WOMEN in OREGON

Poverty, Employment, and Assets: An Issue of Equity

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Introduction

This report presents model programs across the country and associated policy recommendations to address the equity gap in Oregon for women. Specifically, for women who are experiencing poverty and economic vulnerability. These issues are central to ensuring that families in Oregon are secure, healthy, and thriving.

With the high cost of child care, rents, food, health care and lower wages and assets, women are struggle to attain economic security.

These issues hit the most vulnerable women the hardest—women with low-educational attainment, women who are single with children, or who lack the skills and opportunity to attain a living-wage job.

Oregon must invest in policies and programs that reflect the realities of women’s lives and ensure that all Oregonians can enjoy economic resilience.

Core Issues

Poverty, Employment and Education
Women in Oregon experience high rates of poverty and multiple obstacles to obtaining work that pays a living wage. Over 60% of minimum wage jobs are held by women.

Rising Child Care Costs
Affordable, quality child care is increasingly out of reach for most families. With the annual cost of child care exceeding the annual cost of college tuition, the cost of child care is unsustainable. Children from families that experience poverty often have fewer opportunities than their peers for quality early childhood learning due to cost.

Wealth and Assets
Women in Oregon experience a significant wealth and asset gap. The impacts of this extend over generations, perpetuating the cycle of poverty in many communities.
Oregon’s Economy and Opportunity for Women

Oregonians are still recovering from the Great Recession. Those who were hit hardest have yet to feel the positive impact of the state’s current economic growth. The most vulnerable communities have not recovered, especially communities of color and women.

While poverty in Oregon has declined since 2015, the poverty rate has yet to return to pre-recession levels, especially in rural areas. Women in rural areas experience levels of poverty that out-pace the rest of the state, especially single women with children. Women of color experience some of the highest rates of poverty, with 40% of black women in poverty, even though the majority live in areas that are experiencing economic gains.

Women experiencing poverty in Oregon are facing multiple obstacles. The impact of lower-wages, less job opportunities, high costs of child care and a lack of assets, leaves Oregon women, and children, incredibly vulnerable.

Poverty and Employment
Women in Oregon experience high rates of poverty and multiple obstacles to obtaining work that pays a living wage. Over 60% of minimum wage jobs are held by women.

Oregon is continuing to experience job polarization, with most jobs being created at the high-wage or low-wage levels. The Portland Metro areas and the Willamette Valley region have experienced the majority of the state’s economic growth, while rural areas have significantly lagged behind.

Educational Attainment
Higher-wage jobs tend to require a degree. Women in Oregon are outpacing men in educational attainment, but not in wages. On average, women make .88 cents on the dollar for work as compared to men. This number declines when we look at women of color: black women make $0.70 on the dollar and Latina women make $0.51. For many women, work is not a pathway out of poverty or towards self-sufficiency.

Rising Child Care Costs
Affordable, quality child care is increasingly out of reach for most families. With the annual cost of child care exceeding the annual cost of college tuition, families are struggling to pay for quality care.

Wealth and Assets
Wealth gaps have grown considerably after the recession. Many Oregonians depleted their savings and/or assets during the recession and have not been able to reestablish their financial foothold.

Single female-headed households in Oregon have the second lowest wealth and asset accumulation in the country. The impacts of this extend over generations, perpetuating the cycle of poverty in many communities.
Summary of Key Areas

The policy recommendations and model programs offered in this report offer ideas from across the country that reflect the realities of women’s lives. We begin by looking at the data and research about women’s experiences and seek to propose solutions that fit within them.

There are four key areas highlighted in this report:

- Two-generation Approaches: Breaking the Cycle of Poverty
- Increased Educational Opportunities
- Asset Building and Savings
- Lowering the Cost of Child Care

These four areas were chosen because of the persistence of poverty in Oregon.

The first area focuses on the two-generation approach, which is being embraced throughout the country as an effective framework to improve outcomes for families.

The second area is increasing educational opportunities for recipients of Temporary Assistance for Needy Families (TANF). This fits within the two-generation approach to services and is a deeply needed change if Oregon is to bring the poverty rate down.

The third area is lower the cost of child care through a myriad of programs, including investing in universal pre-k programs, fully funding Oregon’s child care subsidy program, and subsidizing parents to care for infants and toddlers.

The fourth area is asset building and savings. Oregonians are still recovering from the recession and assets are a vital piece for economic security. With women in Oregon having low assets and savings, they are vulnerable to economic downturns. Increasing assets and savings is essential to keeping women and children out of poverty.

In order to have a prosperous, resilient, thriving state, Oregon must invest in women.
Two-generation Approach: Breaking the Cycle of Poverty

Two-generation program approaches are being embraced throughout the country as an effective lens to create policy, deliver services to strengthen the entire family, and interrupt the generational cycle of poverty. In most states, policies and services are created for the needs of the parent and child in isolation. Many services have evolved this way due to separate funding streams and the challenges of integrating already established services and agencies. The two-generation approach address the needs of the parent/s alongside the needs of the children.¹

The entire family unit is at in the center of policy and service design and offers multiple pathways to educational advancement, economic prosperity, and family support for parents that dovetail with quality pre-school, child care and expansive learning services. Many two-generation services offer families a full array of services including affordable housing, mental health services, educational opportunity, quality pre-school, parenting supports and income supports.

Two-generation approaches attempt to re-design the system, bringing funding streams, data collection, outcome tracking, and service delivery together for a fully-integrated system that supports the success of the entire family unit. In October 2016, it was announced that the State of Oregon, in partnership with the National Governors Association and the Center for Law and Social Policy, will be embarking on a pilot program to implement two-generation approaches for systems change.²

Key Elements of Two-generation Approaches:

**Education**

Education is the central focus of many two-generation programs, due to the strong correlation between low levels of educational attainment and poverty. Workforce training or post-secondary education is provided alongside early childhood education programs.

**Economic Supports**

Families are supported with subsidies for housing, transportation, and food. Financial education assists families with budgets, accessing tax credits and asset building.

**Social Capital**

Build on and strengthen families’ network of support. Provide consistent, formal support through case managers, career coaches, and academic advisors.³

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Policy Recommendations

Institutionalize Partnerships across Agencies and Service Providers
Create policies and mechanisms that ensure cross-system partnership among human services agencies and institutions of higher education exist, especially community colleges and public regional colleges and universities.

Connect Programs that Serve Parents and Children
Facilitate co-design and re-design processes where service providers can come together to develop or re-design programs that serve the needs of the entire family.

Promote “No Wrong Door” Policies
Create one access point for services and benefits that provide families with the full array of choices from housing, education, child care, and transportation. Clients are fully-informed of services available, rather than having to contact various agencies or providers.4

Create Services for Women Most Impacted by Poverty
Poverty in Oregon is primarily experienced by women of color and women in rural areas. The majority of women of color live in metro areas that enjoying considerable economic gain, but many are not feeling the impact of the recovery. Many rural women live in areas where the economy has not recovered. Programs that specifically support women-of-color and rural women should be invested in.

Model Programs

Statewide Two-generational Initiative, Connecticut
In 2015, Connecticut was the first state to implement a comprehensive two-generational approach5. The bill aims to integrate policy, programs, and funding streams across service delivery areas. Six demonstration sites were implemented that focused on early learning programs, adult education, child care, housing, job training and workforce development, transportation, financial literacy and other related support services. Partnerships were created across the state with private foundation, business, universities, and parents. Required agencies to use TANF funds to deliver two-generation services to the extend allowed under federal law.6

Jeremiah Program, St. Paul Minnesota
The Jeremiah program supports single parents as they pursue postsecondary, taking a “wrap-around” approach to services. The two-generation approach meets the comprehensive needs of the entire family with education and housing as the foundation. Students live on-campus, where

5Connecticut General Assembly, Sec 401 of Public Act No. 15-5
multiple services are provided including child care and preschool, career and life coaching, job placement assistance and a strong support network of on-campus single parents. Program outcomes are strong with 45 percent graduate with a bachelor’s degree and 55 percent of Jeremiah women graduate with an associate’s degree. All participants that graduated in 2010 are employed at a job with a livable age and all children are reaching or exceeding age-appropriate educational and developmental levels.7

Jefferson County Prosperity Project, Colorado
The Jefferson Country Prosperity Project is administered through the Human Services Department in Colorado. The program connects families in Head Start to comprehensive services, including postsecondary education and workforce development. Families identify their needs and goals and are that links 50 families with children in Head Start to wraparound services, including workforce development, adult education and postsecondary education services. The program stays with families as children age, ensuring educational attainment and family economic security.8

8 http://jeffco.us/human-services/community-initiatives/jeffco-prosperity-project/
Increasing Educational Attainment: TANF and Education

Across the country, middle-income jobs have disappeared been replaced by low-wage service jobs. Oregon is no exception. Since the 2008/2009 economic recession, Oregon lost middle-wage jobs and many individuals moved down the job ladder to lower-wage jobs. As competition for low-wage jobs has increased and middle-income jobs have shrunk, a larger portion of Oregonians must rely on TANF.9

The Department of Human Services has implemented many of the improvements recommended in a 2014 audit by the Secretary of State. However, Oregon has yet to implement one of the key recommendations: providing more opportunities for TANF recipients to access training and education to increase their ability to find living-wage employment.

In the current economic climate, TANF recipients need access to training and education to attain living-wage jobs and become self-sufficient. As DHS works to implement the Secretary of State’s recommendation to move recipients off of TANF and to enforce time limits, it is essential that the training and educational needs of TANF recipients be met to ensure that Oregon families can not only survive, but thrive.

Policy Recommendations

Expand Work-related Activity and Reinstate Funding for Parents as Scholars Program
Count postsecondary education, adult basic education, English as a second language, and training linked to high-wage jobs and employer demand as work activities. Likewise, include school activities like class time, homework, and work-study hours in individual’s employment plans.

Create Clear Pathways to Training and Postsecondary Opportunities
Provide resources about wage, job outlook information and growth information to recipients who wish to pursue training and education. Create stronger bridges for TANF recipients and community colleges, including the Career Pathway program.

Research shows that wages increase and the likelihood of re-accessing TANF decreases when recipients gain postsecondary training certificates or degrees.10 Some studies have shown that those who earn an associate degree experience more than a 50% increase in earnings.11 However, this is not necessarily in all training or degree fields. Study show that TANF recipients often need guidance about job growth and relevant fields of study where the is likelihood of employment is high.12

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Partner with Community Colleges to Create On-campus Support
In line with a two-generation approach to serving families, providing TANF recipients with on-campus supports. Studies show that when TANF recipients receive strong “wrap-around” supports, such as work-study jobs, child care and advising, they academically excel at rates that outpace their peers.13

Model Programs

Northern Virginia Family Services, Falls Church, Virginia
A program started in 1996 that enables students to qualify for entry-level office positions and also earn up to 17 credits through a partnership between the nonprofit Northern Virginia Family Services and Northern Virginia Community College (NOVA).

Shifting Gears: Wisconsin, Minnesota, Indiana, and Illinois
Shifting Gears is funded through the Joyce Foundation and specifically focuses on innovative strategies that bridge the gap between college programs that serve low-skill adults for high-demand jobs and relationships with specific employers.14

Kentucky Ready-to-Work
Provides work study jobs, support services and on-site academic and employment counseling to help TANF clients pursue post-secondary degrees and credentials. Kentucky allows 24 months of vocational education and 20 hours of work study. 15

Parents as Scholars Program, Maine
In 1997, the Maine legislature passed the Parents as Scholars (PaS) program to help low-income parents obtain two-year and four-year postsecondary degrees. Parents who are eligible for but not necessarily receiving TANF are eligible for the PaS program. Parents receive monetary support equivalent to what they would be eligible for under TANF. Additionally, a family contract determines additional supports and services the parent needs to achieve postsecondary goals. Possible supports include child care, transportation, eye and dental care, and school supplies. Student parents may participate in this program for up to 60 months.16

Lowering the Cost of Child Care

Child care is widely considered a market failure, not only in Oregon, but across the country. With child care exceeding the cost of college tuition, low and moderate income families are struggling to find affordable, quality care, impacting the early learning of children, women’s employment opportunities, and families’ economic security.

In 2015, Oregon ranked 2nd most expensive for infant care, at $11,322 per year and 4th in child care for a 4-year-old, at $8,787. The average cost of infant care is 50.7% of the medium income for single mothers, and 15% for married couples. The average cost of toddler care is 39.4% of the medium income for single mothers and 11.8% for married couples.17

The Employment-Related Day Care program (ERDC) in Oregon assists low-income families with covering the cost of child care. However, there is a cap on the number of families served, due to limited funding. In 2014, the program served approximately 8,500 families, with thousands of families on the waitlist.18

Beyond cost, Oregon ranks low in providing quality early childhood education, which is essential for a child’s development and future educational success. Oregon is ranked 40th in the nation for access to preschool education, with only 41% of Oregon of preschool-aged children in Oregon attending preschool. Only 13% of federally eligible children in Oregon are served through state and federal funds.19

Addressing the market failure of child care will not only lessen the financial burden on women and families, but will also support the state’s economy. Research shows a link between child care services, a strong economy and a competitive workforce.20 The Economic Policy Institute estimates that if child care were affordable for Oregon families, the state economy would grow by 1.6% or $3.33 billion.21

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Policy Recommendations

Expand Early Education and Invest in Universal Preschool
The Oregon Head Start Prekindergarten program is generally available only to families with income at or below 100% of the federal poverty level and only serves a small fraction who are eligible. Establishing a state funded preschool could save families up $10,200 and improve learning outcomes for children across the state.22

Paid Family Leave
California, Rhode Island, and New Jersey have all adopted paid family leave to care for a new child, to care for family member with serious health condition or care for one’s own disability.23 All programs are administered through disability programs and funded through employee-paid payroll taxes. Paid family leave ensures that women can balance work and family responsibilities, while maintaining economic and job security.

Increase Child Care Subsidy Funding and Eligibility Limits
Dedicate more funds to providing subsidies to low-income and moderate-income families for child care. Investing in child care is shown to have positive effects on the economy and women’s ability to participate in the workforce.

Model Programs

Preschool Project, Utah: Social Impact Bond
The preschool project expands its preschool program for 3 and 4 years-old through a Social Impact Bond. The Granite School District in Utah is partnering with Goldman Sachs and the J.B. Pritzker Foundation to improve rates of special education placement in elementary through quality early childhood education. Goldman Sachs and the J.B. Pritzker Foundation invested a total of $7 million in the project. The social impact bond follows the pay for success model, where the investors are paid back based through the cost savings by having less children in special education classes.24

Child Care Subsidy Transition Pilot Program, Rhode Island
The Child Care Subsidy Transition Pilot Program allows families to keep their eligibility for child care assistance as their income increases, to lessen the impact of the ‘benefit cliff.” The program continues to assist families until their annual income exceeds 225% of the federal poverty level.25

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This model allows most four-year-olds in the state to participate in preschool at little or no cost to parents. In 1995, Georgia became the first state in the nation to establish a state funded pre-k program to expand the availability of high quality education to young children. The program can save some Georgia parents one year’s worth of child care for four-year-olds, which in 2012 was about $6,234 for a center care and $5,166 for family child care. Oklahoma followed suit and established a state funded preschool for four-year-olds. The program is available in 99% of the state’s school districts.

At Home Care for Infants - Minnesota, Montana and New Mexico

Minnesota, Montana and New Mexico have explored At Home Infant Care (AHIC) programs, which subsidizes low-income parents to stay home with their infant or toddler. AHIC programs reduces the demand for infant and toddler child care, while also reducing the cost of assistance to families through providing subsidies at a slightly lower rate to parents than eligible child care facilities. In the Minnesota AHIC program parent care-givers receive 90% of the state’s top pay rate to licensed child care providers Montana conducted a successful AHIC pilot program between 2001-2003. Minnesota also identified AHIC as a promising program, but the state has not funded the program since 2007. However, there is an appropriations bill this year to refund the program.

West Virginia Pre-K

Nationwide, West Virginia Pre-K is one of the only universal preschool programs and eligibility is not based on income. In 2014, over 75% of West Virginia 4-year-olds attended preschool, which is one of the highest rates in the country. (Only 41% of Oregon children attend preschool.) The program is a part of the general public education funding stream.

The Permanent Fund, Vermont

The Permanent Fund is a pilot program that brings businesses together to pool resources and offer child care to their employees. Companies are guaranteed a base number of spots in exchange for membership and can provide in-kind services, such as supplies, in exchange for reduced rates.

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27 https://www.revisor.mn.gov/bills/text.php?version=latest&session=ls90&number=SF0448&session_year=2017&session_number=0
29 http://knowledgecenter.csg.org/kc/system/files/CR_Childcare_Conclusion_Final_0.pdf
Asset Building and Savings

Women experiencing poverty in Oregon are facing multiple obstacles. The impact of lower-wages, less job opportunities, high costs of child care and a lack of assets, leaves Oregon women, and children, incredibly vulnerable.

Asset building and savings are crucial tools in keeping women out of poverty. Asset development programs allow participants to accumulate resources that can build wealth or lead to economic prosperity, such as down payments for homes, pursuing higher education, or purchasing a vehicle. Asset development strategies are one of the key ways for low-income women and families to create a solid financial foundation.

These strategies are especially important for women and women of color, who have significantly less assets and wealth. Over the last 30 years, the asset and wealth gap has continually grown between whites and people of color, worsening significantly after the recession. In Oregon, single female-headed households face one of the greatest asset and wealth gaps in the nation.

Policy Recommendations

Invest in Promoting EITC
Oregon has the lowest EITC participation rates in the nation. Thousands of eligible families do not claim the EITC, leaving federal money on the table that would otherwise flow in Oregon’s economy or provide strong savings opportunities for low-income families.

Expand IDA Opportunities- Low-income Savings Accounts
Oregon has one of the strongest IDA programs in the country, supporting Oregonians in acquiring assets from homeownership to small businesses. Research is showing that beyond assets, even a small amount of savings can have strong positive benefits for low-income families. Often times these small amounts of savings are the difference between staying housed, food security, or keeping the electricity on.

Create a Children’s Saving Accounts in Oregon
Children’s savings accounts provide a financial foundation for children as they age. Many programs provides small monetary incentive at milestone moments, such as high school graduation, offer small matches for deposits, and automatically enroll children. In Oregon,

numerous non-profits and community groups have joined together to advocate for the CSA Oregon Bright Futures Plan.\(^{34}\)

**Link IDAs and EITC Services**

Strengthen ability for families to easily access IDAs and link EITC returns to accounts. Research has shown that the EITC is one of the best opportunities low-income families have to save. Particularly for TANF recipients, this linkage could create a more solid financial future.

**Model Programs**

**Riverside EITC Program, California**
The Riverside EITC program is an EITC outreach campaign to low-income families in Riverside County. The volunteer program provides free tax filing assistance to low-income taxpayers in 12 welfare-to-work district offices through the county, with approximately one staff person per office. In 2002, clients received over $1.5 million in EITC funds. Clients are also informed of IDA opportunities, leveraging the EITC funds clients receive.\(^{35}\)

**EARN Starter Savings**
The EARN Starter Savings Program is an innovative six-month program that allows users to get started saving for the goal of their choice, including emergency savings, and encourages them with small matches. This program allows participants to gain more financial stability before working toward a larger asset purchase, such as a first home.\(^{36,37}\)

**College Kick Start, Nevada**
College Kick Start automatically enrolls all public school kindergarten students in a 529 college savings account and deposits $50 for initial “seed” money. The savings can be used for post-secondary education, including vocational or certificate programs.\(^{38}\)

**Smart529 Matching Grant Program, West Virginia**
The Smart529 Matching Grant program provides eligible West Virginia families with a matching grant up to $500 per child per year, up to a lifetime maximum of $2,500, with a dollar for dollar match. Account owners who are residents of West Virginia are eligible to apply. A child must be 12 years old or younger at the time the first Matching Grant application is made and a new application must be submitted each year for each designated beneficiary.

\(^{34}\)Oregon’s Bright Futures Plan. (2017). http://oregoncsa.org/


Conclusion

This report does not have all the answers. But it does offer concrete recommendations and examples of these recommendations in action as implemented across the country. While the programs highlighted are just a small sampling of the innovate programs tackling poverty, they will hopefully inspire us to think broadly about not only what we can accomplish in Oregon, but also how we are living out our values.