

# falling behind

The Impact of the  
Great Recession and  
the Budget Crisis  
on California's Women  
and Their Families

the WOMEN'S  
FOUNDATION  
of CALIFORNIA



CALIFORNIA BUDGET PROJECT

## executive summary

California's perfect storm of job loss, stagnant wages and massive budget cuts threatens the economic security of women and their families by undermining programs they depend on and by restricting access to education and training. This economic downturn is the first in recent history in which women experienced substantial job loss. Although there are signs that California's job market is slowly recovering, recent data suggests that women have not shared equally in the state's modest employment gains.

The recession and California's prolonged budget crisis have affected women both as recipients and as providers of public services. In response to sizeable budget shortfalls, California lawmakers have repeatedly targeted programs that low-income women rely on to support their families, gain the education and skills they need, find and retain jobs and remain safely in their own homes as they age. Budget cuts have also affected women with disabilities as well as women who work in childcare, in-home care, teaching, and other professions that rely on public funds. Women make up a majority of the workers in local government, a sector that has continued to lose jobs even as the labor market, as a whole, has begun to slowly make gains.

California faces critical policy decisions and the outcome of these choices will determine whether California will promote economic opportunity for women and build towards a healthy economy. Against this backdrop, the Women's Foundation of California and the California Budget Project have released a new report documenting the impact of the economic downturn and the state budget crisis on low-income women and their families. This report is the first to document a looming "perfect storm," poised to strike essential public programs for low-income women and their families. It is also the most comprehensive look at the impact of recent budget actions on women in the state. [OVER >](#)

This data is from the report *Falling Behind: The Impact of the Great Recession on California's Women and Their Families*, released January 2012.

To read the full report, go to [www.womensfoundca.org](http://www.womensfoundca.org).

## report highlights include:

### **The gap between California's rich and poor is the seventh widest in the nation.**

- In 2010, 6.1 million Californians (16.3 percent) had incomes below the federal poverty line—\$22,113 for a family of four with two children. Between 1987 and 2009, the average inflation-adjusted income of the top 1.0 percent of California personal income tax payers increased by 50.2 percent, while the average income of tax payers in each of the bottom four-fifths of the distribution decreased, after adjusting for inflation.

### **Single mothers were hardest-hit by the recession and recent budget cuts.**

- The employment rate for California's single mothers dropped by 10.4 percentage points from a recent peak of 69.2 percent in 2007 to 58.8 percent in 2010. Fewer than six out of 10 unmarried mothers had jobs in 2010—the smallest share since 1996.
- Recent reductions in state support for childcare, as well as the California Work Opportunity and Responsibility to Kids (CalWORKs) Program, have limited the resources available to low-income women as they prepare for and find jobs.

### **Older women remained in the work force longer but were more likely to live in poverty.**

- In 2010, 47.2 percent of women ages 55 to 69 had jobs—0.8 of a percentage point higher than in 2006. In contrast, the share of men in the same age group who were working fell by 4.3 percentage points between 2006 and 2010.
- The share of women age 65 or older with incomes below the poverty line increased by 1.7 percentage points, from 9.5 percent in 2006 to 11.2 percent in 2010. In contrast, the poverty rate for men in the same age group rose by 1.0 percentage point, from 6.9 percent in 2006 to 7.9 percent in 2010.

### **Cuts to state childcare and preschool programs hindered the ability of low-income parents to keep their jobs or get back into the workforce in the aftermath of the recession.**

- The California State Legislature cut funding for preschool and most childcare programs by 15 percent in 2011–12 and lowered the income eligibility ceiling. A family of three now loses eligibility when their income exceeds \$3,518 per month—\$251 less than the previous limit of \$3,769 per month. Combined, these cuts are expected to eliminate services for over 35,000 children in 2011–12.

### **Women have been disproportionately affected by cuts to essential health care services for low-income Californians.**

- The cumulative impact of reductions to Medi-Cal amounts to \$2.4 billion between 2008–09 and 2011–12 and eliminates services such as dental care, podiatry and psychology services.

### **Cuts to assistance for older women and women with disabilities have compromised their ability to afford necessities such as housing and groceries.**

- The maximum monthly SSI/SSP grant dropped to \$830 in July 2011, a reduction of \$77 per month (8.5 percent), compared to the maximum grant of \$907 in January 2009. The federal government estimates that an elderly woman living alone has to spend \$180 per month on food to maintain a minimally adequate diet. By this standard, the \$77-per-month cut represents nearly two weeks of groceries.

### **Budget cuts have reduced access to higher education for women seeking to gain the skills they need to obtain higher-wage jobs in a highly competitive job market.**

- Between 2007–08 and 2011–12, state support for the University of California and California State University systems was reduced by nearly one-third, while community colleges lost nearly one-fifth of their state support.
- At the same time, student fees rose dramatically. Annual undergraduate fees for state residents at the University of California jumped from \$6,636 in 2007–08 to \$12,192 in 2011–12, an increase of 83.7 percent. California Community Colleges fees more than doubled from \$20 per credit in 2008–09 to \$46 per credit beginning with the 2011–12 winter term. Between 2007–08 and 2010–11, enrollment in community colleges declined by 129,612 students, with 81.6 percent of this decline being women.

### **The Governor's proposed 2012–13 budget will further weaken programs that California's women depend on, leaving cash-strapped state and local governments ill-equipped to make up for the loss of federal funds.**

## *the* WOMEN'S FOUNDATION of CALIFORNIA

The Women's Foundation of California focuses on empowering women to achieve economic security.

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