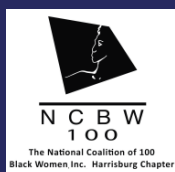
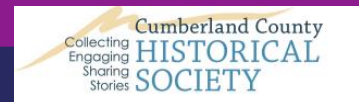


# BEYOND SUFFRAGE:

## Reclaiming the Future

A Women's Economic Security Forum  
White Paper for Legislators and Voters



eliminating racism  
empowering women  
**ywca**  
carlisle & cumberland county



## ***ACKNOWLEDGEMENTS***

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Beyond Suffrage: Reclaiming the Future – A Women’s Economic Security Forum white paper was written by members of the AAUW Carlisle Public Policy’s Beyond Suffrage Committee: Kate Elkins, Chair, Mary France and Nancy Sigrist.

We are grateful for the many contributions of our event cosponsors, speakers, panelists, event attendees, supporters and AAUW members. We acknowledge with great appreciation the many organizations, researchers, publications and resources that enabled and informed this document.

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## **FOREWORD**

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Women have been striving for economic security and financial health throughout history. While American women have made significant progress economically and politically during the late 20<sup>th</sup> century, they continue to confront obstacles on the path to economic equity and security. These challenges remain particularly great for women of color.

The Financial Network, through its research and recently published report, “The Gender Gap in Financial Health”, observes that “[w]omen’s labor force participation has stagnated, and the wage gap between men and women has stubbornly held at 82 cents on the dollar – with the gap far wider for women of color. A wage gap exists in 98% of occupations, with the total loss over one’s career reaching hundreds of thousands of dollars. There is also a vast wealth gap: Single women own only 40 cents for every dollar that is owned by single men. All this was true even before the COVID-19 pandemic, which saw job losses and caregiving burdens disproportionately borne by women, especially women of color.”<sup>1</sup>

No one thing has created financial disparity that exists between men and women though some challenges are more impactful than others. Issues such as child care and eldercare support, paid family leave, the gender wage gap, the lack of a living wage, sexual discrimination in the workplace and overwhelming debt continue to diminish women’s financial security.

The effects of the COVID-19 pandemic on women and their economic security were immediately apparent in early 2020 as the United States began coping with this dire challenge to the public health system. The unemployment rate for women rose more dramatically than for men, and the percentage of women in the labor force fell to the lowest it has been in decades. What’s more, existing inequalities exacerbated the problem for certain populations. Women of color, low-wage earners and mothers lost jobs at considerably higher rates than other groups. Once the recovery began, job gains for women did not match those of men. As of April 2021, 97% of women returning to the workforce were still looking for work. At the same point in time, 88% of men returning to the workforce had found employment.<sup>2</sup>

### **Beyond Suffrage: Reclaiming the Future, a Women’s Economic Security Forum**

AAUW Carlisle joined with other community partners in 2020 to produce a forum intended to recognize and honor the 100<sup>th</sup> anniversary of the ratification of the 19<sup>th</sup> Amendment to the U.S. Constitution, giving women the right to vote. While the 19<sup>th</sup> Amendment was a significant advancement for women’s equality, it did not mean the work was over. What better time to assess where women stand in the workplace, in financial health and in equity and to discuss with our community thought leaders and community members the challenges facing women and how best to move forward?

Our event was planned for March 2020. We were ready and excited to hear what people had to say. And then, of course, in comes the COVID-19 pandemic. It seemed an opportunity lost. Our event was postponed, more than once as the pandemic stretched from spring 2020 into 2021. When our organizing group reconvened at the end of 2021, we realized with certainty that the pandemic had impacted almost everything, including many of the issues we had planned to explore. It was quickly decided that we must incorporate that element into our discussions.

*Beyond Suffrage: Reclaiming the Future* was organized into two sessions focused first on Social Barriers and Bias, led by keynote speaker, Aaysha Noor, Head of Diversity, Equity & Inclusion at The GIANT Company. She was joined by panelists, Mirna Gonzalez, Pennsylvania Community Organizer at CASA, Stephanie Jirard, Professor of Criminology at Shippensburg University, Representative Patty Kim, Pennsylvania House of Representatives, 103<sup>rd</sup> District, and Tina Nixon, Vice President Mission Effectiveness, Diversity & Inclusion at UPMC Pinnacle.

The second session was led by Keynote Speaker, Dr. Donna Bickford, Director of Women’s and Gender Resources Center at Dickinson College. Panelists selected for this session included Karen Showalter, MomsRising, to discuss paid leave; Barbara Price, AAUW PA, to talk about Equal Pay; Kim Early, PennAEYC, and Steve Doster, Mission: Readiness, to focus on affordable childcare; Randi Teplitz, Chair, Pennsylvania Commission for Women, to consider the government perspective; and Nicole Miller, Manager, Cornerstone Coffee House, who would discuss her experiences and provide input from a small business perspective.

This was a public event with community members attending from Carlisle and surrounding areas. The community was represented by people from many backgrounds, ages, genders, races and ethnicities. Attendees were active participants, sharing their own experiences, thoughts and ideas during working breakout groups after each session.

We would like to recognize and extend our appreciation to everyone involved with this important community forum for without each person and each organization, we would not have experienced the success we found together on Thursday, May 5, 2022 at the Cumberland County Historical Society.

Sponsoring organizations and partners in alpha order are: American Association of University Women (AAUW) Carlisle, Charles Bruce Foundation, YWCA of Carlisle & Cumberland County, Community Responders Network (CRN), Cumberland County Historical Society, Cumberland Valley Rising (CVR), Employment Skills Center, The GIANT Company, Hope Station, MomsRising.org, The National Coalition of 100 Black Women, Harrisburg, and the Cumberland County Commission for Women.

## **The Report**

This white paper is a report out to our community and to our representatives in the Pennsylvania General Assembly. It is intended to provide insights into the topics and issues that were discussed at our Women’s Economic Security Forum with a focus on *Childcare, Paid*

*Family Leave, Pay Equity and Living Wage.* We are hopeful it will become a resource for those in a position to make a difference in the lives of Pennsylvania women, as well as for our citizens and advocates so that they can better understand the importance of economic opportunity and equity for women, current roadblocks to achieving these goals and the steps that must be taken to move the financial security of women forward.

We have used various resources to build this paper. You will find references acknowledged with notes at the end of the document. We have included website links where appropriate, which will provide the reader access to greater detail on particular points of interest. Note that quotes provided by community members are acknowledged with first names only to protect their identities.

This report will be available widely through electronic distribution (all members of the General Assembly will receive this version). Paper copies will be available in limited numbers, primarily for legislative representatives attending our presentation at the Pennsylvania Capitol Rotunda on September 21, 2022.

## INTRODUCTION

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When the Carlisle area community gathered to discuss the economic security of women in May 2022, our speakers and panelists engaged with members of the audience to share information, personal experiences and ideas. Several key issues surfaced as priority problems, specifically *child care, paid family leave, pay equity and a living wage*. These issues have been long-standing but were made more acute by the impact of the pandemic.

Readers are invited to review each of these critical issues that are plaguing Pennsylvania women in their efforts to participate in the workforce, contribute to their communities and care for their families. We look at how each issue is impacting women disproportionately, the causes and consider our call for action to begin to address some of these roadblocks to women’s economic equity and security.

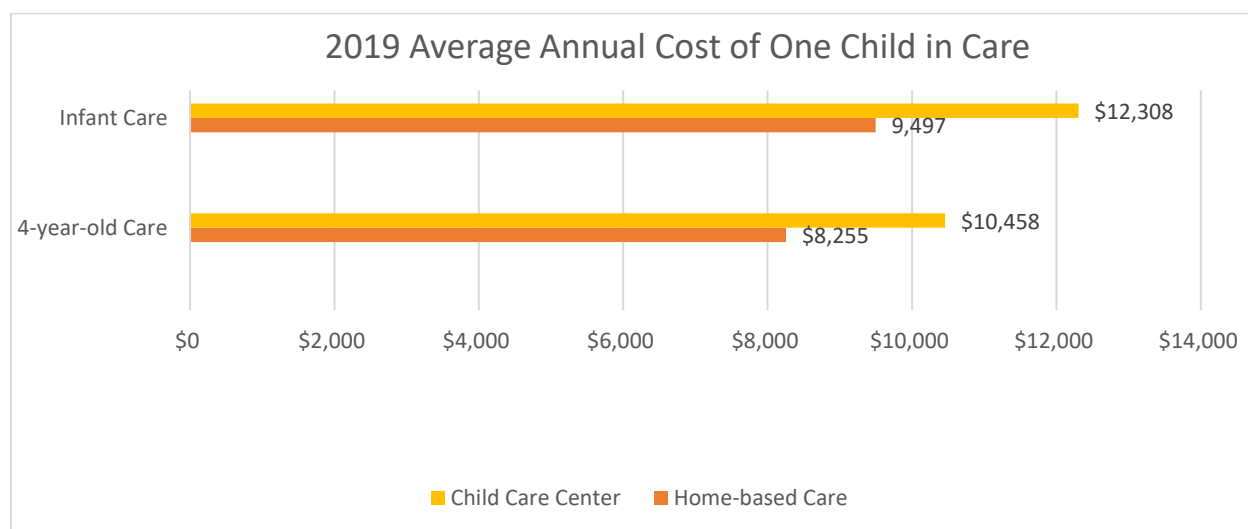
## CHILD CARE

### Pennsylvania Needs Affordable, High-quality Child Care

Affordable, high-quality child care is essential to the well-being of Pennsylvania families. It is also a critical component if we are to build a strong workforce. Parents, business leaders and child-care providers understand that our current child-care system is not working. Pennsylvania needs affordable, high-quality child care available to all families who need it. It also needs a child-care system that values individuals who provide care by ensuring that child-care teachers and staff are fairly compensated.

### The Child-Care Crisis in Pennsylvania is Years in the Making

In 2019, 50.8% of Pennsylvania children under the age of five were in non-parental care, either paid or unpaid, for at least part of the week. More than 635,000 children under the age of 15 were in paid child care. About one-third of these children were under the age of 5.<sup>3</sup> The average annual cost of sending an infant to a child-care center full time in 2019 was \$12,308 while the average annual cost of sending a 4-year-old to a child-care center full-time was \$10,458. Even home-based child-care was expensive, averaging \$9,497 a year for an infant and \$8,255 a year for a 4-year-old.<sup>4</sup>



Source: Child Care Aware of America, 2020. “Picking Up the Pieces: Building a Better Child Care System Post COVID 19, Appendix II. <https://www.childcareaware.org/wp-content/uploads/2020/09/PUTP-Appendices-FINAL-9-18-20.pdf>

Before the pandemic, child care costs took a big bite out of a Pennsylvania family’s budget. In 2020, Pennsylvania’s median household income was \$63,627.<sup>5</sup> Therefore, a median-income family looking to place an infant in a child-care center would have had to spend, on average,



19% of their income on child-care expenses. The cost of sending a toddler to a child-care center would consume 16% of their income. These costs exceed by a wide margin the U.S. Department of Health and Human Services recommendation that child-care expenses not exceed 7% of income.<sup>6</sup> Low-income families, if not receiving child-care subsidies, would face an even greater strain on their budgets. A minimum wage worker making approximately \$15,080 per year would have to spend 81% of her income for care of an infant in a child-care center -- an impossible situation. For the last decade the lack of affordable child care has made it more difficult for women to remain in their jobs, contributing to the 14% gender gap in workforce participation between mothers and fathers in Pennsylvania.<sup>7</sup>

But the cost of care was not the only barrier. Before the pandemic more than half of Pennsylvanians lived in areas without sufficient child-care options to meet the demand.<sup>8</sup> For years parents had to rely on informal care networks, such as family members or friends, because no other options were available. This is particularly true for families making less than \$50,000 a year or those with three or more children.<sup>9</sup> Families with disabled or special needs children experience even greater challenges finding appropriate child care. In the discussion of this topic at the Beyond Suffrage event, Melinda, the parent of an 11-year-old child with developmental disabilities, observed that even in less traumatic times she finds “it difficult to be able to obtain care services that allow me to work full time and meet his needs.”

Obtaining appropriate, affordable, quality child care is a challenge for parents. Equally challenging is the task of providing these services. Decades before the pandemic began child-care providers struggled to stay profitable. Child care is labor intensive, and the largest single cost to most providers is their employees’ wages. The Center for American Progress has reported that wages are typically 50-60% of business expenses.<sup>10</sup> For some high-quality programs, costs are even higher with staff salaries, benefits and training constituting 65-80% of expenses.<sup>11</sup> To keep child care marginally affordable, workers’ wages were kept low. Consequently, employee turnover was high. Low wages and lack of benefits made it difficult to attract and retain trained workers. Without a stable workforce, child-care providers struggled to provide quality care. High staff turnover creates an unhealthy environment for young children who need consistency and stability during this critical developmental period of their lives. In 2019, the median wage for child-care workers was only \$10.69 per hour, wages so low that half of child-care workers were forced to rely on public assistance benefits to supplement their incomes. The average child-care teacher lives in poverty at nearly twice the rate of Pennsylvania workers in general.<sup>12</sup>

## **The COVID-19 Pandemic Deepened the Crisis**

In March 2020, the COVID-19 pandemic forced the shutdown of many sectors of the economy, including the educational system and child care. While many women, particularly those employed in health care, were on the front lines of the pandemic, the total number of women working in the United States dropped 21.1%.<sup>13</sup> Child-care centers and schools closed requiring parents, usually mothers, to leave the workforce so they could care for their families. Prior to the COVID-19 pandemic, 52% of working parents in the United States had one parent or

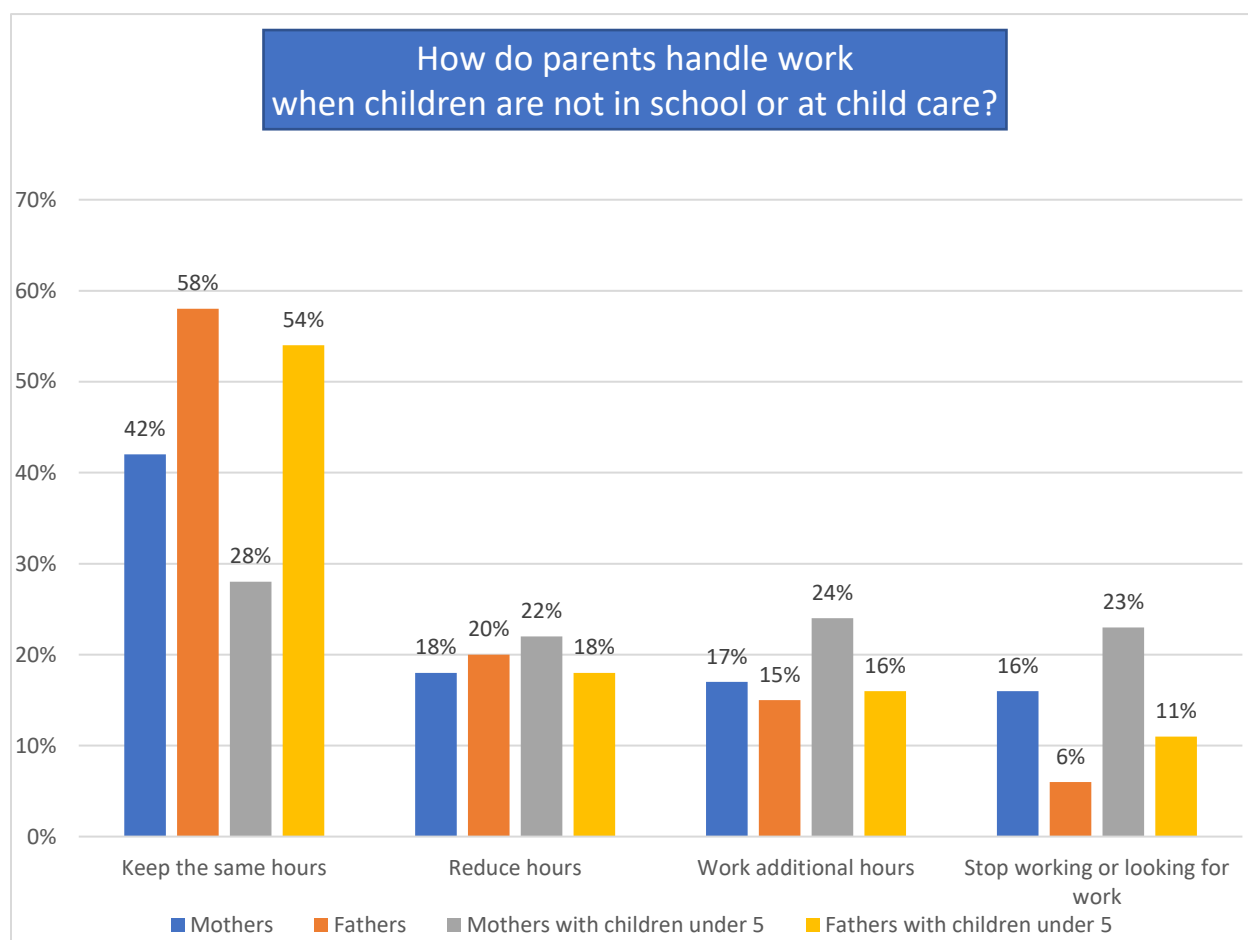
guardian at home caring for the children in the home. By June 2020, that number had risen to 75%. At the same time, the number of parents with children placed at child-care centers dropped from 25% to 10%. During the remainder of 2020, this trend continued.<sup>14</sup>

At the height of the pandemic many employers shifted to remote work. While it was easier for some parents to work under these conditions, others found it more challenging to balance home and work responsibilities. In a 2020 study conducted by the U.S. Chamber of Commerce Foundation, 73% of high-income parents reported working from home, compared to 24% of low-income parents. Parents who did not have flexible work arrangements took unpaid leave or relied on extended family members and friends.<sup>15</sup> Parents who became unemployed also struggled to find long-term child-care solutions. Unemployed parents were able to care for their children when they were out of work, but after they obtained new jobs, their inability to obtain care for their children became another barrier to reentering the workforce. Parents who worked in industries hit hard by the pandemic, such as retail and hospitality, often moved to new industries. These new positions frequently brought a different work environment. For example, many jobs added during the pandemic, such as warehouse workers and customer service representatives, have nontraditional hours that require alternative arrangements to meet the working parents’ child-care needs.<sup>16</sup>

These changes in employment patterns battered both mothers and fathers but had the greatest impact on mothers. Between February 2020 and April 2020, women lost nearly 11.9 million jobs, with more than 11.1 million jobs lost in April alone. The job losses women suffered in April 2020 reversed the trend of steady job gains since the end of the Great Recession in 2009. Black women and Latinas experienced double digit unemployment rates for six consecutive months in 2020, peaking at 20.1% for Latinas in April 2020 and 16.6% for Black women in May 2020. The unemployment rate for white men peaked at 12.3% in April 2020 and dropped into single digits in June 2020. More than two-thirds of the net jobs lost since the pandemic began were jobs held by women. While men have returned to their pre-pandemic labor force size, there were 1.1 million fewer women in the labor force in February 2022 than there had been in February 2020.<sup>17</sup>

These statistics were the reality experienced by thousands of women in Pennsylvania. At the breakout sessions for the Beyond Suffrage program one teacher participant, Duffy, observed that “when it comes to educators, childcare is a main stressor for many teachers, particularly women. During the pandemic, daycares would close because of exposure. Figuring out what to do with their children was a no win situation. . . . If they have no choice but to stay home, they have exhausted all their leave time. The pandemic heightened this problem, but it is a constant.”

In December 2021, 22.4% of women in households with children under 12 reported that during the prior month, their children were unable to attend child care because of the pandemic.<sup>18</sup> It fell primarily to women to assume the burden of coping with interruptions to school and child care.



Source: National Women’s Law Center, “Resilient But Not Recovering: After Two Years of the COVID-19 Crisis, Women are Still Struggling”, 8-9, Updated July, 2022.

Forty-two percent of mothers with children under twelve kept their same work hours, as compared to 58% of fathers, when schools were closed or child-care arrangements were not available. For families with children under five, however, the differences were more striking. Only 28% of mothers maintained their same work hours when care for their young children was not available, while 54% of fathers maintained the same work schedule. Almost one-fourth of working mothers with children under five, as compared to 11% of fathers, stopped working if child care was not available.

By early 2022, the country began to recover economically from the effects of the pandemic. The recovery, however, has been uneven. Women, particularly Black women, Latinas, and other women of color are still struggling. A third of all women, and 48% of women in jobs paying \$15/hour or less, say they are worse off financially now than they were before the pandemic.<sup>19</sup> Many Pennsylvania parents are squeezed financially between the high cost of child care and the need to work to support their families.

Mothers have been disproportionately affected by the economic disruptions created by the pandemic. Women are more likely to need child care in order to work. At the same time, many women who lost their jobs were employed in education and child care. The economic devastation wrought by the pandemic fell especially hard on the child-care sector. One out of every 110 workers in the United States – and one out of every 55 working women – makes a living in early childhood education and care.<sup>20</sup> Recognizing the profound impact the pandemic had on the child-care sector, Pennsylvania allocated \$90 million in one-time funding through the American Rescue Plan to support bonuses for child-care staff.<sup>21</sup> These funds provided much-needed short-term relief to the staffing crisis created by the pandemic, but it did not provide a solution to the long-term funding problems of the child care industry.

In September 2021, the U.S. Department of the Treasury issued a report on the existing child-care system in the United States.<sup>22</sup> The report discusses the funding mechanisms of the child-care sector and analyzes why the economic model is flawed. Most child-care facilities rely on user fees to fund the business. At the same time, an average family with at least one child under age five would need to devote about 13% of family income to pay for child care. For most families, this simply is unaffordable. Parents of young children are asked to pay for child care when they can least afford it. At this point in their lives, many of these parents have other major expenses, like mortgages or student loans. Early Learning PA, a statewide coalition of organizations which have partnered to promote affordable, high-quality child care programs, has reported that the cost of child care for two children in center-based care exceeds the cost of housing in Pennsylvania, whether they pay rent or a mortgage.<sup>23</sup>

Child-care subsidies through the Child Care Works (“CCW”) program enables working families at certain income levels to obtain care for their children in child-care centers, family child-care homes or through the care of relatives. But even with these services, not all child-care needs are able to be met. Less than 20% of children eligible for subsidies under the Child Care and Development Fund (implemented in Pennsylvania under Child Care Works<sup>24</sup>) actually receive this assistance. Labor, the main cost in providing child care, is overwhelmingly provided by women, many of whom are nonwhite and earn low wages. Low wages created a staffing crisis before 2020 that was exacerbated by the pandemic, which further challenged the ability of child-care providers to recruit and retain employees.

Based on these and other factors, the Treasury Department determined that the existing child-care system is destined for market failure. But because child care is a critical service necessary to the economy, the government cannot let it fail and must step in to bridge the gap between the cost of providing quality care and the ability of families to pay for that level of care. The eventual payoff from providing children with a high-quality early educational experience has long-term benefits for the workforce and for society. Because most child-care workers are women, and a disproportionate number are women of color, the Treasury Department found that the industry likely benefits from discrimination in the labor market. The Treasury Department concluded that these factors do demonstrate that our current, broken child-care system in the United States must be fixed.<sup>25</sup>

The child-care system in Pennsylvania is no exception. Last year, the Start Strong PA coalition<sup>26</sup> surveyed approximately 1000 child-care programs in the Commonwealth. Ninety-one percent of the programs reported significant staffing shortages with almost 7000 vacant positions.<sup>27</sup> Almost half of the survey respondents stated they had been forced to close at least one classroom. The increase in staff vacancies exacerbated the difficulties providers faced as they tried to reopen after the pandemic leaving almost 32,500 children in Pennsylvania on waiting lists for child care. In May 2022, Start Strong PA petitioned the General Assembly to allocate funds in the state budget to create a \$2 per hour wage supplement for child-care teachers and staff.

Access to affordable, quality child care enables workers, particularly mothers, to return to the work force. It also supports parents seeking additional education and training, which promotes higher long-term earnings. Child-care workers make important contributions to the well-being of children, society in general, and our economy. Unfortunately, individuals who want to care for and teach children are driven out of the industry, because they cannot survive on the wages being offered.

*“If I could have afforded to stay in that role forever [director of child-care center], I would have because it was a perfect fit for me, my skills, and my desire to affect change. But no one can afford to live on \$24,000 long term.”*

Maria,  
Beyond Suffrage: Reclaiming the Future, May 2022

## **Pennsylvania’s Economic Future Depends on the Creation of High-Quality, Affordable Child Care**

There have been numerous studies demonstrating the benefits of quality child care both for children and their parents. Children gain a strong educational foundation and enhanced emotional and social skills. Knowing their children are receiving quality care, parents can join the workforce, advance their education or increase their vocational skills. Although its value is recognized by parents, the government and business groups, families continue to struggle to find affordable child care. The U.S. Treasury study determined that access to high-quality child care is a powerful determinant of whether parents remain in the labor force. Research cited in the Treasury Department report found that single mothers are the most likely to leave the labor force if child care is unavailable.<sup>28</sup>

The U.S. Chamber of Commerce and the Pennsylvania Chamber of Business and Industry estimated in 2020 -- before the pandemic further strained the system -- that the failure to fix Pennsylvania’s child-care system was having a profound negative impact on the Commonwealth’s economy. The U.S. and PA Chamber estimate the following losses:<sup>29</sup>

- \$3.47 billion annually in cumulative losses to Pennsylvania’s economy in “untapped potential”
- \$591 million in lost tax revenues due to turnover and absences; and
- 2.88 billion in direct employer costs due to turnover and absences.

In a survey of Pennsylvania businesses conducted in March 2021, a majority of respondents expressed support for programs that assist working families, such as child care. They recognized that affordable child care is vital to the retention of employees and the reduction of turnover. Further, they acknowledged that supporting a family’s child care needs is good for employee morale, increases productivity, attracts new employees, and enhances a business’ competitive advantage.<sup>30</sup>

## **How Pennsylvania Can Meet Its Child Care Needs**

The Governor and the General Assembly worked to address the child care crisis in the 2022-23 state budget. While not adequate to meet all of Pennsylvania’s child care needs, certain provisions in the budget provide some much needed relief. The budget includes \$60 million in new state funding for PA Pre-K Counts and \$19 million for Pennsylvania’s Head Start Supplemental Assistance Program.<sup>31</sup> The budget also included a tax credit of up to 30% of child care expenses that filers claim on their federal tax return.

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“[P]ublic investment in high-quality pre-k has become a consensus issue in Pennsylvania; aligning political parties, rural, urban and suburban communities, and families across the commonwealth on a once-in-a-lifetime opportunity that improves the life chances of Pennsylvania’s children. . . . According to a recent poll, 90% of likely Pennsylvania voters said that formal early childhood care and education are important in helping set kids on a path toward leading healthy and productive lives.”

### **PA Partnership for Children**

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The child care provisions in the current budget are welcome, but they fail to address one of the most significant barriers to the construction of a viable child care system – a permanent fix to the low wages paid to child care workers.<sup>32</sup>

The child care provisions in the federal Build Back Better bill would have addressed many of the issues plaguing the child care system. Proposals in the bill for universal preschool for 3- and 4-year-olds, funding to provide greater access to high-quality child care for low and middle income children and subsidies that would cap the amount families were required to pay at 7% of their income, would have addressed many of the barriers families face to obtaining quality child care.<sup>33</sup> Build Back Better would have enabled Pennsylvania to increase the supply of child-care providers, while also upping the quality of available care. And equally important, it would have ensured that child-care teachers earned wages comparable to elementary school teachers.

When Build Back Better became the Inflation Reduction Act, provisions that would have gone a long way in alleviating the child care crisis were stripped from the bill. States like Pennsylvania have been left, at least for the time being, to craft their own solutions. The crisis in child care has been building over decades and is a multi-faceted problem. Long-term solutions will require the commitment of federal and state government resources and the support of the private sector. Child-care advocates Start Strong Pa and Trying Together have suggested that elevating the early childhood profession should be one of the first steps to be taken. A sustainable system of quality care with fairly-compensated professionals require the following elements.<sup>34</sup>

- Livable wages that enable child care workers to plan for their financial futures
- Provide payment programs participating in Child Care Works based on actual costs through stable funding mechanisms
- The adoption of multi-faceted strategies to elevate the child care profession
- Energetic partnerships between business groups and the child care sector to address the child care needs of local communities
- Increase access to affordable, high-quality child care for all Pennsylvania families who need these services

The time is now for Pennsylvania to take the necessary steps to address the needs of families, child-care providers and local communities for low-cost, high-quality child care. Quality child care is essential to the development of children, the strengthening of families, and an essential component of economic growth.



## PAID FAMILY LEAVE

### Every One of Us Will Need Paid Family Leave

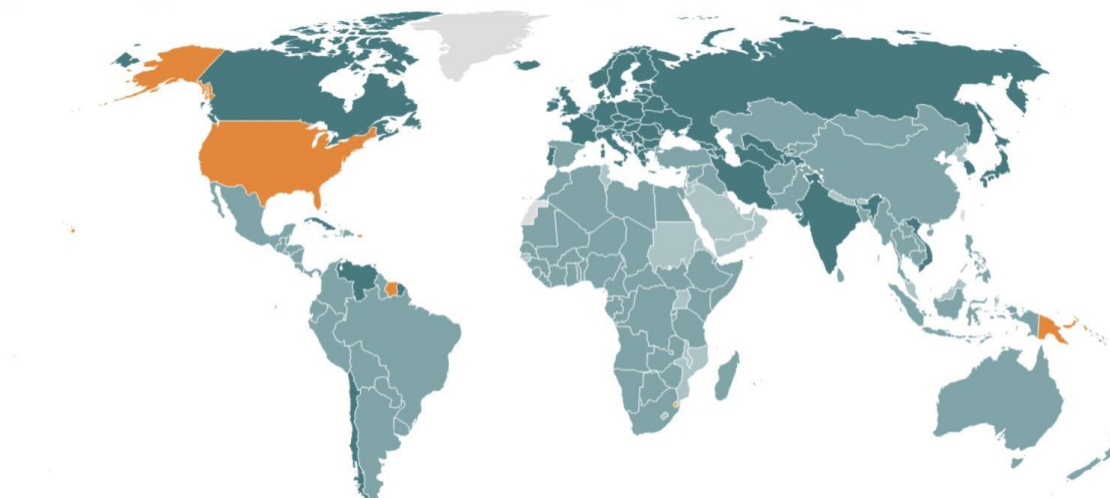
The pandemic has only magnified that, at some point, we will ALL need to take time to care for a family member or ourselves when serious health conditions arise. During our women’s forum, paid family leave was overwhelmingly chosen as one of the top issues legislators need to address. “There is strong public support for a statewide program to guarantee access to paid family and medical leave (78% favor, 64% strongly favor).”<sup>35</sup> And a bi-partisan coalition of Pennsylvania lawmakers in both the House and Senate agree that the time has come to ensure paid family leave is available for all workers in the Commonwealth.

The United States is stunningly out of step with the rest of the world in requiring employers to provide paid leave. As the map below vividly demonstrates, the U.S. stands almost alone as one of the only countries, along with Papua New Guinea and a few island countries in the Pacific Ocean that do NOT support families with this essential benefit.

### Paid Leave for New Mothers

The United States is one of eight countries without paid maternity leave, and the average length for those that have it is 29 weeks.

0 weeks   4 weeks or less   4 to 12 weeks   12 to 24 weeks   24 weeks or more



Source: The New York Times<sup>36</sup>



## Even Before the Pandemic, There Was a Huge Need for Paid Family Leave

As Karen Showalter from MomsRising stated at our Beyond Suffrage women’s forum, “In 2019, only 19% of workers in the US had paid family leave through their employers and only 9% of people working in low-paid and part-time jobs — most of whom are women — had access to paid family leave.”

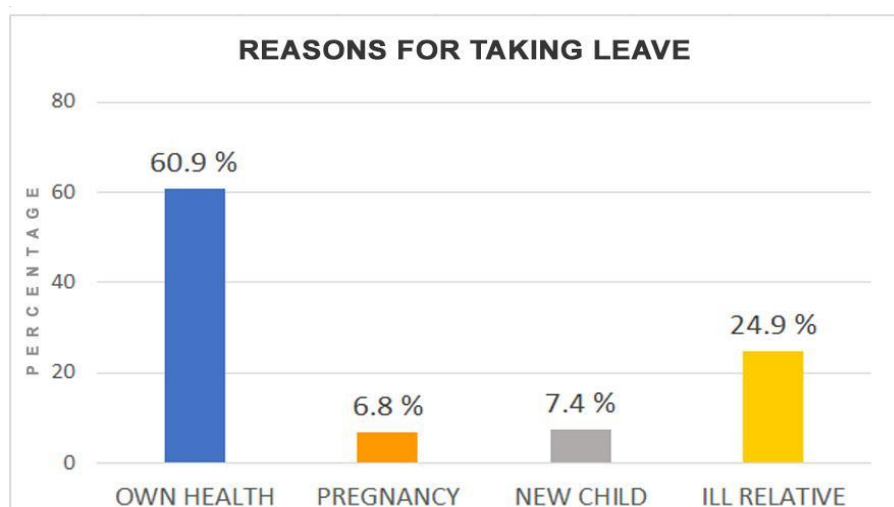


Source: Kaiser Family Foundation<sup>37</sup>

Currently, “fewer than half of working adults in Pennsylvania – 40.9% – are both eligible for and can afford to take **unpaid** leave under the Family and Medical Leave Act (FMLA). [Most]PA workers only have access to leave under the federal Family and Medical Leave Act (FMLA).”<sup>38</sup>

More than two-thirds (69%) of employers currently do not offer paid family and medical leave to their employees. Of those who do not offer leave, a majority state that the primary barrier to offering wage reimbursement is the cost to their companies.

The following graph shows the distribution of all leaves taken by Pennsylvania workers who get some form of wage replacement for some of the time they are on a family or medical leave (e.g., personal days, paid sick time, or even unused vacation, but not necessarily enough time to fully recover or care for a family member).



Source: Data from PA Department of Labor Report<sup>39</sup>

## Paid Family Leave Benefits Employees

Paid Family Leave means more than maternity leave. It would allow Pennsylvanians to care for elderly loved ones at home without risking losing their jobs or their pay. Pennsylvania has one of the oldest populations in the country and is facing what some are calling a silver tsunami. Allowing a family member time to care for an elderly parent not only keeps the parent out of nursing home care, but it is also what many families want and it makes fiscal sense for our state.

It also allows parents the ability to care for their son or daughter who is recovering from a serious illness or to care for themselves following a major surgery. And, of course, it will allow new moms and dads the chance to be there for the critical period following the birth or adoption of a child.

From preschool teacher Melinda at a company with under 50 employees, ineligible for FMLA:

*“When [my son] was born with significant birth defects, I was given one extra week of leave. I had to return to work when my son was less than 5 weeks old or face a loss of my position.”*

## Paid Family Leave is Business-friendly

Many large businesses offer paid leave. But the majority of our small businesses can’t afford to offer this critical benefit, putting them at a significant competitive disadvantage. The Pennsylvania Department of Labor prepared a research report in 2017 on paid family and

medical leave, comparing data from states with paid leave with the status of leave in Pennsylvania.

From the PDLI report<sup>40</sup>:

- Paid leave improves employee retention, morale, and productivity, reducing employee turnover and strengthening the bottom line.
- When benefits are administered through a paid leave insurance program, small businesses benefit in particular because the cost of leave is shared.
- In states with paid family leave, businesses of all sizes reported positive outcomes, but small businesses – those with fewer than 50 employees – reported the most positive effects.
- State paid family and medical leave insurance funds remove the pay burden from employers while leveling the playing field for small and mid-size companies to retain talent. (95% of PA businesses employ fewer than 50 workers.)
- Parents with access to paid leave “are 93% more likely to be working at 9-12 months post-partum than are those who did not take any leave.”

*“Being able to offer paid family/medical leave would be a game changer for us. It is not currently something that we are able to offer but we do recognize the need for it... Being able to offer this would allow us to create an environment where our employees can care for themselves and their families without the worry of becoming financially unstable.”*

Sue Pera, owner of Cornerstone Coffee House

## **Paid Family Leave Reduces the Use of Public Assistance and Subsidies**

The lack of paid family or medical leave often means that a worker ends up being paid in public dollars through public assistance. With an employee-funded family leave program, most of the expense is borne by the employee, not taxpayers. According to the PDLI research report, women, low-wage workers and people of color are among those most disadvantaged by the current lack of paid leave. Women who are family caregivers are 2.5 times more likely than non-caregivers to live in poverty and five times more likely to receive Supplemental Security Income (SSI). And workers using paid leave are 4 times less likely to need food stamps or income subsidies following the birth of a new child.

## **How the Pandemic Magnified the Problem**

According to a new report from the National Women’s Law Center, ‘Resilient but Not Recovered’<sup>41</sup>, women are still struggling two years after the beginning of the pandemic. The caregiving crisis has continued, and the recovery has been uneven.

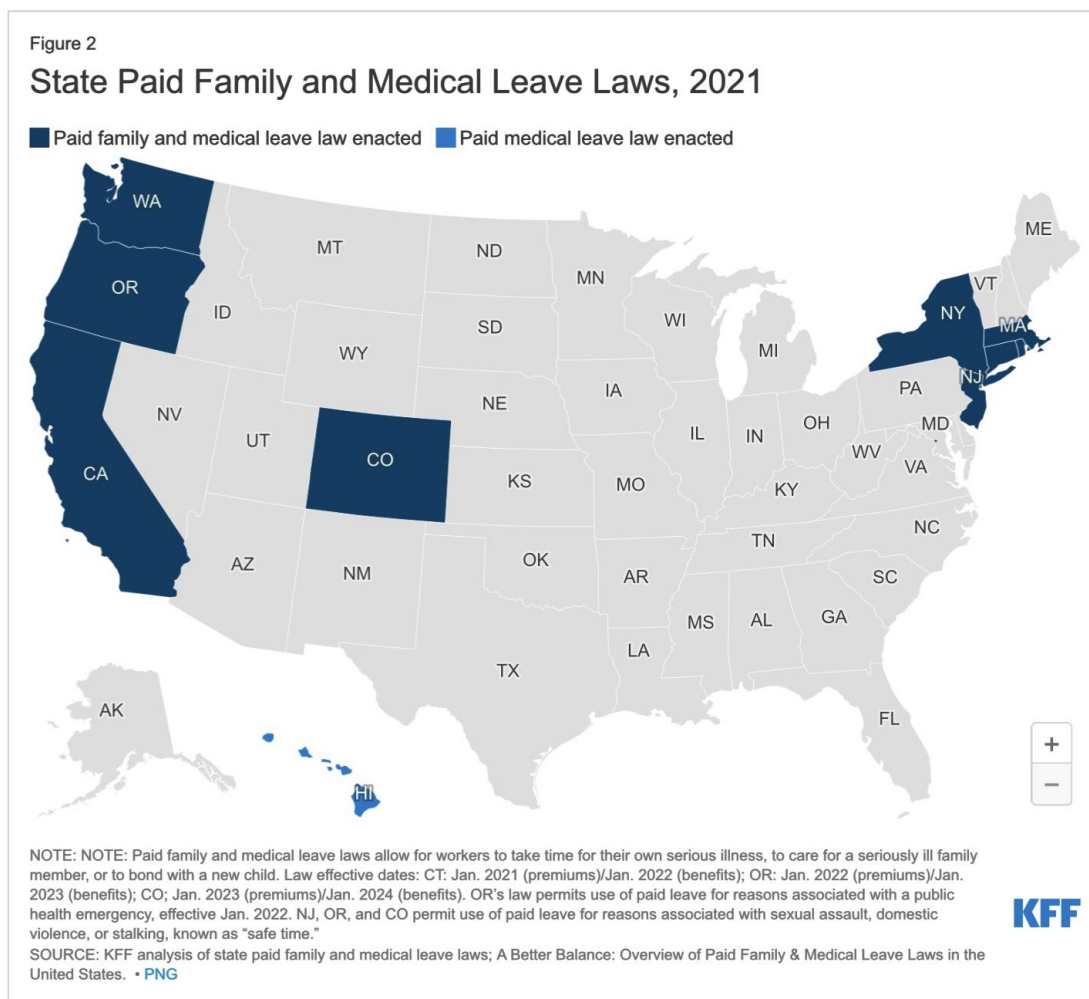
- 39% of all women say their families’ financial situation is worse today.
- Between February 2020 and April 2020, women lost nearly 11.9 million jobs. In February 2022, women were still short over 1.4 million net jobs compared to February 2020.
- Women were more likely than men to have lost or quit a job (23% versus 19%), but less likely to have found a new job (42% versus 67%).
- The return-to-work gap between men and women was especially large among caregivers: Among those who had lost or left a job, only 41% of mothers had found a new job, compared to 78% of fathers. And among parents who were also caring for someone who was ill, disabled, or older, 46% of mothers had found a new job, compared to 83% of fathers.
- The report also finds that there is broad support for paid family leave, with 88% of women and 84% of men supporting paid family and medical leave for all workers.

## **How Paid Leave Programs Work in Other States**

The good news is that a number of states do have successful paid family leave (PFL) programs. The PDLI reviewed programs in several states to distill best practices and to determine what could work in Pennsylvania.

The PDLI calculated the estimated number of Pennsylvanians who would use such a PFL program based on the claims filed in California, New Jersey, and Rhode Island. “The calculated average usage rate across the three programs for calendar year 2015 is 1.07%. This usage rate applied to Pennsylvania’s estimated 5,595,000 covered workers (CY2015) shows an estimated 60,000 program claimants per year.”<sup>42</sup>

The fear that this would be just another government program ripe for abuse is not borne out by the numbers. It would be a program that about 1% of workers would take advantage of, but for that 1%, it could very well be the difference between their financial security and the well-being of their families and a serious financial crisis.



Source: Kaiser Family Foundation<sup>43</sup>

#### Key Facts from this Report:

- Women who take paid leave are 39% less likely to report receiving public assistance and are 4 times less likely to need food stamps or income subsidies a year following the birth of a new child.
- 79% of seniors living at home and in need of care depend on family and friends as their source of support.
- Every month of paid maternity/paternity leave reduces the infant mortality rate by 13%.
- 78% of Pennsylvanians favor a statewide family leave program. (67% of Republicans, 77% of Independents, and 93% of Democrats)
- A majority of businesses in Pennsylvania support a statewide family leave program.
- Less than half of Pennsylvanians qualify for federal protections that let them take **unpaid** leave for a medical emergency. Research shows many employees don't take unpaid leave because they can't afford it.

## **Pennsylvania Already Has a Solution on the Table — Pending Bipartisan Legislation**

**The bipartisan Family Care Act (HB 1200)**, sponsored by Representatives Wendi Thomas (R) and Dan Miller (D) with 42 cosponsors and **(SB 580)** sponsored by Senators Dan Laughlin (R) and Maria Collett (D) with 17 cosponsors would establish a paid family leave insurance program that working Pennsylvanians can access when they face a health crisis and need to take time off work.

The Family Care Act of Pennsylvania differs from the federal Family and Medical Leave Act (FMLA), because the FMLA only guarantees **unpaid** time off to care for a new child or ill family member in companies that employ 50 or more people. Most Americans cannot sustain their families for more than two weeks without a paycheck.

### **How It Works**

The insurance program created under the Family Care Act would be administered by the PDLI, which would pay out benefits to public and private-sector employees who take medical leave from work.

- **Payroll Deductions:** Benefits would be paid through deductions from workers’ wages at a rate of .588 cents on the dollar. (For a household earning \$60,000, that works out to roughly \$352 per year, or \$13.56 from each biweekly paycheck.) There are NO employer contributions.
- **Maximum Leave Duration:**
  - Self care maximum is 20 weeks.
  - Family care maximum is 12 weeks.
  - May not exceed 20 weeks in any given year, no matter the reason.
- **Eligibility:**
  - Must have worked at least 18 weeks and earned at least \$2718 in the prior 12 months.
- **Employer Obligations:**
  - Provide job security for employee at the end of leave
  - Maintain employee medical insurance during leave.
- **Self-Employed Option:** The self-employed may enroll for a period of not less than 3 years.
- **Sliding Scale for Benefit Amount:**
  - Those earning under 50% of the PA Average Weekly Wage would receive 90% of their wages and those earning over 50% would receive 50% of their wages.

## **Now is the time to pass the Family Care Act**

The critical need for Pennsylvania workers to be able to rely on paid family leave was well-documented before the pandemic. The pandemic provided a dramatic illustration of exactly why the current system is inadequate. The need for paid leave is now broadly recognized and supported by both employers and employees across the country. A significant majority of Pennsylvanians support paid family leave because it benefits families and businesses—especially small businesses -- and employers do not bear the cost. That is why a bipartisan group of lawmakers have joined together to introduce the Family Care Act. We call on the General Assembly to pass HB 1200 and SB 580 in this legislative session. Pennsylvanians cannot wait any longer.

## PAY EQUITY

“The pandemic’s disproportionate economic toll on women, especially women of color, will have an impact for years to come”, Barbara Price, AAUW PA explained to those in attendance at the Beyond Suffrage: Reclaiming the Future forum. “So many women [who]work in the service industries, which were impacted hard, had to reduce their work hours, and put off advancement opportunities. Importantly, time out of the workforce equals lack of advancement over time”, she said.

In 2018, women made up about two thirds of the low-wage workforce overall. During the pandemic, the lowest paying occupations suffered a disproportionate share of job losses. In 2020, 80% of job losses were among the lowest quartile of wage earners. Women also lost a disproportionate number of jobs within those low-paying sectors. For example, the leisure and hospitality industry lost 20.4% of their jobs during the downturn and Black, Latina and Asian women workers were overrepresented within those losses.<sup>44</sup>

Further, with recovery underway, women are not realizing the same gains as men. Job gains have been slow to reach women of color and 1.5 million mothers still had not returned to the workforce as of April 2021. Women’s unemployment has devastating effects that are not limited to short-term income loss. Lifetime earnings will be impacted, as well as Social Security earnings and retirement funds.

Women continue to bring home paychecks that are smaller as compared to men. In 2020, based on the most recent data released from the U.S Census Bureau and the Bureau of Labor Statistics, women were paid just 83 cents for every dollar earned by men in this country. Women in Pennsylvania are similarly underpaid:

- In the Commonwealth of Pennsylvania, women make just 79 cents for each dollar earned by men (based on the last available state level data in 2019).
- Male median earnings in the Keystone State were \$55,367 while the median for females fell to \$43,971, leaving a wage gap of \$11,396.<sup>45</sup>
- The Pennsylvania gender pay gap ranks number 32 out of 50 states in the U.S.
- The chart below, from AAUW’s “The Fight for Equal Pay”, shows the gender wage gap in the two U.S. Congressional Districts that cover Cumberland County (the geographical location of the Beyond Suffrage event that inspired this paper). To view other districts, see Appendix 1 on [page 36](#).

Congressional Representative	District	2019 Median Earnings - Men	2019 Median Earnings - Women	2019 Earnings Ratio	Ranking in State
Scott Perry	10	\$55,179	\$42,455	76.9%	10
John Joyce	13	\$49,455	\$37,178	75.2%	15



## What’s Behind the Gender Pay Gap

AAUW advises that determining the root causes of the gender gap is very complicated. Forces of discrimination, sexism and systemic racism translate to different genders having experiences that vary and lead them to different paths for education and training. As a result, women often are steered into particular fields and even into particular specialties within a field. Cultural expectations about gender roles also come into play, as do general biases based on outdated stereotypes. Depending on race, ethnicity, socio-economic backgrounds, gender orientation and other factors, women face a variety of barriers that limit their opportunities.<sup>46</sup>

Dr. Donna Bickford, Dickinson College, advised, “Even though we’ve made immense progress in women’s rights and gender equity, we have a long way to go. Women continue to face challenges in the workplace that men do not face.” Some of the issues commonly recognized by multiple sources as having significant impact to the gender gap include:

**Work done by women is undervalued.** Occupational segregation is when one gender is overrepresented in a particular sector or field and accounts for 51% of the difference between women’s and men’s wages. Workers in women-dominated fields are paid lower salaries than workers in male-dominated fields, even when the jobs require the same level of skill, education and training.

*Childcare workers, about 92.7% of whom are women, have median earnings of \$26,000 a year, while construction workers, 96.7% of whom are men, have median earnings \$37,284 per year. This disparity persists even though both jobs require similar levels of education and training.*

Source: [Bureau of Labor Statistics](#)

Women are more likely to work in lower paying jobs, making up about two thirds of the nation’s low wage workforce. These jobs are characterized by low pay, less stability and few employee benefits, such as sick leave, health insurance and paid time off. That said, even in women-dominated fields, earnings for women often fall short of men within the same occupations.

AAUW’s “The Simple Truth” reports that women experience pay gaps in nearly every line of work, regardless of occupational qualifications or setting. The following table shows the gender pay gaps for the ten largest occupations for women in 2017.<sup>47</sup>

## Women Employed, Earnings, Pay Ratio, and Total Occupation Gap, Largest Occupations for Women, 2017<sup>48</sup>

Occupations	Women Employed	Men’s Median Earnings	Women’s Median Earnings	Gender Pay Ratio	Occupation Gap
Registered nurses	2,092,489	\$71,590	\$65,612	92%	\$12,509,000,000
Secretaries and administrative assistants	2,060,289	\$42,556	\$38,470	90%	\$ 8,439,000,000
Elementary and middle school teachers	1,933,074	\$55,197	\$50,766	92%	\$ 8,565,000,000
Customer service representatives	1,196,513	\$37,623	\$32,893	87%	\$ 5,660,000,000
First-line supervisors of retail sales workers	1,177,835	\$47,774	\$35,217	74%	\$14,790,000,000
Nursing, psychiatric, and home health aides	1,071,789	\$30,125	\$26,816	89%	\$ 3,547,000,000
Accountants and auditors	1,014,827	\$77,320	\$60,280	78%	\$17,293,000,000
Office clerks, general	734,622	\$39,160	\$35,226	90%	\$ 2,890,000,000
First-line supervisors of office and administrative support workers	729,985	\$57,466	\$46,555	81%	\$ 7,965,000,000
Bookkeeping, accounting, and auditing clerks	723,342	\$45,254	\$39,939	88%	\$ 3,845,000,000

Source: U.S. Census Bureau (2018a)

**Employment practices can hinder progress towards pay equity for women.** For example, some employers fail to publish pay structure/range information and discourage employees from discussing salaries amongst themselves or with others. The lack of pay transparency helps to perpetuate the pay gap problem, leaving workers poorly positioned to assess their personal pay situation. Pay transparency enables workers to make sound employment decisions and it provides information workers need to effectively negotiate salary.

Also, the use of a candidate’s prior salary by a prospective employer often perpetuates a woman’s low wages despite the skills and expertise she brings to the table. Some jurisdictions have instituted employment rules that forbid companies from asking for salary histories during the hiring process. Barbara Price informed us that efforts to eliminate the use of salary history in the hiring process in some states is working. She said, “Employers in states with a salary history ban are advertising salaries more, and workers who changed jobs in these states saw significant increases in average pay compared to similar workers in states without bans.”

It is noted that in 2018, Pennsylvania Governor Tom Wolf signed an executive order that prevents Commonwealth agencies from inquiring about current salary or salary history at any time within the hiring process. This order offers protections for workers applying for Pennsylvania government positions.

**The “motherhood penalty” discriminates against women with children.** Employers are less likely to hire women with children, whether or not they are currently in the workforce. Mothers are offered lower salaries and fewer promotions than those offered to women with no children. On the flip side, fathers make 119% of what men without children earn, making the

wage gaps between mothers and fathers even worse than that between women and men generally. Research suggests employers expect mothers to be less competent, less dependable, and less committed to their jobs. Cultural ideals of motherhood are largely incompatible with those of the “ideal worker”; cultural ideals of fatherhood are not.

**Caregiving responsibilities often negatively impact a woman’s earnings over the course of her career.** Caregiving falls disproportionately to mothers caring for children making women more likely to take time out of the workplace, scale back their hours or postpone advancement opportunities. This has been especially true during the pandemic. Women also shoulder a

*“...what you really need to know is that I make \$7,765 less per year now than I did when I was pregnant with my daughter 15 years ago. You see, a woman who leaves the work force to care for a child is set very far back in her career pursuits.*

Maria  
Beyond Suffrage: Reclaiming the Future  
May 2022

disproportionate burden for elder care responsibilities. About 25% of women aged 45-64 care for an older relative. Being forced to leave the labor force to do unpaid care work limits women’s advancement and corresponding pay increases, contributing to the gender pay gap. Dr. Donna Bickford told us, *“Inequitable access to promotional paths, also known as the glass ceiling or sticky floor or broken rung, result in fewer women in higher paying leadership roles.”*

**Workplace sexual harassment is a serious problem for women of all ages.** It can have long-term repercussions on their health, economic security and access to leadership positions.

- Women decrease their hours or leave their job to avoid a harasser, it reduces their wage and ability to save and build wealth.
- Older women who leave a job because of harassment often face ageism on the job market and may consequently retire early, missing out on what might have been their peak earning years.
- Women who report harassment risk receiving unjustified negative performance reviews, being ostracized by co-workers and being denied promotions or raises.
- According to the Institute for Women’s Policy Research and AAUW, women who attempt to avoid a harasser can miss out on valuable on-the-job training and mentorship - which are critical in helping women rise into leadership positions.<sup>49</sup>

## The Gender Pay Gap Impacts Financial Security for Women in Many Ways

The gender pay gap has lifelong financial effects. It contributes directly to women’s poverty. In 2017, 13% of American women ages 18-64 were living below the federal poverty level,

compared with 9% of men. For ages 65 and older, 11% of women as compared with 8% men, faced poverty.

The National Women’s Law Center estimates that the average wages lost due to the wage gap over the course of a woman’s 40 year career total \$406,280. A woman would have to work an additional 9 years in order to make up this deficit.<sup>50</sup>

The pay gap follows women throughout their time in the workforce, and even after they leave one job and move to another. The use of women’s prior salary history to set wages in new jobs means wage discrimination carries forward from job to job, compounding their losses over time.

Because women typically are paid less than men during working years, women receive less income than men do from Social Security, 401K plans, pensions, and other sources when they retire. For example, the average Social Security retired worker benefit for women 65 and older was about \$15,846 per year in December 2019, compared to \$20,153 for men of the same age.<sup>51</sup>

Other benefits, such as disability and life insurance, are also smaller for women because these benefits usually are based on earnings.

Women who complete college degrees are less able than men initially to afford college and then less able to pay off their student loans afterwards. As a result, women pay more in interest and make payments for a longer time. AAUW’s research estimates that women hold nearly two-thirds of outstanding student debt in the United States.<sup>52</sup> More generally, working women experience higher overall debt and lower savings than men.

As the family structure evolved in the United States, women increasingly became important financial contributors to family earnings. In 2016, it was reported that 42% of mothers with children under the age of 18 were their families’ primary or sole breadwinners. As families increasingly rely on women’s wages to make ends meet, the gender pay gap directly affects more men and children as well.<sup>53</sup>

## **A Call to Action: Narrowing the Gap in Pennsylvania**

The women of Pennsylvania need and deserve progress in narrowing the wage gap in our state. The gender gap will not go away on its own accord but there are things that can make a difference.<sup>54</sup>

By ensuring equal pay, women win but so do their employers. When an employer is fair, employee morale goes up, improving employee recruitment and retention and positively impacting the employer’s bottom line.

There are many practices employers can voluntarily implement to help close the wage gap. For example, conducting regular pay audits, analyzing their wage data, prohibiting retaliation against employees for discussing salaries and eliminating the practice of using wage histories to set new employees starting salaries.

The U.S. Congress plays a vital role in addressing discrimination in employment though current protections has not yet ensured equal pay for women and men. The Senate failed to advance the Paycheck Fairness Act in 2021 which was intended to strengthen the Equal Pay Act of 1963 and provide more effective remedies to victims of discrimination for the payment of wages on the basis of sex.

Pennsylvania lawmakers have a critical role to play in the pursuit of equity for women. Speaking at the Beyond Suffrage event, Barbara Price explained that legislation to address the pay gap in Pennsylvania should:

- **Cover all employees**, without exceptions, including public, private and small business employers.
- **Offer Protections** for employees from intentional or unintentional discrimination. Specifically, prohibit retaliation or discrimination against employees who discuss their wages. Also, employers should no longer be allowed to request salary history in the hiring process.
- **Clarify Employer Defenses** which must be job-related, a business necessity, and not based on a sex-based differential.
- **Establish Strong Legal Procedures and Remedies** which will incent employers to pay an equal wage to begin with in order to avoid litigation. Employers should be liable for compensatory and punitive damage. Reinstatement, promotion or other equitable relief should be authorized.
- **Require Comparable Worth** so that employers compensate men and women equally for jobs that are comparable in that they require substantially similar skill, effort and responsibility and are performed under similar working conditions.

At the Beyond Suffrage event, we learned that AAUW PA’s analysis of current proposed legislation identified some good options for positively impacting the wage gap in our state. Ms. Price said that in the PA House, HB 819, sponsored by Representatives Brian Sims and Tina Davis, with 29 co-sponsors, and HB 821, sponsored by Representative Donna Bullock, with 33 co-sponsors, meet all of the above criteria. HB 821 adds that an employer may not discriminate on the basis of sex, race or ethnicity and raises fines on employers from between \$50 to \$200 in the current law to between \$2,500 to \$5,000. Senate bill SB 547, sponsored by Senator Steve Santarsiero, with 13 co-sponsors, is the Senate companion bill to HB 819.

We urge our lawmakers to quickly move forward with these important bills. As the Commonwealth struggles with the continuing impacts of the COVID 19 pandemic, there has never been a more important time to raise up the financial security of women.

## LIVING WAGE

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### Pennsylvania Women Need a Living Wage

A Massachusetts Institute of Technology (MIT) study tells us that while analysts and policy makers often compare income to the federal poverty threshold in order to determine an individual’s ability to live within a certain standard of living, poverty thresholds do not account for living costs beyond a very basic food budget. The federal poverty measure does not take into consideration costs like child care and health care. Such costs are critical when calculating a worker’s ability to enter and stay in the workforce and to balance employment with other aspects of everyday life. Further, poverty thresholds do not account for geographic variation in the cost of essential household expenses.<sup>55</sup>

MIT’s Living Wage Model, “...measures basic needs based on geographically specific expenditure data related to a family’s likely minimum food, childcare, health insurance, housing, transportation, income and payroll taxes and other basic necessities (e.g., clothing, personal care items, etc.). The living wage draws on these cost elements to determine the minimum employment earnings necessary to meet a family’s basic needs while also maintaining self-sufficiency.”<sup>lvi</sup>

The MIT Living Wage Model calculates that in Pennsylvania:

- A single parent with one child needs a wage of \$32.41 per hour to earn a living wage.
- For that same individual, the federal poverty threshold is \$6.19 per hour.
- Minimum wage is \$7.25 per hour regardless of the number of dependents.

Go to Appendix 2 on [page 37](#) to see details for Living Wage Calculations in Pennsylvania as compared to poverty rates and the current minimum wage.<sup>57</sup>

Dr. Donna Bickford referenced United Way’s “The ALICE Report”, as she discussed the issues around living wages in our state, and in Cumberland County, specifically. ALICE stands for *Asset Limited, Income Constrained, Employed*, and describes those populations that, while above the federal poverty threshold, still do not have adequate income to purchase household basics necessary to live and work in the modern economy. In effect, ALICE is all about a living wage.

In Cumberland County, 20% of the population were considered “ALICE” based on 2018 data while 7% fell below the Federal Poverty line. In Pennsylvania, the picture is worse. ALICE households constitute 27% of all households in Pennsylvania with households below the federal poverty line at 9%.<sup>58</sup>

Dr. Bickford explained that the COVID 19 pandemic has worsened the impact of being an ALICE household. The August 2020 ALICE report identified some of the top reported challenges currently facing ALICE households:

- Difficulty in meeting household expenses, including food needs. Most respondents (77%) with household incomes below the ALICE threshold had one month or less in savings to cover basic household bills. And 44% of ALICE households report their top concern during the pandemic was paying for housing (matching the 44% of responders who were most concerned about catching COVID).
- ALICE households rely heavily on Medicaid and employer-supplied health insurance with 48% of ALICE household having at least one household member on Medicaid. Others report that if they lost their job, they would lose their healthcare.
- Households below the ALICE threshold were already impacted by the digital divide, but the pandemic meant that 29% of these households had to purchase internet access or an internet upgrade and 25% had to purchase a computer.
- Top child-care concerns for ALICE households during the pandemic include helping children with distance learning (52%), juggling work with children’s needs (50%) and health risks for children and household members (36%).
- Transportation needs are a top concern for ALICE families. There is inadequate public transportation across most of Pennsylvania. If you are income insecure, it is difficult to buy and maintain an automobile.

A CNA worker shared her experience after contracting COVID-19 from her patient:

*“...since I was not paid last week, I don’t have gas money to drive to my job...If there was a bus to my job, I would take it. But public transportation does not exist in the areas I work.”*

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Beyond Suffrage: Reclaiming the Future  
May 2022

While many women faced significant workplace challenges pre-COVID 19, the pandemic clearly exacerbated those challenges. And low-income women who fall below the ALICE threshold were affected most significantly.

## Minimum Wage Has a Role to Play

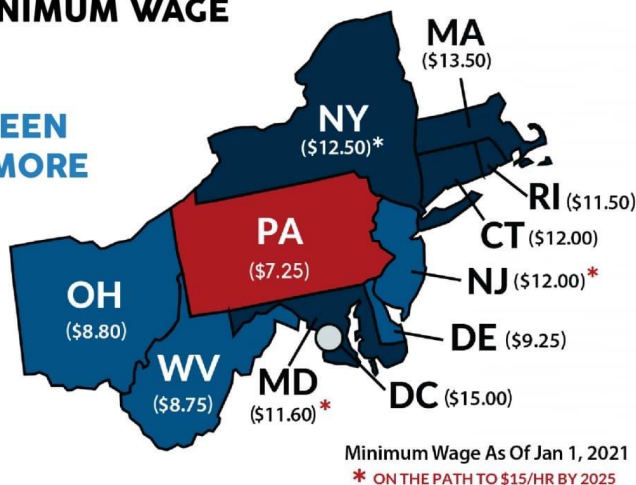
Pennsylvania is one of 20 states that hasn’t raised the 13-year-old federal minimum wage of \$7.25. However, the Commonwealth is the only such state in the Mid-Atlantic, according to the United States Department of Labor.<sup>59</sup>



Pennsylvania is surrounded by states who have higher minimum wages. This puts Pennsylvania and its employers at a disadvantage when competing for qualified workers. There is also collateral impact to the state budget and the cost to taxpayers for the cost of programs to provide aid to families in need.<sup>60</sup>

**EVERY STATE AROUND PENNSYLVANIA  
HAS RAISED THEIR MINIMUM WAGE  
MULTIPLE TIMES.**

**PENNSYLVANIA HAS BEEN  
STUCK AT \$7.25 FOR MORE  
THAN 10 YEARS!**



Credit: Pennsylvania Budget and Policy Center

## Who Would Benefit from an Increase in the Minimum Wage?

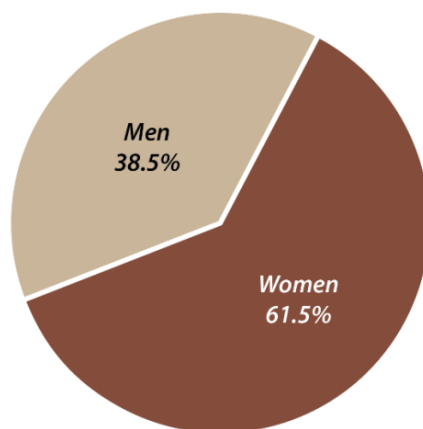
The Keystone Research Center and PA Budget and Policy Center looked at this question closely in their recent study on the topic. Their report examined several demographics and considered the impact of an increased minimum wage to \$15 by 2028. Here are some of their conclusions:

- **Age** - Only 14.4% of workers who would benefit from a \$15 minimum wage are teenagers—the vast majority of workers who would receive a wage increase are 20 or older (85.6%).
- **Race/Ethnicity** - Whites make up the largest share of workers (68.6%) who would benefit from a higher minimum wage, but other racial and ethnic groups benefit at higher rates. In Pennsylvania, 44.8% of all Hispanic workers would benefit from a 2028 raise in the minimum wage to \$15/hr., while 37.4% of Black workers in the state would see a wage increase, and almost a quarter of all Asian workers would benefit.
- **Education** - High school graduates make up the largest education group (43.4%) who would benefit from an increased minimum wage. One common misconception about low-wage work is that it is overwhelmingly done by people with low education levels but only 18.1% who would benefit have less than a high school education. While more than 38% of those who would benefit have at least some college experience.



- **Hours of Work** - Almost half of workers who would benefit from a 2028 minimum wage increase to \$15 per hour are full-time workers who work 35 or more hours a week.
- **Family Status and Children** - More than 28% of Pennsylvania workers who would benefit from the proposed minimum wage increase are parents to a child who lives with them and 17% of all Pennsylvania parents who have a child under 18 years of age in the household would see a wage increase.
- **Industry** - Workers from many different industries will benefit from the proposed \$15-per-hour wage by 2028. Notably, 23.7% of workers who will benefit are in wholesale trade and retail trade jobs. About a quarter of those who would benefit work in educational services, health care, or social services assistance, with another 22.7% working in restaurants, accommodation, and recreational services.
- **Location** - Of urban Pennsylvania residents, 23.5% would benefit under this proposal, while 28.3% of rural residents would see their wages rise.
- **Gender** - The minimum wage increase benefits all low-wage workers, but since women disproportionately work in low-wage jobs, they will see the greatest benefit. Figure 3 shows that of all the workers who would benefit from a minimum wage increase to \$15 by 2028, 61.5% of them are women. In fact, by 2028, 30% of all women in the Pennsylvania workforce would benefit from a minimum wage increase (18.7% of all men).<sup>61</sup>

**Women Make Up Over 60% of Workers Who Would Benefit From a Minimum Wage Increase to \$15/Hour by 2028**



Source: Keystone Research Center based on data from the Economic Policy Institute.

## A Call to Action: Help Pennsylvanians by Passing Legislation

The time is now for Pennsylvania lawmakers to step up and address the longstanding problem of our inadequate minimum wage. This issue is an important component of economic insecurity for women in the Commonwealth (as well as other low wage earners).

At the Beyond Suffrage event, Barbara Price discussed how lawmakers might best assist Pennsylvania workers who struggle with making ends meet because they are not paid a living wage. Pennsylvania Senate Bill 12, the *Comprehensive Modernization of the Minimum Wage Act*, sponsored by Senator Christine Tartaglione with 21 co-sponsors would immediately raise Pennsylvania’s minimum wage to \$12 per hour for all Pennsylvania workers and provide a pathway to \$15 per hour by 2027. It modernizes protections and enforcement standards in the law:

- Eliminates the preemption of municipal wage ordinances, which ties the hands of local governments that wish to raise the minimum wage for their citizens.
- Guards against wage theft by ensuring that the Department of Labor & Industry may cover wages and penalties for all violations of the act, not only when a complaint is filed.
- Brings enforcement in line with the Federal Fair Labor Standards Act by allowing workers to receive damages, in addition to wages.
- Requires the Department of Human Services to calculate and publish the impact of a minimum wage increase on its programs, and mandates that savings be used to increase child care and home and community-based services to ensure that these providers are able to pay the increased minimum wage.
- Eliminates the tipped minimum wage.

House Bill 345, the *One Fair Wage Act*, is the House companion bill to SB12 and is sponsored by Representatives Patty Kim and Stephen Kinsey with 41 co-sponsors.

We urge our representatives to support these bills and make a difference in the lives of women in Pennsylvania.

## **CONCLUSION**

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Two years ago, we celebrated the 100<sup>th</sup> anniversary of the ratification of the 19<sup>th</sup> Amendment to the U.S. Constitution giving women (at least some women) the right to vote. The suffragists in 1920 soon learned that gaining the right to vote was not the triumphant end of a movement, but the beginning of the long road to full equality for all American women. At the Beyond Suffrage event held in Carlisle, Pennsylvania on May 5, 2022, we explored the work that remains to be accomplished so that women can fully take part in our society, care for their families and achieve economic security. Women continue to face barriers, many of which were explored at the Beyond Suffrage event and are described in this paper, that prevent them from fully participating in our economy. But these barriers can be removed successfully if we take the necessary steps to do so. We urge our representatives in Harrisburg to move forward in addressing the issues we have highlighted in this paper. In this way we can improve not only the lives of women, but of all Pennsylvanians, and promote the economic well-being of the Commonwealth.

## APPENDIX - 1

### 2019 Pennsylvania Earnings Ratio by U.S. Congressional Districts

Congressional Representative	District	2019 Median Earnings - Men	2019 Median Earnings - Women	Earnings Ratio	Ranking in State*
Fitzpatrick (R)	PA-01	\$67,969	\$54,452	80.1%	5
Boyle (D)	PA-02	\$44,573	\$39,489	88.6%	2
Evans (D)	PA-03	\$51,985	\$49,466	95.2%	1
Dean (D)	PA-04	\$71,792	\$57,240	79.7%	6
Scanlon (D)	PA-05	\$62,696	\$48,031	76.6%	12
Houlahan (D)	PA-06	\$69,383	\$51,867	74.8%	16
Wild (D)	PA-07	\$54,576	\$41,627	76.3%	13
Cartwright (D)	PA-08	\$50,185	\$39,758	79.2%	7
Meuser (R)	PA-09	\$50,783	\$41,073	80.9%	4
Perry (R)	PA-10	\$55,179	\$42,455	76.9%	10
Smucker (R)	PA-11	\$54,923	\$41,479	75.5%	14
Keller (R)	PA-12	\$48,910	\$37,621	76.9%	11
Joyce (R)	PA-13	\$49,455	\$37,178	75.2%	15
Reschenthaler (R)	PA-14	\$55,998	\$41,047	73.3%	18
Thompson (R)	PA-15	\$49,539	\$36,642	74.0%	17
Kelly (R)	PA-16	\$51,009	\$39,547	77.5%	9
Lamb (D)	PA-17	\$63,268	\$49,237	77.8%	8
Doyle (D)	PA-18	\$57,148	\$46,339	81.1%	3

Source: U.S. Census Bureau, American Community Survey, 2019.

\*The congressional districts are ranked from smallest wage gap to largest wage gap.

## APPENDIX - 2

# MIT Living Wage Calculation for Pennsylvania

“The living wage shown is the hourly rate that an **individual** in a household must earn to support his or herself and their family. The assumption is the sole provider is working full-time (2080 hours per year). The tool provides information for individuals, and households with one or two working adults and zero to three children. In the case of households with two working adults, all values are **per working adult, single or in a family** unless otherwise noted.

The state minimum wage is the same for all individuals, regardless of how many dependents they may have. Data are updated annually, in the first quarter of the new year. State minimum wages are determined based on the posted value of the minimum wage as of January one of the coming year (National Conference of State Legislatures, 2019). The poverty rate reflects a person's gross annual income. We have converted it to an hourly wage for the sake of comparison.”

	1 ADULT				2 ADULTS (1 WORKING)			
	0 Children	1 Child	2 Children	3 Children	0 Children	1 Child	2 Children	3 Children
<i>Living Wage</i>	\$16.67	\$32.41	\$40.68	\$53.74	\$25.56	\$30.62	\$36.34	\$39.13
<i>Poverty Wage</i>	\$6.19	\$8.38	\$10.56	\$12.74	\$8.38	\$10.56	\$12.74	\$14.92
<i>Minimum Wage</i>	\$7.25	\$7.25	\$7.25	\$7.25	\$7.25	\$7.25	\$7.25	\$7.25

	2 ADULTS (BOTH WORKING)			
	0 Children	1 Child	2 Children	3 Children
<i>Living Wage</i>	\$12.78	\$17.86	\$23.28	\$27.23
<i>Poverty Wage</i>	\$4.19	\$5.28	\$6.37	\$7.46
<i>Minimum Wage</i>	\$7.25	\$7.25	\$7.25	\$7.25

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## ENDNOTES

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<sup>3</sup> Committee for Economic Development of The Conference Board, Child Care in State Economies: 2019 Update, Pennsylvania Fact Sheet. [www.ced.org](http://www.ced.org).

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<sup>12</sup> Ibid.

<sup>13</sup> Emily A. Shrider, et al, “Income and Poverty in the United States, 2020,” Current Population Reports (Washington, D.C. United States Census Bureau, September 2021), 4.

<sup>14</sup> U.S. Chamber of Commerce Foundation, 2020. “Untapped Potential: Economic Impact of Childcare Breakdowns on U.S. States.” February 28, 2020.

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<sup>16</sup> Ibid.

<sup>17</sup> National Women’s Law Center, “Resilient But Not Recovered: After Two Years of the COVID 19 Crisis Women Are Still Struggling,” July 2022

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