



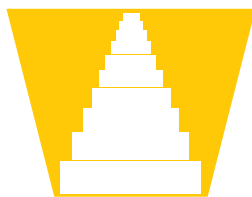
THE WOMEN'S FUND
of GREATER BIRMINGHAM

Stepping Up For Women's Economic Security

Challenges and Prospects for a More Secure
Future in Greater Birmingham

A Tribute to Our 1996 Founders' Circle

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THE WOMEN'S FUND of Greater Birmingham

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Foreword


The Greater Birmingham area boasts an impressive and diverse population of women.

Women of all professions, races, ethnicities, and ages make up more than half of the body, mind, and spirit of our community. Women's drive to contribute to society is as powerful as ever; yet, as this report shows, a large segment of women have their inner strength sapped by the daily struggle to get ahead.

In 2000, The Women's Fund of Greater Birmingham published *Portraits*, a landmark study of the needs of women and girls in our five-county area. Now, more than 10 years later, we are trying to maintain the progress our communities have worked so hard for, while also answering the call to action posed by the economic crisis. For years there has been a vacuum of data-driven information on the economic security of women and girls in the Southeast, and the Greater Birmingham area is no exception. Too often the specific burdens shouldered by women and girls appear as little more than a few paragraphs in a larger report.

Stepping Up for Women's Economic Security: Challenges and Prospects for a More Secure Future in Greater Birmingham is designed to provide a data-driven platform from which we may all step up as a community to improve the economic security of women and girls in the Greater Birmingham area. As part of our mission to inspire women to use their philanthropic power to create positive social change for women and girls, The Women's Fund of Greater Birmingham is dedicated to identifying, championing, and funding solutions to women's growing economic insecurity. We will depend on the data presented here to guide our efforts, and we also encourage you to use this report to show state, regional, and national funders that our community is collaborating to find solutions and that funding them is a sound investment. Time is of the essence.

The Women's Fund of Greater Birmingham funds systemic change because we know that the quality of life for women correlates directly to the quality of life for children, the elderly, the family, and the community at large. We honor and celebrate the "power of the purse" and vigorously promote women's philanthropy. Through our efforts, we have realized great gains for women experiencing domestic violence, victimized by sex trafficking, and held back by financial illiteracy. We envision a community in which women and girls live with the dignity, skills, and the financial education to be strong, independent, and contributive members of our community.



Brooke Tanner Battle
Board Chair



Jeanne L. Jackson
President and CEO

Summer 2012



Since our founding in 1996, The Women's Fund of Greater Birmingham has worked to encourage the full participation of women and girls in the community by creating opportunities for educational, physical, emotional, social, artistic, and personal growth and empowerment. **We are increasingly convinced that women and girls need to be secure economically to attain those goals.**

“It’s not my fund. I just planted the seed. And the trees are getting bigger.”

—Lin Carleen,
The Women's Fund
of Greater Birmingham
Founder

Our impact:

- We have **established a \$2 million endowment** fueled mostly by the generosity of private donors and awarded more than \$1.6 million in community responsive grants to area nonprofit organizations.
- We **launched Voices Against Violence, a community-level initiative to fight domestic violence** in Birmingham, and have invested more than \$327,000 toward that goal. We helped establish a domestic violence docket in the city’s municipal court for the first time ever, funded a special advocate for that court and allowed it to clear a backlog of more than 800 cases. We also launched a national program, *Cut It Out*, to train hairstylists to recognize signs of domestic abuse.
- We **revealed the scope of domestic sex trafficking of minors in the Birmingham region** by funding a study, *Invisibility: The Commercial Sexual Exploitation of Children in Greater Birmingham* and have been meeting with local law enforcement and the U.S. Attorney's Office of the Northern District of Alabama to address the problem.
- Through a pilot program with the United Way of Central Alabama, we **provided medically related transportation for elderly women**, many of whom were stranded without adequate public transportation, alone and unable to connect to health care providers.
- Inspired by the data included here, we have **set a new and ambitious goal to increase women’s wages through a two-pronged approach**: providing the education and job skills training they need and the economic supports to remove barriers to their success. Boosting women’s financial security affects not just today’s families, but also improves the future of our community by ensuring a better quality of life, education, and economic attainment for their children.

Executive Summary

Many women and girls in the Greater Birmingham area lack economic security.

That is, they don't have enough to meet their family's basic needs and daily expenses, including food, housing, health care and child care, or they lack the assets to provide security for the future.

This report gives data-driven context to the critical issue of women's economic security in our community. Economic security is a complex issue and the data gathered here provides a solid baseline to foster an understanding of the stark realities and to promote investments in policies and programs that will change them.

For example:

- More than 82,000 women and girls live in poverty in our five-county area, according to federal calculations. An estimated 63 percent of all households in poverty in Greater Birmingham are single women with children or women living alone.
- Countless more struggle with the basics of daily life because they do not make a living wage. In Jefferson County, a single mother with two young children needs to make more than \$50,000 a year to hit that mark. But the same family needs to make less than \$18,000 to fall below the federal poverty threshold.¹
- Women in Alabama earn about 65 cents for every dollar earned by men.
- More women than men in our area finish high school, but fewer complete college, and even those who get advanced degrees earn less than their male counterparts.
- A lack of quality, affordable child care and extremely low income requirements for federal subsidies leaves many women trapped in part-time work or limited in their careers, restricting their ability to earn.
- Other federal programs also have stringent income eligibility ceilings that leave families who don't earn a living wage paying high portions of their income for health care, food, and other needs.
- Families headed by single women are almost eight times more likely to be poor than married families in Alabama. Poverty rates are even higher for female-headed households of color.

The Women's Fund of Greater Birmingham values the critical work of service providers and agencies that impact the lives of women and girls each day in the Greater Birmingham area. *Stepping Up for Women's Economic Security* illustrates the challenges to women's economic security and The Women's Fund hopes it serves as a catalyst for community collaboration and positive change for women and girls. The facts may be daunting, but there is much that we can do to invest in the next generation and to give all women the respect they deserve and the chance to provide for themselves and their children.

How can we step up for women's economic security?

1

Support living wages

We must help the public and policy makers understand what it means to earn a living. Some locations have enacted living wage laws that promise a baseline of economic security, a possible model for our area.

2

Increase living wage employment

Policies and programs that move economically vulnerable women out of low-skills jobs and into careers that pay living wages must be our top priorities.

3

Increase access to quality education for women and girls

We need to guarantee that girls finish school and we must help women, especially single women, achieve higher levels of education and job training so they're ready to be the workforce of the future.

4

Build assets for low-income women

We should fund state and private Individual Development Accounts and increase women's access to affordable housing and banking so they can become financially secure and invest in their own futures.

5

Revise state tax policies

We need to establish a state Earned Income Tax Credit, increase participation in the federal EITC, advocate for income tax deductions for childcare and review the business of Return Advance Loans.

6

Create benefits that truly benefit workers

Our state's workers must have better access to health insurance coverage, paid sick days and paid family leave; flexible hours will also allow more women to fully participate in the workforce.

7

Make work supports effective

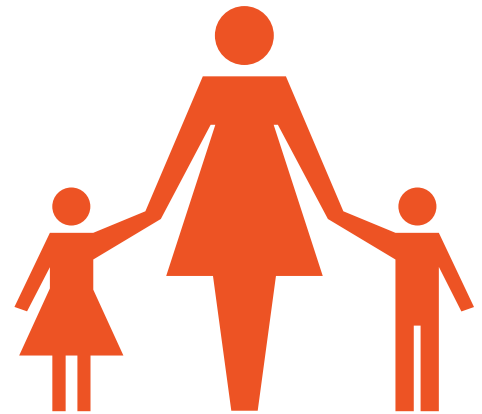
We should make federal benefits open to more families by advocating for higher eligibility levels and invest in targeted child care subsidies so more women can pursue education or job training.



Less than 7 percent of national foundation budgets each year go to causes specifically earmarked for women and girls.

At The Women's Fund of Greater Birmingham, we award grants solely to programs that meet the unique needs of women and girls.

Introduction



What is economic security?

We define economic security as having enough income and resources to meet the basic needs and daily expenses of each household member, including housing, childcare, food, transportation, healthcare, clothing, and other basic household expenses. However, paying the bills isn't all because many families that claim a steady paycheck are only one crisis – be it a medical problem, a bad transmission, or a job loss – away from disaster. Economic security also means having the assets to weather short-term economic shocks and maintain savings for the future.

But how do we measure what it takes to be secure?

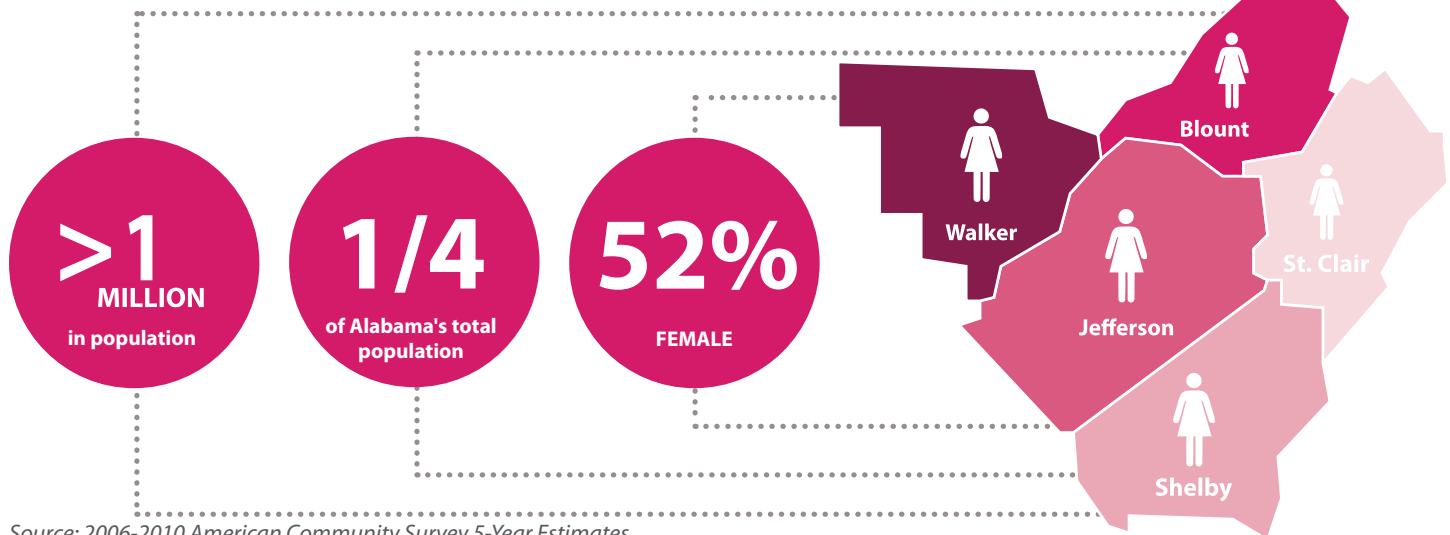
As we'll show, the federal poverty thresholds, used to judge qualification for many programs, fall far short of reality. We will instead focus mostly on the concept of a living wage, a level at which a household can pay for all of its necessities such as food, shelter, utilities, transportation, healthcare and other basic household expenses. Determining just what constitutes a living wage has been a central concern of many economists and social scientists, and it should come as no surprise that it is usually much higher than the federal definition of "poverty."

Economic security goes beyond the bottom line.

This report focuses on providing critical data on earnings disparities and the cost of living in our five-county area. But in a series of roundtable discussions, women from every segment of the community told us they worried about issues as far-ranging as a lack of reliable mass transit, to violence in their neighborhoods, to women's struggle with low self-esteem. We cannot hope to address all these issues, but we do hope to shed light on many of the obstacles that prevent women from becoming economically secure. Finally, we will offer targeted solutions for advocacy and policy change.

Who We Are: The Women of Greater Birmingham

These counties represent:



Source: 2006-2010 American Community Survey 5-Year Estimates

The five counties of the Greater Birmingham area – Jefferson, Shelby, St. Clair, Walker, and Blount – are the most populous area in Alabama and range widely in their demographic makeup. More than 1 million people, close to one-quarter of the state's residents, live in our broader community, which includes the busy streets of the state's biggest city and the dirt roads of sleepy agricultural towns.

One thing unites these five disparate counties: every one, along with the state as a whole, counts more women than men. Females make up 52 percent of the region. And lest we forget that we are working for the next generation, the largest group of them is girls. In growing Shelby County, 20 percent of all females are younger than 15; other counties are not far behind.

Our communities are racially and ethnically diverse. Women in Jefferson County, for example, are nearly

42 percent African-American and 55 percent white. Even more traditionally rural, white counties, such as Blount and Walker, have a mixture of minority women, including those who define themselves as of mixed ancestry or other race. The numbers of Asian women are highest in Shelby and Jefferson County, at 1.9 and 1.4 percent, respectively. ¹

Females make up 52 percent of the region.

A growing but difficult-to-measure component is the population of Hispanic women, who may have specific needs. Alabama has a smaller Latina population (3.4 percent) than the nation as a whole (15.7 percent), but some counties in Greater Birmingham exceed the state averages.

Blount County comes in highest, with 7.5 percent of all women identifying themselves as Hispanic, followed by Shelby County with 5.2 percent. ²

Many of the region's women are raising children alone. In fact, in Jefferson County, more than 17 percent of all households consist of a woman, children, and no husband according to U.S. Census Bureau 2006 to 2010 estimates. Even in Shelby County, close to 9 percent of homes are headed by a woman with children.

These households face a greater risk of being economically insecure. As we'll see in this report, single moms face compounded challenges, both by being sole wage earners and because of disparities between men's and women's salaries.

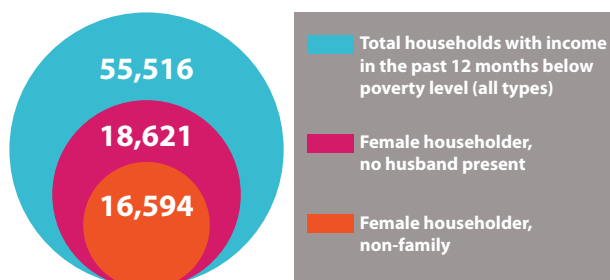
For more information, see appendix figures 1 through 5, which outline population, age, and racial distribution.

What it Means to be Insecure

Poverty and the Living Wage

According to federal calculations, more than 82,000 women and girls were living in poverty in Greater Birmingham between 2006 and 2010. But how poor is poor? The U.S. Census Bureau's 2010 poverty threshold for a single parent household with two children is \$17,568.³ The poverty threshold for a single person under the age of 65 is \$11,344.⁴ An estimated 18,027 female-headed households with children were living in poverty in Greater Birmingham from 2008-2010; so were another 16,594 single women.⁵ Please see appendix figure 6 for more information.

Combined, 63% of all households in poverty in Greater Birmingham between 2008-2010 were single women with children or women living alone.



Source: US Census Bureau, American Community Survey 2008-2010 3-Year Estimates

Many researchers, including those at the National Academy of Science, have argued that the methodology for calculating federal poverty thresholds needs improvement because it fails to recognize the growing number of people not earning a living wage. Thus, even U.S. Census Bureau estimates should be regarded as conservative measures of the number of families who are economically insecure.

In 2011, the group Wider Opportunities for Women (WOW) produced a report that found as many as 45 percent of all Americans were economically insecure, despite living well above the federal poverty lines. Using a sophisticated methodology, WOW came up with a state-specific baseline living wage for different kinds of families called the Basic Economic Security Tables, or BEST wage.

Determining the living wage describes the expense side of the equation and median income data shows how many households must make ends meet without one. For example, the BEST wage for a single-income family with two children in Jefferson County would be \$50,196.⁶ But the median wage for female-headed family households is \$29,396 in Jefferson County.⁷ **Only in Shelby County does the median wage for single female non-family households exceed the BEST wage.**

Note that even when the median wage exceeds the BEST wage in a particular category, a substantial portion of the population still may not be earning a living wage because half of all people earn less than that median figure.

“It is shocking that important occupations such as teaching assistants or nurses, psychiatric and home health aides—stressful and responsible jobs that are critical to the well-being of our society—are likely to leave a woman unable to support her family even when she works full-time and year round.”

—Heidi Hartmann,
President of the Institute for Women's
Policy Research



BEST Wage (Living Wage) for One Worker with Two Children

	Blount	Jefferson	St. Clair	Shelby	Walker	Alabama	National Average
Housing	\$565	\$565	\$551	\$608	\$310	\$479	\$781
Utilities	\$220	\$220	\$234	\$177	\$285	\$179	\$139
Food	\$504	\$504	\$504	\$504	\$504	\$532	\$563
Transportation	\$642	\$627	\$651	\$618	\$673	\$630	\$569
Child Care	\$839	\$839	\$839	\$839	\$839	\$729	\$1,104
Personal & Household Items	\$348	\$348	\$348	\$348	\$296	\$321	\$377
Health Care	\$396	\$396	\$396	\$396	\$396	\$396	\$436
Emergency Savings	\$150	\$148	\$149	\$148	\$134	\$132	\$145
Retirement Savings	\$69	\$56	\$44	\$62	\$38	\$54	\$86
Taxes	\$755	\$747	\$753	\$746	\$675	\$665	\$819
Tax Credits	(\$267)	(\$267)	(\$267)	(\$267)	(\$272)	(\$272)	(\$267)
Monthly Total (per Worker)	\$4,221	\$4,183	\$4,202	\$4,179	\$3,878	\$3,845	\$4,752
Annual Total	\$50,652	\$50,196	\$50,424	\$50,148	\$46,536	\$46,140	\$57,024
Hourly Wage (per Worker)	\$23.98	\$23.77	\$23.88	\$23.74	\$22.03	\$21.85	\$27.00

Source: Wider Opportunities for Women. BEST Tables for Alabama



Budgeting for the Essentials

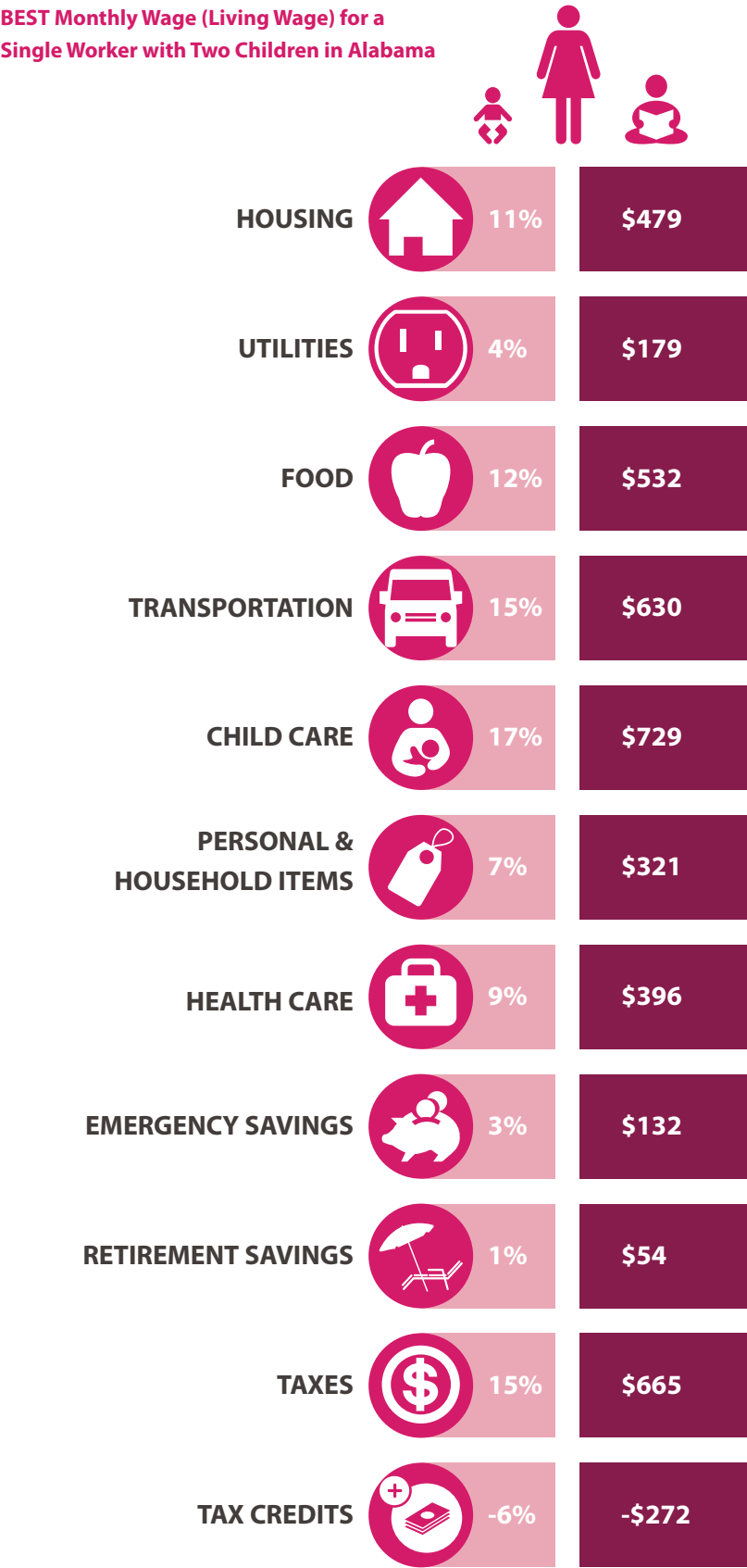
A living wage takes into account more than just food and shelter and assumes instead that every family has a range of expenses, from paying for transportation to saving for retirement.

The figure to the right shows the 2011 break-down of a basic monthly household budget in the state of Alabama for a single parent household with two children (one pre-school and one school-aged), with the parent receiving a basic benefits package at work.⁸ Child-care, taxes, transportation, housing, and food make up the lion’s share of the household budget. The living wage required to attain this budget is \$46,140/year, or \$21.85/hour. That’s about the average salary of a respiratory therapist, paralegal or educator in Alabama, according to the Bureau of Labor Statistics.⁹

For more information, see appendix figures 11a, 11b, and 12

And here is a paradox of financial insecurity: women are more often the sole care giver, but women, on average, make less than men. Therefore, women raising children without a partner face compounded challenges.

BEST Monthly Wage (Living Wage) for a Single Worker with Two Children in Alabama



Source: Wider Opportunities for Women. BEST Tables for Alabama

The living wage required to attain this budget is \$46,140/year, or \$21.85/hour.

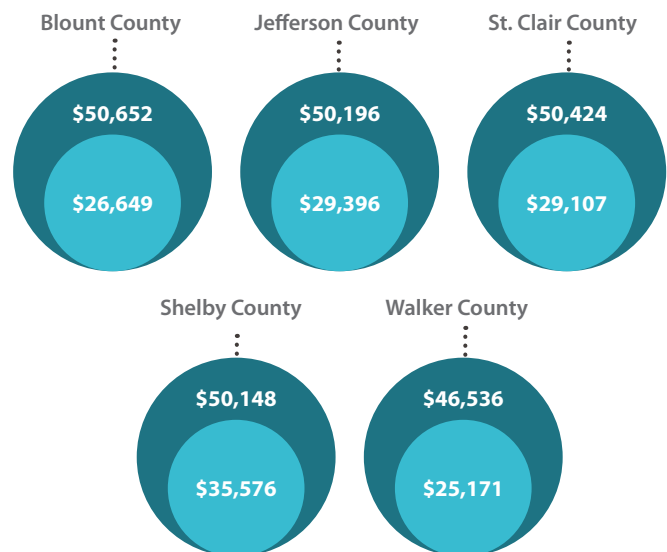
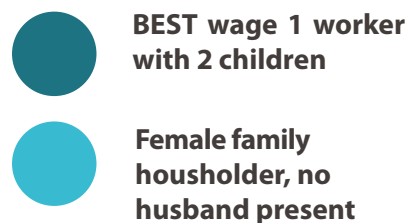
Median Incomes and the Living Wage: Female-Headed Households on the Brink

The distinction between one-income and two-income families becomes even starker – and illustrates the percentage of households who must make ends meet without a living wage – when we look at the BEST figures for single-parent families. While in most counties at least half of all families earn **the BEST wage for one worker and two children, the median incomes for female-headed households with children fall well short of the BEST wage in every case.** (Note that the BEST wage may not match every family's needs, especially those with more or fewer children or children spanning different age groups.)

For example, in Blount County the 2011 BEST wage of \$50,652 is almost double the median income for female-headed households, a paltry \$26,649. Even in Shelby County, where median incomes for single women households without children exceed the one-worker BEST wage of \$28,548, half of female-headed households fall short of their BEST wage (one worker, two children) by \$14,572.

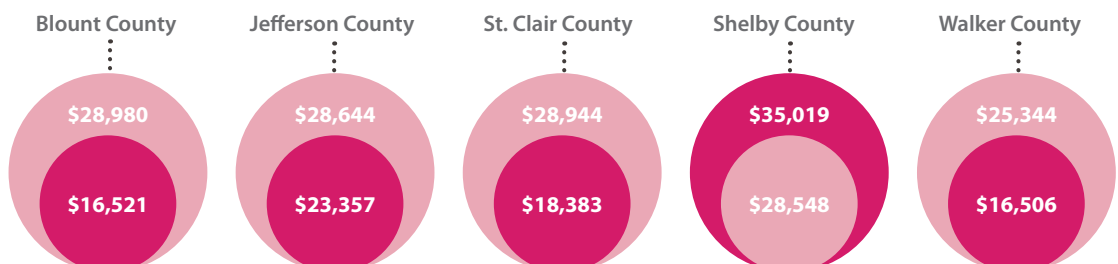
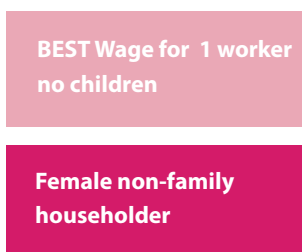
Whether we measure economic insecurity by the poverty line or by living wage standards, it is clear that many women and girls in Alabama lack economic security.

BEST Wage 1 Worker with 2 Children vs. Median Income Female Households in Greater Birmingham



Source: 2006-2010 American Community Survey 5-Year Estimates and BEST Wages for One Worker and for One Worker with Two Children (one Preschooler and one School-Aged) 2011

BEST Wage 1 Worker no Children vs. Median Income Female Non-Family Households in Greater Birmingham



Poverty across Greater Birmingham

Poverty across Greater Birmingham

Past gains in the battle against poverty in the Greater Birmingham area have slowed in the face of the global economic downturn, and job growth and incomes have not yet experienced sustained recovery. In fact, all five counties in the area have seen poverty rates increase from 2003 to 2010 according to the U.S. Census Bureau, some dramatically so. Jefferson and Walker County have increased from 14.5 and 14.8 percent in 2003 to the highest rates, 18.6 percent and 23.2 percent respectively in 2010. Only St. Clair County was relatively unaffected, with the poverty rate climbing only .1 percent, from 13 percent in 2003 to 13.1 percent in 2010.

For more information, see appendix figure 13.

Home Ownership and Household Type

A key way to break the cycle of poverty is through asset accrual, and perhaps the most important form of asset accrual in the United States is home ownership, which also supports the development of strong communities and strong families. Owning a home does bring extra expenses – property taxes, homeowner’s insurance, and repairs, for example – but in the long run, it has been a source of economic freedom, social capital, and financial security central to the fabric of American society.

Alabama as a whole is above the national average for home ownership. The state had a home ownership rate of 71.1 percent from 2006 to 2010, according to the U.S. Census, compared to 66.6 percent nationwide. All five counties in the Greater Birmingham area also top the national average, with Shelby County highest at 82.2 percent home ownership and Jefferson County lowest – and below the state average – with 66.8 percent.

But locally, some groups – notably households headed by single women – fall behind. In fact, in every county except St. Clair, single women with families lag when it comes to home ownership. In Jefferson County, only 51 percent of families headed by a woman alone live in their own home, below the also-low state average of 51.1 percent.

This gap suggests a number of challenges to women’s economic security, including the ability to secure a home loan and the chance to build equity to finance education and retirement. Taking into consideration the present low interest rates on home mortgages, many women may be paying more in rent than a mortgage payment.

Poverty Across Household Types

In the United States, nearly 10 percent of families live below the poverty threshold; in Alabama, nearly 13 percent of families do.¹⁰

But some families are more likely to live in poverty, and often, households headed by women and minority households bear the brunt of the burden. **Statewide, female-headed households are more than eight times more likely to be poor than those with a married couple, and more than one-third of female-headed households are poor**, according to the U.S. Census 2005 to 2009 estimates. In Blount County, for example, 30.8 percent of female female-headed households are poor, compared to 4.4 percent of married couples.

Across the board, households headed by women of color have the highest rates of poverty; in Blount and Walker counties, nearly one in two households headed by a woman of color is poor. In Blount County, nonwhite female-headed households are almost 11 times more likely to be poor than married-couple households. Although poverty rates are, comparatively speaking, lower for other household types, many families in the Greater Birmingham area are far from being economically secure.

For more information please visit the U.S. Census Bureau Factfinder website: <http://factfinder2.census.gov>

Female-Headed Households with Children in Poverty

Indeed, 30% of female-headed households are in poverty in Greater Birmingham. There were 18,621 female-headed households with children below the poverty level in the Greater Birmingham area between 2008 and 2010, with an additional 16,594 single women

Understanding Asset Poverty

What is asset poverty? Like the living wage, the idea of asset poverty expands the notion of poverty beyond a basic income threshold. According to the Corporation for Enterprise Development, someone is asset poor if they lack the net worth to support themselves with no income at the basic federal poverty level for three months. That means the asset poor don't have the resources – savings, property, or access to wealth – to handle a job loss or other emergency.

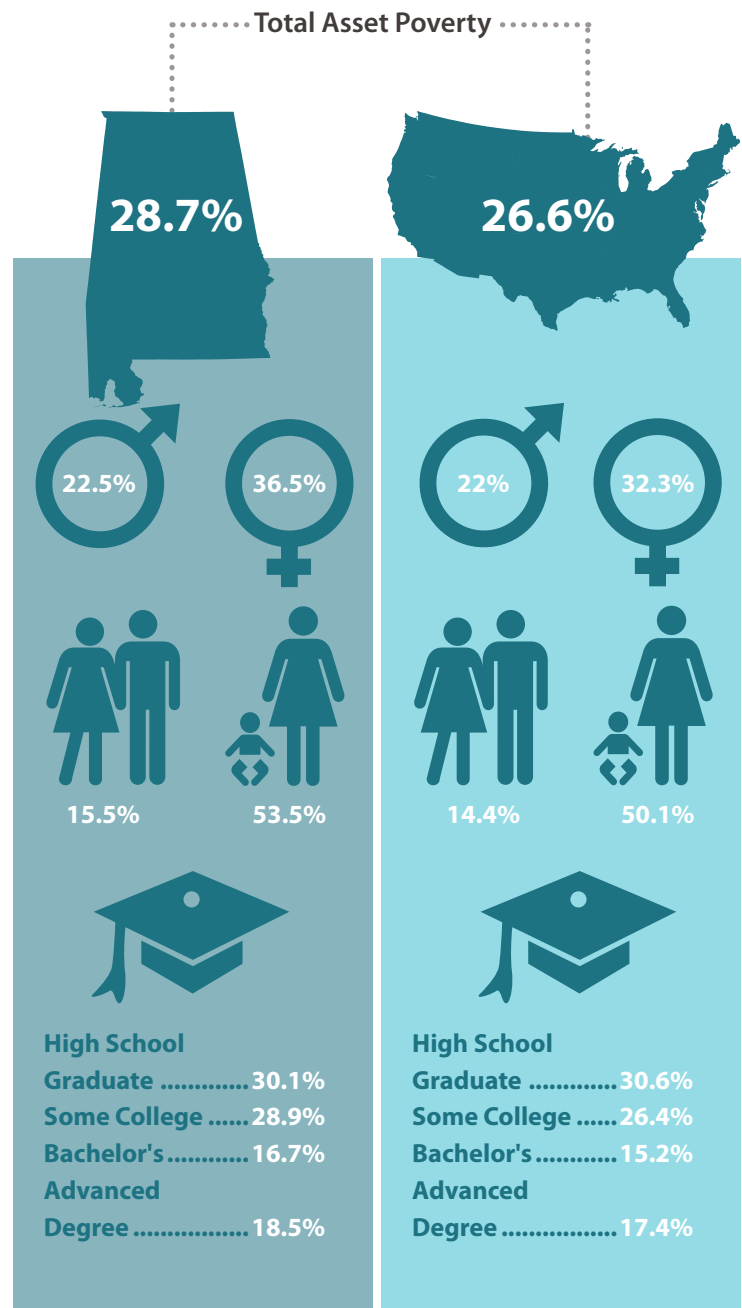
There are a myriad of pitfalls that can upset a household budget, from medical expenses, to emergency car repairs, to credit problems. To the extent that low-income and even middle-income households in Alabama are asset poor, they are only one unexpected expense away from serious financial hardship. And the closer they are to the margins, the smaller the expense needs to be to wreak havoc.

As a whole, Alabamians are more asset poor than the nation, with 28.7 percent of all people in the state meeting the CFED's standard for asset poverty, compared to 26.6 percent nationally. And once again, there is a clear gender gap. Women are 1.6 times more likely to fall into this category than men, with an asset poverty rate of 36.5 percent. Worse, more than half of all single-parent households in the state are asset poor, with twice the likelihood of married households. Finally, education also matters: 30.1 percent of people with only high school diplomas are asset poor, compared to 16.7 of those with a bachelor's degree.

households without children in poverty, according to the U.S. Census Bureau.

Most of those households are black. **In Jefferson County alone, there are more than 10,000 African-American, female-headed households in poverty – a figure that dwarfs the numbers in all other counties and all other racial and ethnic groups.** Poverty rates for black women who are single parents range substantially, from none in

Asset Poverty in Alabama



Source: CFED 2009-2010 Assets & Opportunity Scorecard

Blount County to a high of 62.43 percent in Walker.¹¹ And although the absolute numbers are smaller, high poverty rates also exist among single female-headed Hispanic households across the Greater Birmingham area, with more than 44 percent in poverty in four counties. Poverty rates are generally smaller for white female-headed households, though in Walker County, the rate reaches almost 49 percent.

Work Supports in Alabama: A Short Bridge and a Long Chasm

There are numerous federal and state assistance programs designed to help people out of poverty and many are focused on mothers and their children. Despite complicated eligibility criteria and application processes, these programs do provide some semblance of a safety net, especially when combined with additional assistance from county-level sources or nonprofit agencies. But unfortunately, there exists a wide gulf between the very low income levels participants need to be eligible and the income needed to earn a living wage. That is, there's a void between where work supports stop and a living wage begins.

The Earned Income Tax Credit

One of the best-known work supports is the Earned Income Tax Credit (EITC), which lets low- and moderate-income workers apply for credits on their federal taxes. In 2010, a household with two children had to earn \$40,295 or less in order to qualify for the federal EITC. Experts estimate that the EITC helps to lift over four million families out of poverty in the United States each year.¹²

The tax credit encourages workforce participation and boosts economic activity by freeing up dollars for consumer expenditures and personal savings. In 2005, a total of 492,624 Alabama households filed for the EITC, bringing in a total of \$1,076,930,472 to low-income families. Yet, according to the Government Accountability Office, about 25 percent of eligible families never apply for the EITC, which leaves them out of the program.¹³ Alabama's non-filer rate is about 14 percent, according to the latest state-level estimates.¹⁴ But Alabama is not one of the 24 states in the country that offer a state EITC.¹⁵ Implementing a state EITC would certainly provide an additional boost to low-income households in Alabama.

Commercial Tax Preparation and the EITC

More than three-quarters of all households in our state that applied for the EITC in 2010 used a commercial tax preparation service, according to Impact Alabama, a nonprofit organization that provides free tax filing support. That means that, along with paying for a service they may not need, many are talked into using Refund Anticipation Loans – short-term loans with predatory rates that total up to 800 percent APR. Between the two expenses, Alabama's neediest families lost some \$78 million they might have otherwise received from their taxes. Providing free tax preparation or equipping people to file alone can help avoid these pitfalls.

“A tax credit is often the largest check a lower-income working family will see all year. Workers who don't take the credit are missing out on thousands of dollars they could use for critical needs.”

—Stephen Black, Impact Alabama

"Equal pay is not simply a women's issue - it's a family issue. Families increasingly rely on women's wages to make ends meet... A large majority of mothers are in the paid labor force, and about one-third of employed mothers are the sole breadwinners for their families."

—“The Simple Truth about the Gender Pay Gap,”
American Association of
University Women

Child Care Subsidies

Child care is a critical component that allows women to work and achieve higher education. The state of Alabama offers work support for child care through the Alabama Department of Human Resources. This program uses an income test to determine eligibility and a sliding-scale fee. As of March 2011, there were 27,802 children in subsidized child care programs throughout Alabama.¹⁶

But while subsidies clearly help those who are eligible, many more don't fit that definition. The threshold is a maximum gross income at 130 percent of the federal poverty level; a family of three must earn less than \$23,808 per year to be eligible.

For more information, see appendix figures 15 through 17.

That leaves many families with the large out-of-pocket expense of child care. In Birmingham, for example, the average 2009 market rate for full-time day care was about \$106 to \$119 per week, or around \$5,500 to \$6,100 per year.¹⁷ That creates a sort of "doughnut hole" for some families. For example, a family of three earning more than \$23,808 per year would be ineligible for child care subsidies. But until they top \$29,000, they could end up spending themselves into poverty with day care costs. Therefore, they would be better off earning less than the \$23,808 maximum. Note that this does not include the potential lost value of other benefits.

To make matters worse, not everyone who wants child care in the

Greater Birmingham area can get it. The Alabama Department of Human Resources publishes monthly data on the waiting list for subsidized child care services. Every county in our area has more requests than they can fill. In Jefferson County, the most populous, there are 1,339 children on the waiting list, necessitating an additional 18.9 percent in capacity. Walker County would have to increase capacity by a whopping 91 percent – although a small number of children – to accommodate all unmet demand. It is important to note that these figures only estimate unmet demand of those eligible for *subsidized* child care; there are also households who do not qualify for child care subsidies that need affordable child care as well.

Food Stamps

The Federal Supplemental Nutritional Assistance Program (SNAP), traditionally known as food stamps, provides vouchers to qualifying families to buy food. Like child care, income thresholds for SNAP are determined using a national standard of 130 percent of the federal poverty level. So, for example, a family of three making less than \$23,808 per year would be eligible to receive some SNAP assistance, although there are additional tests for full participation. Again, as in the case of child care subsidies, there is a gap between the income at 130 percent of the federal poverty level and the living wage necessary to attain economic security.

The vast majority of SNAP recipients are in Jefferson County.¹⁸ About 77 percent of people living below the poverty level in Jefferson County receive SNAP assistance, while participation rates in other counties are not

as high. Fewer than half of all people living in poverty in Shelby County receive SNAP assistance, and there are even smaller participation rates in Walker and Blount counties. Because the U.S. Department of Agriculture, which administers the program, estimates that the main reason people don't participate is because they don't think they're eligible, boosting awareness and encouraging sign-up would improve the welfare of poor households. Other barriers include myths and stigma about the program, a lack of time or transportation, and language issues, according to the USDA.¹⁹

Temporary Assistance to Needy Families

An average of 23,234 Alabama families received Temporary Assistance to Needy Families (TANF) each month in FY 2011, of which 14,510 - 62 percent - were single-parent families, according to the U.S. Department of Health and Human Services.²⁰ Income eligibility thresholds in Alabama are among the lowest in the nation, meaning it is more difficult to qualify than in most states. In order to be eligible to receive TANF benefits in Alabama in 2011, a three-person household must have an income less than or equal to \$2,580 per year.²¹ Some early earnings are exempted, but that only raises the threshold slightly, to \$3,228 per year. Such low income thresholds consign a large number of households to the status of the working poor, making too much to be eligible for work support, but still earning far less than a living wage.

Economic Insecurity and the Gender Wage Gap

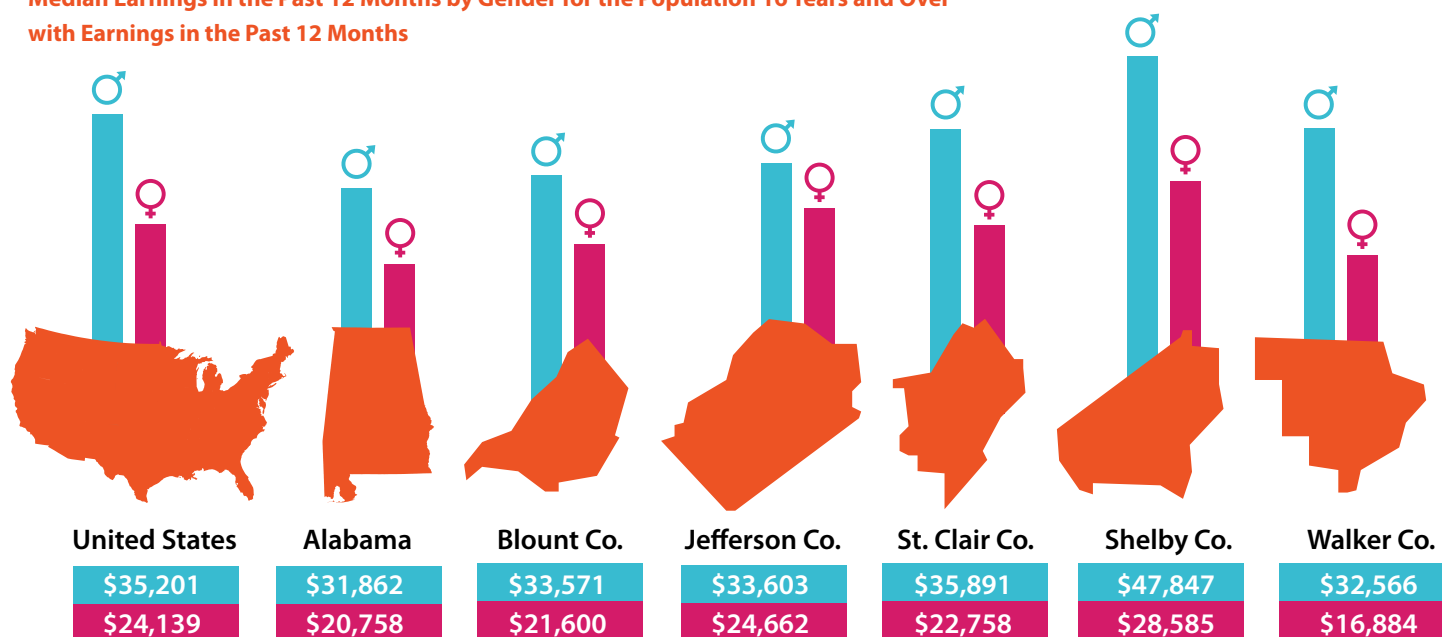
Why do women seem to struggle disproportionately with poverty and economic insecurity? For one, significant gaps remain between what women and men earn in the United States, despite great gains throughout the 20th century and beyond. From 2006-2010, the U.S. Census Bureau estimates women earned 69 cents for every dollar men earned in the United States. **In Alabama, women only earned about 65 cents for every dollar men earned.**

In some of the Greater Birmingham area, the distinction is even sharper. In Walker County, women earn only 52 cents for each dollar earned by men, close to half what their male counterparts make. In Shelby County, it's 60 cents per dollar, and in St. Clair it's 63 cents. Even Jefferson County, where the wage gap is lowest, women still only make 73 cents for every dollar men make.

For more information, see appendix figures 18a through 18b.

Wage gaps can be explained by a number of factors, including differing levels of education and skill, devaluation of work done by women, occupational segregation, and underemployment of women in the labor force.

Median Earnings in the Past 12 Months by Gender for the Population 16 Years and Over with Earnings in the Past 12 Months



Source: 2006-2010 American Community Survey 5-Year Estimates

Female Earnings to Every Dollar Earned by Men



Source: 2006-2010 American Community Survey 5-Year Estimates

Education and Wages

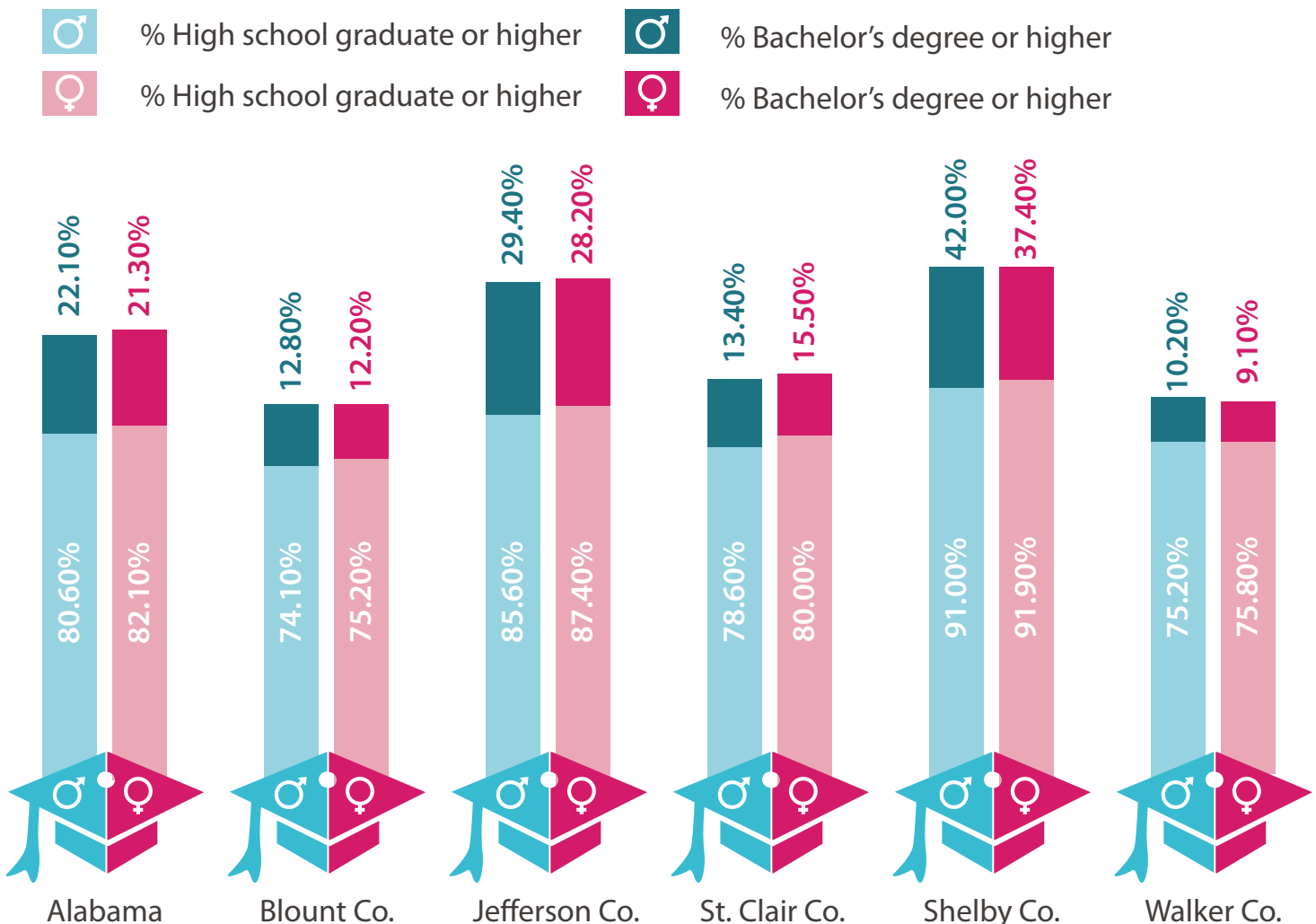
In terms of educational attainment, there is not a large gap between women and men in most of the Greater Birmingham area.

Women actually lead men when it comes to completing high school, but then, in all counties except St. Clair, fall behind in terms of attaining a bachelor's degree. ²² Still, only in Shelby County are they more than two percentage points behind men when it comes to earning a bachelor's degree. In Jefferson County, the most populous, 29.4 percent of men finished at least four years of college compared to 28.2 percent of women.

Yet, the fact that there are not large gaps between men and women in terms of education is no cause for complacency. All people with lower levels of education have lower earning potential and therefore are at much greater risk of poverty and economic insecurity. **The three most rural counties in Greater Birmingham – Blount, St. Clair, and Walker – outpace the state estimates for high school non-completion for both men and women.** ²³

For more information, see appendix figures 19 through 22.

Figure 15: Educational Attainment by Sex for Population 25 Years and Older



Source: 2006-2010 American Community Survey 5-Year Estimates

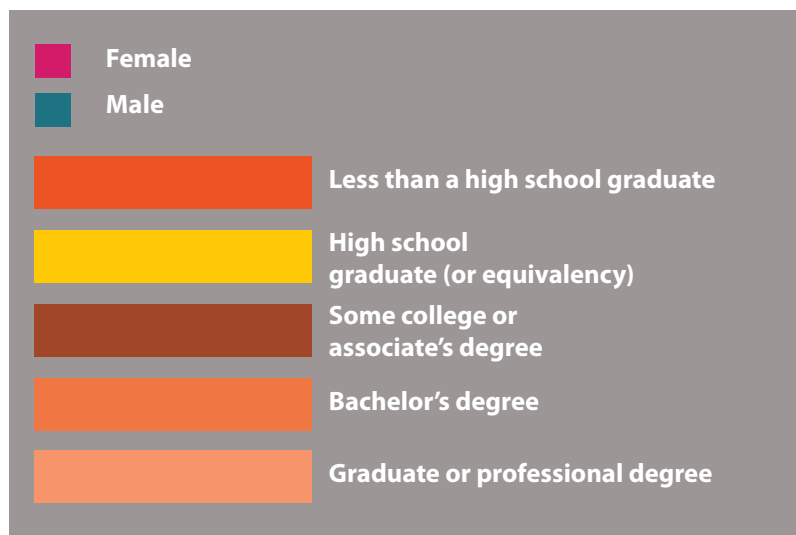
Gaps remain despite educational gains

Given the minimal education gaps between men and women, the question arises: what are the earnings for men and women with the same education?

The difference is dramatic and goes far beyond being explained by the small differences in educational attainment. What's more, women's salaries trail men's in every category in every county. No matter how much education they get – even advanced degrees – women earn less than men who have similar educational backgrounds. In some cases, women with advanced degrees fall more than 30 cents behind their male counterparts; in others, women at the lowest end of the educational spectrum make less than half what men with similar backgrounds earn.

Median Earnings by Sex and Educational Attainment

Walker Co.	Female	\$11,588	\$15,190	\$21,674	\$35,779	\$51,931
	Male	\$25,296	\$32,895	\$46,726	\$60,371	\$100,156
Shelby Co.	Female	\$12,802	\$24,503	\$28,998	\$40,602	\$51,666
	Male	\$25,539	\$36,866	\$51,293	\$70,270	\$85,240
St. Clair Co.	Female	\$14,503	\$22,605	\$27,085	\$39,767	\$44,833
	Male	\$25,822	\$38,006	\$45,276	\$52,946	\$68,813
Jefferson Co.	Female	\$12,218	\$21,060	\$26,871	\$38,362	\$49,877
	Male	\$20,994	\$31,517	\$37,589	\$55,707	\$77,694
Blount Co.	Female	\$15,767	\$19,339	\$28,688	\$37,179	\$51,587
	Male	\$27,086	\$36,710	\$43,392	\$45,506	\$59,660
Alabama	Female	\$13,312	\$19,339	\$24,629	\$36,836	\$48,193
	Male	\$21,785	\$31,825	\$39,747	\$57,787	\$75,417



Source: 2006-2010 American Community Survey 5-Year Estimates

In general, the earnings disparities between females and males are greatest at lower levels of the educational spectrum. In the worst case, in Walker County, women with less than a high school education earn around 46 cents for every dollar earned by men with the same level of schooling. Shelby County, where the least-educated women make 50 cents on men's dollars, is not much better. The smallest earning gap is in Blount County, where women with a graduate or professional degree make 85 cents for every dollar earned by men; but the small population in a rural county may explain that anomaly.

Poverty and Educational Attainment

Just as women's wages lag no matter their educational attainment, so does their risk of living in poverty. As expected, fewer female college graduates fall below the poverty line in the Greater Birmingham area than those with less schooling. **But women still experience poverty in greater numbers than men at all levels of educational attainment.** For example, in Jefferson County, 10,595 women with a high school degree or its equivalent are poor, compared to 6,114 men, while 2,842 women with a bachelor's or higher are poor, compared to 1,706 men. Indeed, women face a compound disadvantage if they are non-degree holders because their overall earning potential is lower and they lag farther behind than men with the same educational level.

For more information, see appendix figures 19 through 22.

Poverty Status in the Past 12 Months of Individuals by Sex and Educational Attainment
Universe: Population 25 years and over for whom poverty status is determined

Source: 2006-2010 American Community Survey 5-Year Estimates



	Greater Birmingham Total	Greater Birmingham in Poverty	% Greater Birmingham in Poverty
Less than a high school graduate	47,407	10,043	21.18%
High school graduate (or equivalency)	92,836	9,136	9.84%
Some college or associate's degree	89,203	5,410	6.06%
Bachelor's degree or higher	92,017	2,314	2.51%



	Greater Birmingham Total	Greater Birmingham in Poverty	% Greater Birmingham in Poverty
Less than a high school graduate	49,464	14,841	30.00%
High school graduate (or equivalency)	105,000	15,524	14.78%
Some college or associate's degree	114,998	12,794	11.13%
Bachelor's degree or higher	99,767	3,864	3.87%

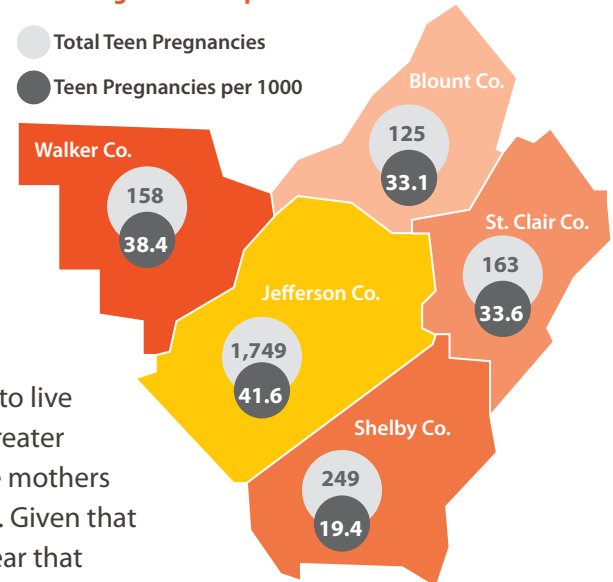
Teen Pregnancy

Alabama has the 16th highest teen pregnancy rate in the nation.

In the Greater Birmingham area, the largest number and incidence of teen pregnancies is seen in Jefferson County, though the incidence is also fairly high in Walker, St. Clair, and Blount counties.

Although teen pregnancy rates nationwide have seen a decrease, teen pregnancy continues to be a critical issue that has large ripple effects in society. About two thirds of teen mothers are in poverty nationwide. The children of teenage mothers are much more likely to live in poverty as adults, achieve lower levels of education, and have a greater chance of incarceration. In addition, only about one third of teenage mothers complete high school and fewer than two percent complete college. Given that teen pregnancy, education, and poverty are so closely linked, it is clear that prevention of teen pregnancy is one of the keys to strengthening the economic security of women and girls.

Teen Pregnancy in the Birmingham Metropolitan Area



Source: Alabama Department of Public Health, 2009

About two thirds of teen mothers are in poverty nationwide.

The power of putting money aside: saving women from crisis

Robin isn't sure where she'd be without her savings.

It has taken her a while, but the 56-year-old single woman has finally been able to set a few hundred dollars aside. That nest egg – at its highest, it hit \$900, she says – has kept her out of trouble and helped her buy a few things to make her life easier. It allowed her to pay her water bill when her apartment complex suddenly stopped covering it, and has even enabled her to buy a washing machine.

That means a lot to Robin, who moved to metro Birmingham a few years ago after escaping a rough life in Florida. After battling addiction, she is now in recov-

ery, and has gotten help from local agencies to find a part-time job and a safe, subsidized apartment on a bus route. Without that help – it pays for her apartment and \$100 in electricity – she would never be able to afford her \$550/month rent, plus her cable and other bills. It was there when she got sick and needed medicine, and it lets her put a little something aside each month. That's money she plans to eventually invest in becoming a commercial truck driver, which will increase her earnings down the road.

"That savings has saved me," Robin said. "It feels really good to know it's there."

Occupational Segregation

If earnings gaps can't be explained by education, there must be other reasons. Labor market discrimination is one factor, as is the fact that women more often hold part-time jobs, often due to child care requirements. But there is another explanation: occupational clustering.

Many occupations are dominated by one gender or the other; think of construction workers or kindergarten teachers. Careers with large shares of women include nursing, administrative support, K-12 teaching, and home health care. Income provided by these jobs is lower than income provided by more male-dominated occupations.²⁴

Research shows that once other factors are controlled, occupational segregation is a primary reason for the wage gaps between men and women.²⁵ Thus, an impor-

tant piece of the wage gap puzzle in the Greater Birmingham area is the gender distribution across occupational groups.

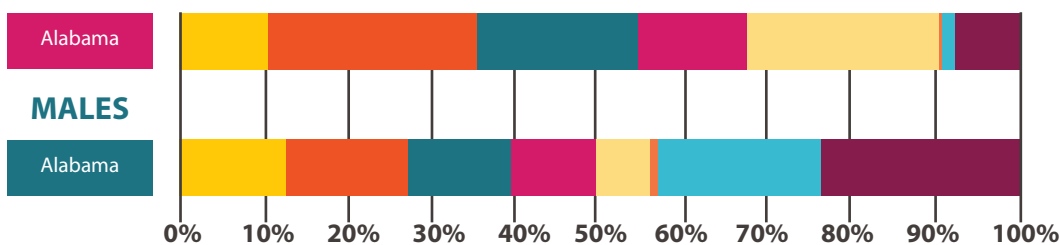
Women occupy more professional positions proportionally to men. However, there are also large numbers of women in low-paying service and administrative support occupations, which have traditionally had higher shares of women. Statewide, the top three occupational categories for females are professional and related occupations, office and administrative support, and service occupations. Males hold very large shares in construction, extraction, maintenance, and repairs, as well as jobs involving production and transportation.

It may be impossible to untangle the connections between a woman's occupation, education, and wages.

Please see appendix figure 24 for more information.

Occupational Distribution by Gender

FEMALES



Sources: 2005-2009 American Community Survey 5-Year Estimates

Current Population Survey, U.S. Department of Labor, U.S. Bureau of Labor Statistics <http://www.bls.gov/cps/wlf-table18-2010.pdf>

The link between occupational segregation and the gender wage gap becomes clearer when we look at the average pay in different kinds of jobs. As seen below, there is an earnings gap between women and men in all occupational groups. In the professional occupations category, annual earnings are the second highest of all groups, but women still only earn 73.9 cents for every dollar men earn. The ratio is better for the women-dominated service and administrative support categories, but earnings as a whole are among the lowest. For office and administrative support workers, the average female salary is just over \$31,000 a year. Female service workers earned on average \$21,736 per year, behind only female farm workers.

Earnings for Major Occupational Groups by Gender



Women are making great gains in some of the top earning careers, especially professional and related occupations. But an earnings gap remains between women and men in these occupations – and in all others.

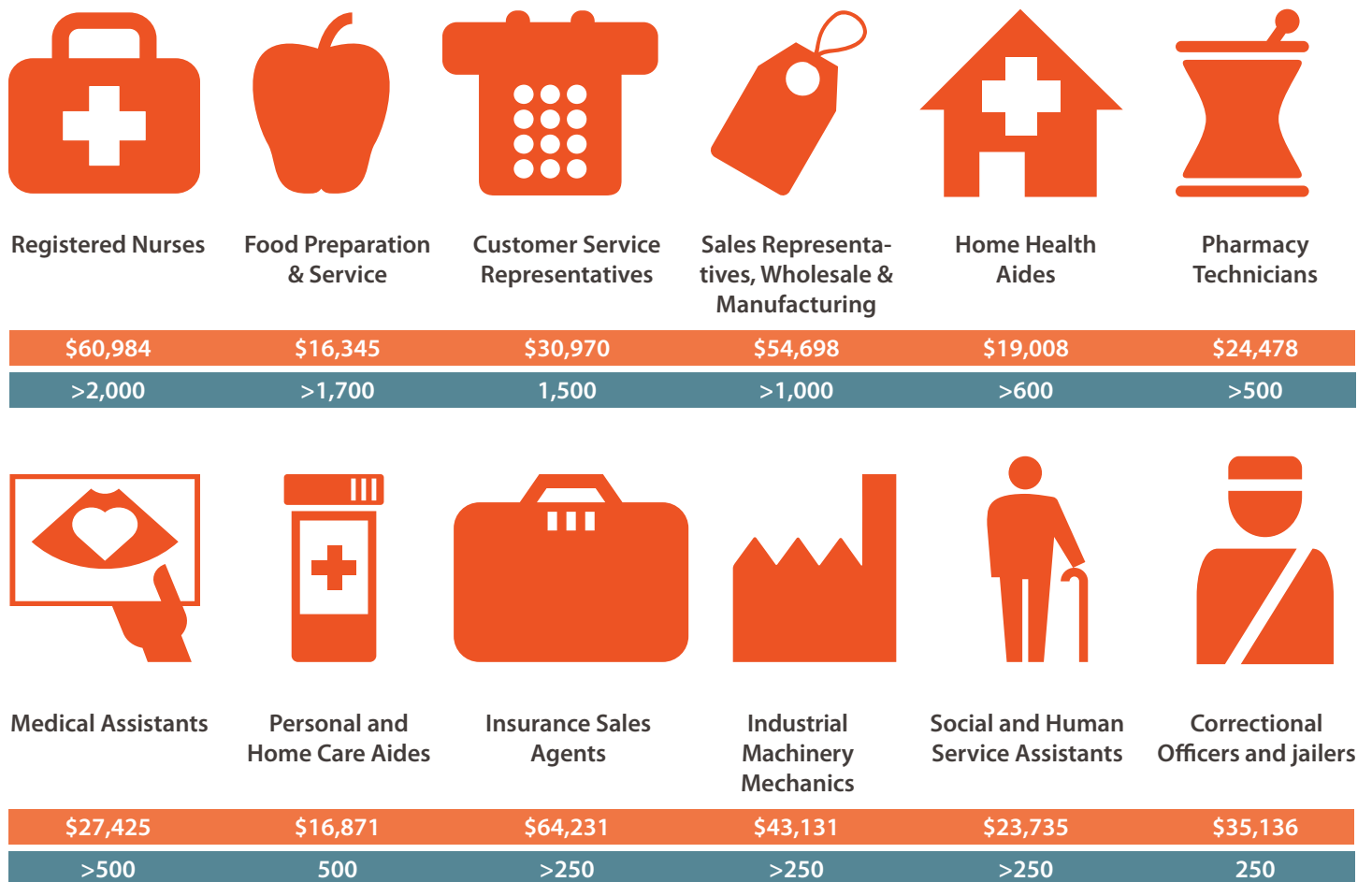
Job Growth and Training

Occupation, educational attainment, and wages are interrelated. There are many occupations that require at least a bachelor's degree or higher. Unsurprisingly, these same occupations tend to pay living wages. A recent forecast found that among growth occupations in Alabama, only 16 percent of the jobs that did not require a four-year degree would provide a living wage for a single-parent household with two children.

The figure below shows the top 12 growth occupations for persons with an associate's degree or less in the five county areas through 2018. Keeping in mind that the living wage for a single-parent household with two children is around \$50,000, most of these growth occupations do not provide living wages. However, a few occupations do provide living wages, presenting an opportunity for targeted training and job placement programs for women.

Job Growth & Training

Source: Alabama Department of Industrial Relations, 2010



Labor Force Participation

Another source of income inequality is labor force participation by women and men. A look at who works by gender shows that men work full time more often than women. Statewide, about 69 percent of men are employed full time, compared to about 51 percent of women. There are also much higher rates of part-time work among women, which holds down female wages as a whole. In many cases, the percentage of women who work part-time is more than or almost double that of men, and labor force non-participation follows a similar pattern.

A woman's role as a caregiver may impact her ability to participate in the labor market. While not all female-headed households include children or elderly residents, substantial research on women's participation in the labor market has shown that the caregiver role is borne most often by women. This factor presents barriers for women, such as labor market discrimination, scheduling conflicts, transportation issues, child care and eldercare costs, and time demands. Flexible schedules and telecommuting when appropriate may help take some of the burden off of female caregivers.

Health Insurance and the Uninsured

The lack of health insurance can be a major source of economic insecurity. A catastrophic medical emergency can wipe out a family's savings, creating financial devastation. In addition, no insurance often means women let acute medical conditions go untreated, leading to more serious and chronic health problems later on; if men in their households have chronic health problems, women may end up taking care of them. U.S. Census estimates of uninsured males and females under 65 by county show that Blount County has the highest rate of uninsured men and women, followed by St. Clair County. Across the board, women are more likely to be insured than men, in part due to Medicaid, as 54 percent of non-elderly Medicaid recipients in Alabama are women.²⁶

Many of the uninsured are active in the labor force but do not have access to insurance because they work part time, can't afford to pay for insurance, or don't have access to it through their employer. About 59 percent of private employers offer health coverage in Alabama, which is higher than the national average of 55 percent.²⁷

Medicaid

Begun in 1965, Medicaid is a federally funded, state-administered health insurance program for low-income and other qualified individuals. The major beneficiary groups for Medicaid are low-income families eligible for TANF, pregnant women and children under 6 in households earning up to 133% of the federal poverty level, and children ages 6 to 18 whose household income is below the federal poverty level.

According to the Kaiser Family Foundation, 54 percent of the non-elderly Medicaid beneficiaries in Alabama are women.^{28 29} Nationally, six of the top ten hospital procedures billed to Medicaid are maternity-related procedures.³⁰ In addition to maternity care, Medicaid provides critical access to other medical services, including treatment for HIV and AIDS, cancer, and other chronic conditions. As with other public assistance programs, there are a large number of households who are still low income, but exceed eligibility limits for Medicaid. As a result, many of those households make up the ranks of the uninsured.

For more information, please see appendix figures 27 and 28.

Family and Sick Leave

When women are the primary care givers in the household – as is so often the case – they may need leave to care for sick children or elderly parents. Of course, women may also require medical leave or maternity leave. Federal law requires employers with 50 or more employees to provide up to 12 weeks unpaid medical or family leave per year under the Family and Medical Leave Act (FMLA). However, leave without pay forces women to make difficult choices between providing care, attending to their own health, and improving their economic security.

Because Alabama, like many other states, has no additional laws to provide for economic security due to leave, a recent report by the National Partnership for Women and Families gave the state an "F" for its parental leave policies.³¹ In contrast, several states have enacted progressive legislation that ensures income protections for workers who take leave. In terms of paid sick days, 47 percent of private sector employees in Alabama have no paid sick days, which is well above the national average of 42 percent.³²

Women-Owned Business

One means of building assets is private business ownership. According to the 2007 Economic Census, 28.7 percent of all nonfarm businesses nationwide are women-owned. In the Birmingham-Hoover Metro Area used by the U.S. Census, there are 27,563 women-owned firms in a pool of 90,251 businesses, exceeding the national average.³³

Women own less than a third of all businesses in the Birmingham-Hoover Metro Area and nationwide, but the ranks of female company owners are growing fast. In fact, 30 years ago, only five percent of all business were owned by women, according to a 2010 White House report.³⁴ Successful women-owned businesses, of course, benefit the women at the top, but they also supply a resilient source of jobs for all workers, even in a difficult economy, giving them an important role in economic security.

Here in the Birmingham metro area, the four top female-owned firms, as ranked by the Birmingham Business Journal, have a total of more than 2,500 employees. Those firms – Mayer Electric Supply Co. Inc.; Alacare Home Health and Hospice; Hoffman Media LLC; and Vulcan Industrial Contractors Co. LLC – also tallied total revenue close to \$740 million in 2010.³⁵

“Simply put, we believe that the health of a community is determined by its women and girls. Almost every issue that cripples this community (health, education, economic status) starts with the mother. If we can strengthen her health, education, and economic status, she will invest that knowledge in her children.”

-Brooke Tanner Battle, Chair, The Women's Fund of Greater Birmingham



Roundtables: Stepping Up for Women's Economic Security

This report presents data illustrating some of the most pressing obstacles to women's economic security, but there are many other factors that are harder to measure, including education, anti-discrimination, transportation, child welfare, and criminal justice.

In spring of 2012, The Women's Fund of Greater Birmingham hosted four **Stepping Up for Women's Economic Security Roundtables** that sought community feedback on two questions: (1) what is economic security; and (2) what are the challenges to women's economic security in Greater Birmingham?

More than 80 service providers, foundations, corporations, and community members from across the region provided perspective and insight, informing The Women's Fund's investments for years to come.

The results of the roundtables were collected in three ways: (1) Defining Economic Security; (2) Identifying Challenges and Voting; and (3) Issue Surveys.



Defining Economic Security

Each roundtable began with participants defining economic security. The result is a surprising list of descriptions that illustrates a broad perspective.

- Assets
- Freedom
- Consistent income
- Health
- Living wage
- Access to health care
- Covers cost of living
- Resources
- Equal pay for equal work
- Peace of mind
- A myth
- Being able to generate own income
- Having enough – not living paycheck to paycheck

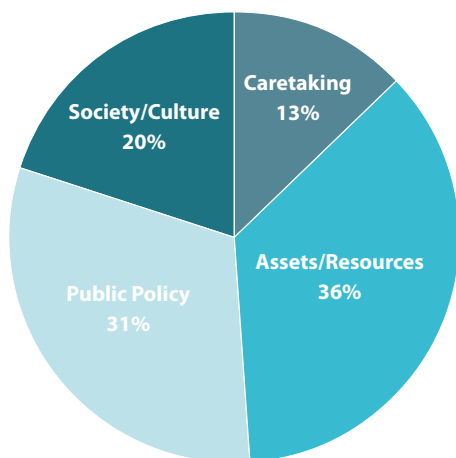
"Women in general have surpassed men in obtaining education over the last three decades, but on average, less-educated women earn lower wages than less-educated men."

—2011 GAO report, "Gender Pay Differences"

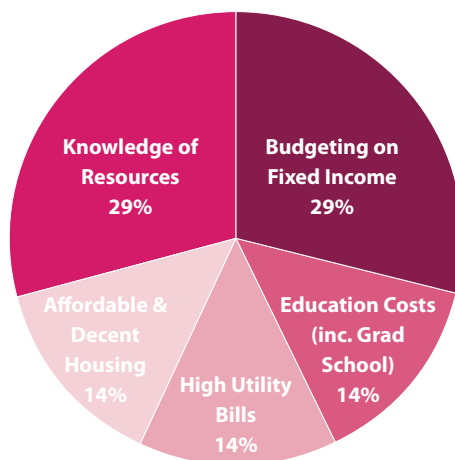
Identifying Challenges and Voting

Roundtable participants identified challenges to women's economic security and were given the opportunity to cast three votes for the challenges they view as top priorities. The series below displays the challenges identified by respondents at each session, along with votes cast. Responses ranged in each of the three sessions, but some of the most heavily ranked included: the difficulty of budgeting on a fixed income, a lack of knowledge about or access to available resources, and issues surrounding child care, education and wage fairness and public policies that could remove those barriers.

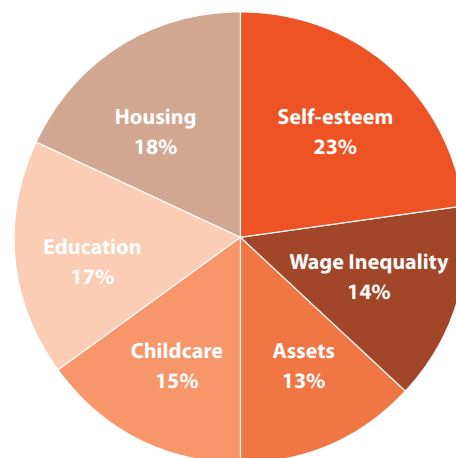
Roundtable 1: Service Providers



Roundtable 2: Low-Income Women



Roundtable 3: Service Providers



Source: The Women's Fund of Greater Birmingham, 2012

Flexibility for the future: employers can help women train for better work

Nicole's days are a juggling act. The single mom cares for her two daughters, ages 4 and 11; she works full-time as an accountant; and she's finishing up her bachelor's in accounting.

But the 38-year-old is happy to be busy. A year ago, she was working part-time, and that meant her wages were much lower. She struggled to pay the bills and had to cut back on insurance – which left her in the lurch when she had a car accident.

Now, her hard work is paying off. She went back to school when her oldest daughter was just a year old, getting an associate's degree in office administration at Jefferson State Community College. That showed her she loved accounting, so she started to work toward another degree at the University of Alabama at Birmingham. When she divorced in 2007, though, she

lost her house and found herself caring for her daughters on her own.











She's getting some help from her employer, a local company that believes in on-the-job training and hired her even though she's a few courses short of her degree. They've also been flexible with her hours, allowing her to go home to pick up her girls, then bring them back to the office when she works late. She has even started saving for a house – a challenge on a single salary.

"Sometimes, if you can get gas in the car and food on the table, you're doing pretty good," Nicole said. "There are late nights and early mornings. The key is to try to see that small accomplishments are big accomplishments."

Community Survey Results

Roundtable participants completed a weighted survey that asked respondents to rank an issue's importance to them personally, as well as the threat to the community posed by the issue to women's economic security, using a scale of 1-5. All issues on the weighted survey were pre-determined by The Women's Fund and informed by the results of the American Community Survey data and meetings with area service providers. Two issues touched on in this report – the availability of health insurance and affordable housing – topped the chart, followed closely by wage inequality. Women also said some of the biggest threats to women's economic security are the limited availability of child care, a need for job training programs, the lack of paid sick leave, and difficulty saving for the future.

In Roundtables, Birmingham women said some of the biggest threats to women's economic security are the limited use of a child care subsidies, a need for job training programs, the lack of paid sick leave, and difficulty saving for the future.

	IMPORTANCE TO RESPONDENT	THREAT TO WOMEN'S ECONOMIC SECURITY	TOTAL
Affordable housing availability	 257	287	544
Health insurance availability	 258	286	544
Wage inequality	 255	285	540
Lack of savings	 252	270	522
Availability of job training programs	 238	271	509
Teen pregnancy	 227	277	504
Availability of paid family and sick leave	 235	269	504
Child care subsidy availability	 222	279	501
Predatory lending (payday loans, tax refund advance loans, car title pawn)	 187	257	444
Access to loans for a small business	 197	223	420
	Lowest possible score: 63	Lowest possible score: 63	Lowest total possible: 126
	Highest possible score: 315	Highest possible score: 315	Highest total possible: 630

Source: The Women's Fund of Greater Birmingham, 2012

Stepping Up for Policy Change for Women and Girls

“We believe that when women move forward, the entire community moves with them.”

- Dianne Mooney, past president, The Women’s Fund of Greater Birmingham

While women make incredibly valuable contributions to the Greater Birmingham area, they do so on unequal footing and with an increased probability of economic insecurity than men. Participants in our roundtables described in great detail the obstacles so many women in our community face in meeting basic needs, from paying the rent to negotiating health care, child care, and transportation. But they also lamented women’s difficult struggle from girlhood onwards to build self-esteem and remain empowered individuals in the face of media portrayals of women and societal conditions that divert women from their goals. Indeed, the accrual of social capital—the support and relationships built with peers, community, family, and colleagues—has become a lynchpin for programs that address women’s economic challenges.³⁶

The focused research included here provides a platform for collaborating on and implementing solutions with a gender lens going forward, bringing increased and sustainable benefits for women and girls in our community. That focus is even more critical now, as the global economic downturn and shrinking economic funding have placed some services designed to empower women and girls and protect their financial futures in jeopardy.

The Women’s Fund wants this report to serve as a motivating force to improve the economic status of all women in our community, making them viable contributors to our community. Raising the financial independence of women not only provides a higher, more secure quality of life for women, but guarantees greater educational and economic success for their children. As our grantee partners have shown throughout the years, our community can meet the challenge through partnerships, resource sharing, and commitment. We are honored to play a part in the critical work Greater Birmingham-area non-profits carry out each day in providing direct services to a growing number of clients.

Though it is beyond our scope to provide a comprehensive strategy to lift women out of poverty, The Women’s Fund of Greater Birmingham, in collaboration with community stakeholders and with the generous support of the Community Foundation of Greater Birmingham, has identified areas that would make an impact in improving the economic security of women.



Strengths of Women's Economic Security in Greater Birmingham

1. **A Strong Female Workforce** – Many counties in Greater Birmingham outpace the state percentage of working-age women, as well as the state percentage of girls 0-14 years.
2. **Women with High School Degrees** – More women than men have a high school degree or higher in Greater Birmingham.
3. **Full-time Female Workers** – In Jefferson, St. Clair, and Shelby Counties women's participation in the full-time labor force exceeded the state average.
4. **Women-owned Businesses** – The percentage of women-owned businesses in Jefferson and Shelby Counties surpasses national figures.
5. **Health Insurance Coverage** – About 59 percent of private employers offer health coverage in Alabama, which is higher than the national average of 55 percent.
6. **Local Support** – Greater Birmingham area non-profits have programs in place addressing many challenges to the economic security of women and girls, including free tax preparation, emergency shelter for women and girls with case management and long-term housing options, matched savings programs, and financial literacy programs with a two-generation approach.

Challenges to Women's Economic Security in Greater Birmingham

1. **Low Earnings** – Women's median earnings come in behind men's across all counties of Greater Birmingham.
2. **Non-white Female Poverty** – Poverty estimates for non-white female-headed households exceed both the state and national percentage estimates in some areas of Greater Birmingham.
3. **A Need for College Education** – The percentage of women with a bachelor's degree or higher lags behind both the national and state average in Walker, St. Clair, and Blount Counties. Women who have not attained a bachelor's degree or higher are at greater risk for economic insecurity due to lower wages and the persisting gender wage gap.
4. **Lack of Affordable Day care** – The demand for subsidized day care exceeds the supply, and the high cost of quality day care puts it out of reach for many.
5. **Levels of Teen Pregnancy** – While teenage pregnancy is on the decline, it remains a problem as early motherhood places a financial strain on the family and results in reduced opportunities for children.
6. **Availability of Safe, Affordable Housing** – Many women can't afford to buy their own homes, and those who rent may spend a higher-than recommended portion of their budgets on housing.
7. **Cutbacks in Local Services** – Funding decreases experienced by area non-profits have resulted in service reductions and existing staff working longer hours.
8. **State Budget Cuts** – State agencies such as the Alabama Department of Human Resources continue to operate under substantial budget reductions, with childcare subsidy availability increasingly endangered. Public budget cuts and reduced eligibility for assistance programs such as TANF, SNAP, and Medicaid continue to be discussed by state government leaders.

Recommendations

1. Support Living Wages

Community-wide understanding of what constitutes a living wage is crucial to attaining economic security not just for women, but for Americans. Policymakers need to be made aware of the true needs of families and what it really takes to attain a minimal level of economic security. Many cities around the country have enacted living wage ordinances to ensure that recipients of government contracts pay their employees living wages; some locations also offer incentives to employers for offering healthcare coverage and paid time off. These could serve as models for change in Greater Birmingham and Alabama.

2. Increase Living Wage Employment

The analysis of labor markets and wages provides two clear lessons: (a) women with a bachelor's degree or a higher level of education earn more and (b) only a few select low-skill occupations provide a living wage. Therefore, policies and programs to move economically vulnerable women into careers that pay living wages must be a top priority.

3. Increase Access to Quality Education for Women and Girls

Measures to sustain and increase the educational attainment of women and girls pay large dividends in terms of a sound financial future. Among other measures, we should:

- **Invest in programs that help keep girls on track.** Let's expand innovative programs that help girls stay in the educational pipeline through high school and college.
- **Augment education with a multi-generational approach.** Single mothers, especially, lack adequate support to pursue their own schooling. Investment must grow for programs that provide child care, transportation, and other supports for women so they can complete their educational goals. The Ascend Initiative of the Aspen Institute has published **Two Generations, One Future: Moving Parents and Children beyond Poverty Together**, highlighting successful parent-child

education programs across the nation that could serve as models for Greater Birmingham.

- **Invest in targeted training.** We should prepare women to take leading roles in growing occupations in the Greater Birmingham area, including jobs in health care and other industries. Most high-paying occupations require a college degree or at least an associate's degree. Others do not require any formal post-high school degree, but do require extensive training. Investment must grow for programs that provide training or two-year degrees for women to enter occupations that can provide a living wage. Mothers also need access to low-cost or free certified child care to ensure they are able to focus on their education.
- **Invest in and advocate for programs that effectively reduce teen pregnancy.** Raising children is resource intensive and many young mothers end up leaving the educational system, leaving them and their children to face increased risk of economic insecurity.

4. Build Assets for Low-Income Women

- **Fund the Alabama Individual Development Account (IDA) program.** In the summer of 2011, legislation was passed creating a state Individual Development Account Program for Alabama. While this was an important first step, the program has no state funding. One creative way to fund the program would be the creation of a state Earned Income Tax Credit (EITC) program. EITC funds could be deposited into an IDA with a state match.
- **Continue to invest in private IDA programs and collaborate with IDA partners.** Though there is no state funding for an IDA program, several local nonprofits have programs that provide matching IDA funds and financial literacy training. IDA funds may be used for education, a down payment on a home, and the purchase of a vehicle.
- **Develop effective financial assistance programs to assist women, improve their credit ratings, and reduce debt through personal coaching and mentoring.**

- **Increase the availability of affordable and quality housing for low-income individuals and families.**

In the spring of 2012, a bill was sponsored in the Alabama Legislature to create the Alabama Affordable Housing Act and Alabama Housing Trust Fund to “increase availability of housing opportunities for individuals and families with incomes at or below 60 percent of the median family income.” Such measures need the support of policymakers and must be funded.

- **Diversify traditional banking financial products with a focus on alleviating poverty.** Women facing a cash crunch may turn to alternative financial services (AFS) such as payday loans, title loans, refund advance loans, and rent-to-own products. AFS products include fees and high allowable APR (Annual Percentage Rate), but are often attractive as their eligibility requirements may be less stringent than those of traditional banks and credit unions and the money may be available more quickly. A reduction in the use or availability of AFS might have short-term financial consequences, but economic security must be based on affordable loan options with reasonable fees and schedules for repayment.
- **Review the cap on allowable APR for payday loans.** The current APR cap amount is 456.25 percent.³⁷ Presently, the “highest concentration of payday lending stores on a per capita basis are in those Southern states that do not explicitly or effectively prohibit payday lending—Alabama, South Carolina, Tennessee, Mississippi, and Louisiana.”³⁸

5. Revise State Tax Policies

- **Establish a state Earned Income Tax Credit (EITC).** Research shows that EITCs are one of the most effective tools to lift families out of poverty. A state EITC would provide a greater incentive for workforce participation. A state EITC could also be implemented in concert with a state IDA program, which would boost assets among low-income households.
- **Increase awareness of the federal EITC.** While 87 percent of eligible Alabama households file for the federal EITC, many still are not receiving this benefit. Building awareness is a crucial first step toward increasing participation.

- **Review the business of Return Advance Loans.** Low-income Alabamians often use Return Advance Loans (RAL) to receive their tax refunds in advance from a for-profit preparer, often at predatory rates. RAL in Alabama are unregulated.³⁹
- **Advocate for income tax deductions that support work.** Currently, the state of Alabama does not allow tax deductions for child care expenses. This should be allowed to reward workforce participation and help relieve burdens on working families.

6. Create Benefits that Truly Benefit Workers

- **Expand health insurance.** Health insurance coverage must be expanded among all of Alabama’s workers.
- **Increase paid sick days.** Workers who do not have paid sick days face a difficult choice between economic security and attention to personal health.
- **Advocate for paid family leave.** Laws and incentives must be implemented for employers to offer paid family leave.
- **Expand flexible schedules.** Allow women to continue in their traditional role as caretakers while working full time and make it possible for them to take advantage of education and job training opportunities.

7. Make Work Supports Effective

- **Invest in targeted child care subsidies.** Because there is such a large gap between the thresholds where benefit eligibility is exceeded and a living wage is achieved, investment in programs that provide direct aid to the working poor would be of great benefit. Providing targeted child care assistance to mothers who are sole or primary earners could provide the needed support for re-training to enter a higher paying occupation, or to pursue an advanced degree.
- **Advocate for more generous benefit eligibility ceilings.** There is a gap between where households become ineligible for work supports and where they have attained a minimal level of economic security. Policy changes to increase income ceilings for benefit eligibility would help to bridge that gap. Programs tied to eligibility ceilings include: TANF, SNAP, Medicaid, and child care subsidies.

Methodology & Key Terms

Methodology and Limitations

This report has been developed to provide a data-informed overview of women's economic security in the Greater Birmingham area. Both quantitative data and qualitative insights informed this report, including federal statistics, research by social policy experts, and commentary provided by community stakeholders who attended our Stepping Up for Women's Economic Security Roundtables in spring 2012.

In some instances topics arose that we hoped to further investigate but were unable to locate data collected for that purpose or that had been disaggregated by gender. We intend for this report to encourage policymakers, agency leaders, and community stakeholders to establish rigorous data collection protocols so that in the future we may all access more in-depth information, including data about women's economic conditions.

Key Terms Used In This Report

American Community Survey: The American Community Survey (ACS) is a sample-based survey that provides period estimates. The data is then compiled into 1-year, 3-year, and 5-year data. It is important to note that the American Community Survey is a sample based estimate. Thus, in counties with smaller populations, the estimates can be subject to a greater degree of error, particularly when the subpopulation is small.

Asset Poverty: The Corporation for Enterprise Development (CFED)⁴⁰ defines asset poverty as "a measure that expands the notion of poverty to establish a minimum threshold of wealth needed for household security. A household is asset poor if it has insufficient net worth to support itself at the federal poverty level for three months in the absence of income. Asset poor households would not have enough savings or wealth to provide for basic needs during a sudden job loss or a medical emergency."⁴¹

Family Households: A family consists of a householder and one or more other people living in the same household who are related to the householder by birth, marriage, or adoption. All people in a household who are related to the householder are regarded as members of his or her family. A family household may contain people not related to the householder, but those people are not included as part of the householder's family in tabulations. Thus, the number of family households is equal to the number of families, but family households may include more members than do families. A household can contain only one family for purposes of tabulations. Not all households contain families since a household may be comprised of a group of unrelated people or of one person living alone – these are called nonfamily households. Families are classified by type as either a "married couple family" or "other family" according to the sex of the householder and the presence of relatives. The data on family type are based on answers to questions on sex and relationship that were asked of all people.

Household: A household includes all the people who occupy a housing unit. (People not living in households are classified as living in group quarters.) A housing unit is a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied (or if vacant, is intended for occupancy) as separate living quarters. Separate living quarters are those in which the occupants live separately from any other people in the building and which have direct access from the outside of the building or through a common hall. The occupants may be a single family, one person living alone, two or more families living together, or any other group of related or unrelated people who share living arrangements.

Householder: One person in each household is designated as the householder. In most cases, this is the person, or one of the people, in whose name the home is owned, being bought, or rented and who is listed on line one of the survey questionnaire. If there is no such person in the household, any adult household member 15 years old and over could be designated as the householder. Households are classified by type according to the sex of the householder and the presence of relatives. Two types of householders are distinguished: a family householder and a nonfamily householder. A family householder is a householder living with one or more individuals related to him or her by birth, marriage, or adoption. The householder and all people in the household related to him or her are family members. A nonfamily householder is a householder living alone or with non-relatives only.

Labor Force: All people classified in the civilian labor force plus members of the U.S. Armed Forces (people on active duty with the United States Army, Air Force, Navy, Marine Corps, or Coast Guard).

Married-Couple Family: A family in which the householder and his or her spouse are listed as members of the same household. Family households and married-couple families do not include same-sex married couples even if the marriage was performed in a state issuing marriage

certificates for same-sex couples. Same-sex couple households are included in the family households category if there is at least one additional person related to the householder by birth or adoption.

Median Income: The median divides the income distribution into two equal parts: one-half of the cases falling below the median income and one-half above the median. For households and families, the median income is based on the distribution of the total number of households and families including those with no income.

Teen Pregnancy Rate: The Alabama Department of Public Health (ADPH) reports teen pregnancy statistics in a non-standard form. In general, teen pregnancy rates are calculated for teen aged 15-19, but ADPH uses ages 10-19, which results in a much lower rate. Therefore, the rates here should be used with caution in making comparison to other national teen pregnancy rate data.

Race: The Census Bureau collects race data in accordance with guidelines provided by the U.S. Office of Management and Budget (OMB), and these data are based on self-identification. The racial categories included in the American Community Survey questionnaire generally reflect a social definition of race recognized in this country, and not an attempt to define race biologically, anthropologically, or genetically. In addition, it is recognized that the categories of the race item include racial and national origin or socio-cultural groups. People may choose to report more than one race to indicate their racial mixture, such as "American Indian" and "White." People who identify their origin as Hispanic, Latino, or Spanish may be of any race.

Endnotes

¹ U.S. Census Bureau, American Community Survey 2006-2010 5-year estimates

² Ibid

³ U.S. Census Bureau 2010 Poverty Thresholds: <http://www.census.gov/hhes/www/poverty/data/threshld/index.html>

⁴ Ibid

⁵ U.S. Census Bureau, American Community Survey 2008-2010 3-Year Estimates. Percentage calculation based on 2008-2010 American Community Survey 3-year estimates for female householder, no husband present and female householder, non-family as percentage of total households with income in the past 12 months below poverty level (all types).

⁶ On the expense side of household budgets, the BEST estimates do not distinguish between male- or female-headed single-parent households, thus we preserve that original language here.

⁷ On the expense side of household budgets, the BEST estimates do not distinguish between male or female-headed single parent households, thus we preserve that original language here.

⁸ Though data at the state and county levels are not readily available, national estimates from the Current Population Survey suggest that average household size for female-headed households is 3.05 persons, so the choice of a single parent, two-child household is a reasonable one. (Source: U.S. Census Bureau, Current Population Survey, 2010 Annual Social and Economic Supplement).

⁹ Bureau of Labor Statistics May 2011 State Occupational Employment and Wage Estimates, Alabama: www.bls.gov/oes/current/oes_al.htm#35_0000

¹⁰ U.S. Census Bureau, American Community Survey 2005-2009 5-Year Estimates

¹¹ U.S. Census Bureau, American Community Survey 2005-2009 5-Year Estimates It is important to note that the American Community Survey is a sample based estimate. Thus, in counties with smaller populations, the estimates can be subject to a greater degree of error, particularly when the subpopulation is small.

¹² Holt, Steve. (2006). *The Earned Income Tax Credit at Age 30: What We Know*. The Brookings Institute.

¹³ Earned Income Tax Credit Eligibility and Participation. (2001). General Accounting Office. Retrieved May 2011 from <http://www.gao.gov/new.items/d02290r.pdf>.

¹⁴ *Participation in the Earned Income Tax Credit Program for Tax Year 1996*. (2002). Fiscal Year 2001 Research Project #12.26 of the Internal Revenue Service. Retrieved September 2011 from www.taxpolicycenter.org/taxfacts/papers/irs_eitc.pdf

¹⁵ *Resource Guide: State Earned Income Tax Credit*. (2010). The Corporation for Enterprise Development. Retrieved June 2011 from http://scorecard.cfed.org/downloads/pdfs/resource_guides/rg_StateEITC.pdf

¹⁶ Alabama Department of Human Resources. http://www.dhr.alabama.gov/services/Child_Care_Services/documents/March_Statistics.pdf

¹⁷ Alabama Childcare 2009 Market Rate Survey. (2009). Alabama Department of Human Resources. Retrieved May 2011 from http://www.dhr.alabama.gov/documents/Market_Rate_Survey_Rpt.pdf

¹⁸ SNAP participation statistics by gender are not available at the county level.

¹⁹ U.S. Department of Agriculture: www.fns.usda.gov/snap/outreach/pdfs/bc_facts.pdf

²⁰ U.S. Department of Health and Human Services Administration for Children and Families, Caseload Data 2011, Temporary Assistance for Needy Families. Available online at: http://www.acf.hhs.gov/programs/ofa/data-reports/caseload/2011/2011_1parent_tan.htm

²¹ Alabama Department of Human Resources. Family Assistance (FA) Program Summarized Eligibility Requirements. Available online at: http://dhr.alabama.gov/services/Family_Assistance/FA_Eligibility_Req.aspx

²² Please note these figures cannot control for the confounding variable of migration; the data used to present the educational level of the population includes people who have lived in the area their entire lives and those who have migrated here from other areas.

²³ The Alabama State Department of Education does not publish gender-specific dropout rate data at the county level.

²⁴ *Separate and not Equal? Gender Segregation in the Labor Market and the Gender Wage Gap*. 2010. Institute for Women's Policy Research Briefing Paper. Retrieved January 2011 from www.iwpr.org

²⁵ Ridgeway, C. and P. England (2007). "Sociological Approaches to Sex Discrimination in Employment" in *Sex Discrimination in the Workplace*, Blackwell Publishing, Oxford UK.

²⁶ Kaiser Family Foundation. statehealthfacts.org. Available: www.statehealthfacts.org/profileind.jsp?ind=135&cat=3&rgn=2&cmpgrn=1

²⁷ Kaiser Family Foundation. statehealthfacts.org. Available: www.statehealthfacts.org/profileind.jsp?ind=135&cat=3&rgn=2&cmpgrn=1

²⁸ Kaiser Family Foundation. statehealthfacts.org. Available: www.statehealthfacts.org/comparetable.jsp?ind=157&cat=3&sort=12

²⁹ County-level data on Medicaid enrollment by gender in Alabama are not publically available.

³⁰ Merrill C, Elixhauser A. (2003). *Procedures in U.S. Hospitals*. Rockville, MD: Agency for Healthcare Research and Quality. (HCUP Fact Book, 7).

³¹ *Expecting Better: A State-by-State Analysis of Parental Leave Programs*. (2005). National Partnership for Women and Families. Retrieved May 2011 from www.nationalpartnership.org/site/DocServer/ParentalLeaveReportMay05.pdf?docID=1052

³² *Factsheet: Access to Paid Sick Days in the States*. (2010). Institute for Women's Policy Research. Retrieved August 2011 from www.iwpr.org

³³ U.S. Census Bureau 2007 Survey of Business Owners in the Birmingham-Hoover Metro Area, includes all U.S. firms operating during 2007 with receipts of \$1,000 or more which are classified in the North American Industry Classification System (NAICS) sectors 11 through 99, except for NAICS 111, 112, 481111, 482, 491, 525, 813, 814, and 92 which are not covered. Firms with more than one domestic establishment are counted in each geographic area and industry in which they operate, but only once in the U.S. total.

³⁴ <http://www.whitehouse.gov/sites/default/files/Jobs-and-Economic-Security-for-Americas-Women.pdf>

³⁵ Birmingham Business Journal *2012 Book of Lists*

³⁶ *Two Generations, One Future: Moving Children and Parents Beyond Poverty Together*, Ascend Report from the Aspen Institute, February 2012.

³⁷ Alabama Code § 5-18A-12

³⁸ McKernan, Signe-Mary. *Prohibitions, Price Caps, and Disclosures: A Look at State Policies and Alternative Financial Product Use*. Urban Institute. November 2010.

³⁹ Pindus, Nancy et al. *State Restrictions on Small-Dollar Loans and Financial Services 2004-2009: Summary Documentation and Data*. Urban Institute. 2010.

⁴⁰ Corporation for Enterprise Development: www.cfed.org

⁴¹ Corporation for Enterprise Development : <http://scorecard.cfed.org/downloads/pdfs/assetPoverty/alabama.pdf>

Complete report and appendix available on
The Women's Fund website
www.womensfundbirmingham.org

