

Women in Poverty in Essex County: A Call to Action

2017

The Women's Fund of Essex County
is a field of interest fund of
Essex County Community Foundation



The
**WOMEN'S
FUND**
of Essex County

www.thewomensfundec.org

Women in Poverty in Essex County:

A Call to Action

Preface

Essex County is as diverse as it is historical. We are communities of obvious affluence and communities of visible poverty. Our older, larger cities face the highest levels of poverty but they are also vibrant and important “gateways” for many families to get their start.¹ The reality is that poverty and “near poverty” is present and growing in all of our communities, most significantly among women and their families.

For the last seven years, The Women’s Fund has conducted 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.

A product of the U.S. Census, the ACS provides demographic, economic, education and housing data on communities. We use this data to better understand significant causes and correlates of local women’s poverty and its issues. Not included in the ACS are indicators of health and environment, as well as community infrastructure – also key determinants of poverty. Although we cannot measure health, environmental and infrastructure factors using ACS data, their influence can be seen in much of the analysis results.

We developed this report to share information with our donors, volunteers, agency partners and community leaders. Behind these numbers are the women and families who struggle with life’s basic needs and rise to meet their challenges and opportunities. We hope you find these results both informative and concerning, and that you will join us in our dialogue and efforts to advance the economic self-sufficiency, health and well-being, and empowerment of women, girls, and their families in Essex County.

Unless footnoted, all data is based on The Women’s Fund’s analysis of the September 2016 release of the American Community Survey (2015 data). A glossary of terms is available on page 15. In addition to our analysis of the ACS, we have also relied on data from Essex County Community Foundation’s new database, *Impact Essex County*,² as well as a range of reports from policy and research groups. Special thanks to Dr. Patricia Gentile, President of North Shore Community College, and her team for generously sharing their data. Thank you also to the over 60 nonprofit agencies with whom we partner for their ongoing information-sharing and valuable work.

The Women’s Fund of Essex County

Women in Poverty in Essex County

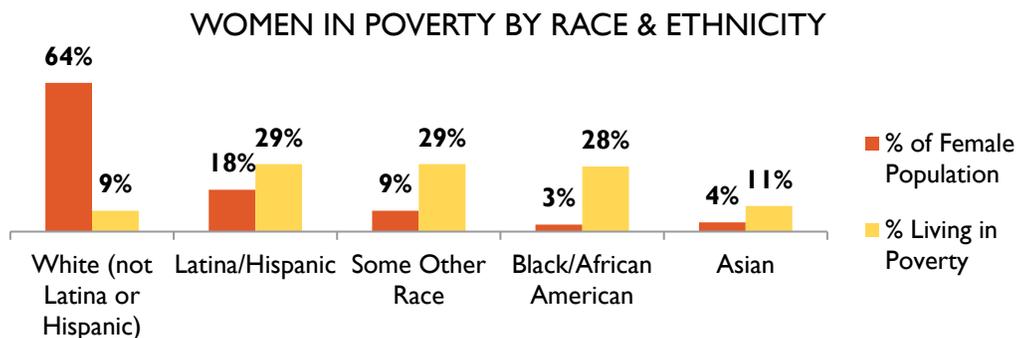
Over 87,000 of Essex County's residents live in poverty. Statistically, poverty occurs when a household's income is at or below the federal poverty level, which, for a family of three is \$20,090. In reality, poverty is the lack of resources to afford the basic necessities of life – food, clothing, childcare and/or shelter – without assistance.

In Essex County, as across the state and nation, women are far more likely than men to live in poverty. Despite our improving economy, a number of social, economic and educational factors continue to hold back a significant percentage of our women and girls. Disparities are most acute among women of color and immigrant women. Critical issues not only challenge their well-being, but impact the well-being and future of their children.

Women's poverty is detrimental to the social and economic fabric of families and communities. When women and girls become better educated and more economically secure, when they expand their opportunities and goals, they become strong role models and economic supports for family and community. Strong women and girls create strong families and communities.

Scope of Women's Poverty

Women and girls, who make up 52% of Essex County's population, are nearly **35% more likely to live in poverty** than men (13.1% of women/9.8% of men). **Women of color experience the highest poverty.**



- **60%** of Essex County's "dire poor" are women. Dire poverty is defined as living at or 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.
- Of the 16,290 families living in poverty, **59% are headed by a single woman**. Of female householders who live in poverty, 93% are single mothers with children under 18 years of age.
- **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)**
- The vast majority of families in homeless shelters are single-mother families.

Of the 28,616 children living in poverty in Essex County, nearly 70% of live in single-mother families (19,745 children).

Why are So Many Women Living in Poverty?

Women's poverty is a confluence of overlapping issues, including:

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

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

Earnings Disparities and Employment Barriers

Women are nearly 50% of the workforce, yet continue to earn significantly less than men. Pay disparity and employment barriers seriously impact a woman's ability to support herself and her family.

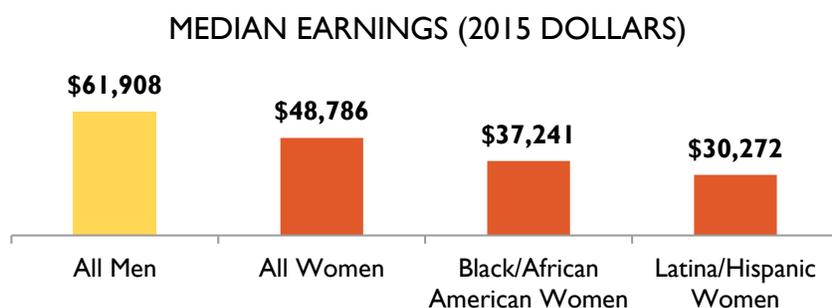
In **50%** of Massachusetts households with children, women are either the **primary** or the **sole “breadwinner.”**³ Even when the woman is the secondary breadwinner, households are less secure because of her lower wages. **The highest percentages of breadwinner mothers occur in Latina and Black/African American families, the largest single-mother racial and ethnic groups in Essex County.**

Women's lower earnings are primarily a combination of:

- The women's pay gap
- Concentration in lower paying jobs
- Lower mean hours worked and time out for pregnancy and family care

Earnings Inequality: The Women's Pay Gap

Women's work continues to be valued less than men's. Women are paid less than men even when they have the same qualifications and work similar hours. In Essex County, **women's median earnings for full-time, year-round workers are \$48,786**, which is **79%** of men's median earnings of \$61,908. Women of color earn even less. **Latina women in Essex County earn 49%** and **Black/African American women earn 60%** of the median wages of men.



This gender pay gap is an important contributor to women’s poverty. The Institute for Women’s Policy Research (IWPR) estimates that, if women’s wages were valued the same as comparable men (same level of education, same age group, working in the same geographic area, working the same hours), the **poverty rate for working women would be cut in half.**⁴ If the rate of change continues at the same slow pace, IWPR estimates that Massachusetts’ female workers will not achieve wage parity with men until 2056 or later.⁵

Earnings disparity typically varies by age and life stage. The slight decrease we have seen in the women’s wage gap over the last few years has been driven primarily by young women with undergraduate and graduate degrees entering the workforce at improving wages, as well as the slowing growth rate of men’s wages. The American Association of University Women (AAUW) found that **one year after college graduation, full-time working women were paid 82% of comparably employed men.**⁶ Without clear policies on pay equity, it is unknown whether this pay gap will remain as is or widen as the woman progresses through her career.

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.**⁷ This “mother’s penalty” is a combination of time away from the workplace for pregnancy leave (if taken) and workplace discrimination which may assume a reduced commitment to career (“mommy track”). Fathers, on the other hand, may experience a wage boost after becoming a father.⁸

The wage gap occurs at all levels of education. (See page 9).

Finally, women’s median earnings are **lower than men’s across every major employment classification.** Women’s median earnings are highest in federal, state and local government and lowest in the private for-profit industries as well as for those self-employed.

Occupational Segregation and Job Devaluation

Women workers are typically **concentrated in occupations which tend to be lower or lowest paying.**

Nationally, women represent **two-thirds of the workers in occupations that pay \$10.50 or less per hour.** According to The National Women’s Law Center, of these low-wage working women:

- 4 out of 5 have a high-school degree or higher
- 65% are single women or single mothers
- Half work full time, and a large majority work all year
- Nearly half are women of color⁹

As will be shown, a wage of \$10.50 per hour is not a family living wage in Essex County.

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.**

OCCUPATION	% FEMALE	FEMALE MEDIAN EARNINGS	PAY RATIO TO MEN
Healthcare Practitioners & Technical	81%	\$ 59,329	74%
Education, Legal, Community Services & Arts	66%	\$ 40,839	77%
Sales & Office Occupations	62%	\$ 30,298	69%
Service Occupations	57%	\$ 16,308	68%

Similarly, with the exception of Healthcare, women are under-represented in the higher-paying fields including: Management, Business & Financial (pay ratio 63%); Computer, Engineering & Science (pay ratio 82%); Protective Services (pay ratio 58%). The occupations that experience greater unionization have greater wage parity between men and women.

Some of this occupational disparity is attributable to the education and career choices women make. Education has too often tracked with traditional assumptions of women's employment/career paths. But discrimination, gender norms and other workplace barriers can discourage women from trying to enter or stay in the higher paying male-dominated fields. Programs that help broaden a younger woman's career perspectives and provide early training are critical. This is just one of the reasons The Women's Fund supports STEM and STEAM (Science, Technology, Engineering, Arts and Mathematics) programs for young women. Equally important are programs that provide retraining and mentoring support to women changing fields. These must be supported with workplace policies that embrace diversity.

Lower pay is more than just a reflection of the work and career choices women make. **Research also shows that, as more women enter fields previously dominated by men, average wages decline for that field as a whole.**¹⁰

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** (compared to 31% of men). On average, women work **34 hours/week** compared to men's 40 hours/week.

Women work part time to balance care responsibilities, because they cannot afford full-time daycare, because they lack the skills or cannot find full-time work, or by choice. Many women work multiple part time jobs in order to make ends meet.

Most employers require a minimum of 30 hours per week to qualify for employer-sponsored benefits, leaving many women working part time without coverage. Single mothers, in particular, face childcare challenges, unless they have other family members to fall back upon. They are more likely to work part time with fewer workplace benefits and, as single-wage earners, must absorb the cost of lost wages or lost job. In addition, Essex County **single-mother families have a higher rate of children with disabilities (7.4% compared to 4.5% in married-couple families) requiring more care time.**

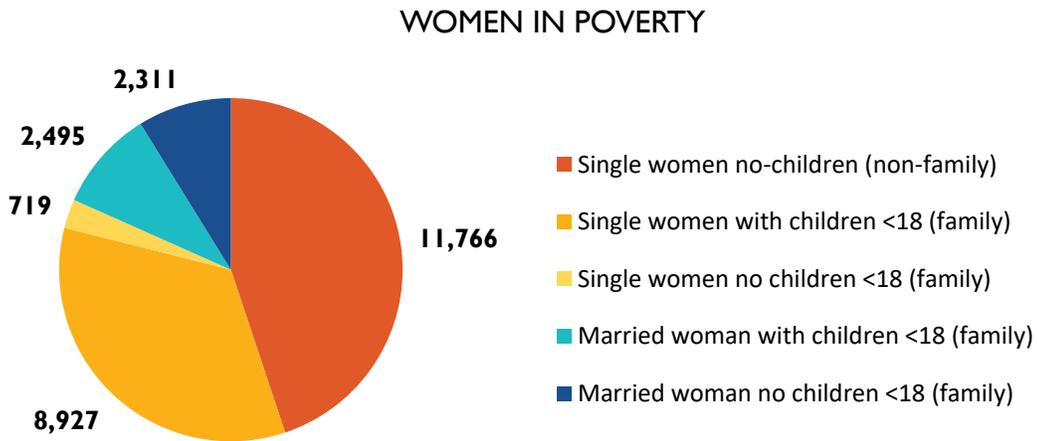
Time away from work can impact a woman's earnings significantly through lost wages and Social Security benefits, as well as limit promotions or advancements. Massachusetts' Earned Sick Time Law, which started January 2016, now provides up to 40 hours of paid sick leave to full- and part time workers in companies of 11 or more employees, once workers have earned the required hours. However, as *Impact Essex County* reports, **74% of Essex County's employers have fewer than 10 employees.** In many of these workplaces, women who need to take time off may lose valuable wages.

Low Income, “The Affordability Gap” and Low Assets

Income Poverty

Poverty has traditionally been defined as incomes below federal poverty levels.¹¹ Health and Human Services’ poverty guidelines define the poverty line for a family of three as **\$20,090** (2015). Low income is a result of reduced earnings from low-wage jobs, part time work, unemployment, low pensions and low social security benefits.

The **primary faces of poverty** in Essex County are the single mother and her children under 18 and the single woman living alone.



Note: chart numbers reflect women only and do not include children.

Single Mothers

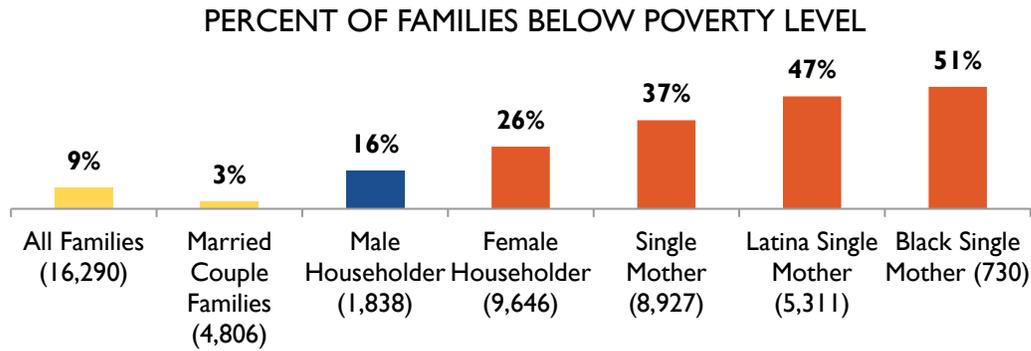
Single mothers are female householders with children under 18 years of age.¹² While many single mothers are economically secure, **37% of Essex County’s single mothers and their children live below the poverty line. This is a total of 8,927 mothers and 19,743 children. Many more live marginally above the poverty line.**

Our older Gateway Cities¹ have the highest concentration of single-mother families.

CITY	TOTAL SINGLE- MOTHER FAMILIES	TOTAL SINGLE- MOTHER FAMILIES IN POVERTY	% OF SINGLE- MOTHER FAMILIES IN POVERTY
Lawrence	5,900	2,880	49%
Lynn	3,811	1,863	49%
Haverhill	2,579	980	38%
Salem	1,843	637	35%
Methuen	1,674	496	30%
Peabody	1,318	369	28%

Single mother **median income is \$25,530** (2015 dollars), just over \$5,000 above the poverty line for a family of three. **Poverty is greatest for single mothers of color and their families.**

Nearly 70% of the children who live in poverty live in single-mother families. Sixty-six percent of the households with children that receive public assistance are single-mother families.



Single Women Living Alone

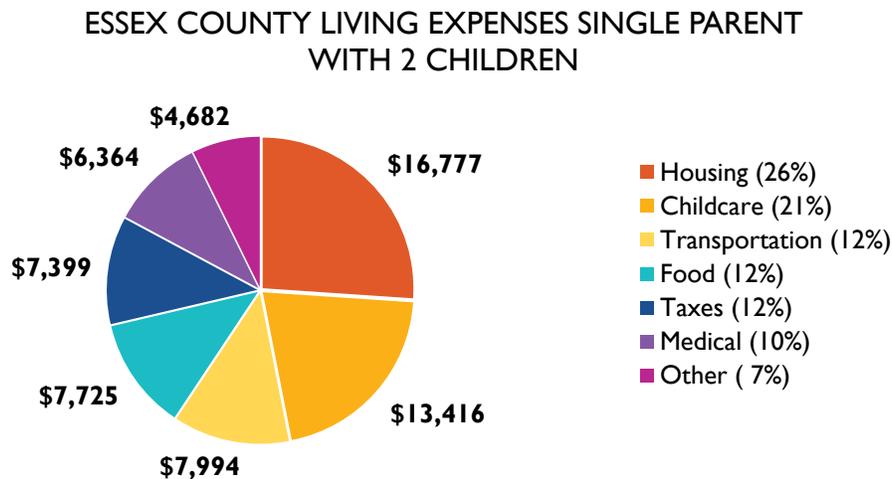
In Essex County, nearly 60,000 single women live outside of a family (non-family household). The vast majority of these women live alone and **20% live in poverty (11,766 women)**.

Over 24,800 women ages 65+ live alone. **Twenty-four percent (5,086) of these women live in poverty.** Isolation and vulnerability are major issues for many of these women.

The Challenge of a Single Income in a High Cost-of-Living County

Increasingly, individuals living alone or families with a single income are struggling to ensure economic self-sufficiency given today's cost of living.

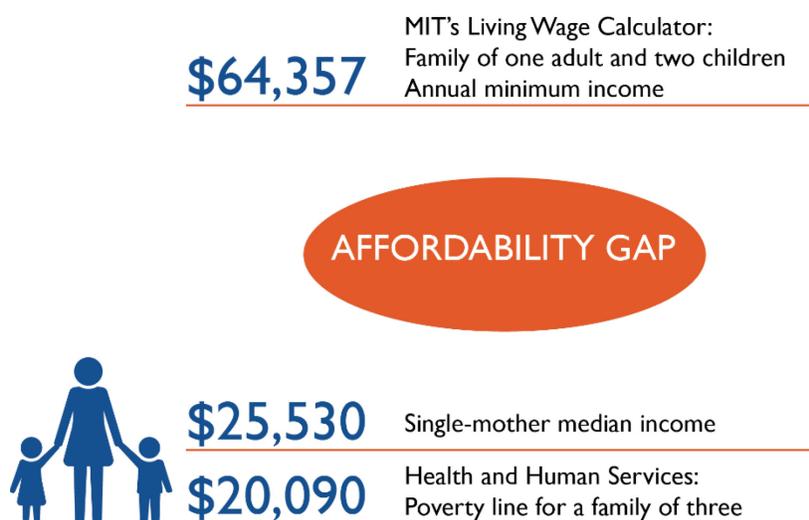
In Essex County, our families are especially challenged by our high cost of living, conservatively estimated as **36% higher than the national average**.¹³ According to MIT's Living Wage Calculator, a family of one adult and two children must have an **annual minimum income of \$64,357 before taxes to meet the most basic costs of living in Essex County**.¹⁴ MIT identifies the following average expenses for a single parent with two children in Essex County (2016 dollars):



To meet this annual minimum, the adult, working full time, year round, must earn a minimum **“living wage” of \$30.94 per hour – almost three times Massachusetts’ current minimum wage (\$11/hour 2017)**. MIT identifies a wage of \$10 per hour as a “poverty wage” for an Essex County

family of one adult with two children. At our cost of living, women's pay disparity and low-wage jobs create persistent economic insecurity.

Many families with incomes above the poverty line struggle in an **"affordability gap"** between actual earnings and the true costs to live in Essex County without some form of public assistance. **Given women's lower median incomes, the actual number of women householders who are challenged to meet life's basic necessities is much larger than the federal poverty numbers indicate.** We know that when one thing goes wrong for families living on the economic edge, homelessness may be a result.



Asset Poverty

In addition to income, there is increasing focus on **"asset wealth" as a measure of financial security**. Asset wealth includes property, savings accounts, businesses and other tangible assets. Asset wealth is a resource that can transfer to the next generation to help reduce intergenerational poverty. **Asset poverty** is defined as a household's lack of adequate net worth resources to provide for basic needs for three months if income were to stop.

When asset wealth is used as a measure, **many more families fall below the asset poverty line than the federal income poverty line**. Compass Working Capital is one of the leading nonprofits working to advance the asset wealth of poor families, particularly single-mother families. In measuring asset poverty in the United States, Compass reports:

- Nearly 25% of families are in asset poverty
- 2.2 times as many households of color are asset poor as compared to white households
- 2.1 times as many single-parent households are asset poor as compared to two-parent households.¹⁵

A centerpiece in asset-building programs is financial literacy and incentivized savings programs so that women, and other program participants, learn how to budget, save and invest, and develop the discipline to be a goal-oriented saver. This is often conducted as an entire family learning process.

Discussing the benefits of building asset wealth, Compass writes:

"When families build savings and assets, children demonstrate a more hopeful and positive orientation towards the future. Asset ownership reduces the duration of unemployment, helps single mothers maintain their families above the federal poverty level, increases overall household savings and investing, and lowers a family's subjective sense of economic hardship. Asset ownership is associated with improved educational outcomes for children, including

higher high school and college graduation rates, and a decrease in the intergenerational transfer of poverty.”¹⁶

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 families.

Rental rates are even higher in our older Gateway Cities, which have less available non-rental housing. The small percentage of existing affordable housing limits the opportunity for homeownership in these cities.

CITY	FEMALE HOUSEHOLDER HOUSING TENURE	
	% OWNER OCCUPIED	% RENTER OCCUPIED
Lawrence	17%	83%
Lynn	27%	73%
Salem	32%	68%
Haverhill	37%	63%
Methuen	48%	52%
Peabody	54%	46%

Access to decent, affordable housing is critical to helping all families, especially single mothers, build their way out of poverty. Programs that provide homeownership and the opportunity to build equity are especially important.

The Critical Importance of Education

Education strongly impacts financial security by increasing an individual’s preparation and qualifications for employment and arguably increasing expectations and goals. Across the board, higher educational attainment generally means lower levels of poverty. **However, women still earn disproportionately less than men at each educational level.**

MEDIAN EARNINGS BY EDUCATIONAL LEVEL (POPULATION AGES 25+)			
FULL- & PART TIME WORKERS			
	MALE	FEMALE	% OF MEN'S
Less than High School Graduate	\$ 26,237	\$ 16,969	65%
High School Graduate (includes equivalency)	\$ 41,165	\$ 25,295	61%
Some College or Associate Degree	\$ 50,368	\$ 31,538	63%
Bachelor’s Degree	\$ 75,885	\$ 49,495	65%
Graduate or Professional Degree	\$ 91,366	\$ 61,589	67%

In addition, a mother’s education transcends to her children, improving their social, educational and economic outcomes. As a result of effective role-modeling and coaching support, children of mothers with a college education achieve better high school results and are more likely to go on to college.¹⁷

Educational Attainment & Challenges

Overall, Essex County men and women (ages 25+) have fairly similar educational attainment:

- 89% of men and **90%** of women have a high-school degree or higher
- 40% of men and **37%** of women have a bachelor's degree or higher

However, parsing this information reveals critical educational gaps, many of which are overlapping. Understanding these disparities enables targeted programs and policies to help address needs.

Gap: Female householders (especially single mothers) have disproportionately lower levels of education and higher levels of poverty.

	BACHELOR'S DEGREE OR HIGHER	SOME COLLEGE	HIGH SCHOOL DEGREE OR EQUIVALENCY	LESS THAN HIGH SCHOOL DEGREE	HIGH SCHOOL DEGREE OR LESS	OVERALL POVERTY RATE
Married Couple Householders	50%	25%	20%	5%	25%	3%
Male Householders	28%	25%	28%	19%	47%	16%
Female Householders	20%	32%	29%	19%	48%	26%

Programs that support women staying in school or returning to school are a critical step to reducing poverty.

Gap: Our Gateway Cities have significantly lower levels of educational attainment.

This is in part a reflection of the lower levels of educational attainment of single mothers and families of color as well as public resources of these larger, lower-income cities.

CITY	% BACHELOR'S DEGREE OR HIGHER, FEMALE POPULATION, AGES 25+
Lawrence	10%
Lynn	19%
Haverhill	28%
Peabody	28%
Methuen	29%
Salem	38%

The school systems in these cities are working closely with many of the community nonprofit agencies to advance a culture of learning that supports and encourages a child from pre-K through high school and college. For school-age children, this includes in-school and after-school enrichment programs, structured after-school support, and greater parent and school interaction, among other strategies. We know these programs are working when we look at the greatly improving rates of current enrollment, particularly for women. (See page 12).

Low educational attainment disproportionately hurts women because of wage disparity and occupational segregation. Targeted education and training outreach to low-income women, particularly in our cities, is critical to help break the cycle of poverty. This outreach needs to focus on nontraditional educational and training approaches that provide the skills and educational support needed to improve employability at a higher wage level. Childcare and English language learnings skills (ESL/ESOL) are important supports.

Gap: A high school degree is generally no longer enough to earn a living wage.

A young woman who does not complete high school has a significant chance of spending her life in poverty or near poverty. In Essex County, a woman with only a high school degree earns on average 51% of the median college degree wage for women, a difference of \$24,200 per year. Nationally, a woman with an associate degree earns on average \$427,000 more in her lifetime than a woman with just a high school diploma.¹⁸ According to the Bureau of Labor Statistics, nationally a woman with no more than a high school diploma is nearly twice as likely to be unemployed as a woman with a bachelor's degree.¹⁹

Although Essex County's high school graduation rates continue to rise, four of our largest cities (Lawrence, Lynn, Haverhill and Salem) still saw 2016 high school graduation rates for girls between 77% and 82%.²⁰ Reasons for dropping out include abuse and bullying, teen pregnancy and/or lack of solid role modeling. Girls need safe places and effective role modeling so they can grow as individuals and learn to make smart decisions such as staying in school and avoiding teen pregnancy. They additionally need programs that broaden their perspectives, increase their college readiness, and stretch their goals and expectations.

Gap: 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."

It is projected that by 2020, two-thirds of all jobs nationally will be classified as knowledge jobs requiring a post-secondary education (2-4 year college) or technical/vocational education.²¹ Massachusetts and Essex County mirror this trend.

Currently 44% of Essex County's young women ages 18-24 are enrolled in college or graduate school (15,780 women). Women are 54% of Essex County's higher education enrollment. This includes improving levels of female enrollment (ages 18-24) in our Gateway Cities:

CITY	% OF FEMALE POPULATION AGES 18-24 ENROLLED IN COLLEGE OR GRADUATE SCHOOL
Lawrence	33%
Lynn	41%
Haverhill	47%
Peabody	47%
Methuen	58%
Salem	66%

[Note: These enrollment numbers reflect only female students ages 18-24 and do not capture students ages 25 and older. As a result, they understate total college and graduate student enrollment. However, they do show the growth trend in higher education for female students in these cities.]

Although improving, **these current enrollment numbers are still too low to build a workforce prepared for the demands of our technology economy.** At this low rate of post-secondary education, many Essex County women are, and will continue to be, ill-prepared to meet employment demands of mid- and higher-wage jobs, stranding many workers at low earnings levels. Even today, this knowledge gap is just one of the reasons so many individuals and families are struggling with unemployment and underemployment in low wage/low skill jobs.

Reality check: When viewed through the lens of workforce preparation, education succeeds best when it matches the labor market skill and hiring needs. According to *Impact Essex County*, Essex County experienced low job growth (1.4%) over the last reported years (2013-2014) and relatively flat average salary growth since 2000. However, a number of large employment sectors experienced more rapid growth including Financial Activities, Healthcare & Social Assistance, and Leisure & Hospitality, as well as the smaller sector, Educational Services. Given this, it is all the more important to understand the sectors that offer the greatest prospects for long-term growth and hiring. Women workers will succeed best in tight labor markets if they have the education, training and skills to be competitive.

Our Community Colleges Play a Crucial Role

Essex County’s state and community college campuses are central to providing an education that can lead to improved economic self-sufficiency and self-determination. With their open-door policies, community colleges, in particular, provide the opportunity for students to go to college – students who might not otherwise have had the opportunity to continue with their education. Some students attend community college before transferring to a 4-year college program, a cost-effective and flexible alternative.

Rather than committing to a 4-year private or public college, many of these students:

- May be academically underprepared and require remedial coursework before mainstreaming to college or occupational curricula
- Seek the flexibility of a schedule that allows them to better balance school, work and family responsibilities
- Seek a range of choices including employment-focused occupational/vocational programs, liberal arts, and transfer programs to a 4-year college.

Essex County’s two community colleges, North Shore Community College and Northern Essex Community College, fill a critical need for a large segment of our student population who require a nontraditional, local, more affordable and flexible approach to post-secondary education. North

Shore Community College, for example, supports over 9800 credit students and 2779 noncredit students, providing educational opportunity to a broad base of North Shore residents. These students are:

- **66% women**
- 60% caring for dependents; 28% single parents
- 40% minority enrollment
- 65% first generation to college
- 5% military veterans
- 6.8% students with disabilities
- 20% non-native limited English speaking
- 27 years average age²²

Although most students receive financial support in the form of Pell and other grants, scholarships and loans, many students continue to struggle financially. North Shore Community College is seeing a significant rise in hunger and homelessness among its student population, as are many community colleges. Utilizing the HEART instrument designed by the University of Wisconsin's HOPE Center, North Shore Community College surveyed its students and identified higher levels of hunger and homelessness than the national college student average. Of North Shore Community College's students:

- 32% are "hungry" (the lowest level of food insecurity), compared to the national sample average of 20%
- 19% are "homeless," compared to the national sample average of 13%²³

North Shore Community College provides a range of supports to help mitigate student hunger.

Completing programs can be particularly challenging for low-income single parents, the majority of whom are mothers, who are additionally juggling work and family care schedules. Financial concerns, difficulty finding and affording childcare, transportation, and unexpected emergencies (family, car, medical, etc.) are the main reasons for dropping out or temporarily "stopping out." For many of these resilient women, an unplanned emergency may be the final setback to their hard work.

Yet for many women, a college degree or credit certificate is their best hope to put themselves and their children on better financial footing long term. Our community and state colleges are working hard to offer flexible programs to assist low-income students and parents to attend and succeed in college. In addition to tuition support, these programs best succeed when they include a combination of counseling and wrap-around services, daycare support, and emergency financial assistance.

Women's Poverty Impacts Us All

Strength of Our Community and Economy

Strong women and girls create strong families and communities. Improving the lives of women translates into better educated, healthier children and strong community role models. Empowering young women helps them make smarter, healthier decisions that will influence the course of their lives. Research by Calvert Funds shows that **women, at every level of means, reinvest 90% of their income back into families and communities.**²⁴

Women control 70-80% of all consumer purchases.²⁵ Increasing a woman's financial self-sufficiency provides strong economic stimulus. A Goldman Sachs report finds that increasing women's labor force participation and wages to parity with men would generate **an additional 9% to our national GDP.**²⁶ Increasing women's labor force participation will require a broad-based commitment to family friendly policies that support parenting and childcare needs, as well as continued education and training.

Poverty Costs Everyone, Today and Long Term

Women and their children represent 70% of the nation's poor.²⁷ 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. This is the equivalent of 4% of GDP.²⁸

Equally important, poverty means a loss to the community of the potential contributions of the mother and the future capabilities of her children. We know that poverty, without intervention, frequently transfers to the next generation, limiting their horizons and continuing the public cost. As the Center for American Progress writes: "Children who live in families below the poverty line, even for short periods, are at greater risk of lower cognitive development, lower educational attainment, increased reliance on public benefits, and increased rates of incarceration. Consequently, children who grow up in poverty are more likely to have lower lifetime earnings due to poverty-related risks."²⁹

Equity

Among developed countries, the United States ranks lowest on most measures of women's economic security, health and well-being. Nationally less than \$.08 of every dollar invested by organized philanthropy is targeted to women and girls.³⁰ Equal opportunity and empowerment for over half our population is simple human rights and makes us a more just nation for all.

Conclusion: Addressing Poverty

Women's poverty impacts their lives, the futures of their children, and the strength of the community. It diminishes us as a society. But it is a problem that can be addressed.

Female householder families (especially single mothers) who live in poverty are only 5% of Essex County's families, but they represent 59% of our families living in poverty and nearly 70% of our children living in poverty. A targeted focus on improving the economic self-sufficiency of these single mothers can be a highly effective and leveraged approach to reducing poverty and limiting the intergenerational transfer of poverty.

Women's issues are complex and overlapping, requiring a multidisciplinary and targeted approach. Solutions require a combined effort:

- Top-down public policy and public investment for systemic change, and
- Bottom-up local programs that work directly with women to create sustainable change. The success of local efforts is dependent on community involvement and philanthropic investment.

The Women's Fund of Essex County provides grants to highly effective nonprofit programs which 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, in need or at risk, which 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 our goal to help end local poverty by increasing the economic self-sufficiency and empowerment of women, girls and their families.

Glossary

Breadwinner(s) – Family member(s) whose wages provide the family livelihood.

Federal Poverty Levels – The US Census Bureau uses a set of 48 different poverty thresholds to determine statistical poverty based on size and age of family. However, most government programs use the Health and Human Services (HHS) Poverty Guidelines, frequently referred to as Federal Poverty Levels. They serve as a close proxy for Census Bureau levels and are easier to apply.

- HHS Poverty Guidelines for 48 Contiguous States and District of Columbia:
 - **2015 Rate:** Persons per Household: 1-\$11,770; 2-\$15,930; 3-\$20,090; 4-\$24,250; 5-\$28,410; 6-\$32,570
 - **2016 Rate:** Persons per Household: 1-\$11,880; 2-\$16,020; 3-\$20,160; 4-\$24,300; 5-\$28,440; 6-\$32,580
 - **2017 Rate:** Persons per Household: 1-\$12,060; 2-\$16,240; 3-\$20,420; 4-\$24,600; 5-\$28,780 ; 6-\$32,960

Income – All cash income or payments received before taxes including earnings, child support, investment income, pension income, and unemployment and social security benefits. It does not include other federal and state benefits such as SNAP (Supplemental Nutrition Assistance Program), earned income tax credits, child credits, housing subsidies or vouchers. Source: “National Snapshot: Poverty Among Women & Families, National Women’s Law Center, 2015,” (9/16), p. 2.

Low Income – Living at, or just below, 200% of the federal poverty line.

Near Poverty – Living marginally above 100% of the federal poverty line.

Poverty – Living at or below 100% of the federal poverty line.

American Community Survey Household and Family Definitions:

Householder – Head of household. Technically, this is the person in whose name the home is owned, being purchased or rented.

Household – All people who occupy a housing unit as their place of residence. There are two types of households:

- **Non-Family Household** – A householder living alone or with nonrelatives only.
- **Family Household or Family** (Family Household and Family are synonymous) – Family includes a householder plus one or more people living in the same household who are related by birth, marriage or adoption. (There may be other people living in the household who are not part of the family, but they are not included in the Family Household or Family data). There are three types of family household:
 - **Married-Couple Family:** Husband and wife (legally married), living by themselves or with other family members.
 - **Male Householder Family:** Single man (no wife present) plus one or more related family members.
 - **Single-father family:** Male householder with children under 18 years of age.
 - **Female Householder Family: Single woman (no husband present), plus one or more related family members. (Also referred to as Single-Woman Family).**
 - **Single-mother family:** Female householder with children under 18 years of age.

Endnotes:

1. Gateway Cities are mid-sized cities (population greater than 35,000 and less than 250,000) throughout Massachusetts that have been designated to be part of a program for coordinated economic development by the state. These cities were once thriving industrial centers that “anchored regional economies” and offered residents employment and a “gateway to the American Dream.” (MassINC.) Today, much of the manufacturing has been lost, their economies have suffered, and they face “stubborn social and economic challenges,” including median household income and educational attainment below state averages. At the same time, these cities are recognized to have “assets with unrealized potential” and continue to be culturally vibrant places where immigrants and other newcomers can begin to make their life in Massachusetts. Essex County’s six Gateway Cities are: Lawrence, Haverhill, Methuen, Peabody, Salem and Lynn.
2. Essex County Community Foundation’s database *Impact Essex County*; www.impactessexcounty.org/
3. “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/>
4. Rep. Carolyn B. Mahoney and Heidi Hartmann, “Pay Women More If You Want a Stronger Economy,” *Time Magazine* (1/10/17); www.time.com/4630557/economy-equal-pay-women/
5. “Projected Year the Wage Gap Will Close by State; *Fact Sheet #R476*, Institute for Women’s Policy Research (3/17), <https://iwpr.org/publications/projected-year-wage-gap-will-close-state/>
6. “The Simple Truth About The Gender Pay Gap,” American Association of University Women (Spring 2017), p. 15; http://www.aauw.org/aauw_check/pdf_download/show_pdf.php?file=The-Simple-Truth
7. *Interactive Map*, National Women’s Law Center; <https://nwlc.org/resources/the-wage-gap-for-mothers-state-by-state-2016/>
8. “The Simple Truth About The Gender Pay Gap,” American Association of University Women (Spring 2017), p. 19; http://www.aauw.org/aauw_check/pdf_download/show_pdf.php?file=The-Simple-Truth
9. 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
10. Claire Cain Miller, “As Women Take Over a Male-Dominated Field, the Pay Drops,” *The New York Times*, (3/18/16); https://www.nytimes.com/2016/03/20/upshot/as-women-take-over-a-male-dominated-field-the-pay-drops.html?_r=0
11. The US Census Bureau uses a set of 48 different poverty thresholds to determine statistical poverty based on size and age of family. However, most government programs use the Health and Human Services (HHS) Poverty Guidelines, frequently referred to as Federal Poverty Levels. They serve as a close proxy for Census Bureau levels and are easier to use.
12. “Single Mother” descriptor includes female householders with children under 18 (both her own children and related children). Of the children in single-mother households: 86% are her own; 11% are grandchildren; 2% other relatives; 1% are foster children.
13. Essex County cost of living 35.8% (2016) above national average estimated by Citi-Data.com; http://www.city-data.com/county/Essex_County-MA.html
– Essex County cost of living 48.2 % above national average estimated by Sperling’s Best Places to Live; http://www.bestplaces.net/cost_of_living/county/massachusetts/essex
14. MIT Living Wage Calculator, <http://livingwage.mit.edu/counties/25009>. Note: data used as of 2/12/17.
15. “By The Numbers,” Compass Working Capital; <https://www.compassworkingcapital.org/why-asset-poverty-matters>

16. “Why Asset Poverty Matters,” Compass Working Capital;
<https://www.compassworkingcapital.org/why-asset-poverty-matters>
– also, “Why Assets Matter”, CFED.org/assets/pdfs.
17. Lindsey Reichlin, “Supporting Student Parent Success in Community Colleges,” Institute for Women’s Policy Research, (10/8/15); <https://iwpr.org/publications/supporting-student-parent-success-in-community-colleges/>
18. Lindsey Reichlin, “Supporting Student Parent Success in Community Colleges,” Institute for Women’s Policy Research, (10/8/15); <https://iwpr.org/publications/supporting-student-parent-success-in-community-colleges/>
19. Dennis Vilorio, “Education Matters,” US Bureau of Labor Statistics (March 2016); <https://www.bls.gov/careeroutlook/2016/data-on-display/print/education-matters.htm>
20. School & District Profiles: 2016 Graduation Rate Reports – Females, Massachusetts Department of Elementary and Secondary Education;
http://profiles.doe.mass.edu/state_report/gradrates.aspx
21. Anthony Carnevale, Nicole Smith, Jeff Strohl, “Recovery: Job Growth and Education Requirements Through 2020,” Georgetown Public Policy Institute, Center on Education and the Workforce; https://cew.georgetown.edu/wp-content/uploads/2014/11/Recovery2020.ES_Web.pdf
22. Data provided by North Shore Community College
23. Data provided by North Shore Community College
24. “Gender Equity,” Calvert Foundation; <http://calvertfoundation.org/initiatives/gender>
25. 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>
26. “Women in the Workforce: Female Power,” *Economist Magazine* (12/30/09);
<http://www.economist.com/node/15174418>
27. “Women and Poverty in America,” Legal Momentum;
<http://www.legalmomentum.org/women-and-poverty-america>
28. 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/>
– also, Robert D. Putnam, “Our Kids: The American Dream in Crisis,” Simon & Schuster, p. 231
29. Desmond Brown, “10 Reasons Why Cutting Poverty is Good for Our Nation,” Center for American Progress, (12/6/11);
<https://www.americanprogressaction.org/issues/poverty/news/2011/12/06/10771/10-reasons-why-cutting-poverty-is-good-for-our-nation/>
30. Francine LeFrak, “Women’s Philanthropy: Coming Soon!” *Huffington Post* (7/30/14);
http://www.huffingtonpost.com/francine-lefrak/womens-philanthropy-comin_b_5413759.html

Data Notes:

Unless otherwise noted, all data is from the **American Community Survey (ACS)**, a product of the United States Census. For county-level data, as well as data for the cities of Lynn and Lawrence, we use the ACS single-year 2015 data, released September 2016, which provides “single-year estimates for geographic areas with a population of 65,000 or more.” For the smaller Gateway Cities of Haverhill, Methuen, Peabody and Salem, we used the multiyear 2011-2015 data.

June 2017