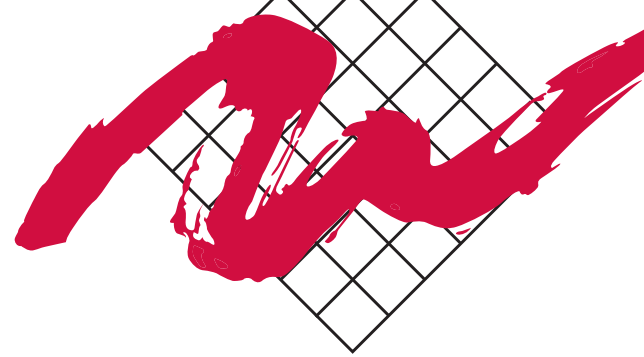


# Briefing Paper



IWPR R345

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## The Female Face of Poverty and Economic Insecurity: The Impact of the Recession on Women in Pennsylvania and Pittsburgh MSA

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Since the beginning of the recession at the end of 2007, unemployment has increased rapidly, in Pennsylvania as it has elsewhere. While many families suffer as a result of reduced earnings and unemployment, women who head households face significantly higher risks of unemployment than male heads of households, and are much more likely than men to live in poverty. Single mothers nationally have higher rates of unemployment than other women and men; in December 2009 the unemployment rate for women who maintain families reached its highest point, 13 percent, in more than 25 years (IWPR 2010). Policy action is required to ensure that women and their families are receiving adequate help during the current crisis, and that measures are put in place to help them reach and maintain economic self-sufficiency in the longer run.

*The Women and Girls Foundation (WGF) and the Institute for Women's Policy Research (IWPR) collaborated on this study to measure the impact of the economic recession on women in Pennsylvania and the Pittsburgh MSA (Metropolitan Statistical Area). The analysis that follows articulates the study's findings and presents policy recommendations for improving women's economic status.*

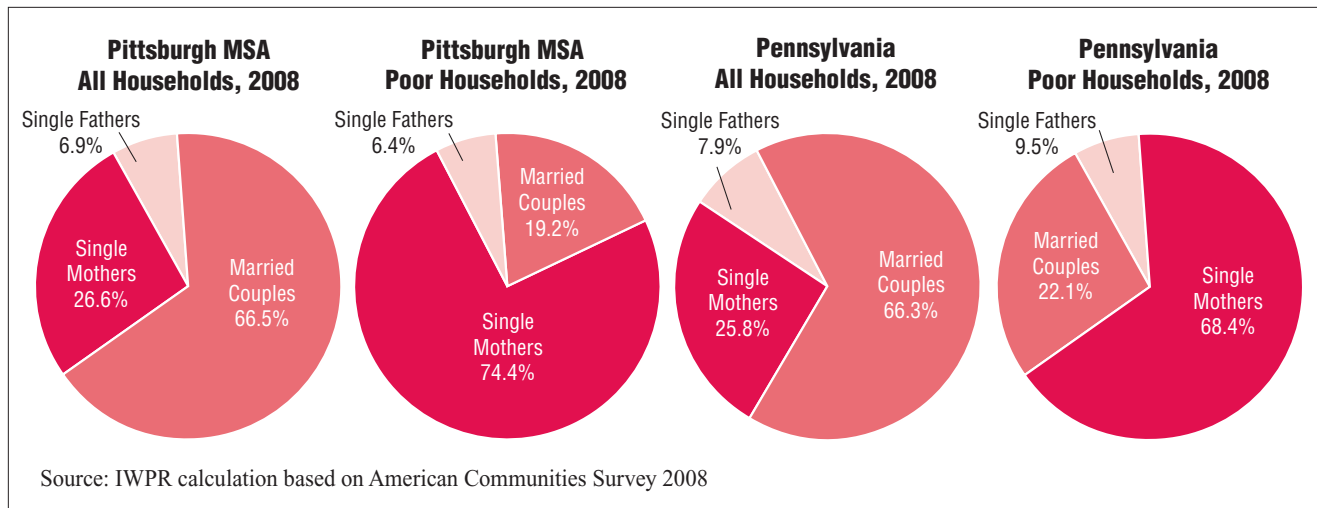
### Poverty with a Female Face

In 2008, 42,500 Pittsburgh families with children under the age of 18, and close to 211,000 families in Pennsylvania had incomes below the official poverty level.<sup>1</sup> In Pittsburgh, almost three out of four of these households (74.4 percent) below the poverty line are headed by single mothers, even though among all households with dependent children, single mothers account for only slightly more than a quarter (26.6 percent, Figure 1). The picture looks similar in Pennsylvania as a whole.

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***"...In Pennsylvania 68%  
of households living in  
poverty are headed by  
single moms raising  
children on their own..."***

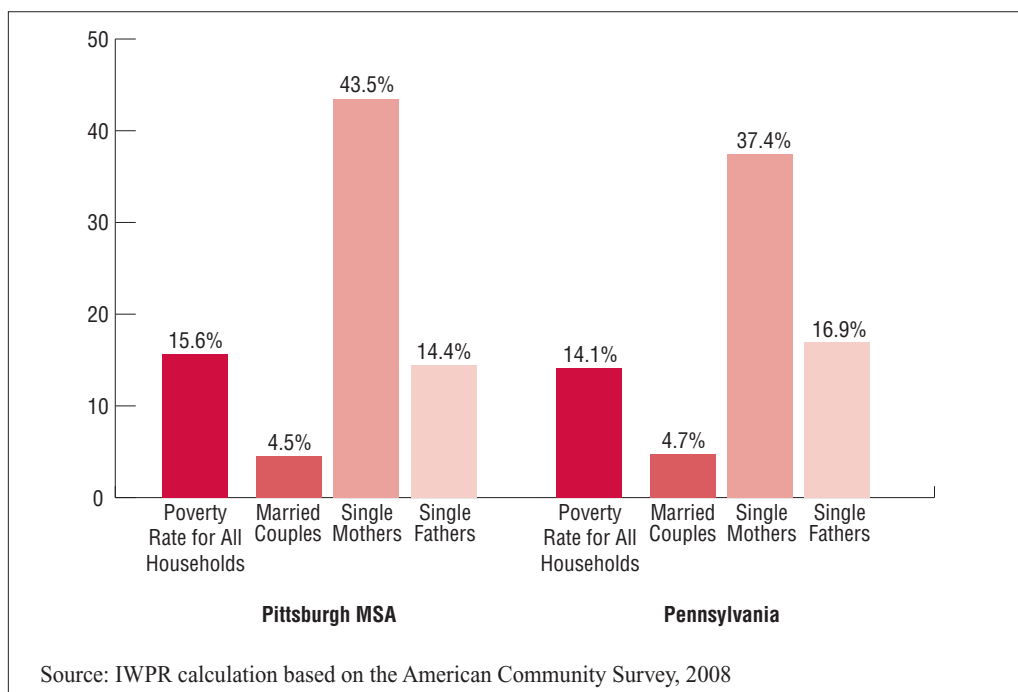
**Figure 1. Types of Families with Children under 18: All, and with Incomes below the Poverty Line: Pittsburgh MSA and Pennsylvania, 2008**



Households headed by single parents — especially single mothers — are much more likely to live in poverty than married couples with children. More than four of ten single-mother headed households in Pittsburgh live in poverty (43.5 percent; Figure 2), compared to one in seven single-father headed households (14.4 percent) and fewer than one in twenty married couple households (4.5 percent). Poverty rates for single mother households in Pittsburgh increased sharply between 2007 and 2008, from 35.4 percent in 2007 to 43.5 percent in 2008.

*“Poverty rates for single mothers in Pittsburgh increased sharply since 2007 reaching 43.5% in 2008.”*

**Figure 2. Poverty Rates for Different Types of Households with Children below 18, Pittsburgh MSA and Pennsylvania, 2008**



## Sharp Increases in Unemployment

Between October 2007 and October 2009, unemployment in the Pittsburgh MSA nearly doubled, from 4.0 to 7.7 percent of the total working population aged 16 or older, and more than doubled for Pennsylvania from 4.1 to 8.4 percent (BLS 2008; 2009). Although monthly unemployment data is not available by gender on a state or local level, pooling data for the last six months allows for gender analysis. While unemployment has risen sharply for both men and women, single mothers have suffered particularly acutely during the recession. The unemployment rate for women that maintain families in Pennsylvania more than doubled between 2007 and 2009 (Figure 3). Unemployment for this group exceeds 11 percent and is higher than the rate of unemployment for all men and double the unemployment rate for married men (those who also are often conceived of as “the bread winners for their families”).<sup>2</sup>

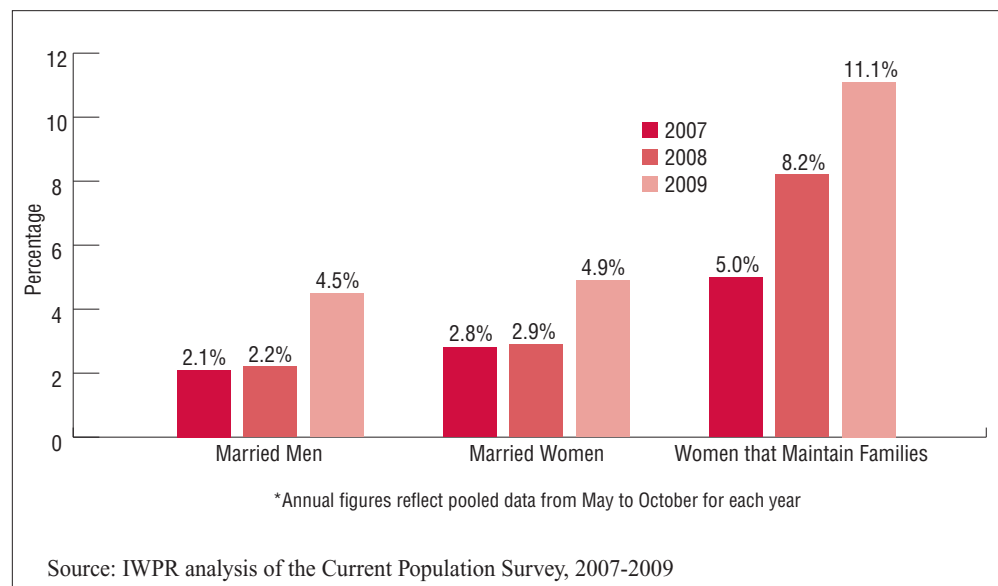
The large majority of female heads of households have dependent children. The above average rate of unemployment for single mothers, compared to married men, even before the recession, may be due to difficulties with accessing affordable child care that is flexible enough to deal with the varied hours demanded in many jobs, as well as the lack of jobs available with flexible, predictable work schedules to support single parents- and that pay enough to afford childcare. It may also reflect demographic and human capital factors associated with higher rates of unemployment, such as lower average age, lower levels of education or greater ethnic diversity. According to recent testimony before the U.S. Congress Joint Economic Committee, emerging evidence suggests that mothers and other caregivers, whether married or single, may have been disproportionately targeted in job cuts during this recession (JEC, 2009).

Although the rate of unemployment for married women remains substantially lower than that of single mothers, it too has risen sharply since 2007, and is higher than the rate for married men (Figure 3). Like single mothers, married mothers, who typically take primary responsibility for children’s care needs, have

to navigate the need for affordable, quality child care, but compared with single mothers, have additional options such as sharing child care responsibilities with their spouse. Apart from those actively looking for work, there is also a growing number of ‘discouraged’ workers, who in principle would like to find employment, but have given up hope of finding a job. Nationally, the numbers of ‘discouraged’ married women increased by 174 percent between October 2008 and October 2009 (Weiss and Boushey 2009).

***“...Unemployment for single mothers has nearly doubled since 2007 and is more than two-and-a-half times the unemployment rate for married men...”***

**Figure 3. Unemployment Rates by Marital/ Household Status, Pennsylvania 2007 – 2009\***



***“...Employment is not a guaranteed route out of poverty for single mothers. Dollar-for-dollar, women in Pittsburgh earned 25% less than their male counterparts...”***

## The Gender Wage Gap and Poverty

Employment itself is not a guaranteed route out of poverty for single mothers. The unequal pay received by men and women in the labor market makes it harder for single mothers to earn enough to keep their families out of poverty. Dollar for dollar, women in Pittsburgh in 2008 earned 25.4 percent less than men or, said in a different way, on average a woman earned only 74.6 cents when a man earned a full dollar (Figure 3). The ratio of average female-to-male earnings has improved a little during the last few years, in both Pittsburgh and Pennsylvania (Table 1). Even so, the gender earnings gap in the state continues to be larger than the national wage gap (23 percent; IWPR 2009). Women’s lower average earnings are not due to a higher probability of

working part-time: only full-time/year-round workers are included in these data. Likewise, they are not primarily a reflection of different educational levels. Differences persist even when only women and men with college-level education are included in the comparison (American Association of University Women 2008).

**Table 1. Median Annual Earnings for Men and Women, 16 Years and Older, Full-time, Year-Round Workers, Pittsburgh MSA and Pennsylvania, 2005-2008**

	Pittsburgh MSA			Pennsylvania		
	Male	Female	Gender Wage Ratio	Male	Female	Gender Wage Ratio
2005	\$43,777	\$30,896	70.60%	\$42,563	\$31,647	74.40%
2006	\$43,288	\$31,804	73.50%	\$43,402	\$32,190	74.20%
2007	\$45,191	\$32,909	72.80%	\$44,755	\$33,438	74.70%
2008	\$46,363	\$34,594	74.60%	\$46,455	\$35,265	75.90%

Source: IWPR compilation of American Community Survey Data, 2005-2008

This wide gap in earnings, which means that on average women in Pittsburgh and Pennsylvania earned over ten thousand dollars less in 2008 than men, becomes even starker when race and ethnic background are taken into account. In all racial/ethnic groups men outearn women (most strongly among white workers). White men on average earn almost twice as much per year as Hispanic women, and almost a third more than African American women, even among men and women who all work full-time/year-round (Table 2).

**“...On average, an African American woman earned only 63 percent of what a white man earned in 2008, for a year’s full-time work...”**

**Table 2. The Gender Earnings Gap by Racial/ Ethnic Background: Full-Time/Year-Round Workers, Pittsburgh MSA and Pennsylvania, 2008**

	Women's Earnings as % of White Male Earnings	
	Pittsburgh MSA	Pennsylvania
White Alone, Not Hispanic	74.3%	74.6%
Black or African American	64.2%	68.8%
Hispanic or Latina	65.6%	54.4%

Source: IWPR compilation of American Community Survey Data, 2008

The persistent gender wage gap means that all families who rely on female earnings are short-changed and that families relying *solely* on women’s earnings typically face greater economic hardship. Even before the start of this recession, women were much more likely to feel economically insecure than men. According to a national survey conducted in 2007, significantly more women than men postponed a doctor’s visit because of costs and were unable to pay a bill or buy something their children needed, and even went hungry because they did not have enough money for food (Lovell, Hartmann and Williams 2008). Since then, in part because lower earnings provide less scope for building up financial reserves, hardship is likely to have increased substantially. According to surveys conducted by the Food Research and Action Center (n.d.) the share of Pennsylvania households experiencing general food insecurity during the period 2006 – 2008, compared to the previous three-year period, increased by 14.3 percent, and the share of households experiencing severe food insecurity by 44.8 percent.

The growth in economic insecurity and poverty is partly reflected in a rising number of people turning to food stamps. Since October 2007, the numbers of people enrolled in food stamp programs have increased sharply, by over 25 percent in Pittsburgh and 31 percent in Pennsylvania. Almost two thirds of the 82,500 people who received food stamps in Allegheny County in October 2009, and nearly two thirds of the 865,000 in Pennsylvania were women (64.1 and 65 percent respectively).<sup>3</sup>

In spite of the increased rates of poverty among single mother households, the number of women receiving Temporary Assistance to Needy Families (TANF) in Allegheny County has not increased at all during the last two years. In Pennsylvania, the number of women receiving TANF has grown only by 8.4 percent.<sup>4</sup> The slow growth in enrollment suggests that a significant proportion of families who might and should benefit from financial assistance are not receiving it. This may be due to welfare reforms in recent decades that put substantial new restrictions and conditions on TANF assistance.

**“...While food stamp enrollment increased by over 25 percent since 2007, TANF enrollment stayed unchanged. This suggests the system is failing many families who are hungry and in need of support...”**

## Policy Recommendations

The recession has thrown the changing landscape of work and family into sharp relief. Women's economic contributions are crucial for the majority of families, yet women continue to earn less than men and face greater barriers to employment. Many families are suffering economic hardship, and families maintained by women face higher rates of poverty and higher rates of unemployment than other families. They face a cumulative disadvantage: lower earnings than male workers and the responsibility to care for their children on their own. It is essential that policymakers turn their attention to the economic needs of Pennsylvania's families.

The following policy recommendations require minimal investment by state government, provide the state with opportunities to tap into federal dollars, and would significantly increase economic security for working families in Pennsylvania:

- Increase efforts to ensure American Recovery and Reinvestment Act (ARRA) investments provide family sustaining jobs for women, particularly single female heads of household.
- Promote family-friendly work policies such as paid family leave, paid sick days, flex time and predictability of work schedules among employers generally, but especially at all ARRA work sites to allow workers to meet their family responsibilities.
- Ensure that those who need it receive TANF assistance and take advantage of ARRA dollars to remove barriers to TANF enrollment.
- Provide employers with training on best practices to recruit and retain women workers and ensure EEOC and sexual harassment policies are enforced on construction, weatherization, and other work sites supported with stimulus fund dollars.
- Create recruitment and retention benchmarks for hiring women and minority employees, for all ARRA employers.
- Increase funding for child care subsidies and early childhood education and ensure that public full-day kindergarten is available in every school district in the state. This will considerably impact women's ability to enter the workforce.
- Ensure better enforcement of equal pay and equal employment opportunity laws and protect women's rights on the job, including the right to organize, because women with union jobs have higher earnings and better benefits than non-unionized workers.

By focusing attention on removing barriers to economic security faced by women and their families, policymakers will be able to reduce poverty today, and provide the basis for a better economic future for all of Pennsylvania.

*Ariane Hegewisch is a Study Director and Claudia Williams is a Research Assistant at the Institute for Women's Policy Research. This report was supported by funding from the Women and Girls Foundation and the FISA Foundation. IWPR's work on women and economic security is funded by the Annie E. Casey Foundation.*



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***"...Many families are suffering economic hardship, but families maintained by women face higher rates of poverty and higher rates of unemployment than other families in Pittsburgh and throughout the state of PA..."***



## Methodological notes:

“Pittsburgh” in this briefing paper refers to the Pittsburgh, Pennsylvania Metropolitan Statistical Area (MSA) which includes Allegheny, Armstrong, Beaver, Butler, Fayette, Washington, and Westmoreland counties. Data on food stamps and TANF enrollment show actual enrollment; all other data are based on sample surveys: data on poverty and earnings are based on the 2007-2009 U.S. Census Bureau’s American Community Survey; data on unemployment on the U.S. Census Bureau’s 2007-2009 Current Population Survey supplemented with the U.S. Bureau of Labor Statistics’ 2007-2009 Local Area Unemployment Statistics, and were pooled over a six month period to provide a sufficient sample size for a gender breakdown.

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## Notes:

- <sup>1</sup> IWPR compilation of 2008 American Community Survey data.
- <sup>2</sup> IWPR calculations from LAUS and CPS for Pennsylvania in 2009, based on pooled data for first six months; sample insufficient for calculating the rate for Pittsburgh.
- <sup>3</sup> Data provided by Pennsylvania Department of Public Welfare, Division of Statistical Analysis in e-mail communication (12/5/09).
- <sup>4</sup> According to the Pennsylvania Department of Public Welfare, Division of Statistical Analysis, in October 2007 there were 7964 families in receipt of TANF (7165 women), and in October 2009 there were 7930 TANF recipients (7160 women); TANF recipients in Pennsylvania increased from 67,351 (59,4333 women) to 73, 947 (64,343 women); data provided in e-mail communication (12/5/09).