

Easing the Squeeze on Women and Their Families

Democrats inherited one of the worst economic crises in our nation's history, a crisis that is putting extraordinary stress on millions of American families struggling to pay the bills and invest in their children's futures. The strain on women and their families is compounded by a continuing gender pay gap. The road to recovery will be long, but Congress has worked quickly with the Obama Administration to ease the pressure on working families by advancing an economic policy agenda aimed at restoring broad-based growth, reducing the high costs of health care, improving retirement security, and increasing prosperity for all Americans.

The Bush Legacy: The Squeeze on Women and Their Families

Falling Incomes, Rising Expenses

- Median annual income for female-headed families fell \$1,492 to \$25,897 between 2000 and 2007, the most recent year for which data is available. For all families, median annual income in 2007 was \$52,153.
- The average family health insurance premium increased by nearly 58 percent between 2000 and 2008, to \$12,527.
- The average cost of college tuition at a four-year public university increased by 47 percent between 2000 and 2007.
- The average cost of full-time child care for one child in 2008 was \$6,094.

Disappearing Jobs

- 1.5 million jobs held by women have vanished since the recession began in December 2007.
- Nearly 5 million women are unemployed, an increase of 70 percent since December 2007.
- The unemployment rate for women 20 years and older has increased to 7.1 percent, and to 10.0 percent for women maintaining families, which is 1.1 percentage points higher than the national average of 8.9 percent in April 2009.

One-Third of Single Mothers Living in Poverty

- Nationwide, 3.6 million families headed by single mothers (33 percent of all female-headed households with children) lived below the poverty line in 2007.
- 43 percent of children living in female-headed households lived below the poverty line, compared to the national child poverty rate of 18 percent. 7.6 million children in female-headed households were poor in 2007, an increase of 20 percent since 2000.

Nearly 3 Million More Uninsured Women Since 2000

- 21 million women (14 percent) had no health insurance in 2007, the most recent year of available data. 22 percent of single mothers had no health insurance.
- 14 percent of children under the age of 18 living in female-headed households had no health insurance in 2007.

Skyrocketing Debt

- Women were forced to rely heavily on debt financing in order to pay their bills in the face of grim earnings and employment prospects since 2000. Average total debt amongst female headed-households shot up by 59 percent (from \$28,000 to \$44,300) between 2001 and 2007, the most recent year of available data.
- During the sub-prime boom – despite having higher credit scores on average – female home-buyers were 32 percent more likely than males to receive a high cost subprime mortgage loan. The Joint Economic Committee estimates that the number of subprime foreclosures for 2009 will be 830,000, with female homeowners bearing a disproportionate burden.
- Average credit card debt for female-headed households grew by 35 percent, from \$1,523 to \$2,058 between 2001 and 2007. Variable interest rates and other credit card practices mean that female-headed households are diverting an increasing share of their incomes toward servicing their credit card debt, which puts a further strain on family finances.
- Average education-related debt for female-headed households doubled between 2001 and 2007, from \$1,631 to \$2,532, as families struggled to keep up with rising college tuition costs.

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While the problems are enormous, the 111th Congress and the Obama Administration have worked swiftly to chart a course toward a stronger economic future. The American Recovery and Reinvestment Act is designed to turn our economy around, and it includes many provisions that will put money in women's pockets today and help them invest in their futures. In addition, the FY2010 budget provides a blueprint for a policy agenda that invests in the economic well-being of women and their families.

Closing the wage gap.

With the passage of the Lilly Ledbetter Fair Pay Act, Democrats restored the rights of women and other workers to challenge unfair pay—to help close the wage gap where women earn 78 cents for every \$1 a man earns in America.

Putting money in the pockets of those who need it most.

The Making Work Pay Tax Credit, an extended Child Tax Credit and an expanded Earned Income Tax Credit are already putting money in the wallets of working mothers and their families. A refundable Child Tax Credit and expanded saver's credit will provide a boost to millions saving for their families' futures.

Protecting the most vulnerable.

The Recovery Act will help protect the health of low income families by helping states avoid cuts in Medicaid enrollment and services, and boosting funding for food stamps, WIC, and food bank programs that serve as critical sources of healthy food for struggling families across the country.

Investing in America's future through job training and education.

Congress and the Administration have committed substantial funding towards job training in high-growth sectors, including "green jobs," expanded Trade Adjustment Assistance expansion to cover training programs for workers displaced from the service sector, and created a State Fiscal Stabilization Fund to help prevent teacher layoffs and cuts in other key service.

Making college affordable.

The American Opportunity Tax Credit and increased Pell Grants are making college more affordable for millions more women, and the FY2010 Budget proposes an expansion of the Federal Perkins loan program and a new College Access and Completion Fund.

Helping families stay in their homes.

Stabilizing the housing market is central to restoring the American economy, and Democrats have worked quickly to put in place policies that will ease the burden on working families. The Helping Families Save Their Homes Act of 2009 will provide lenders and homeowners with key tools and incentives to modify unfair loans and to avoid foreclosures. Coupled with the Administration's actions to help families refinance into lower interest rate loans if they have mortgages issued or guaranteed by Fannie Mae and Freddie Mac and owe more on their houses than their current value, this critical piece of legislation will halt the steep decline in home prices and keep the dream of homeownership alive for millions of American families.

Making child care affordable.

The Recovery Act funded Child Care and Development Block Grants that support quality child care services for low-income families, additional funding for Head Start and Early Head Start over the next two years.

Making quality health care coverage affordable.

With the reauthorization of the Children's Health Insurance Program, the Democrats expanded children's access to health insurance, and the FY2010 Budget includes a budget-neutral reserve fund that will facilitate the passage of health insurance reform that achieves America's shared goals of constraining costs, expanding access, and improving quality.

Sources: U.S. Census Bureau; Kaiser Family Foundation; National Association of Child Care Resource & Referral Agencies; College Board; Bureau of Labor Statistics; Consumer Federation of America; JEC calculations from the Survey of Consumer Finances, the Mortgage Bankers Association's National Delinquency Survey, the Bureau of Labor Statistics, and Global Insight.