

WHITE PAPER
Women's Foundation of Southern Arizona
June 2021

Women's Economic Impact:
Getting Back on Track: Arizona Women's Path Towards Economic Equity

EXECUTIVE SUMMARY





It only took twelve months of the COVID-19 pandemic to undo 30 years¹ of women's employment gains in the United States. We cannot continue to deny the systemic economic inequities faced by women in the United States, particularly among women of color. There are a number of state and national reports that highlight the challenges and gaps facing women's economic development. Using this data, we can craft and support policies that get women's economic progress back on track.

This White Paper, *Getting Back on Track: Arizona Women's Path Towards Economic Equity*, provides specific statewide data on job loss and the importance of quality and accessible child care required for parents to re-enter the workforce. Recommendations are provided to support economic recovery and plan for future policies that can best ensure women can achieve economic gender equity and advance workforce progress for a more equitable and prosperous Arizona.

U.S. Bureau of Labor Statistics, Arizona's Economy at a Glance

https://www.bls.gov/eag/eag.az.htm#eag_az.f.r

Arizona

Data Series	Back Data	Oct 2020	Nov 2020	Dec 2020	Jan 2021	Feb 2021	Mar 2021
Labor Force Data							
Civilian Labor Force ⁽¹⁾		(R) 3,556.4	(R) 3,563.9	(R) 3,569.3	3,571.3	3,580.6	(P) 3,587.4
Employment ⁽¹⁾		(R) 3,315.1	(R) 3,322.2	(R) 3,326.9	3,331.4	3,333.2	(P) 3,346.9
Unemployment ⁽¹⁾		(R) 241.3	(R) 241.8	(R) 242.4	239.9	247.4	(P) 240.5
Unemployment Rate ⁽²⁾		(R) 6.8	(R) 6.8	(R) 6.8	6.7	6.9	(P) 6.7

Footnotes

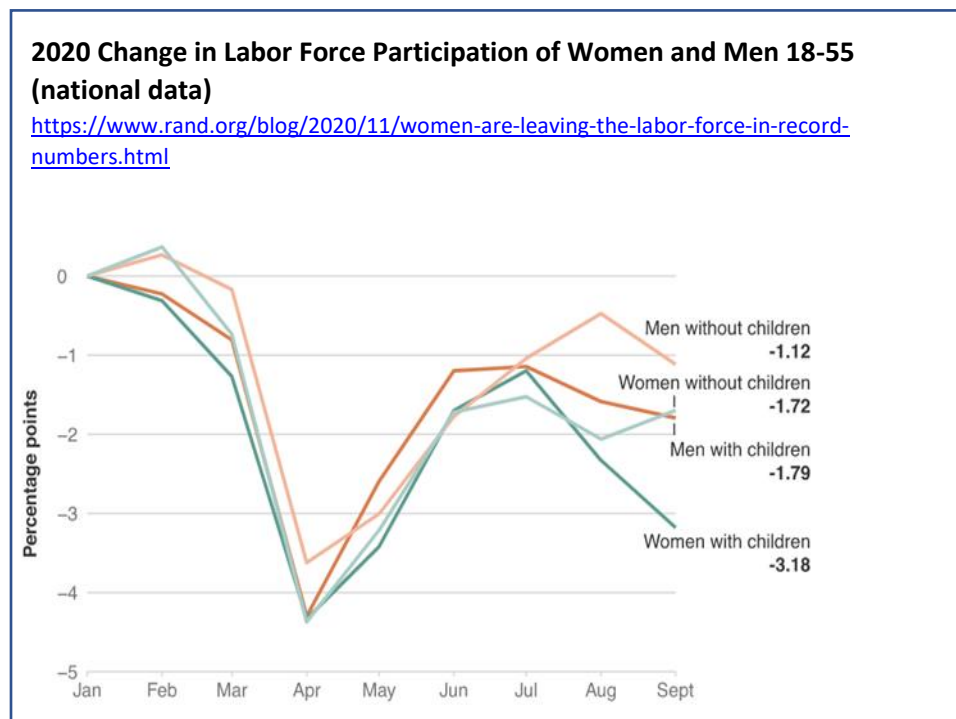
- (1) Number of persons, in thousands, seasonally adjusted.
- (2) In percent, seasonally adjusted.
- (3) Number of jobs, in thousands, seasonally adjusted.
- (P) Preliminary
- (r) Revised

¹ Aspan, M. (2021, February 5). *Nearly 80% of the 346,000 workers who vanished from the U.S. labor force in January are women.* Fortune. <https://fortune.com/2021/02/05/covid-unemployment-rate-january-jobs-report-2021-jobless-job-loss-us-economy-working-women/>

INTRODUCTION

Over the past 40 years, as more women entered the labor force and brought home larger paychecks, women drove 91%² of the income gains experienced by middle-class families in the US. Nationally, roughly 2 million women³ have left the labor force since the start of the 2020 COVID-19 pandemic, at a disproportionately higher rate than their male colleagues. The COVID-19 mitigation closures of schools and businesses had an adverse effect on women in the workforce, undoing decades of progress which had improved women's labor force participation rate. As people return to work, mothers - especially those without a four-year college degree - have not re-entered the workforce at similar rates as compared to men. Economists find that the pandemic recession has led to a widening of the gender gap by five percentage points, as it hit women's employment harder than men's.⁴ As women work to regain employment, and the state implements employment support incentives, disparities will continue to grow. Families with young children may face financial burdens for years to come, especially for single mothers and families of color.

A primary contributing factor to this disparity is the lack of equitable and accessible quality child care in order for parents to return to work — and this is hurting **all Arizona families** and the state's economic recovery. Two approaches are clear: **Parents need access to safe, quality child care in order to re-enter the workforce, and the Early Childhood Education system should be regarded as a profession that provides a livable wage with opportunities for advancement.**



² Guyot, K. A. S. I. V. (2021, January 6). *Women's work boosts middle class incomes but creates a family time squeeze that needs to be eased*. Brookings. <https://www.brookings.edu/essay/womens-work-boosts-middle-class-incomes-but-creates-a-family-time-squeeze-that-needs-to-be-eased/>

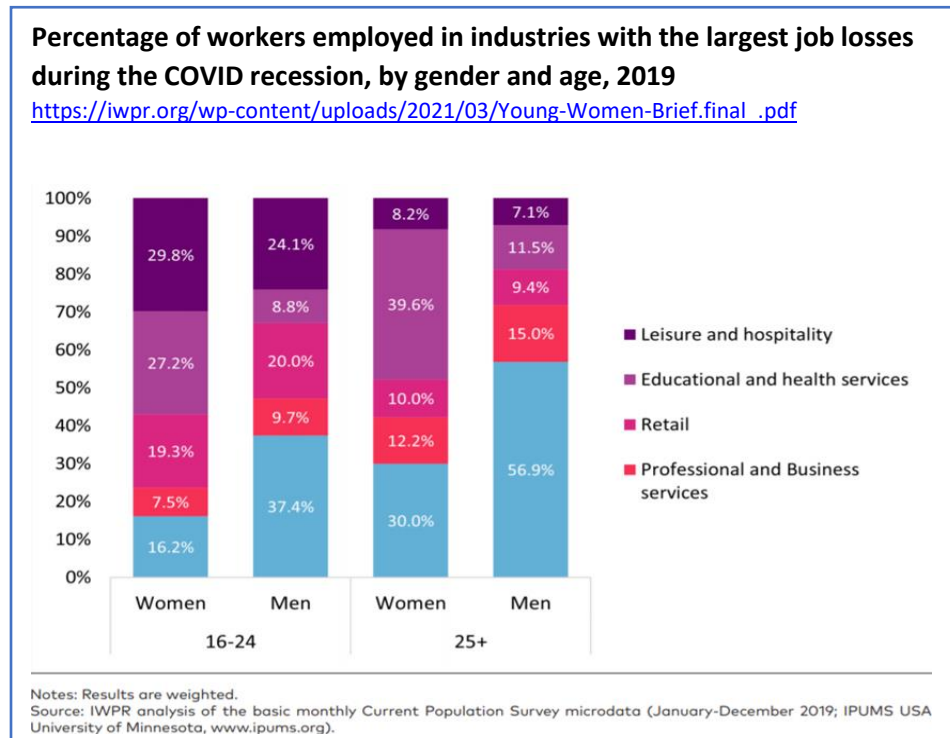
³ FRED Economic Data. (2021, June 4). Federal Reserve Bank of St. Louis. <https://fred.stlouisfed.org/series/LNS11000002>

⁴ National Bureau of Economic Research, Alon, T., Doepke, M., Olmstead-Rumsey, J., & Tertilt, M. (2020, August). *THIS TIME IT'S DIFFERENT: THE ROLE OF WOMEN'S EMPLOYMENT IN A PANDEMIC RECESSION* (No. 27660). <https://doi.org/10.3386/w27660>

JOB LOSS

In light of the pandemic, women in all areas of employment and career fields reduced their working hours, or have been forced out of the workforce altogether. According to a report by the National Women’s Law Center⁵, women account for 55% of overall net job loss since the start of the 2020 pandemic, losing over 5.4 million net jobs. In December 2020 alone, all jobs lost during the month were held by women, while men gained 16,000 jobs during the month. This marked a thirty-three year low in the women’s labor force while perpetuating gender pay gaps, even for women who were able to maintain employment during the pandemic.⁶

The four industries primarily affected by pandemic-related closures, restrictions, or reduced profit gains are primarily staffed by women: Leisure and Hospitality, Educational and Health Services, Retail, Professional and Business. Women across the nation within the ages of 16-24 were most likely to work in these four industries at 83.8%, followed by women aged 25 at over 70%, compared to young men (62.6%), and older men (43.1%).⁷ Working women of color have been hit the hardest as they hold more jobs in the restaurant, retail, education, health care, and other “essential” industries where they are often already paid very low wages.⁸



According to a recent national report by the Brookings Institute, females account for 54% of low-wage workers. Unfortunately, two Arizona metro areas, Yuma and Lake Havasu City-Kingman, were listed on report’s top twenty list of metros with the highest and lowest shares of workers earning low wages.⁹

⁵ M. (2021, January 11). *All of the Jobs Lost in December Were Women’s Jobs*. NWLC. <https://nwlc.org/resources/all-of-the-jobs-lost-in-december-were-womens-jobs/>

⁶ *Racial and Gender Pay Gap Statistics for 2021*. (2021, May 4). PayScale. <https://www.payscale.com/data/gender-pay-gap>

⁷ Sun, S. (2021, April 21). *Out of Work, Taking on Care: Young Women Face Mounting Challenges in the “She-Cession.”* IWPR 2020. <https://iwpr.org/iwpr-general/out-of-work-taking-on-care-young-women-face-mounting-challenges-in-the-she-cession/>

⁸ Aspan, M. (2021, February 5). *Nearly 80% of the 346,000 workers who vanished from the U.S. labor force in January are women*. Fortune. <https://fortune.com/2021/02/05/covid-unemployment-rate-january-jobs-report-2021-jobless-job-loss-us-economy-working-women/>

⁹ The Brookings Institute, & M.A.R.T.H.A.R.O.S.S.N.I.C.O.L.E.B.A.T.E.M.A.N. (2019, November). *Meet the Low-Wage Workforce*. Metropolitan Policy Program. https://www.brookings.edu/wp-content/uploads/2019/11/201911_Brookings-Metro_low-wage-workforce_Ross-Bateman.pdf#page=5

Looking at the number of low-wage workers relative to the total workforce tells us more about where the concentration of low-wage workers is particularly high. While low-wage workers account for 44% of all workers nationally, that figure varies substantially by place. Across more than 300 metropolitan areas analyzed in the report, the share of workers earning low wages ranges from 30% to 62%. **Low-wage workers make up a high share of the workforce in smaller places in the southern and western parts of the United States, including Yuma (57.3%), and Lake Havasu-Kingman (54.9%).** In places with high shares of low-wage workers, those workers are more likely to be Latino or Hispanic, caring for children, and have lower levels of education.

The 20 Metros with the Highest and Lowest Shares of Workers Earning Low Wages

https://www.brookings.edu/wp-content/uploads/2019/11/201911_Brookings-Metro_low-wage-workforce_Ross-Bateman.pdf#page=5

Metro name	Number of low-wage workers	Share of workers who are low-wage
Lake Havasu City-Kingman, AZ	33,800	54.9%
Yuma, AZ	39,110	57.3%

Arizona is making strides to support women and single mothers in their path towards economic security and stability. Governor Ducey signed **Arizona House Bill 2016** during the 2021 Legislative Session. This is a huge win for women to increase their professional skillset and maintain their child care in order to do so. The AZ House Bill provides opportunities for individuals to maintain their existing child care benefits and enroll in a qualified full-time education, vocational, or training program that is reasonably related to employment goals. This new adjustment will help more Arizonans, especially single mothers, to gain higher employment wages and become independent from government assistance.

Arizona is working to rebuild its economy, but recovery has not been spread evenly across the state. For example, Arizona's December 2020 jobs data showed Flagstaff jobs down 15.4%, Yuma jobs down by 9.0%, 3.8% in Lake Havasu City-Kingman, and 1.2% in Sierra Vista-Douglas. With the exception of the Phoenix metropolitan area, most Arizona metropolitan areas in the state have struggled to generate job growth. Research predicts as unemployed women and men re-enter the workforce, women are more likely to face a disproportionate wage penalty from being unemployed as a result of COVID-19. This trend suggests that the gender pay gap could widen again in subsequent years.^{10 11}

KEY SOLUTIONS FOR WOMEN'S ECONOMIC MOBILITY:^{12 13}

- Eliminate gender wage gap, particularly for women of color
- Provide external supports for women re-entering the workforce (accessible and affordable quality child care, business policies that support a work-family balance)
- Stabilize housing and reduce homelessness
- Increase quality education and workforce training
- Increase access and availability of mentoring and coaching

¹⁰ *Racial and Gender Pay Gap Statistics for 2021*. (2021, May 4). PayScale. <https://www.payscale.com/data/gender-pay-gap>

¹¹ Henderson, R. (2021, April 13). *The Pandemic Has Derailed Women's Path Toward Equity. It's Time To Get Back On Track*. Forbes.

<https://www.forbes.com/sites/rebeccahenderson/2021/04/12/the-pandemic-has-derailed-womens-path-toward-equity-its-time-get-back-on-track/?sh=3485c75610f0>

¹² Women's Funding Network. (2021, May). *2021 Women's Funding Network: Menu of Expertise and Policy Priorities*. <https://www.wfn.org>

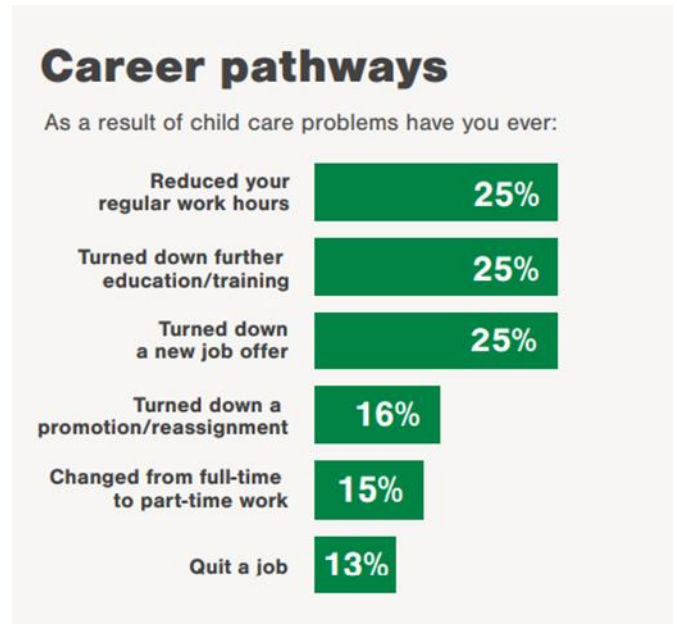
¹³ Boesch, T., Nunn, R., Grunewald, R., & Palmer, V. (2021, February 2). *Pandemic pushes mothers of young children out of the labor force* | Federal Reserve Bank of Minneapolis. Federal Reserve Bank of Minneapolis. https://www.minneapolisfed.org/article/2021/pandemic-pushes-mothers-of-young-children-out-of-the-labor-force#_ftn1

- Reduce gender hiring bias, and increase number of good jobs
- Increase access and availability of transportation
- Increase quality, access, and equity in healthcare
- Increase access to capital for women entrepreneurs, particularly for women of color

CHILD CARE

During the pandemic, mothers were more likely than fathers to consider scaling back or leaving the workforce because of the COVID-19 pandemic.

The *Lean In: Women in the Workplace 2020* report from McKinsey & Company showed women were almost twice as likely to reduce work hours, take a leave of absence, or leave the workforce altogether. Mothers were also four times more likely to move from full-time to part-time roles. Related challenges such as lack of flexibility at work and increased burden of work and caregiving responsibilities at home were factors that were more likely to push women out of the workforce. For single mothers, the challenge is even greater. Single mothers who don't live with a spouse or partner are much more likely to have full responsibility of all child care in the household. This makes gaining and maintaining employment challenging and enhances financial insecurities for the family.¹⁴



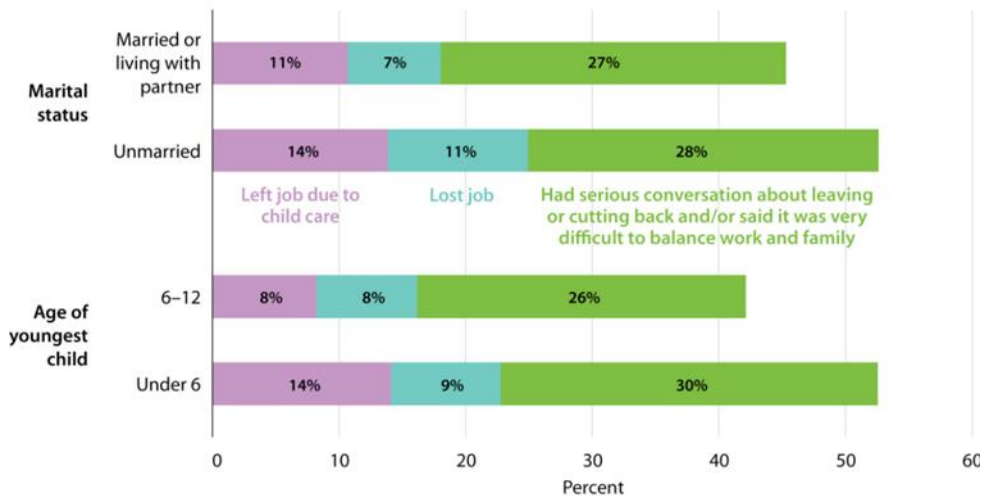
The Hamilton Project's *Fall Survey of Mothers with Young Children* noted that 25% of single mothers reported they left or lost their job in 2020 compared with 18% of married mothers. About 14% of single mothers and mothers whose youngest child was under the age of 6 reported they left their job due to child-care responsibilities.¹⁵

¹⁴ McKinsey & Company. (2020, December). *Lean In: Women in the Workplace 2020*. <https://womenintheworkplace.com/>

¹⁵ Bauer, L. (2021, May 19). *Mothers are being left behind in the economic recovery from COVID-19*. Brookings. <https://www.brookings.edu/blog/up-front/2021/05/06/mothers-are-being-left-behind-in-the-economic-recovery-from-covid-19/>

Share of Mothers Who Exited the Labor Force or Who Reported Difficulty in Staying Employed due to Child Care

<https://www.brookings.edu/blog/up-front/2021/05/06/mothers-are-being-left-behind-in-the-economic-recovery-from-covid-19/>



Source: Fall Survey of Mothers with Young Children; author's calculations.

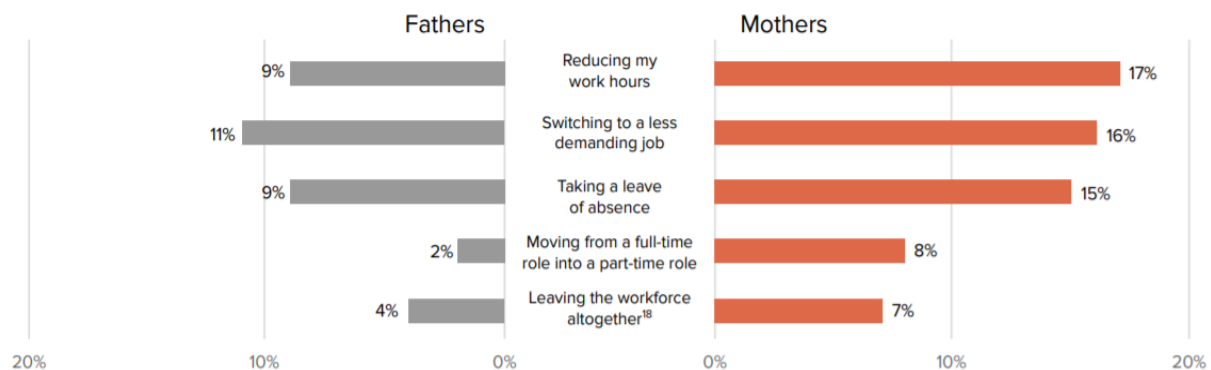
Note: For additional details, please see the technical appendix to Bauer et al. 2021.

THE HAMILTON PROJECT
BROOKINGS

Mothers are More Likely than Fathers to Consider Scaling Back or Leaving Because of COVID-19

https://wiw-report.s3.amazonaws.com/Women_in_the_Workplace_2020.pdf

% of employees who have considered changing their work situation during the Covid-19 crisis



Unfortunately, COVID-19 further challenged an already struggling child care system. Before the pandemic, employers were already losing roughly \$13 billion a year in potential earning, productivity, and revenue due to inadequate child care, according to The Women's Funding Network's policy priority report.¹⁶

¹⁶ Women's Funding Network. (2021, May). 2021 Women's Funding Network: Menu of Expertise and Policy Priorities. <https://www.wfn.org>

In January 2019, *Ready Nation: Council for a Strong America* reported the child care system did not support or meet the needs of families or employers with nearly one-third of parents having difficulty finding child care, often because the high cost of child care proves unaffordable for many families. Additionally, there is a lack of quality child care with only 11% of child care nationwide being accredited. From the report, 25% of parents noted they have reduced their regular work hours due to child care problems, and 13% have quit a job.¹⁷

The following child care factors contributed to women leaving the workforce within the last year:

- Increased caregiving responsibilities due to school and child care closures
- Concerns of COVID-19 exposure in school or care settings
- Unemployment or reduced employment hours which led to a reduction in wages, making child care unaffordable

“Child care availability and parental concerns over child care safety and affordability during the pandemic will affect how quickly labor markets and the economy recover.”

– *Federal Reserve Bank of Minneapolis*¹⁸

The early care and education sector is a majority-women workforce, 40% of whom are women of color. Currently, child care providers are not making a livable wage for economic-suitability and growth, however this workforce will always be needed by working parents. With last year’s funding from the Coronavirus Aid, Relief, and Economic Security (CARES) Act to support child care infrastructures during the pandemic, and the current funding from the American Rescue Plan, Arizona stakeholders are able to provide strategies to center caregivers and care infrastructures beyond the federal funding. Updating the child care infrastructure and system in Arizona is essential to a thriving state economy while increasing equity for parents, children, and providers.¹³

Arizona May 2020 State Occupational Employment and Wage Estimates					
https://www.bls.gov/oes/current/oes_az.htm					
https://www.womengiving.org/self-sufficiency-table/					
Office of Child Care Employment Title	Estimated Total employment rounded to the nearest 10 (excludes self-employed)	Number of jobs (employment) in the occupation per 1,000 jobs	Mean Hourly Wage	Mean Annual Wage	Minimum income using the interactive 2020 Self-Sufficiency Standard for Arizona *County: Maricopa Family configuration: One Adult/One Preschooler
Education and Childcare Administrators, Preschool and Daycare	1,060	0.372	\$22.05	\$45,870	\$64,938 *\$19,068 wage gap between mean annual wage and minimum income for self-sufficiency
Childcare Workers	8,310	2.930	\$13.75	\$28,590	\$64,938 *\$36,348 wage gap between mean annual wage and minimum income for self-sufficiency

¹⁷ Council for a Strong America. (2019, January 16). *Want to Grow the Economy? Fix the Child Care Crisis*. <https://www.strongnation.org/articles/780-want-to-grow-the-economy-fix-the-child-care-crisis>

¹⁸ Boesch, T., Nunn, R., Grunewald, R., & Palmer, V. (2021, February 2). *Pandemic pushes mothers of young children out of the labor force* | *Federal Reserve Bank of Minneapolis*. Federal Reserve Bank of Minneapolis. https://www.minneapolisfed.org/article/2021/pandemic-pushes-mothers-of-young-children-out-of-the-labor-force#_ftn1

We stress the need for comprehensive policy reform to build a stronger, more equitable future for families and children in Arizona.

TOP RECOMMENDATIONS FOR IMPROVING CHILDCARE INFRASTRUCTURE INCLUDE:

- Expanding the public school system into pre-K
- Capping costs for working families, parents in workforce training, and/or those enrolled in higher education that can lead to higher wage jobs
- Supporting higher wages for child care workers
- Providing tax credits and incentives to all businesses — not just large employers

POLICY RECOMMENDATIONS to IMPROVE WOMEN'S EARNINGS and SUPPORT WOMEN'S REENTRY into the WORKFORCE: ¹⁹

Working women were already experiencing economic instability before the COVID-19 pandemic, including pay inequities, balancing work-family responsibilities, and child care — and these inequities are exacerbated for Black and Latina women bearing the brunt of the economic recession.

Addressing and finding solutions to reduce inequities are imperative as women re-enter the workforce and we rebuild our post-pandemic economy. This includes decreasing the wage gap and providing equitable and livable wages while also providing quality child care that is accessible, affordable, and equitable.

- **Build and Invest in the Care Economy.** Investing in the public care economy will not only improve pay and economic security for all women, but it also will make it easier for people with care responsibilities to fully participate in the labor force. This includes increasing access to affordable and quality care options; allowing for flexible schedules, reduced hours, or other measures to allow workers to meet caregiving needs; and ensuring that all employees have access to mandated paid family and medical leave or paid sick days.
- **Provide urgently needed public funding to support the child care industry, PreK-12 schools, and parents with young children.** Raise wages for child care providers and provide adequate protection such as personal protective equipment and paid sick leave for care workers and essential workers, who are disproportionately people of color and young workers.
- **Increase the Minimum Wage.** Raising the minimum wage is vitally important for women, particularly women of color and single mothers. An increased minimum wage would be especially beneficial to Black and Latina women, who are make up the largest percentage of low-wage workers and have been disproportionately impacted by job losses during the pandemic economic recession.
- **Increase Education, Training, and Access to Well-Paid Jobs.** Rebuilding the economy after COVID-19 must include better access for women to well-paid jobs that are currently primarily held by men, and higher pay and benefits in the essential care jobs primarily held by women. **WFSA's 2019 Research Brief on Women's Work: Realities and Possibilities for Arizona**, highlighted four promising careers for self-sufficiency; Medical Sonographer, Computer Support Specialist, Electrician, and Paralegal or Legal

¹⁹ Institute for Women's Policy Research, & Sun, PhD, S. (2021, April). *Out of Work, Taking on Care: Young Women Face Mounting Challenges in the "She-Cession"* (No. C498). https://iwpr.org/wp-content/uploads/2021/03/Young-Women-Brief.final_.pdf

Assistant. Other areas of employment that have seen stability, or even an increase in job demand, include trade, transportation, and utilities jobs. In Arizona, jobs in these three areas grew during the pandemic and pay an average annual wage of \$53,807 (2019).^{20 21}

- **Reimagine Public Benefits Systems to Permanently Remove Arizona Families from the Cycle of Poverty.** With low-paying jobs at the forefront of many families' well-being, they are often forced to choose between a promotion or bump in pay and the complete elimination of benefits that would otherwise supplement their families' needs. In lieu of the benefits cliff, we must build a staircase in which families see a tiered reduction in benefits as they increase the income to meet their basic needs.
- **Strengthen Efforts to Ensure Equity in Hiring and Pay Practices.** Women need stronger policies such as those barring employers from requesting salary histories (which can perpetuate wage inequality) and enacting and enforcing strict pay transparency laws. Strengthening employment policies and practices for increase equity requires inclusivity during decision making discussions.
- **Prioritize young people's mental well-being by increasing investment in mental health services that target young people, especially young people of color and those who live in under-resourced communities.** According to The Century Foundation report on the U.S. Census Bureau's first Household Pulse survey of 2021, moderate to severe depression among adults jumped from 7% to 30% during the pandemic, and young adults 43.5% reported moderate to severe anxiety. The federal survey noted income as a key indicator of mental health, and households with income under \$25,000 are 20.1% more likely to report severe anxiety than households with an income greater than \$200,000.²²
- **Increase government efforts to collect disaggregated data.** We need more collection of disaggregated data to make marginalized communities and patterns of inequalities more visible. Public policymaking would benefit from analyzing the intersection of gender, race, class, and other structural inequalities. At the same time, strong data privacy measures should be implemented to prevent the potential misuse of data.²³

²⁰ Women's Foundation of Southern Arizona. (2020, November 30). *PROMISING CAREERS FOR SELF-SUFFICIENCY*. <https://www.womengiving.org/research/>

²¹ *Arizona's Recovery: Light At the End of the Tunnel – First Quarter 2021 Forecast Update – Arizona's Economy*. (2021, March 1). <https://www.azeconomy.org/>. <https://www.azeconomy.org/2021/03/outlook/arizonas-recovery-light-at-the-end-of-the-tunnel-first-quarter-2021-forecast-update/>

²² Kassens, A. L., Taylor, J., & Rodgers, W. M. (2021, May 11). *Mental Health Crisis during the COVID-19 Pandemic*. The Century Foundation. <https://tcf.org/content/report/mental-health-crisis-covid-19-pandemic/?session=1>

²³ Institute for Women's Policy Reserach, & Sun, PhD, S. (2021, April). *Out of Work, Taking on Care: Young Women Face Mounting Challenges in the "She-Cession"* (No. C498). https://iwpr.org/wp-content/uploads/2021/03/Young-Women-Brief.final_.pdf