



# Executive Summary

Center for Women in Politics & Public Policy

## Women in the Down Economy: Impacts of the Recession and the Stimulus in Massachusetts March 2010

*The “Great Recession” is affecting everyone in one way or another, but not everyone is affected in the same way. Women’s and men’s work (both in and out of the labor force) still differs, so we can expect that the economic crisis has had a distinct impact on women as well as their families. This policy brief discusses how the down economy has differentially impacted women and men in Massachusetts and the gendered implications of federal stimulus spending. It also identifies potential opportunities to promote gender equality as the United States, and Massachusetts in particular, attempt to move beyond the “Great Recession.”*

### THE RECESSION’S IMPACT ON WOMEN IN MASSACHUSETTS

The following outlines several interrelated and gendered impacts of the recession – effects on employment, financial implications related to the mortgage crisis, and the impact on government spending at the state and local level.

#### ■ Employment Effects

Similar to national trends, Massachusetts women’s unemployment rates are lower than men’s, with a widening gap over the recession. These differences are largely the result of the types of jobs men and women tend to have. Women are also more concentrated in the industries that have shed fewer jobs. Yet some women are faring much worse than others. Black and Hispanic women have much higher unemployment rates than do white women. Similarly, unmarried women’s unemployment rates are considerably higher than those of married women.

As a result of job loss, men’s contribution to family income has been reduced in some families in the Commonwealth and women are increasingly serving as primary or equal “breadwinners.” Yet women do not bring home as much of the loaf due to the wide and persistent gender wage gap. Statewide, the median earnings ratio for year-round, full-time female to male workers is .76, meaning that women may need to work harder or longer to take care of the household income gap due to male unemployment.

As unemployment rises, so does the demand for income support programs, but men’s and women’s usage of these programs differs. Men are much more likely to claim unemployment insurance than women, even beyond the difference reflected in unemployment rates. Since the start of the recession, there has been a significant increase in the number of households receiving food assistance (Supplemental Nutrition Assistance Program, or SNAP) and relatively minor increases in Temporary Assistance to Needy Families (TANF) caseloads. Women and children comprise the majority of beneficiaries of both programs.

#### ■ Financial Implications of the Mortgage Crisis

While there are no gender-disaggregated data available to assess the distinct impact of foreclosures and the credit crunch on women in Massachusetts, national data suggest that women of color may be disproportionately impacted by the housing lending crisis. According to 2007 national Home Mortgage Disclosure Act data, low-income black women were twice as likely – and low-income Hispanic women were 1.5 times as likely – as low-income white women to receive a high-cost loan. Furthermore, moderate and high-income black women were 2.4 times and Hispanic women twice as likely as moderate and high-income white women to obtain a high-cost loan. Consequently, women of color in the Commonwealth may be much more likely than white women to face financial hardship resulting from the housing lending crisis.

#### ■ Impact on State and Local Government Spending

In recessions, state and local governments see needs rise and revenues fall, resulting in budget deficits. This recession has led to funding decreases in services and programs that are considered essential to the economic security of many women and families. To the degree that local aid or other state monies directed specifically to low-income communities face cutbacks, large numbers of female-headed families and their children will be affected. Almost one out of every two female-headed households in the Commonwealth is low-income. With women affected by poverty at higher rates than men, program cuts directed toward low-income individuals and families disproportionately hurt women and children.

This policy brief was issued by the Center for Women in Politics & Public Policy, the Center for Social Policy, and the Massachusetts Commission on the Status of Women. It was authored by Randy Albelda, PhD, and Christa Kelleher, PhD, with Jordan Parekh and Diana Salas. Research assistance was provided by Karina Wagnerman and Meryl Thomson.

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## STIMULUS: WHAT IT MEANS FOR MASSACHUSETTS WOMEN

The American Recovery and Reinvestment Act (ARRA), the \$787 billion federal spending initiative, has mitigated the effects of the “Great Recession” through tax cuts and targeted spending. The following provides an overview of the employment and family resource impacts of funds.

Three key areas of funding could have differential or consequential impacts on women’s employment opportunities: physical infrastructure; energy and environment (“Green Economy” development); and workforce development.

### ■ Physical Infrastructure

Physical infrastructure spending accounts for 8 percent of ARRA funds allocated to Massachusetts. Seventy percent of these funds are allocated directly to the construction and transportation infrastructure. In Massachusetts, women currently comprise 7.9 percent of all workers in the construction industry and make up 2.2 percent of all construction workers.

### ■ “Green Economy” Development

Monies are targeted toward improved energy efficiency, weatherization programs, superfund hazardous waste site and brownfield cleanup, renewable energy, and efficient energy research. Compared to men, women are poorly positioned to enter the green economy – just less than seven percent of all women and 26 percent of all men are currently “green ready.” Occupations needed in the green economy include a range of engineers, scientists, and an array of jobs in construction and manufacturing – all occupations in which women are considerably underrepresented.

### ■ Workforce Development

Most ARRA money for workforce development is for Adult Employment and Training Activities, Youth Activities, and Dislocated Worker Employment and Training. Some data suggest that men and women should receive additional ARRA-funded services nearly equally, but the extent to which such programs are effective and help women develop skills in higher paying and less traditional sectors is, at best, unknown.

Three categories of stimulus spending are intended to affect directly family resources and have differential impacts on women and men. These include: tax benefits; spending directed toward unemployed workers and low-income individuals, families, or communities; and funds specifically directed to reduce state budget deficits in the area of human infrastructure.

- The portions of the tax benefits and spending targeted to low-income households and low-income communities will disproportionately help women.

- Funding targeted to the unemployed through emergency and extended Unemployment Insurance (UI) benefits will disproportionately help men.

## CAN WOMEN COUNT ON ARRA?

While there is no precise way to determine who benefits more (or less) from ARRA funds, some aspects of the stimulus package clearly benefit men much more than women. Men benefit from funds directed toward physical infrastructure improvements and green economy funding, as women’s employment is currently limited in both sectors. The one major area of spending that will benefit women more than men is the sizable portion of spending to states to reduce cuts to human infrastructure, where a gender gap in receipt of services and employment exists. Total ARRA funds allocated to tax benefits, support to unemployed workers and low-income individuals, families, and communities, and for workforce development will probably benefit men and women equally – although there are clear gender distinctions within spending in each of these categories (e.g., additional UI funds will go more to men, while more women will receive additional SNAP funds).

### ■ An Equitable Recovery

Both men and women have been deeply affected by the down economy, although in different ways, because of where they are employed, their earnings, and their utilization of certain government services and programs. In order to promote economic equity between women and men as recovery efforts continue, it is important to:

1. Improve current collection of information on employee job creation by including information on gender and race/ethnicity;
2. Enforce existing federal anti-discrimination provisions and leverage state procurement goals for minority and women-owned business enterprises;
3. Promote training for women in non-traditional areas in workforce development programs; and
4. Ensure that low-income women, women of color, and low-income communities are being served by ARRA funds.

It is clear that pay equity, education and training for well-paying employment in growing sectors of the economy, and sound fiscal footing for the state and its cities and towns will be imperative for women’s continued climb toward economic equality – in both the short and long term.



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For web resources on women & the recession:  
[www.mccormack.umb.edu/centers/cwppp/womendowneconomy.php](http://www.mccormack.umb.edu/centers/cwppp/womendowneconomy.php)