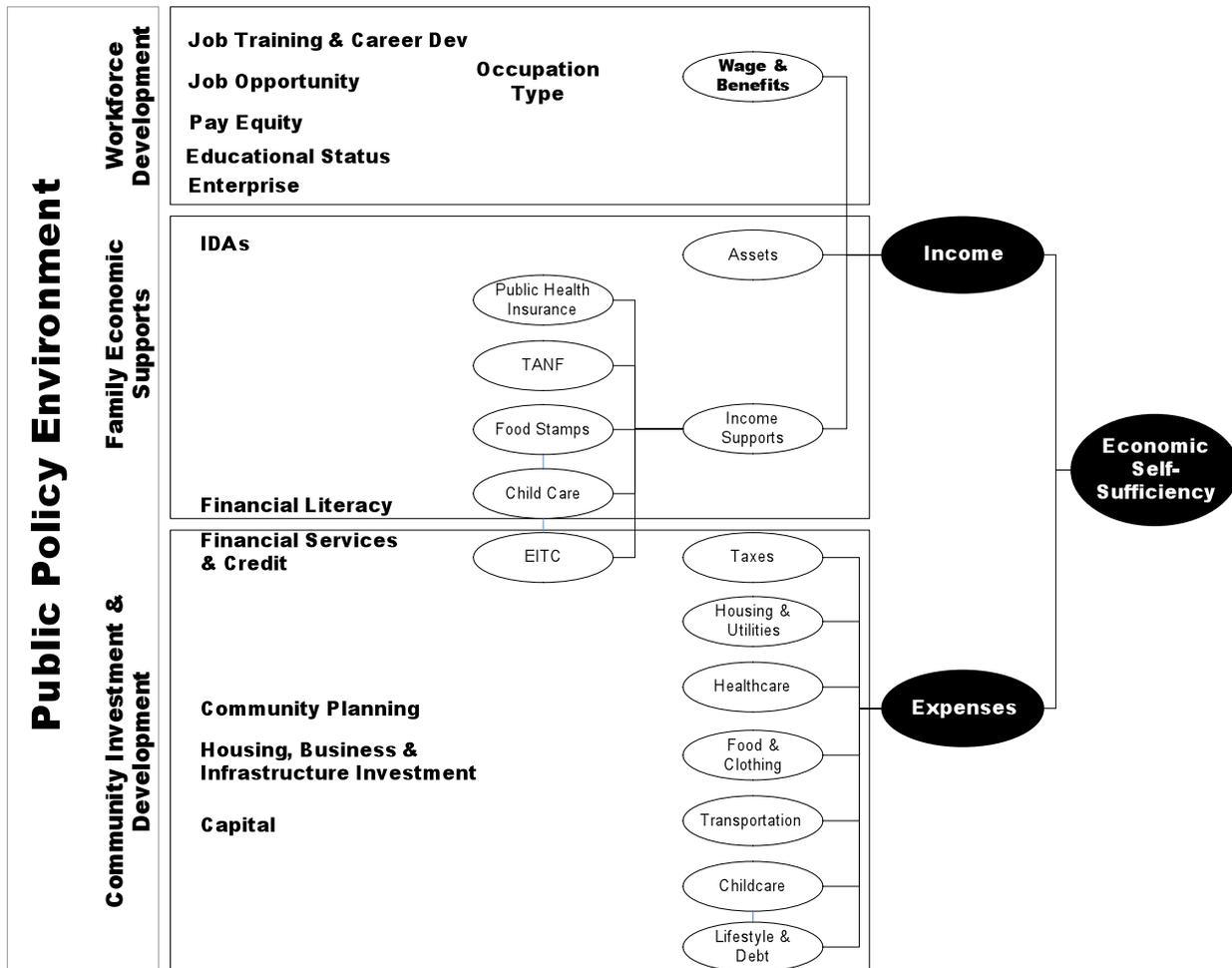


Figure 1. Income & Expense Factors for Economic Self Sufficiency

In the workforce development area, job training/career development, pay equity, education status, and enterprise are influences for occupation type. These key issues are discussed further as enablers to individual economic self-sufficiency. Implicit is the assumption that there is employment to seek and secure, not always the circumstance in Michigan.

It is important to note that a systems view of economic self-sufficiency could include many other elements. For example, employers, nonprofit organizations, educational institutions, governmental agencies and other public policy all can impact a woman's journey towards economic independence.

This model displays some of the factors, which are most directly connected to the individual, and identifies some of the strategic issues in economic self-sufficiency.

Regrettably, many state/federal social service programs are not complementary to each other, and feature limited inter-program coordination which means participants can lose supports when they most need them. Ideally, state and federal subsidies reduce the impact of important expenses for women. The combination of declining subsidies with inadequate employment generates tremendous economic instability. As a woman's wages rise even slightly, the corresponding decline in assistance can have a devastating impact for struggling families, and create additional challenges for hard-working women. This rapid phase out of public supports for women and their families is referred to as a "cliff effect."

Actions that ease the transition from subsidization to self-sufficiency may require little substantial policy change but merely adjustment of existing relationships among income and wealth supports with successive wage levels in order to maximize positive impact.

For Michigan women and their families to make progress, policies and programs must change in ways that are conducive to economic self-sufficiency. At this time, elements of the policy agenda vary in specificity. Those, which are more general, provide opportunity and require further exploration and definition by relevant stakeholders. Immediate and near-term changes are cited along with work supports in several arenas (including healthcare, wages and housing), which are critical to women's progress. **This agenda offers a comprehensive response to assist women in achieving self-reliance for themselves and their families by both reducing financial burdens through more effective assistance and increasing prospects for viable employment.**

Women & Work Agenda

Immediate

Improve navigation and use of the existing subsidy and program supports by establishing online access and one-stop applications for coordinated state and federal resources. Offer work support calculators and other practical tools that help women understand and anticipate the interaction of changes in benefits and income. Michigan should move quickly to establish, maintain and update the proposed "Benefit Bank."

Promote awareness of both the existing and new government tax provisions like the Making Work Pay Credit, Earned Income Tax Credit (EITC), Child Tax Credit (CTC) and First-Time Home Buyer Credit (FTHBC).

Near-Term

Establish an **Economic Self-Sufficiency Standard** for Michigan residents. We recommend adopting the standard created by the Michigan League for Human Services (see full description of the standard at the back) since the federal poverty standard fails to adequately measure contemporary need. Already, the majority of states (38) have established new standards to guide program eligibility. An accurate,

common definition for economic self-sufficiency will inform more realistic and appropriate public policy. Additionally, it can be a benchmark means test, a visible goal for families, and an important element in authentic assessment of needs and progress.

Promote and Invest in Education and Training for Women

Improved access to educational attainment is the most viable approach to economic self-sufficiency. To make education and training a reality for more struggling women, we suggest policy and program improvements that encourage and enable more single head of household women to pursue higher education and training. We recommend:

- Expand the Jobs, Education and Training (JET) options for education and training to accommodate waiting lists.
- Expand the No Worker Left Behind (NWL) financial aid program to accommodate the huge waiting list. Further, allow on-line courses to be counted as credits toward degree completion. Grant time extensions of up to two additional semesters for those making adequate progress in their academic programs and with that waiver can complete a degree. Provide additional targeted incentives to community colleges for degree completion by single head of household women, to prepare them for participation in high-wage, under-represented occupations¹⁶.
- Establish a career pathways framework for connecting education and training with viable employment. Career pathways offer a step-by-step approach to support progress with successively higher levels of education and employment in a specified industry or sector. Arkansas, Kentucky, Massachusetts, Ohio, Oregon, Virginia, Washington and Wisconsin have elected this approach to workforce development.
- Explore state level public-private partnership of pooled assets that can leverage “last-dollar” support for college completion in association with the American Opportunity Tax Credit (AOTC), which is partially refundable. The AOTC is now worth up to \$2,500. If matched 1:1 for community college students, it could significantly assist with college completion.
- Encourage colleges, universities and community colleges to multiply federal Perkins grants with challenge (or matching) grants from private donors through designation of resources for degree completion by single head of household and minority students.
- Since 31%¹⁷ of Michigan small businesses are women-owned, invest more in those enterprises by offering low-cost expansion capital that will enable diversified products/services with associated new employment.

Related Family Economic Supports

Many women despite working several jobs still cannot rely on wages alone for an income sufficient to meet basic household needs. Women’s health and stable housing along with reliable childcare and transportation are keys to women working and making progress towards economic self-sufficiency. Each of these issue areas affects women’s ability to secure, maintain and progress in employment or

educational status. It is vital that these issues have concurrent attention and investment to generate the changes that will enable economic progress for Michigan women and their families.

Improve Healthcare Access and Quality for All Women

Individual health is vital to workforce participation. Healthcare is essential for women's health prevention and maintenance. For this reason we recommend that policymakers:

- Ensure that all women have access to affordable and quality healthcare options.
- Require all healthcare insurance in Michigan offer coverage for preventive, necessary diagnostic screenings, breast and cervical exams along with health and wellness education.
- Provide all women, regardless of income, with access to family planning services. We must ensure contraceptive equity for all Michigan women through a health care system that provides access, and coverage for prescriptions, pap smears and emergency contraceptives.
- Revise Medicaid "spend down" policies to diminish this obstacle to healthcare by requiring an advance payment when financial resources and cash flow are already substantial issues for those meeting eligibility. Michigan should significantly reduce or eliminate these "front load" financial requirements for women to participate in Medicaid.
- Ensure universal paid sick leave every working woman.

Encourage Housing Stability

Shelter is a basic human need. A consistent address and reliable housing are essential for women and their families. We recommend changes that support housing stability. Specifically, to increase the number of Michigan State Housing Development Authority Housing Choice vouchers available, and to increase the income thresholds for eligibility (currently capped at \$16,800 annual total income for a family of three). It is important to provide priority considerations for parenting students enrolled in colleges, universities and community colleges.

Improve Child Care Access

Childcare is essential to women participating in the workforce, and quality childcare is essential to the healthy growth and development of children. Studies confirm that reliable, consistent, affordable childcare is an enormous challenge for women in Michigan. Reimbursement rates for subsidized childcare have remained at the same level for more than a decade in Michigan and fall far short of current costs. For these reasons, we recommend that policymakers:

- Rescind the recent (May 2009) Executive Order to reduce childcare provider rates. Increase the funding available for child-care assistance and raise childcare subsidies, currently stalled at inadequate rates more than a decade old. Provide expanded and special considerations for parenting students enrolled in colleges, universities and community colleges.

- Increase reimbursement rates for subsidized childcare to market rates that enable low-income women to secure quality, licensed and regulated care providers.
- Require Michigan colleges, universities and community colleges to maintain a list of current licensed day care options within a 10-mile radius of campus classrooms. Provide incentives/selected subsidies for those community colleges, which have day and evening on-site care.

Friend of the Court

Child support payments are a critical element in a woman-led household budget. Yet many women never receive those court-ordered payments. If they do, it is highly sporadic. Access and communication with the Friend of the Court is very difficult due to incompatible schedules between the department and women’s work requirements. Women and their families face tremendous challenges in the consistent lack of timely case management and related services provided through the Michigan Friend of the Court system. We recommend two actions by policymakers:

- Include court-ordered support payments in revenue calculations for state subsidies *only* when evidence of receipt occurs at an annual rate of 80% or better.
- Audit the Friend of the Court system via a third-party with bi-annual reviews for process improvements. This audit can inform an action plan based on challenges and best practices, which recast this function, to better serve women and children in Michigan.

Wages: Equity & Minimum Hourly

Inadequate enforcement of both state and federal anti-discrimination laws has allowed wage gaps to continue to exist and inequities to persist for women. On average Michigan, women still earn seventy cents for every dollar paid to men. Additional review of wage disparities and enforcement of laws requiring equal pay for equal work are important steps for Michigan women and their families. Because women are disproportionately represented among minimum wage workers, increases in the hourly minimum wage tied to cost-of-living changes are critical.

Transportation

The costs for purchasing and maintaining reliable, regular transportation are unpredictable and can have a major impact on already fragile budgets for many women. To expand access and extend value in existing systems, we recommend that towns, cities and other units of government waive the costs of public transportation for working single head of households and parenting students with current enrollment at a college, university or community college. Proof of current enrollment in secondary education can be a simple way to ensure transportation options.

Cash Assistance

It is important that Michigan increase cash assistance for working poor women to reflect an amount that will positively influence family budgets. We advocate an increase that moves Michigan's support at a minimum to the mid-range compared with other states instead of near last.

Finally, we recommend that the Family Independence Program (FIP) revise requirements that impede applications for public assistance so that Michigan residents have access to American Recovery and Reinvestment Act (ARRA) monies. Through Temporary Aid to Needy Families (TANF), additional resources (of up to \$232 million) are potentially available to Michigan.

This agenda is written as a call to action and engagement at a time of great political and economic challenges for Michigan. We expect rapid changes in those (and other) factors will require continuous examination, revision and development of policy content to best serve women and their families. The Nokomis Foundation welcomes collaborative efforts with organizations and individuals who seek equity for women and are committed to active efforts to ensure women and their families achieve economic self-sufficiency in Michigan.

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Phillips Wyatt Knowlton, Inc. (PWK) was the primary author on this report. PWK is a management and measurement resource for social change. For more information see -- www.pwkinc.com.

Nokomis Foundation
161 Ottawa Ave. NW, Suite 305 C
Grand Rapids, MI 49503
(616) 451-0267
www.nokomisfoundation.org

Michigan League for Human Services ESS Calculation.

Family Type	# of kids <6	ESS Hourly	ESS Annual
Single	0	\$9.08	\$18,896
Single parent family	2	\$19.35	\$40,252
2-parent (both work)	2	\$10.74 each	\$22,346 each
2- parent family (one works)	2	\$12.58	\$26,166

Michigan Economic Self Sufficiency Standard

The table above defines the average Economic Self Sufficiency Standard by family size (2007). It is calculated county by county to accommodate variation in costs. The standard cited here includes costs for housing, food, childcare, healthcare, transportation, clothing, personal care and taxes. It does not include entertainment, personal savings, emergency expenses, a home down payment, discretionary spending, college savings or other common costs for families.

¹ US Census Bureau, American Community Survey 2005-2007.

² Institute for Women's Policy Research (2007). *The Economic Status of Women in Michigan*. IWPR No R337.

³ US Census Bureau, American Community Survey 2005-2007.

⁴ US Census Bureau, American Community Survey 2005-2007.

⁵ Michigan League for Human Services (2009). *Michigan's Incredible Shrinking Safety Net*.

⁶ US Census Bureau, American Community Survey 2005-2007.

⁷ Institute for Women's Policy Research (2007). *The Economic Status of Women in Michigan*. IWPR No R337.

⁸ US Census Bureau, American Community Survey 2006.

⁹ US Census Bureau, American Community Survey 2006.

¹⁰ Institute for Women's Policy Research (2007). *The Economic Status of Women in Michigan*. IWPR No R337.

¹¹ US Census Bureau, American Community Survey 2005-2007.

¹² Michigan Department of Community Health, Pregnancy Risk Assessment Monitoring System (PRAMS) 2006.

¹³ www.foreclosedpropertiesdata.com/blog/michigan/michigan-6th-in-ranking-of-foreclosures.com. March 18th, 2009.

¹⁴ US Census Bureau, American Community Survey 2005-2007.

¹⁵ Institute for Women's Policy Research (2007). *The Economic Status of Women in Michigan*. IWPR No R337.

¹⁶ For example, while women represent 47% of the Michigan's workforce, they hold just 13% of architecture and engineering jobs, 30% of computer and mathematics jobs. Both have higher wage equity earnings ratios of 82% than the state average of 70%. US Census Bureau, American Community Survey 2005-2007.

¹⁷ US Small Business Administration (2008). Small Business Profile: Michigan.