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Joint Economic Committee

Hearing on Making It More Affordable to Raise A Family
September 10, 2019

Thank you, Chairman Lee and Vice Chairwoman Maloney, and members of the Joint Economic Committee for the opportunity to testify at this important hearing on Making it More Affordable to Raise a Family. I want to commend you for holding this hearing today because these issues are shaping our future, our country's future, and the futures of generations to come.

I'm Kristin Rowe-Finkbeiner, Executive Director/CEO of MomsRising, an organization with more than a million members, including members in every state in the nation, working to increase family economic security.

We are on the frontlines of the crisis facing families in America right now. Experts in this room, and around the nation, agree: It's getting more and more expensive to raise a family and that fact has dire consequences. [1] It doesn't have to be this way.

This crisis is born of policies that are outdated and that fail to address the realities of today's economy and the struggles working families face.

In good news, this crisis is solvable. We can update our policies. We can make change. And the policies MomsRising supports, that I will talk about shortly, will boost our families and our economy. So while our organization is named MomsRising, the work we do lifts dads, grandparents, people with all types of families, and of course moms.

The situation is urgent. At MomsRising we hear from people experiencing this crisis each day.

Stories like this one from Joan, a working mother right here in our nation's capital dealing with high monthly costs of student loans, groceries, utilities, housing, and child care. Joan pays \$1,170 per month for child care for her youngest child, plus additional funds for after-school care for her five-year-old, who is in public kindergarten.

Joan and her family are far from alone in facing a crunch of compounded costs. In fact, it's so expensive to raise a family these days that one in six children in our country now live in food-insecure households. [2]

Take Jamie, from New Jersey, who reached out to us in 2017 when she was a pregnant mom. She worked part-time, only when her husband could be home, because they couldn't afford child care. Even though he had two part-time jobs, they struggled; and until they started getting

SNAP, their four-year-old and Jamie herself went without healthy food. It would come down to a choice: pay bills or buy groceries. If they chose to pay bills, they went without fruits and vegetables. And if their grocery bill went up, debt collectors would come calling.

Nobody who is working, let alone holding multiple jobs, should have to struggle to put food on the table. But too many families face stark choices like Jamie's. Too many families face steep, unmanageable costs:

- Housing costs, both rental and ownership, are now too high for far too many. One in three households are now paying more than 30% of their incomes for housing, and more than half are renters. [3] Home ownership -- a key source of wealth accumulation -- is now out of reach for a growing number of families because home prices have risen faster than wages in most markets. [4] When so much of your income has to cover housing, the regular costs of daily life, like feeding your family and paying utilities, become even harder to meet.
- The cost of education has also skyrocketed. College tuition has tripled since the 1980s. [5] While future earnings are significantly higher for those who graduate from college than for those who do not, [6] student debt now exceeds a trillion dollars with students, on average, carrying tens of thousands of dollars in debt when they graduate. [7] That is a huge burden for young families to shoulder.
- Child care costs are also sky high. In fact, child care now costs more than public college in most states [8] and Black and Latinx families often end up having to spend more of their annual income on child care than anyone else. [9] This is despite the fact that every parent needs safe enriching places to be so they can work, children need quality early education so they can thrive, and child care workers need to be paid living wages so they can succeed.

Let me tell you, too, about Meredith from Florida: *She and her husband planned for seven years before having children, but still ended up with student loans, health care, child care, and housing costs that made it hard to stay afloat. Their oldest is on the autism spectrum, and requires a separate health care plan, which doesn't cover many of his therapies and medications. Their student loans cost as much as a car payment. They paid \$1,000 per month for child care and now that their kids are older, after-school care -- especially for a special needs child -- is expensive. They lived with her parents to save enough money to buy a home of their own, and even then it was difficult. Meredith says she never imagined that two people who did everything right would find it so hard to make ends meet.*

The writing is on the wall: Our country, our workforce, and our economy have changed, but our public policies haven't kept up. They are woefully out-of-date and families are suffering as a result.

The terrible truth is that, as costs have been rising, wages have been largely stuck for decades. In fact, over the past nearly 30 years, net productivity rose by 70%; but hourly pay stagnated. [10] Translated, this means wealth inequality is increasing, the benefits of productivity are only

experienced by those few at the very top, and most people raising children in America are facing a financial crunch.

This situation can't be ignored. Data show that the bigger the gap gets between the rich and the poor, the less overall economic growth there will be. That, in turn, reduces economic security -- and hope. [11]

Inequality in all its forms is a too often silent, persistent, and pernicious crisis—and one that has disproportionate impacts. For instance, because of wealth inequality, one recent study found that a middle-class income doesn't directly correlate with middle-class economic security for everyone. For instance, white households earning an annual income between \$37,201 and \$61,201 owned eight times as much wealth as Black people in that same income bracket, and ten times as much as Latino people in that same income bracket. [12] The racial wealth gap is much bigger than the wage gap, and this affects whether whole communities are able to pay for things like college, time out of the labor force, retirement, starting a business, buying a house, passing down resources to children, investments, sabbaticals, and much more. [13] This is a big deal and one of many examples of why our fight for equity and equality must always be intersectional.

Suffice to say that the United States isn't doing well when it comes to addressing wealth and income inequality overall. In fact, the United States of America is now the third worst nation in terms of income inequality—after Chile and Mexico—among the Organisation for Economic Co-operation and Development countries. [14] Our high level of income inequality led MIT economist Peter Temin to assert that we're regressing to developing nation status. In 2017, Temin noted that the United States has largely become a two-track economy, with roughly 20 percent of our population educated and in good jobs, and 80 percent working in the low-wage sector with little hope of advancement. [15]

On top of this, women are being pushed even further behind by wage, hiring, and advancement discrimination: Women of all races on average are paid just 80 cents on the dollar [16]; and moms of all races experience increased wage discrimination, earning an average of just 71 cents to dad's dollar, with moms of color experiencing compounded wage discrimination due to structural racism. [17] This is happening despite the fact that there is a direct correlation between high levels of women in corporate leadership and higher profits—and despite the fact that promoting women often leads to outperforming the competition. [18]

The U.S. Census reported in 2018 that women, on average, earned just 80 cents to a man's dollar for all year-round full-time workers; [19] women of color, on average, experience significant increased wage hits: [20] Latina women earn only 53 cents; Native American women only 58 cents; Black women only 61 cents; and Asian women only 85 cents on average for every dollar earned by white, non-Hispanic men. And it should be noted that the broad data category of Asian women doesn't give the whole picture: [21] A closer look at the numbers inside that number, for instance, reveals that Burmese women are earning only 50 cents to a white man's dollar, Fijian women are earning 68 cents, and Laotian women are earning 58 cents. [22] And to get a closer picture of what's really going on in our nation, here are specific numbers [23] relating to moms: Latina mothers are paid just 46 cents; Native mothers are paid 48 cents; Black mothers are paid 54 cents; white, non-Hispanic mothers are paid 72 cents; and Asian/Pacific Islander mothers are paid just 92 cents for every dollar paid to white, non-Hispanic fathers.)

So what's happening with these wages? One series of studies painted a stark picture of hiring, workplace, and wage discrimination: Moms were hired 80 percent less often than women with equal resumes who didn't have children; and when moms were hired, they were offered salaries \$11,000 lower on average than the salaries offered to non-moms. On the other hand, dads with equal résumés were offered \$6,000 more than non-dads, [24] proving that the antiquated and false idea that only men need paychecks large enough to support their families persists, causing intense damage, and keeping many families poor and hungry. Studies have also shown that mothers are judged more harshly in the labor force, even when they have the same credentials as non-mothers. [25]

Discrimination is at work when it comes to the motherhood pay penalty. Michelle J. Budig, writing in *Third Way*, reports that the motherhood penalty, "Cannot be explained by human capital, family structure, family-friendly job characteristics, or differences among women that are stable over time... This motherhood penalty is larger among low-wage workers while the top 10% of female workers incur no motherhood wage penalty." [26]

Further, while moms overall across all races are paid just 71 cents to every dollar that dads are paid, [27] the discrimination in pay compounds for single moms and their children. Paid just 55 cents for every dollar paid to all fathers, [28] single mothers are among those who face the worst wage discrimination [29] in our nation. This impacts a tremendous and growing number of women and children. A study from Johns Hopkins University found that 57 percent of babies born to millennials were not born within a marriage. Technically these are "single mothers" by many people's definition, but that doesn't mean there isn't a partner present. These and other numbers demonstrate the extensive nature of deeply unfair pay gaps that women and moms are facing.

Unfair pay causes grave and lasting harm to those who are in low-income jobs in particular: Mothers in low-wage jobs are paid just 66 cents for every dollar paid to fathers in low-wage jobs; [30] and we can't forget that 90 percent of women earn less than \$75,000 a year, and more than half of them earn less than \$30,000 a year. [31] Too many women and moms are working hard, being paid unfairly, surviving paycheck to paycheck, and falling into poverty as they struggle to raise families and open doors for their children to thrive.

Families urgently need women's wages to make ends meet and to survive economically; as does our national economy. In fact, women became half of our country's full-time labor force for the first time in the last decade, [32] and three-quarters of moms are now in the labor force, more than half of whom are the primary breadwinners [33] for their families. Further, in our consumer-fueled economy, women and moms make nearly three-quarters of purchasing decisions. [34] That's a lot of consumer power. But it also means that when people aren't paid fairly and don't have funds to spend, our entire economy suffers.

On the other hand, when women are economically successful, so are men, and so is our overall economy: If women received pay parity, it would cut poverty by more than half for women and families, add \$512.6 billion to our national economy, [35] and increase our gross domestic product by at least 3 percent. [36]

It's time to move our policies into the 21st century so women, families, and our economy can thrive. The lack of adequate federal economic security and equal pay policies harms working people who are paid unfairly, their families who count on their paychecks, and our nation's economy.

Not to be overlooked is that our mass incarceration policies further compound the economic harm to many families. The United States has the highest incarceration rate in the world [37] and 54 percent of inmates are parents with children under the age of 18. [38] Mass incarceration devastates family economic security in the short- and long-run, tears families apart, and hurts children and communities.

Congress needs to advance innovative solutions that make families stronger and also continue successful safety net programs like: Supplemental Nutrition Assistance Program (SNAP), Special Supplemental Nutrition Program for *Women, Infants, and Children* (WIC), the earned income tax credit (EITC), Child Tax Credit (CTC), Temporary Assistance for Needy Families (TANF), Head Start, Medicaid, and more. Each immediately injects funds into our consumer-fueled economy and allows people to buy the groceries and other basic goods and services they need to survive and thrive. For instance, for every \$1.00 that goes into funding SNAP, our economy gets back \$1.70. [39]

One thing is clear: Solutions are possible. Small changes and big change. It all adds up.

In good news, there is growing momentum for policy change that lifts families, businesses, and our economy alike. For instance, nine states and dozens of municipalities have passed paid family leave policies [40], and 50 locations across the nation have passed earned sick days. [41] Many states are also passing pay equity laws.

These wins include:

- New York, which passed a historic paid family and medical leave law that went into effect last year and was available to 8.5 million New Yorkers. [42]
- Massachusetts, which passed a strong pay equity law to stop the use of prior salary history in setting current pay so historic wage discrimination won't be compounded. The law also protects people from retribution for discussing wages with coworkers, which only a few states do. [43]
- Washington State, which passed the Childcare Access Now (CAN) Act to address child care affordability, quality, and workforce compensation. [44]

But to really move the needle, we need change at the federal level because when this many people are having the same problem at the same time, we don't have an epidemic of personal issues, we have national structural issues we can and must solve together. That's why we're pushing for:

- Paid family/medical leave for everyone in our nation

- Affordable, accessible, high quality child care
- Health care for all, including access to reproductive health care
- Paycheck fairness
- Earned sick days and reasonable accommodations for pregnant workers.
- Living wages, which means increasing the federal minimum wage and abolishing the tipped wage
- An end to mass incarceration, the school-to-prison pipeline, and child and family detention
- Expanded Earned Income Tax Credit (EITC) and Child Tax Credit (CTC)
- Investments in children and families including SNAP, Headstart, WIC, the school lunch program, child care assistance and more.
- Comprehensive gun policy reform to reduce the devastating costs of gun violence.

Advancing policies in these areas will be good for women, men, all family types, and the economy. The return on investments are high. For instance:

- Studies show for every dollar invested in child care, there is a return on investment up to \$9.00; [45]
- A failure to make adequate affordable housing available now incurs greater costs for future generations; [46]
- Advancing paid family medical leave and earned sick days, which most other nations have done, increases work productivity and retention, decreases mortality, and state studies show paid family medical leave could save approximately 40% in TANF and SNAP costs; [47]
- On average, adults with a college degree earn \$920,000 more than those without one during their lifetimes; [48]
- Studies also show that advancing economic security policies like paid family/medical leave and affordable child care help lower the wages gaps between women and men, moms and non-moms. [49]

Adopting these policies isn't just the right thing to do for our families, it's the smart thing to do for our economy.

We need to attack the challenges from multiple angles – better, fairer wages, updating our outdated policies, and making basic necessities more affordable. We need to move quickly to pass the FAMILY Act, the Childcare for Working Families Act, the Working Families Tax Relief Act, the MOMS Act, the Healthy Families Act, and the Maternal CARE Act; as we also raise the federal minimum wage and have it cover all workers, ensure everyone has access to health care coverage, make college and housing affordable, and more.

Our to-do list is long, but we are up to the challenge because these solutions don't just lift families, they lift our nation. When we update our outdated policies to address today's realities and economy, we all win.

We can, and we must, make it more affordable to raise a family in America -- and together we will.

Thank you.

***ENDNOTES:**

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