

Women In NYC Were Already Feeling Economically Pinched.

THEN THE PANDEMIC HIT.



The case for stronger policies and programs to support all American women

In August 2021, AAUW contracted with the public opinion research firm Ipsos to poll women in New York City about how they fared economically during the pandemic. The 723 women surveyed were representative of women in the five boroughs in terms of age, race, education and income.¹ The results of this survey document how too many women feel financially insecure, with many unable to meet even their basic expenses.

Women—including many women earning middle-class incomes—report that they were in a financially precarious position well before the pandemic pushed them over the edge. While those living in New York City and other high-cost cities face some unique challenges, their experiences before and after the pandemic provide a window into the larger national issue of how quickly all women can fall into financial hardship. These findings underscore the need for a full range of programs, policies and services to help women thrive in the good times and survive the bad.

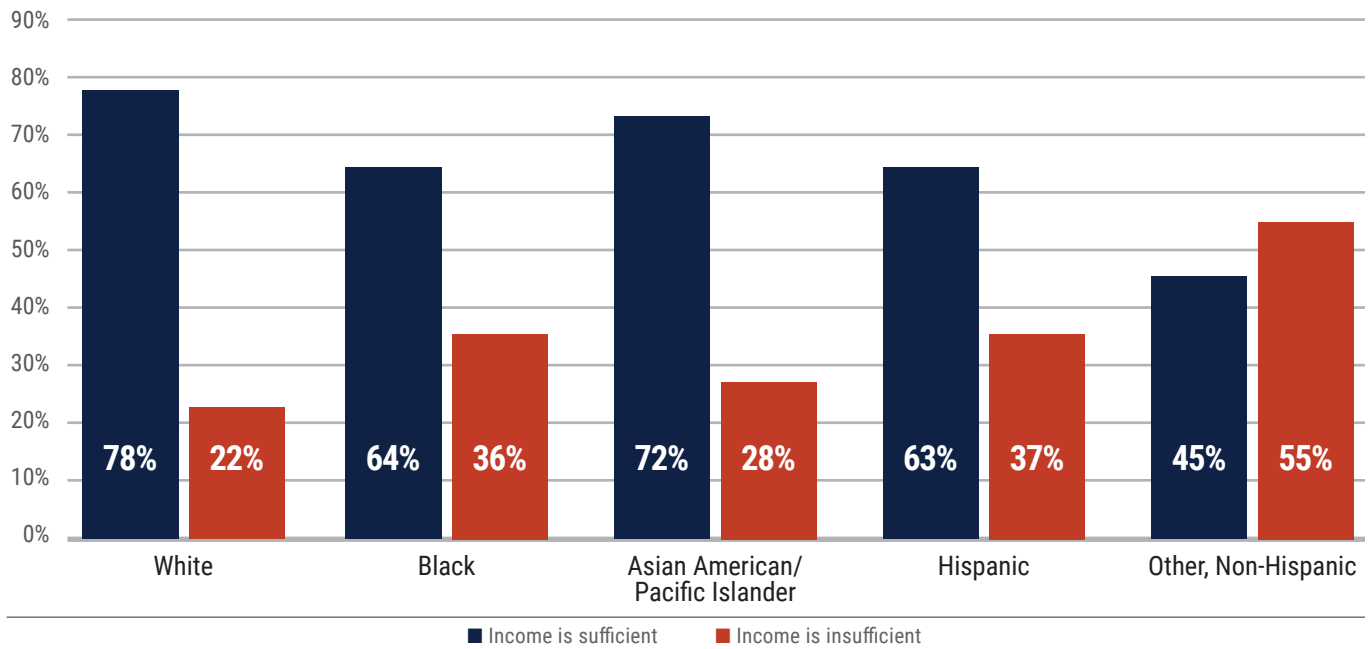
WOMEN IN NEW YORK CITY SAY THEY FEEL FINANCIALLY INSECURE—AND IT'S NOT JUST BECAUSE OF THE PANDEMIC.

A year and a half into the COVID-19 pandemic, women in New York City are in a precarious position. Nearly a third (31%) report that their income is insufficient to meet their basic needs, including housing, health care, food, utilities, transportation or child care.² The situation is bad for all women but much worse for women of color (Figure 1). Take, for instance, the difference between white women and Latinas: 22% of white women reported that their income did not cover their basic needs, compared to 37% of Latinas.

Our research indicates that wages are not the only factor in this racial divide. Among women whose household income was less than \$50,000 per year, only 51% of women

of color, compared to 60% of white women, reported that their income meets their basic needs.³ To explain why this might be the case, some national findings are revealing: In high-poverty neighborhoods, Black women face higher eviction rates than white women; low-income Black women are less likely to have health insurance and therefore to spend more on health care; and white Americans are more likely to receive money from their parents than Black Americans are, due to discriminatory policies that keep many Black families from building wealth.⁴

The picture gets worse when you look beyond basic necessities to consider women's broader economic vulnerability. Strikingly, 49% of women do not feel financially

FIGURE 1**Whether Income Is Sufficient to Provide for Women’s Basic Needs, By Race/Ethnicity**

secure, 48% do not feel comfortable when thinking about their current financial situation, and 53% report that their income is insufficient to secure the lifestyle they want. Even women living in middle- and upper-income households say they worry about their finances. Of women with annual household incomes greater than \$75,000—roughly \$11,000 above the median for New York City—over one-third do not feel financially secure.⁵

Did the pandemic put women in this position? There’s no denying that the economic collapse hurt women’s finances. In New York, by May 2020, almost twice as many women as men had dropped out of the labor force. By June 2020, 1 in 5 women in New York City were unemployed.⁶ And by August 2021, 38% of the women we surveyed reported that they had lost some or all of their income during the pandemic. Due to devastating

job losses in low-paying job sectors like retail, hospitality and child care, women in lower-income households were especially likely to lose money: Almost half of women in households with annual incomes below \$75,000 lost income due to the pandemic, compared to just over a quarter of women in households earning more than that amount.⁷

Yet the data make it clear that women’s financial difficulties predate the pandemic. Of the 31% of women whose income does not meet their basic needs, just under half (45%) had lost income during the pandemic, while just over half (55%) hadn’t. This drives home a critical point: Women were struggling to make ends meet long before March 2020. If a global health crisis had not devastated their finances, a job loss, a medical issue or an unexpected expense easily could have had the same result.

HOW WOMEN IN NEW YORK CITY ARE USING EXISTING SUPPORT SYSTEMS

Despite their best efforts, women are in a precarious position. But there are some support systems that can make a real difference, and the ways women use them shed light on how they can be expanded. These include comprehensive unemployment insurance, accessible paid leave for all and student debt relief.

Unemployment insurance

Unemployment insurance has provided a crucial lifeline for women. Our research found that, before the pandemic, 1 in 10 women in New York City needed unemployment insurance.

During the pandemic, nearly 1 in 5 did. There’s no denying that the pandemic mattered: Shuttering industries and closing child care centers forced women out of jobs and made it harder for them to find new ones. Because

of the crisis, women needed extended access to unemployment while they hunted for work. But this story is bigger than the pandemic. Over one quarter (29%) of women in New York City reported living in a sufficiently vulnerable position as to require unemployment insurance at some point in their lives.

Paid family and medical leave

Paid family and medical leave allows

women to care for their families without forfeiting their livelihoods—yet often, only women in higher-paying jobs have access to this critical benefit. Women making less than the median salary were far less likely to have taken either paid or unpaid time off work since the pandemic began (Figure 2). Of the women we surveyed, 67% have access to paid family and medical leave through their employer, 26% do not, and 7% don't know. Income makes a dramatic difference in access: 79% of women making more than the

median income have access to paid family and medical leave through their employer, compared to only 60% of women making less than average.⁸ Lower-income women with young children were also more likely to quit their jobs during the pandemic: 18% of women making less than the median income quit their jobs due to lack of child care, compared to 3% of women making more than the median. Having access to sufficient paid family and medical leave could have alleviated this burden and bridged an important gap.

Student Debt

Americans hold over \$1.7 trillion in outstanding student loan debt, and women take on more debt than men. While the difference between the average debt load of men and women initially is relatively small, after graduation, debt repayment collides with the gender wage gap and racial wealth gap, making it harder for women to repay their loans. Interest accrues. As a result, women hold nearly two-thirds of all outstanding student loan debt.¹⁰

Our survey reveals the real impact student debt has on women from all walks of life. According to our findings, 18% of women in New York City hold student debt, owing a median of \$17,500. Importantly, this is not just a young woman's burden: Over 40% of those with student debt are over the age of 38. That means that many women are trying to find room in their budget for student loan repayments on top of child-care costs—not to mention saving to buy a home or setting aside money for their children's college educations. When the pandemic strained women's already-tight budgets, more than half of women (54%) with outstanding loans had to adjust their repayment, pause their repayment or both.

FIGURE 2
Women and Leave During the Pandemic⁹

	Women earning less than NYC median income	Women earning more than NYC median income
Have used paid leave since start of pandemic	32%	54%
Have used unpaid leave since start of pandemic	3%	5%
Have used both paid and unpaid leave since start of pandemic	13%	13%
Have not taken any leave since the start of the pandemic	52%	29%
	100%	101%*

*Percentage points have been rounded to the nearest whole number. As a result, percentages do not total 100%.

POLICY RESPONSES TO HELP WOMEN SURVIVE THE BAD TIMES AND THRIVE IN THE GOOD

The pandemic made clear what women already knew: Too many women are living one crisis away from disaster. While this survey focused on women in New York City, the findings corroborate several national trends. To recover from the pandemic and economic downturn, not to mention thrive in the new normal and survive future setbacks, women across the country need expanded unemployment insurance, paid family and medical leave and student debt relief.

Expand Unemployment Insurance.

At the national level, during the height of the pandemic, when Congress passed the Coronavirus Aid, Relief, and Economic Security (CARES) Act, unemployment insurance lifted millions of people out of poverty and helped many more reduce hardship. Similarly, temporarily expanding the eligibility requirements of those qualifying for the federally funded Pandemic Unemployment Assistance (PUA) program meant that nearly 15 million

additional workers could access help. This expanded eligibility was especially important for reaching part-time workers, who are more likely to be women, and Black and Latina workers, who are over-represented in positions that are often misclassified as independent contractors and therefore ineligible for unemployment benefits in many states.¹¹

Despite both the necessity and success of expanded unemployment insurance, Congress failed to renew

these benefits. States, including New York, are unable to afford extending robust benefits without federal assistance.¹² Congress should make this a priority by ensuring coverage for every category of worker, including part-time workers, as well as those who face job loss or a reduction in hours. Congress can also lower or eliminate the earnings threshold to increase the number of workers covered by unemployment insurance.¹³

Establish Broadly Accessible Paid Leave Programs.

At the state level, New York already has both a paid family leave law and Temporary Disability Insurance (TDI).¹⁴ The programs have different parameters, and they cannot be used at the same time, but all employers in New York City need to educate their workers about these options. Moreover, as lawmakers seek to address holes in existing systems, they should consider which workers are unable to take advantage of these supports and why. Full wage replacement for the lowest earners could make a big difference.

In addition to state-specific policies, policy makers must take action at the federal level. The United States remains the only wealthy nation without paid leave. Enacting a well-funded and accessible program would enable more workers to get the time off that they need. It would also spur a national dialogue around paid leave that would encourage more people to understand and access the benefit. Congress is currently considering national paid family leave as part of the Build Back Better Act. While more limited than the sound approach outlined in the FAMILY Act, securing four weeks of paid leave for all workers—as currently proposed in the House-passed version of the Build Back Better Act—would be a transformative victory for working families.

Provide Meaningful Debt Relief.

As with unemployment insurance, the federal CARES Act provided necessary relief. Combined with the extensions that are in place through May 2022, most federal student loan borrowers' payments are temporarily paused and interest is not accruing.¹⁵ New York state and New York City also have several different programs to assist borrowers with forgiveness. However, the unknowns surrounding the status of the federal repayment pause make it difficult for individuals to plan for their future. The administration is currently weighing options to restart repayments, while Congress considers various proposals for student debt forgiveness.

Regardless of approach, any plan must be intentional and equitable. Forgiveness should extend to all borrowers, without regard to income, default status, repayment plan, industry sector or institution attended. This will ensure that the neediest borrowers, including low-income and low-wealth individuals, are not inadvertently excluded.¹⁶

Endnotes

¹ This Ipsos poll was conducted on behalf of the American Association of University Women between August 27 and September 16, 2021. It is based on a representative sample of 723 women residents of New York City, age 18 or older. The margin of sampling error is plus or minus 5.4 percentage points at the 95% confidence level, for results based on the entire sample of adults. In our reporting of the findings, percentage points are rounded off to the nearest whole number. As a result, percentages in a given table column may total slightly higher or lower than 100%. For more information on the poll, see <https://www.ipsos.com/en-us/news-polls/economic-outlooks-among-women-nyc-01112022>.

² Survey question: "My current monthly income is enough to provide me with the basic necessities I need in life (e.g., food, shelter/housing, transportation, etc.)"

³ For this relationship, $p < .001$, Cramer's $V = .275$. Due to sample sizes and survey methodology, these findings are provisional. White women may, for instance, be concentrated at the upper end of this income bracket, and women of color may be at the lower end.

⁴ Matthew Desmond, "Poor Black Women Are Evicted at Alarming Rates, Setting Off a Chain of Hardship," MacArthur Foundation, March 2014, https://www.macfound.org/media/files/hhm_-_poor_black_women_are_evicted_at_alarming_rates.pdf; On the cost of being uninsured, see Rachel Garfield, Kendal Orgera, and Anthony Damico, "The Uninsured and the ACA: A Primer" (San Francisco: Kaiser Family Foundation, January 2019); One in five low-income Black women do not have health insurance, compared to one in six low-income white women. See "Black Women Experience Pervasive Disparities in Access to Health Insurance" (Washington, D.C.: National Partnership for Women and Families, 2019), <https://www.nationalpartnership.org/our-work/resources/health-care/black-womens-health-insurance-coverage.pdf>; Kriston McIntosh et al., "Examining the Black-White Wealth Gap" (Washington, D.C.: Brookings, February 2020), <https://www.brookings.edu/blog/up-front/2020/02/27/examining-the-black-white-wealth-gap/>.

⁵ "Over one third," or 34.1%. Median household income in New York City is \$63,998 as per "Quick Facts: New York City, New York," United States Census Bureau, accessed November 5, 2021, <https://www.census.gov/quickfacts/fact/table/newyorkcitynewyork/INC110219>.

⁶ 20.8% unemployment by June 2020. See "A Crisis for Working Women and Mothers: Making the Case for Childcare at the Core of Economic Recovery" (New York: New York City Economic Development Corporation, May 2021), https://women.nyc/wp-content/uploads/2021/05/2021-ChildcareInnovation-SOTE_report.pdf.

⁷ For more on low-income job losses, see "The Simple Truth About the Gender Pay Gap: 2021 Update" (Washington, D.C.: American Association of University Women, 2021), https://www.aauw.org/app/uploads/2021/09/AAUW_SimpleTruth_2021_fall_update.pdf.

⁸ Women age 25 and up with earnings made an estimated annual median salary of \$41,304. See "American Community Survey: Educational Attainment," United States Census Bureau, n.d., <https://data.census.gov/cedsci/table?tid=ACSST5Y2019.S1501&g=1600000US3651000>.

⁹ $n=307$, $p < .001$, Cramer's $V = .253$. Women age 25 and up with earnings made an estimated annual median salary of \$41,304. See "American Community Survey: Educational Attainment."

¹⁰ "Deeper in Debt: 2021 Update" (Washington, D.C.: American Association of University Women, 2021), 1, https://www.aauw.org/app/uploads/2021/05/Deeper_In_Debt_2021.pdf.

¹¹ Amy Traub, "7 Things We Learned About Unemployment Insurance During the Pandemic," National Employment Law Project, November 16, 2021, <https://www.nelp.org/publication/7-things-we-learned-about-unemployment-insurance-during-the-pandemic/>.

¹² Matthew Haag and Nicole Hong, "800,000 New Yorkers Just Lost Federal Unemployment Benefits," *New York Times*, September 7, 2021, <https://www.nytimes.com/2021/09/07/nyregion/nyc-federal-unemployment-benefits.html>.

¹³ "AAUW Latina Initiative: Policy Recommendations" (Washington, D.C.: American Association of University Women, 2021), https://www.aauw.org/app/uploads/2021/07/LatinaPolicyRecs_2.0.pdf.

¹⁴ "Family Leave Works New York," A Better Balance, accessed November 23, 2021, <https://www.abetterbalance.org/family-leave-works-new-york/>.

¹⁵ Meghan Lustig, "Update on Coronavirus Student Loan Relief," *U.S. News & World Report*, August 12, 2021, <https://www.usnews.com/education/blogs/student-loan-ranger/articles/update-on-coronavirus-relief-for-student-loan-borrowers>.

¹⁶ "Deeper in Debt: 2021 Update," 3.