

Women in Poverty in Essex County: A Call to Action

Each year **The Women's Fund of Essex County** conducts an analysis of the status of women in Essex County using the American Community Survey (ACS). We use this analysis to help inform our strategy and initiatives so that we may make targeted and impactful grant decisions. This year we developed our report **Women in Poverty in Essex County: A Call to Action** to share information with our donors, volunteers, agency partners and community leaders. The following summarizes our major findings. We hope you will read the full report and join us in our efforts to address local poverty and advance the economic self-sufficiency and empowerment of women, girls, and their families in Essex County.

Executive Summary

Over 87,000 of Essex County's residents live in poverty. You might be surprised to learn that Essex County's rates of poverty are consistent with, and in a few cases higher than, state and national poverty rates.

Poverty occurs among married families, single parents, and individuals. But **most frequently, the face of poverty is a single mother and her children, or an elderly woman living alone.** Disparities are most acute among women of color and immigrant women.

Scope of Women's Poverty in Essex County

Women and girls, who make up 52% of Essex County's population, are nearly **35%** more likely to live in poverty than men.

- **60%** of Essex County's "dire poor" are women. Dire poverty is defined as living below 50% of the poverty line.
- Women ages 25-34 are **twice** as likely to be poor as similarly aged men (**18%** of women ages 25-34 live in poverty).
- Women ages 65 years and older are **twice** as likely to be poor as similarly aged men. **Twelve percent of women ages 65+** live in poverty. One third of all women ages 65+ live alone.
- **One-quarter** of all families with children are headed by a single mother. **More than 1 in 3 single mothers with children** (8,927 families) live in poverty. This includes:
 - **Almost 1 in 2** Latina single-mother families (5,311 families)
 - **Just over 1 in 2** Black/African American single-mother families (730 families)
- Of the 28,616 children in Essex County living in poverty, **nearly 70%** live in single-mother families (19,745 children).
- The vast majority of families in homeless shelters are single-mother families.

Women's Poverty Impacts Us All

- **Women's poverty is detrimental to the social and economic fabric and health of our communities.** A mother's poverty impacts her own well-being and the well-being of her children. Research shows that a mother's poverty reduces the social, economic and educational outcomes of her children limiting their horizons and future contributions. Without intervention, poverty typically transfers between generations.
- **Women's poverty undermines the strength of our communities and economies.** Research shows that women, at every level of means, reinvest 90% of their income back into families and communities.¹ Women control 70-80% of consumer purchases.² Women's collective financial security can be an economic driver or constraint.
- **Poverty costs everyone, today and long term.** In 2012, childhood poverty, alone, cost the US approximately \$500 billion in public outlays, poor health outcomes, school dropout rates, criminal justice expenditures and reduced economic output – equivalent to 4% of GDP.³ If we do not invest to reduce poverty now, we will be paying the cost of poverty for generations.
- **Poverty diminishes us as a society.** Among developed countries, the United States ranks lowest on most measures of women's economic security, health and well-being.

Poverty is Solvable

The issues that create women's poverty are complex and require a multidisciplinary approach. With time, focus, and investment poverty can be addressed, particularly at the local and county levels where we can identify and track the following patterns and determinants.

First, when we look at poverty through a family lens, we find much of Essex County's poverty is concentrated among female-headed families, especially, but not exclusively, among families of color. Focusing on family poverty enables solutions that support both parents and children, limiting the intergenerational transfer of poverty.

In Essex County, 16,290 families with over 28,000 children live in poverty. This includes 9,646 female-householder families, 93% of which are single mothers.

These female-householder families who live in poverty are only 5% of Essex County's total families, but they represent nearly 60% of all families living in poverty and nearly 70% of all children living in poverty. A targeted focus on improving the economic self-sufficiency of these 9,646 female-householder families can be a highly effective and leveraged approach to reducing poverty.

Second, poverty is present in all of our communities, but it is particularly concentrated in our cities, especially our Gateway Cities of Lawrence, Haverhill, Methuen, Peabody, Salem and Lynn.

Finally, the causes of women's poverty, while multi-dimensional, are identifiable and largely measurable. Many of the determinants are uniquely women's issues. Understanding the causes and interdependencies is important for targeted solutions.

Major Socio-Economic Determinants of Women's Poverty in Essex County

Women's poverty is a confluence of overlapping socio-economic issues and challenges, including:

- **Earnings Disparities and Employment Barriers**
- **Low Income, The "Affordability Gap" and Low Assets**
- **Education Challenges**

These issues are additionally influenced by the health, social structure and resources of the community and county.

Earnings Disparities and Employment Barriers

In 50% of Massachusetts households with children, women are either the **primary** or the **sole** breadwinner.⁴ Pay disparity and employment barriers can significantly impact a woman's ability to support herself and her family. Women's lower earnings are primarily a combination of:

The women's pay gap: Women's work continues to be valued less than men's. In Essex County, **women's median earnings for full-time, year-round work are \$48,786**, which is **79% of men's** median earnings of \$61,908. Latina women in Essex County earn 49% and Black/African American women earn 60% of the median wages of men. The wage gap between working

mothers and fathers remains larger. In Massachusetts, mothers who work full time, year round earn an average of **71 cents for every dollar** paid to fathers.⁵ Women's median earnings are lower than men's across every major employment classification.

Occupational segregation and job devaluation: Women workers are typically **concentrated in occupations that tend to be lower or lowest paying**. In Essex County, the four occupations where women comprise the majority of employees are also the lowest wage occupations. In addition to low overall wages, women still earn considerably less than men in these women-dominated fields. Similarly, with the exception of Healthcare, women are under-represented in the higher-paying fields.

Nationally, women represent two-thirds of the workers in occupations that pay \$10.50 or less per hour.⁶ An hourly wage of \$10.50 is not a family living wage.

Shorter work hours and time out of the workplace: **Seventy-four percent** of Essex County women are in the workforce (compared to 81% of men). Of women with children under 18, **71%** work in some capacity. More women than men juggle the dual role of wage earner and caregiver to children and/or other family members. As a result, women are more likely to work reduced schedules. In Essex County, **54% of women work full time, year round** (compared to 69% of men); **46% of women work part time**. Many women work multiple part-time jobs in order to make ends meet but fail to qualify for employer-sponsored benefits. Time away from work can impact a woman's earnings significantly through lost wages, limited promotions, and reduced Social Security benefits.

Low Income, “The Affordability Gap” and Low Assets

In Essex County, our families are especially challenged by our high cost of living, conservatively estimated as **36% higher than the national average**.⁷ This is especially challenging for families with a single income. According to MIT's Living Wage Calculator, a family of one adult and two children must have an **annual minimum income of \$64,357 before taxes to meet the most basic costs of living in Essex County**.⁸ **Single mother median income is \$25,530** (2015 dollars), just over \$5,000 above the poverty line for a family of for a family of three.

When asset wealth is used as a measure, **many more families, especially single mothers, fall below the asset poverty line** than the federal income poverty line. Asset poverty is defined as a household's lack of adequate net worth resources – property, savings accounts, businesses and other tangible assets – to provide for basic needs for three months if income were to stop. Home ownership is a primary strategy for women to help build their way out of financial insecurity. Access to decent, affordable housing is especially challenging with our expensive housing market and limited affordable housing stock. In Essex County, **61% of women householders rent**, compared to 49% of male householders and 17% of married-couple households.

Education Challenges

Across the board, higher educational attainment means lower levels of poverty. **However, women still earn disproportionately less than men at each education level.**

Based on our analysis of the American Community Survey data, we find the following four critical education gaps that impact women's economic self-sufficiency and self-determination. Some of these issues are self-evident, but the scale of the issues is compelling.

- **Female householders (especially single mothers) have disproportionately lower levels of educational attainment**
- **Women in Gateway Cities have significantly lower levels of educational attainment**
- **A high school degree is no longer enough to earn a living wage**
- **The number of young women (and men) enrolled in post-secondary education is too low to meet the demands of our increasing “Technology and Knowledge Economy”**

For many women, a college degree or credit certificate is their best hope to put themselves on improved financial footing long term. Our community colleges play a crucial role in helping women, particularly single mothers, to continue or return to school for a post-secondary education. At North Shore Community College, women are 66% of the student enrollment; 28% of students are single parents, predominantly single mothers.⁹ Completing programs can be particularly challenging for single mothers who are additionally juggling work and family care responsibilities.

Call to Action: Creating Change Together

Some of the issues of women's poverty require top-down public policy changes for systemic change, but many are capable of being solved at the local level for sustainable change. The success of local efforts is dependent upon community involvement and philanthropic investment.

Essex County has a large number of extraordinary nonprofit agencies working within our cities and across communities to address these issues. These agencies struggle in the face of increasing need, declining governmental support and the dearth of funding for women's programs. Nationally, on average only \$.08 cents of every dollar spent by organized philanthropy goes to programs targeted to women and girls.¹⁰

The Women's Fund of Essex County identifies and funds highly effective programs that provide outreach and life skills for women and girls. Our goal is to identify those points of intervention in

the lives of women and girls that can change their future. To date, The Women's Fund has granted over \$1.6 million to 90 different nonprofit programs. Our grants address issues in Economic Self-Sufficiency and Security, Health and Well-Being, and Leadership and Empowerment.

The Women's Fund offers donors the opportunity to invest, through a single donation, in a range of high-impact programs selected through our rigorous grant review process. We focus on Essex County because we believe that sustainable social change begins locally. It begins with each of us.

We hope you will join us in our goal to help end local poverty by increasing the economic self-sufficiency and empowerment of women, girls and their families.

To read the full report, go to
www.thewomensfundec.org

Endnotes:

1. "Gender Equity," Calvert Foundation; <http://calvertfoundation.org/initiatives/gender>
2. Bridget Brennan, "Top 10 Things You Should Know About Women Consumers," *Forbes* (1/21/15); <https://www.forbes.com/sites/bridgetbrennan/2015/01/21/top-10-things-everyone-should-know-about-women-consumers/#4f0d76d96a8b>
3. Katie Wright, "5 Things to Know about Single Mothers in Poverty," Center for American Progress, (5/13/12); <https://www.americanprogress.org/issues/poverty/news/2012/05/11/11634/5-things-to-know-about-single-mothers-in-poverty/>
4. "Breadwinner Mothers by Race/Ethnicity and State," Fact Sheet IWPR #Q054, Institute for Women's Policy Research (9/16); <https://iwpr.org/publications/breadwinner-mothers-by-raceethnicity-and-state/>
5. Interactive Map, National Women's Law Center; <https://nwlc.org/resources/the-wage-gap-for-mothers-state-by-state-2016/>
6. Anne Morrison and Katherine Gallagher Robbins, "The women in the low-wage workforce may not be who you think," National Women's Law Center (September 2015); https://nwlc.org/wp-content/uploads/2015/08/chartbook_women_in_the_low-wage_workforce_may_not_be_who_you_think.pdf
7. Essex County cost of living 35.8% (2016) above national average estimated by Citi-Data.com; http://www.city-data.com/country/Essex_County-MA.html
8. MIT Living Wage Calculator; <http://livingwage.mit.edu/counties/25009>. Note: data used as of 2/12/17.
9. Data provided by North Shore Community College
10. Francine LeFrak, "Women's Philanthropy: Coming Soon!" *Huffington Post* (7/30/14); http://www.huffingtonpost.com/francine-lefrak/womens-philanthropy-comin_b_5413759.html

