

Study shows harmful impact of economic crisis on California's women

Kevin Martinez
17 February 2012

California women are suffering from the effects of the economic crisis at a rate disproportionate to the population overall, a new study by California Budget Project shows.

The study, "Falling Behind: The Impact of the Great Recession and the Budget Crisis on California's Women and Their Families," finds that the economic downturn has impacted families headed by a single mother especially hard. Moreover, the very programs that these women rely on, such as food stamps and temporary cash assistance, continue systematic erosion under Democratic Governor Jerry Brown's austerity budget. A single mother heads one in four California families.

The recession reduced employment for single mothers far more than married families, and single mothers who held on to their jobs suffered the largest decline in their average workweek in two decades. The employment rate for single mothers dropped 10 percentage points, from a high of 69.2 percent in 2007 to 58.8 percent in 2010.

In just three years, the recession wiped out the employment rate gain of women since 1996, when "welfare reform" placed strict work requirements and time-limited cash assistance payments for those on government aid.

The employment rate for men in the state was 62.6 percent in November 2011, the same rate as a year earlier. For women, the employment rate declined from 50.7 percent in November 2010 to 49.5 percent in November 2011. Recent data has shown that nationwide, women have only regained 20 percent of the 2.8 million jobs they lost during the recession, while men have regained 30 percent of the 6.8 million jobs they lost.

The report squarely links these trends to recent efforts

by the state to reduce social spending, noting, "Recent budget actions have targeted programs that low-income women rely on to support their families, gain the education and skills they need to find and retain jobs, and—for those who are elderly or have disabilities—remain safely in their own homes. Budget cuts have also affected women who work in child care, in-home care for the aged and those with disabilities, teaching, and other professions that rely on public funds, resulting in job loss, reduced hours of work, and/or lower rates of pay."

Two groups in particular, low-income parents and older women, have borne the brunt of the state's cuts to social programs that provide for health, medical, and in-home costs. Continuing cuts to such programs will only worsen the situation for these layers.

Recent cuts to California Work Opportunity and Responsibility to Kids (CalWORKS), a state support for child care, has meant that working single mothers now have even less to rely on, while the jobs crisis has made meeting work requirements for CalWORKS more difficult for unemployed mothers. Changes to the program's "earnings disregard", which has effectively reduced the cash assistance amount that working families receive, will also magnify distress. (See, "California deepens cuts to social safety net")

Many single mothers who earn too little to make ends meet still earn too much to qualify for many state welfare programs, the study notes. In 2010, the median hourly wage for "single California women with children" was \$16.74, but the amount required to be considered "self-sufficient" by the CBP was determined to be \$31.68 an hour for a single mom with two kids. But even the paltry amount of \$16.74 exceeds the earnings limits set by CalFresh Food Assistance (formerly known as food stamps) of \$11.58 for a family

of three, as well as the earnings limit of \$7.90 for CalWORKS for a family of three in a high-cost county. Moreover, each of these hourly wage limitations on benefits assumes full-time, year-round employment.

Given the lack of decent-paying jobs it is hardly surprising that more of California's single-parent families have descended into poverty. In 2006, 32 percent single-mother families lived below the official federal poverty line; in 2010 that number increased to 35.4 percent. The poverty rate for single father-headed families also rose significantly, from 16 percent in 2006, to 23 percent in 2010, as did the poverty rate for two-parent families (8.3 percent in 2006 to 10.6 percent in 2010).

Social inequality is deepening in California. According to CBP, the gap between California's rich and poor is the seventh widest in the US. In 2010, at least 16 percent of the state, 6.1 million Californians, lived in poverty—\$22,113 for a family of four with two children. The top 1 percent of income earners in California saw their inflation-adjusted income increase by 50 percent from the 1987 to 2010, while the bottom four-fifths of Californians had their purchasing power erode over the same amount of time. The bottom quintile saw a loss of 19.5 percent in their purchasing power.

New federal data shows an estimated 2.2 million children in California—one in four—lived in poverty last year. Minority children are especially vulnerable to live in poverty, with 69 percent of Latinos and 71 percent of African Americans classified as “income poor” according to a new study by the Center for Community Economic Development.

In response to this social catastrophe, the state and federal government have responded by destroying what remains of the social safety net. California's legislators reduced state spending from \$103 billion in 2007-08 to \$86.5 billion in 2011-2012, a drop of 16.6 percent.



To contact the WSWS and the
Socialist Equality Party visit:

wsws.org/contact